

Gender Pay Report 2022

The Federated Hermes Pledge

I pledge to fulfill, to the best of my ability and judgment and in accordance with my role, this covenant:

I will act ethically, responsibly and with integrity.

I will put the interests of our clients first, consistent with our fiduciary responsibilities.

I will encourage responsible behaviour in the firms in which we invest and on which we engage.

I will act with consideration for our community and the environment both now and in the future. I will encourage others to do the same.

I will work with industry colleagues and other key stakeholders to develop and improve our industry's contribution to society.

I will treat my clients, my colleagues and all other stakeholders with dignity and respect and as I would wish to be treated.

I will deal with our regulators in an open, co-operative and timely way.

I will communicate clearly and honestly with all parties inside and outside our firm.

I will manage conflicts of interest fairly between all parties.

This year I am pleased to say that our gender pay report numbers have seen an improvement. This is across both mean and median (overall) pay and mean bonuses, though we did see a slight widening of the median bonus gap related to eligibility for bonuses of those who joined the company late last year.

There were several reasons for the overall improvement. Among them was the increase in senior women at the firm since the last review which, at 32%, is some way off our 50% target but nonetheless an encouraging improvement. We also saw more women promoted at senior levels than men which also helped to improve the gender pay data.

We also have taken several important measures – outlined in this report – to support more inclusive recruitment; to promote more sustainable careers across our organisation; and to understand underlying motivations where we have had leavers. A lot of excellent work has been done and I am grateful to all those who have driven this work.

My hope and expectation is that the gender pay gap will continue to close in the coming years, and that the many steps we are taking now ensures that Federated Hermes Limited is held up as one of the fairest, most diverse, and responsible employers in our industry.



Saker Nusseibeh, CBE
CEO,
Federated Hermes Limited



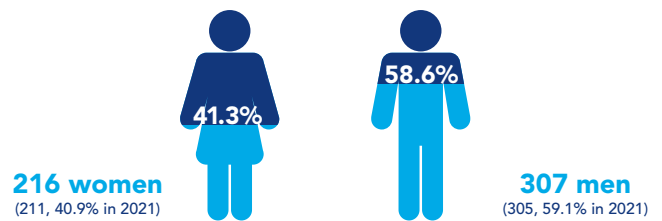
Our figures

Federated Hermes Limited’s approach to pay is gender neutral, with both male and female staff paid fairly for the work that they undertake. Further to this, the Company regularly evaluates its pay to ensure that all staff are compensated fairly.

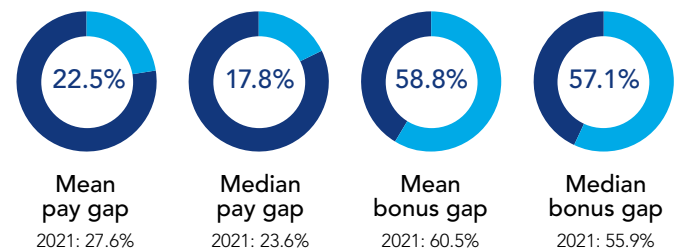
Defining the Gender Pay Gap

The Gender Pay Gap measures the difference in average pay between men’s and women’s earnings across an organisation by expressing women’s pay as a percentage of men’s pay. This is not the same as equal pay which refers to men and women receiving equal pay for equal work.

Total workforce as at April 2022



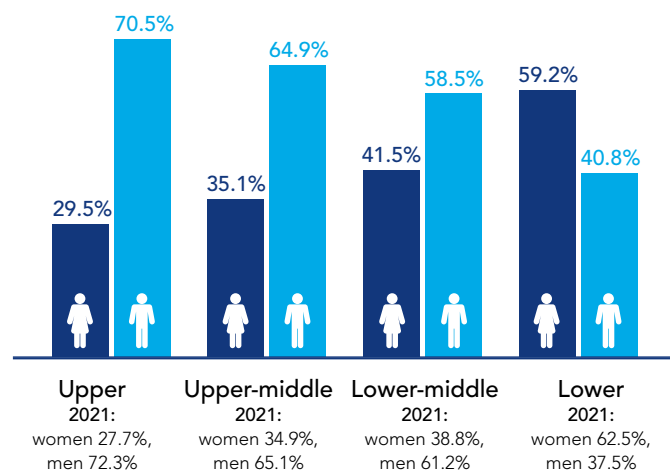
Gender pay and bonus gaps



Percentage of men and women receiving a bonus



Proportion of women and men in each pay quartile



Cause

Our analysis has shown that our pay and bonus gaps are largely driven by the under-representation of women in senior roles.

Progress and next steps

In 2022 we launched our Sustainable Career programme, which provides employees with learning opportunities and tools to be successful in their careers and development journeys. We have focused on the following activities:

- Creating a culture and open and safe space to talk about menopause – 15 colleagues have been trained by an external organisation as **Menopause Champions**, to support female and male colleagues to gain a better understanding of and insight into the menopause. We have enhanced our private medical insurance to include a specialist menopause consultation with a qualified doctor and for those who do not have private medical insurance, they can access support through our Employee Assistant Programme provider.
- **Inclusive recruitment training**, 19 employees were trained on how to conduct culturally competent interviews resulting in a diverse and knowledgeable recruitment panel. This enabled panellists to feel empowered to make positive, impactful contributions to the recruitment process and equipped to short-list, interview and select candidates more inclusively.
- Over 270 leaders attended three workshops on **Modelling and Understanding Inclusive Leaders**, with two follow up focus groups on how they have implemented the learning into their roles as leaders.
- 10 colleagues and their line managers supported by Senior Leadership sponsors completed the **Inclusion Ecosystem change programme**. This programme was designed to drive culture change in the development of employees within our organisation to help meet our targets.
- Ran a **Disability Awareness Campaign** to support our colleagues with disabilities and raised awareness across the organisation.
- **Launched Safe Space**, a model based on a meaningful conversation between senior leaders and ethnic minority colleagues in the organisation. The outputs of the Safe Space meetings are discussed and actioned at the Race Steering Committee, which includes members of the Senior Management team.
- Held **listening circles** with our female colleagues which offered a safe space for individuals to open and share their thoughts, emotions, experiences, and challenges without fear of being judged.
- Designed and implemented **Personal Development Plan (PDP)** clinics to promote an all-inclusive learning culture and highlighting the importance and benefit of creating a PDP to support career and development aspirations.
- Built awareness and promoted our **internal mentoring scheme** to enhance career journeys and personal development.
- Conducted a 12 month **Exit Interview thematic review** to gain a deeper understanding of why employees are leaving the organisation. The outputs of the review were shared with the Senior Management team and the Inclusion Committee.
- Participated in the **Target Gender Equality Programme** organised by the United Nations Global Compact. The purpose of the programme is to support companies in setting and meeting ambitious targets to advance Gender Equality. We were able to deploy the Women Empowerment Principles Analysis tool (WEPs) to help identify strengths, gaps, and opportunities to improve performance on gender equality.

Federated Hermes

Federated Hermes is a global leader in active, responsible investing.

Guided by our conviction that responsible investing is the best way to create long-term wealth, we provide specialised capabilities across equity, fixed income and private markets, multi-asset and liquidity management strategies, and world-leading stewardship.

Our goals are to help people invest and retire better, to help clients achieve better risk-adjusted returns, and, where possible, to contribute to positive outcomes that benefit the wider world.

Our investment and stewardship capabilities:

- **Active equities:** global and regional
- **Fixed income:** across regions, sectors and the yield curve
- **Liquidity:** solutions driven by four decades of experience
- **Private markets:** real estate, infrastructure, private equity and debt
- **Stewardship:** corporate engagement, proxy voting, policy advocacy

For more information, visit www.federatedhermes.com or connect with us on social media:

