

UK Gender Pay Gap report 2023



Doug Sharp
Senior Managing Director &
Head of Americas & EMEA

Diversity and inclusion (D&I) has been a significant focus for Invesco for a number of years now. We have embedded D&I goals across the business and throughout our journey there has been a strong emphasis on creating a truly inclusive workplace, to increase our employees' sense of belonging and facilitate a culture where everyone can flourish, to enable us to deliver the best outcomes for our clients.

Being able to draw upon a wide range of experiences and backgrounds is critical to our success and we strive for a gender balance across our business that better reflects society and enables us to continue to be one of the best investment managers in our industry.

We are confident that we do not have an equal pay issue. Analysis of pay levels for comparable roles across Invesco, during our annual compensation review process, shows that men and women are paid fairly for similar work.

We are pleased to report that, since last year, we have made improvements in closing the gap in five of the six measures relating to gender pay. However, we know we still have more to do. The gap we have between what men and women are paid on average, and at the median, arises from a lack of representation of women at our most senior levels and in certain functions within our business. Right now, women occupy 33% of our senior roles globally (27% in EMEA), up from 26% in 2018. We will continue to focus our efforts on improving the representation of women at this level and across our various functions.

We recognise we still have work to do, but believe we have the right strategy in place and the engagement across the business to realise our aspirations.




Devvya Sharma
Diversity & Inclusion Manager,
EMEA

Focusing on gender – part of our wider inclusion strategy

Workforce diversity and gender pay are very closely linked. We can only close the gender pay gap by achieving a truly diverse workforce in all areas of our business. Our data shows that we are making progress but we know that we have much more to do.

At Invesco, we are determined to improve both diversity and inclusion in every area of our business through a number of initiatives. These include bringing a diverse pool of talent into the organization through our external partnerships, developing and retaining talent through leadership development programs, mentoring and career development opportunities and active employee engagement via our Business Resource Groups.

We have made strides in hiring, promoting and retaining female employees but continue to focus on our efforts to improve in 2024 and beyond.



Our partnerships



Equal pay and gender pay gap

Equal pay and the gender pay gap are different but connected concepts. The gender pay gap represents the overall difference between the average and median pay of all men and all women in a company. Equal pay legislation ensures that men and women in the same company performing like work receive equal pay. Through our robust compensation practices, we ensure that men and women in the same role receive similar pay; we only differentiate based on experience, responsibilities or individual performance — not gender or any other protected characteristic.

Focusing on gender — part of our wider inclusion strategy

At Invesco encouraging diversity of thought and listening to varied perspectives sits at the heart of our culture and purpose. One of the key aims of our D&I strategy is to improve the gender balance and representation of women across all areas of our business. Our initiatives are supported by our D&I framework and are focused on actions that are widely accepted as having a positive impact on gender diversity in particular. Some of our key accomplishments in 2023 include:



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Diversity Project UK's Pathway Programme

We participated in the first cohort of the Pathway Programme, putting through 3 talented female colleagues, with aspirations to become future fund managers.

Launched Talks That Matter series

In 2023, we ran over 20 safe space conversations, along with our external partner Talking Talent, allowing us to assess our progress towards creating a culture that gives our employees a voice.

Industry collaboration

Active participation in and executive sponsorship of several Diversity Project - UK workstreams. We co-lead the SMART Working as well as the Social Mobility workstreams. We also participated in research projects with University of Cambridge and Warwick University.

Enhanced parental leave

Our enhanced parental leave policy continues to be one of the best in practice with increased support offered to all parents in the workplace.

Unconscious Bias training for all employees

Launched Unconscious Bias training for all employees with 97% completion globally in 2023.

Mentorium

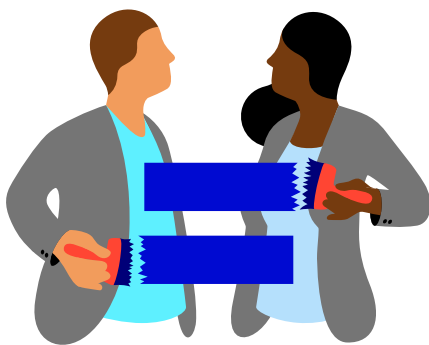
We launched a global mentoring scheme that allows for Employee Resource Groups' based matching, and we had over 1000 mentor-mentee pairs participate in 2023.

Our Business Resource Groups (BRGs) bring together diverse networks

We have seven active BRGs in EMEA focused on promoting different aspects of diversity and inclusion. These include Invesco Women's Network; Invesco Proud; EMEA Ethnicity Network; Working Families Network; Neurodiversity Network; the Rising Career Network & Social Mobility Network.

Regional and industry mentoring programmes

In addition to our internal Mentorium program, we also participate in industry mentoring through our partnership with City Hive, Black Women in Asset Management and the UK Diversity Project.



Gender pay – the numbers

UK gender pay gap headline figures: What do our global gender pay gap figures show?

- Our mean gender pay gaps have improved since we first reported in 2017.
- Representation of women in our higher-paid roles remains a challenge and while we've made progress there is still more to do.

The figures provided are based on the hourly rate of pay for Invesco UK employees on 5 April 2023 and bonuses (performance awards) paid in the 12 months prior to 5 April 2023. Comparative data is drawn from Invesco's 2017 – 2022 UK Gender Pay Gap (GPG) reports.

Gender pay and bonus gap (%)

The gender pay and bonus gap is defined as the difference between the mean or median¹ hourly/bonus rate of pay that male and female colleagues receive.

		Median	Mean
2017	Hourly pay	30	40
	Bonus pay	58	84
2018	Hourly pay	33	42
	Bonus pay	58	82
2019	Hourly pay	33	44
	Bonus pay	61	82
2020	Hourly pay	31	40
	Bonus pay	55	80
2021	Hourly pay	31	31
	Bonus pay	58	77
2022	Hourly pay	30	30
	Bonus pay	60	78
2023	Hourly pay	27	27
	Bonus pay	64	74

Percentage who received a bonus (%)

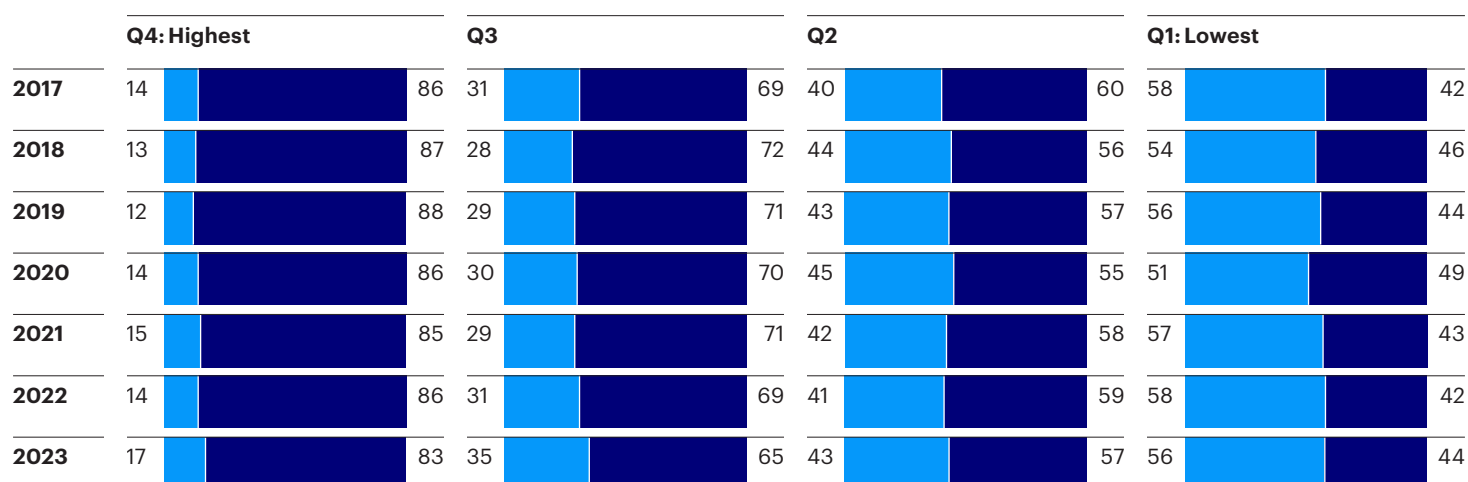
The percentage of colleagues of both genders in receipt of variable pay in the 12 months ending 5 April 2023.

	2017	2018	2019	2020	2021	2022	2023
% of women who received a bonus	94	94	92	91	93	87	91
% of men who received a bonus	94	94	95	95	96	93	94

Representation of genders across pay quartiles (%)

Gender split across quartiles

■ Female
■ Male



¹ The mean pay gap is the difference between average hourly earnings of men and women. The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all hourly rates in the sample, lines them up in order from lowest to highest, and picks the middle rate.

Story behind the numbers

Improving gender representation and balance across our organisation will, over time, help us to close our pay gap.

The impact of under-representation

We recognise that, like others in the investment management industry, we still have a significant gender pay gap. This is not a situation we are comfortable with.

The under-representation of women in certain functions (particularly sales and investment management) and in senior roles is the most significant factor contributing to our gender pay gap in the UK.

It is the top pay quartile, where male employees currently make up 83% of the population, that drives our gender pay gap.

Within this top pay quartile, the investment, sales, and technology functions are 91%, 82% and 96% male respectively: these functions represent 60% of the employees in the top pay quartile.

Female representation in the highest quartile rose, and we have seen the ordinary pay of high quartile females rise as a result. With a small senior population,* relatively small changes can lead to notable shifts in our data.

We are confident that our recruitment, talent and succession planning initiatives are improving our representation and will, over time, help redress this balance.

In 2022 and 2023, we continued to see an increase in the proportion of female hires as well as the promotion/progression of female colleagues with both measures higher than the current representation of females in our workforce. Our rate of female turnover also reduced in 2022 and 2023. However, with a low employee turnover rate overall, we are aware that progress in addressing under-representation will take longer than we would like. This will make our gender pay gap reporting uncomfortable for a good while. We are determined to achieve greater gender balance across our business, and our diversity initiatives are sharply focused on supporting our desire for greater diversity of thought.

The impact of variable pay

Our variable pay (bonus) programmes are designed to ensure that individual rewards are aligned with the interests of clients and shareholders. Typically, variable pay forms a larger proportion of total compensation for our senior managers and investment and sales professionals. Our bonus pay gap reflects the high concentration of men currently in roles where payments such as cash bonuses, sales incentives and share awards form a much greater overall proportion of total compensation.

The mean bonus pay gap narrowed by 4% driven by lower bonus pools than the prior year and improvements in female representation in the higher-paid quartiles.

However, our median bonus gap widened by 4% due to relative reductions in male employees in lower paid roles meaning the male mid-point employee sat higher among the overall male population than last year.

Bonus awards vary annually depending on both Company and individual performance and therefore our bonus gap may continue to vary from year to year.

* For gender pay and HM Treasury Women in Finance reporting, we consider two different populations, which is why we have a distinct difference in the proportion of women in these two populations. Our senior management population is defined by hierarchy and role within the business — gender pay gap analysis is based purely on payroll reporting in April 2023.



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