

Gender Pay Report 2025

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

Over the past year, we have continued to make meaningful progress in narrowing the mean gender pay gap at Federated Hermes Limited. This improvement has been driven by our collective effort to create a more inclusive organisation, supported by structural changes within our population. Actions we have taken - strengthening our talent pipeline, enhancing transparency in our data, and focusing on career development and progression - have all contributed to this positive effect.

At the same time, these results remind us that closing the gender pay gap is part of a broader long-term journey. While there are encouraging signs, we still have work to do, particularly in increasing female representation at senior levels and ensuring that progress is consistent across all parts of the business.

We remain firmly committed to this work. With sustained focus, thoughtful initiatives, and continued collaboration across teams, I am confident that we can accelerate our progress in the years ahead.

Continued progress is not only achievable - it is essential to the kind of organisation we aspire to be: one where all colleagues have equal opportunity to grow, contribute and succeed.



Saker Nusseibeh, CBE
CEO,
Federated Hermes Limited



Our pay philosophy

Federated Hermes Limited's ("FHL" or "the Company") approach to pay is gender neutral, with both male and female employees paid fairly for the work that they undertake. Further to this, the Company regularly evaluates its pay to ensure that all employees are compensated fairly. We are committed to rewarding employees with a focus on providing sustainable, long-term careers in an inclusive work environment.

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



Jane Lambesis
Senior Vice President,
Senior Regional Consultant



Dolores Dudiak
Vice President, Director,
Human Resources



Kerry Wang
Director of Corporate
Accounting, FHL



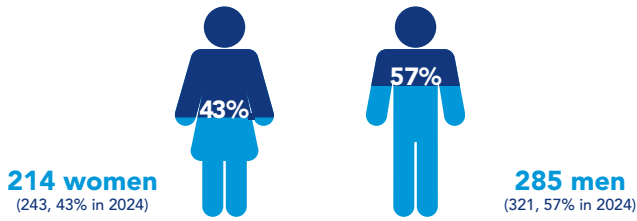
Sylvie McLaughlin
Head of Office, Ireland



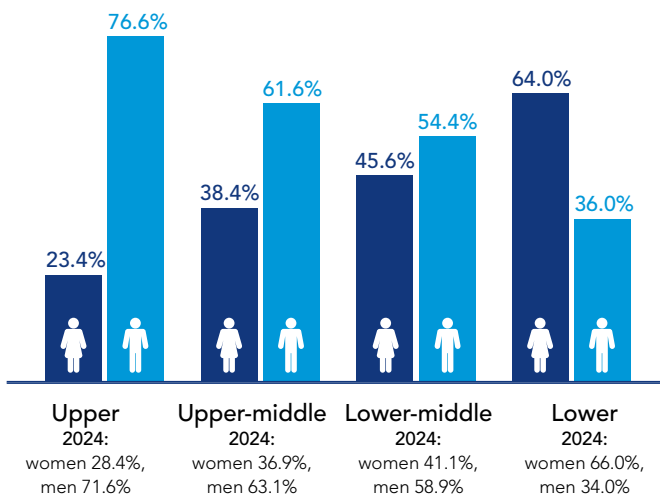
Ursula Henry
Head of Executive
Business Management

Our figures as at April 2025

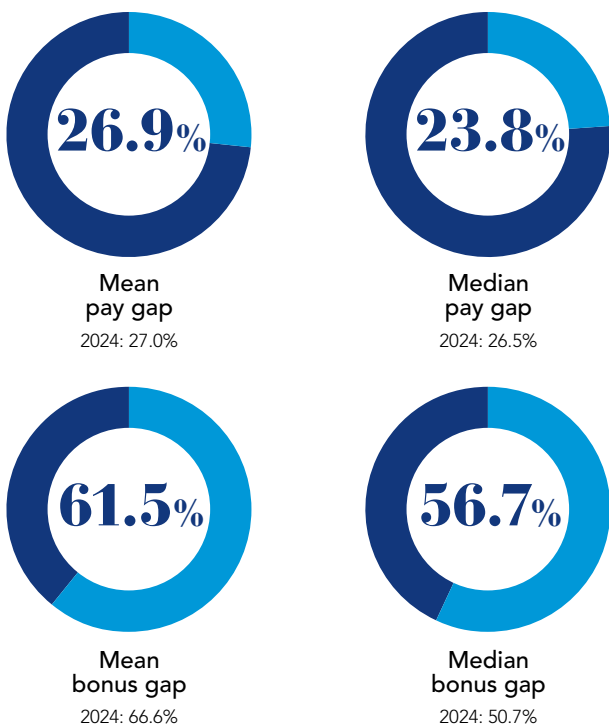
Total workforce as at April 2025



Proportion of women and men in each pay quartile as at April 2025



Gender pay and bonus gaps as at April 2025



Understanding the Gap

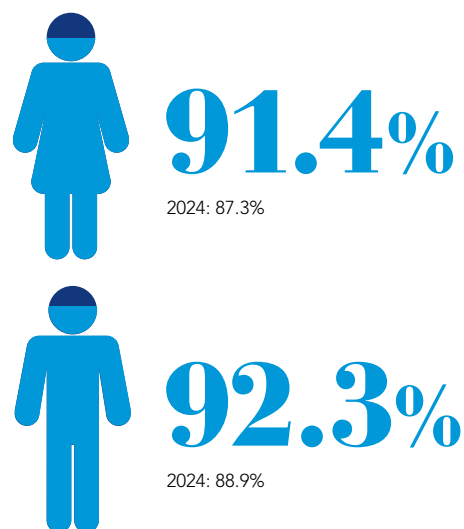
The population included in gender pay gap reporting changes each year in line with government guidance. Employees not on full pay are excluded from hourly-pay calculations, while all employees eligible for bonus – regardless of whether they received full pay – remain in scope for bonus reporting. As a result, the reporting population is not static, and year-on-year movements can reflect changes in eligibility as well as underlying workforce shifts. In this cycle, the proportion of women counted as full-pay relevant employees decreased by 11% compared with 2024.

Despite this change in population, both the mean and median gender pay gaps show modest improvement, with the mean narrowing by 1 percentage point and the median by 3.1 points.

Analysis of pay quartiles shows a continued decline in the proportion of women in the upper quartile over the past two years – from 30.8% in 2023 to 28.4% in 2024 and 23.4% in 2025. However, improvements were seen elsewhere, with female representation rising by 1.5 percentage points in the upper-middle quartile and by 4.5 points in the lower-middle quartile. The lower quartile saw a small decrease of 2 percent, from 66% to 64%.

Bonus outcomes also reflect a mixed picture. The median bonus gap increased by 6 percentage points to 56.7%, indicating that the median woman’s bonus has fallen further behind the median man’s bonus. This measure is particularly sensitive to distributional shifts, as fewer women are represented in the highest bonus ranges due to a reduction in senior women. In contrast, the mean bonus gap improved by 5.1 percentage points to 61.5%, driven largely by the departure of seven senior male employees whose historically high bonuses significantly influenced prior-year averages.

Percentage of men and women receiving a bonus as at April 2025



Note

- i. this data is based on all relevant UK employees for the reporting period 6 April 2024 to 5 April 2025
- 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
2025	61.5	56.7
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 shown notable volatility over the past four years.
- After a sharp increase between 2022 and 2023, the mean gap has decreased for two consecutive years, falling from 66.6% in 2024 to 61.5% in 2025.
- This reduction reflects a positive movement, influenced in part by the departure of several senior male employees whose historically high bonuses had widened previous gaps.

Median Bonus Gap:

- The median bonus gap had been on a steady downward trend in recent years; however, this year marks a reversal of that pattern.
- The median gap has increased by 6 percentage points to 56.7%, indicating that the women’s bonus has moved further behind the men.
- Unlike the mean, the median is more sensitive to shifts in the distribution, as fewer women are receiving higher bonus awards due to a reduction in the number of senior women.

Since 2021, the mean bonus gap has ranged from 60.5% to 70.5%, underscoring its susceptibility to changes in senior leadership composition. The median bonus gap has shown less volatility, moving between 50.7% and 57.1% over the same period – but this year’s increase signals an area requiring renewed focus.

Long Term Trends

Over the past ten years, we have seen meaningful progress in female representation across FHL, with a 10% increase in women across the overall workforce, a 17% increase at senior management level, and a 13% rise in female representation on the FHL Board, which now stands at 50%.

However, in 2025 we saw a slight reduction in the proportion of women both firm-wide and at senior levels, with overall representation decreasing by 1% to 44% (as reflected in the 2024 Women in Finance Charter submission). Female representation at senior management level also declined from 34% to 31%.

While our latest results show we are not yet where we want to be relative to the broader market, the foundations we have built, particularly in pipeline strength, data transparency and global alignment position us well to accelerate progress. Our continued focus on senior hiring, succession planning and targeted development will help us convert this momentum into sustained growth in female representation at senior levels.



Ursula Henry,
Head of Executive
Business Management,
comments:



This year’s results show clear signs of improvement and reflect a business that is evolving. We are strengthening our talent pipeline, increasing transparency in our data, and seeing early impact from the work underway across progression and culture. As our alignment with the wider Federated Hermes group deepens, we are creating broader opportunities and more consistent pathways for our people. This positions us well to accelerate further progress and continue building a resilient, inclusive organisation.

Addressing the Gap

Planned/ongoing actions



Recruitment

- Embed the Global D&I Policy (launched July 2025) into all regional hiring processes to ensure consistently inclusive recruitment practices worldwide.
- Continued use of balanced shortlists and diverse, inclusion trained interview panels to mitigate bias in senior hiring.
- Strengthen future talent pipelines by expanding partnerships with programmes such as Upreach and Envision broadening entry routes into investment careers.

Promotions & Progression

- Strengthen the long-term leadership pipeline by sustaining the higher promotion rates of women at early-career levels and converting this momentum into mid- and senior-level progression.
- Leverage internal mobility and succession planning as key drivers of gender balance, using this period to elevate existing talent and accelerate progression for women.
- Build on strong Assistant Manager promotion outcomes to accelerate early leadership development and prepare more women for future management roles.
- Continue to invest in strong representation at junior and early-career levels to maintain a durable future pipeline, even as senior-level representation fluctuates.
- Embed the new Global Compensation Harmonisation framework to enhance fairness, transparency and consistency in progression decisions across all regions.
- Leverage expanded demographic disclosure (now at 79%) to deepen insight into representation, promotion and intersectional career progression trends, informing targeted action plans.



Retention & Succession

- Conduct targeted retention interventions for high potential women, prioritising teams affected by senior female attrition to strengthen leadership pipelines and minimise risk.
- Increase visibility and access to cross group mobility opportunities as integration across the Federated Hermes group expands, supporting career growth and talent development.
- Leverage improved demographic data capture to deepen visibility of workforce representation and utilise broader demographic categories – including disability, neurodiversity, sexual orientation and socio-economic background – to better understand intersectional experiences.

Culture & Behaviour

- Continue to use insights from the annual engagement survey to shape retention priorities and embed inclusive leadership behaviours across the organisation.
- Embed consistent allyship, inclusive leadership expectations and behavioural standards across all functions and regions to strengthen a unified culture.
- Continue delivering “Introduction to Culture at FHL” workshops to ensure every new joiner understands our values, expected behaviours and their contribution to an inclusive environment.
- Strengthen leadership accountability through the D&I strategy, sponsored mentoring and sustained, visible engagement with Employee Networks.
- Expand the “Did You Know?” micro-learning series to provide accessible, high-impact content on inclusion, health and wellbeing, cultural awareness and lived experience.
- Enhance our inclusive employer brand through priority accreditations, including Disability Confident Level 3 and the Menopause Friendly Accreditation already achieved.



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 or connect with us on social media:

