

# Gender Pay Report 2024

## 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.

### A message from our Chief Executive Officer

Since Federated Hermes Limited, based in London, began reporting on its gender pay gap, we have made significant progress toward gender balance across all levels at Federated Hermes Limited. We know that pay gaps are driven by our workforce profile, not pay differences, and that year-on-year changes to our employee make-up can drive significant data fluctuations.

While we have made good progress to improve gender representation, with women currently representing 45% of Federated Hermes Limited's workforce, 50% of our board and 34% of our senior management, our journey towards closing the gender pay gap remains ongoing. This is underlined in our latest figures, in which we have seen an increase in both our mean and median pay gap figures at Federated Hermes Limited. We believe this rise has been driven by several factors including changes within our business which has affected our workforce profile.

While we are disappointed by this setback, we remain confident in our efforts outlined in this report which are in place to achieve greater female representation through seeking to broaden the pool of qualified female candidates and progressively narrow the gender pay gap in alignment with our goals.

**Saker Nusseibeh, CBE**  
CEO,  
Federated Hermes Limited



### 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.

### The calculations

The mean is calculated by adding up the total pay of employees and dividing the sum by the total number of employees.

The median is the middle number in a ranking of pay from lowest to highest and gives us a view of what "typical" pay is.

### Our female board and Senior Management Team members



**Deborah Cunningham**  
Chief Investment Officer,  
Global Liquidity Markets



**Dolores Dudiak**  
Vice President, Director,  
Human Resources



**Jane Lambesis**  
Senior Vice President,  
Regional Sales Consultant



**Kerry Wang**  
Group Finance Director



**Sylvie McLaughlin**  
Head of Office, Ireland

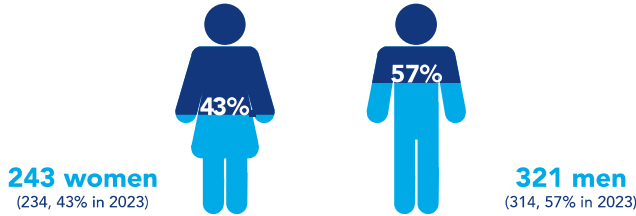


**Ursula Henry**  
Head of Executive  
Business Management

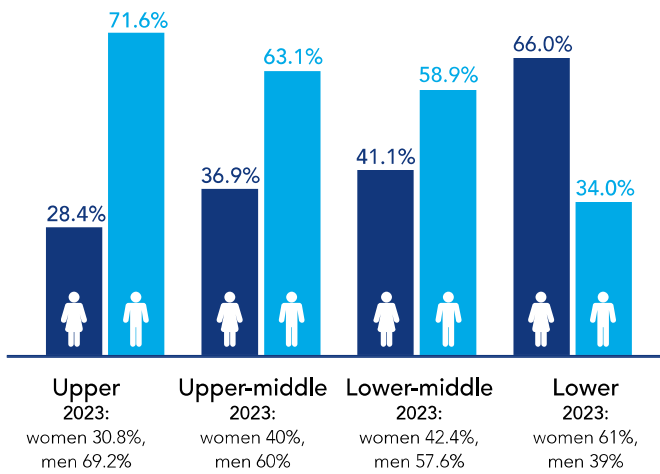


## Our figures as at April 2024

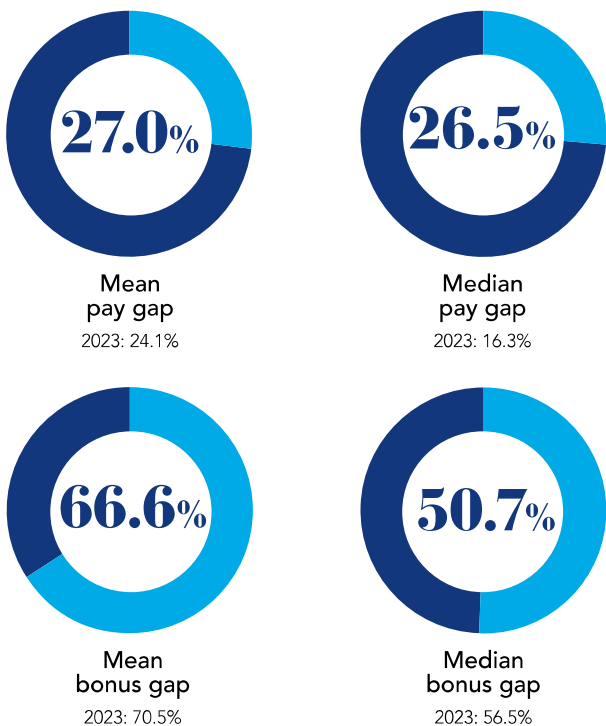
### Total workforce as at April 2024



### Proportion of women and men in each pay quartile as at April 2024



### Gender pay and bonus gaps as at April 2024



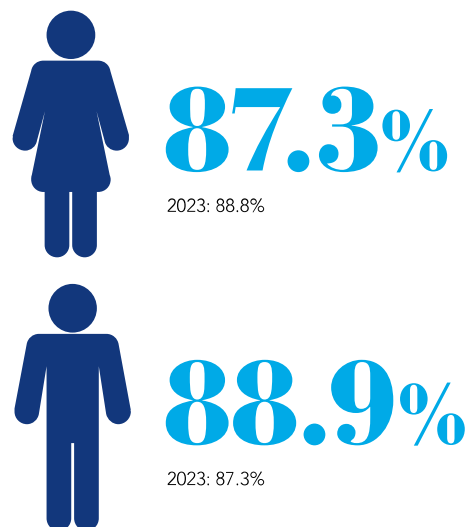
### Understanding the Gap

The population in scope for gender pay gap reporting is reviewed each year in line with government guidelines. Those not receiving full pay are excluded from the pay calculations and those who are ineligible for bonus payments are not removed from the bonus calculations. This is important to note as it means that the population from one year to the next is not static. For instance, the female representation of full pay relevant employees has increased by 4% from the 2023 to 2024 reporting cycle.

Although we have seen improvements over the past nine years in our data, this year’s analysis indicates a setback in the gender pay gap compared to last year, with men generally earning more than women across various grades and positions. Our analysis has shown that the proportion of women within the Upper Quartiles has decreased within the last year from 30.8% to 28.4%, as has the proportion of women in the middle quarter up by 3.1%. The remaining quartiles also saw a decrease. The year-on-year comparison shows an increase in the gender pay gap, influenced by higher average pay for male joiners and lower average pay for female joiners. The organisational restructure also played a role, due to the lack of replacement for these roles, has further highlighted the challenges in maintaining gender diversity at higher levels.

Whilst there is no obligation for the firm to award a discretionary performance and behaviour related bonus, we have seen in 2024 there is a mean bonus gap of 66.6% and a median bonus gap of 50.7%, which is a decrease in both year on year. This is predominantly due to a decrease in bonus pay for men, influenced by senior male leavers.

### Percentage of men and women receiving a bonus as at April 2024



Note

- i. this data is based on all relevant UK employees for the reporting period 6 April 2023 to 5 April 2024
- ii. the data is focussed on binary definitions of gender as required by UK legislation. However, we will continue to also support employees who do not fit into this binary definition of gender.

Bonus Pay gap	Mean	Median
2024	66.6	50.7
2023	70.5	56.6
2022	58.8	57.1
2021	60.5	55.9

### Mean Bonus Gap:

- The mean bonus gap has fluctuated over the past four years.
- There was a significant increase from 2022 to 2023, followed by a decrease in 2024.

### Median Bonus Gap:

- The median bonus gap has shown a general trend of decrease from 2022 to 2024.
- The gap was highest in 2022 and has been reducing year on year.

The data indicates that while there have been fluctuations in the mean bonus gap, the median bonus gap has shown a consistent decrease over the past four years. This suggests an overall improvement in reducing the disparity in bonus pay between men and women.

### Long Term Trends

Over the last nine years, we have seen an 11% increase in the proportion of women within our overall workforce coupled with an 10% increase in women at senior management level and 10% increase of women on the FHL Board, now at 50%.

In 2024, the proportion of women firm-wide and at senior level increased from 43% to 45% (as reported in the 2024 Women in Finance Charter WiFC submission). Key contributions towards the increase are promotions at Senior Management level and new joiners (8 at Senior Management grade).

The annual increase in senior representation shows positive progress relative to the market which is tracking a 1% increase (based on the WiFC 2023 review) and in line with Investment Management signatory average of 32% in 2023.

During 2024 our business has continued to evolve and integrate since Federated Hermes, Inc. acquired a majority interest in Federated Hermes Limited in 2018. We are continuing our integration journey to ensure that we are best placed to deliver sustainable wealth creation that enriches investors, benefits society and preserves the environment. Longer-term, we anticipate that this will create new opportunities as functions and roles globalise to maximise the expertise and capabilities within our broader Federated Hermes group. In turn, this will enable us to continue our investment in talent across all our business.



**Ursula Henry,**  
Head of Executive  
Business Management,  
comments:

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Despite the challenges highlighted in our gender pay gap analysis, our commitment to transparency and continuous improvement remains strong. Our employee engagement survey and feedback from our seven Community for All employee resource groups confirm the positive impact of our diversity and inclusion efforts. With the support and commitment from our Senior Management Team at Federated Hermes Ltd, we are confident that new opportunities will arise as we integrate further with the wider Federated Hermes group, enhancing our ability to foster an inclusive environment and achieve our goals.

## Addressing the Gap

### Planned/ongoing actions



#### Recruitment & Retention

- Review structural and behavioural barriers that may impact recruiting – continue to conduct analysis of the language of our job adverts to minimise gender and any other unconscious bias.
- Promote internal mobility through continuation of frequent communications on employee movements and openings.
- Continue to work with our Employee Network Groups to understand which benefits are of importance and value to them and enhanced our core benefits offering as a result.
- Run a series of masterclasses open to all colleagues, to raise awareness and opportunities for professional development and growth.



#### Culture & Behaviour

- Continue our annual employee engagement surveys to measure culture changes.
- Integrate Employee Network initiatives to increase the belonging of all employees' intersectional identities through training workshops and the promotion of role models and allyship.
- Continue our "Introduction to Culture at FHL" workshops for all new joiners to raise awareness of our values, how these are connected to our performance expectations and provide an overview of opportunities to expand their network and find a space to connect with others.
- Following the marked success of our demographic data collection campaign last year (from 44% to 78% of colleagues submitting their personal demographic data) we will continue to monitor the collection of the data as a mechanism to inform our efforts and monitor key levers throughout the employee lifecycle on a bi-annual basis.
- Continue to work on enhancing our brand as an inclusive employer through credible accreditations such as achieving our Disability Confident Level 3 status by 2026 and Menopause Friendly Accreditation (achieved in July 2024).



## 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 five decades of experience
- **Private markets:** private equity, private credit, real estate and infrastructure
- **Stewardship:** corporate engagement, proxy voting and policy advocacy

For more information, visit [www.hermes-investment.com](https://www.hermes-investment.com) or connect with us on social media:

