

abrdn UK gender pay gap report 2023

Diversity, equity and inclusion (DEI) matters to us at abrdn. It matters to our people, to our clients and to the communities we operate in. It is our belief and experience, that a diverse and inclusive workplace enables our people to be themselves and deliver the best possible outcomes for our clients and customers. We are more likely to think differently, spot opportunities, make better decisions and find innovative solutions that ultimately can achieve better results.

Delivering our DE&I strategy means having the right data, setting stretching but appropriate targets and reporting on our progress for transparency and accountability. Our Gender Pay Gap is an important part of that. This year, I am pleased to see further progress with reductions in our mean and median pay gaps and our median bonus gap. We have reduced our pay gap each year since 2018, with a cumulative reduction in our mean pay gap of 14.9 percentage points. Our mean bonus gap has increased this year, however we've had an overall reduction of 13.8 percentage points since 2018. We are moving in the right direction, but progress will require our continued focus and tangible action, which we are committed to.

Gender pay gap is an important piece of data that we use alongside others to measure progress and set our priorities for the short and longer term. It's come primarily as a result of having a lower proportion of women in senior roles and a higher proportion of women in our most junior roles.

Tracking our pay gap gives us a good indication of how we are progressing to gender parity in representation at all levels across the business. This is not about equal pay – we don't pay people differently based on their gender or any other diversity characteristics.

Our actions to close the gender pay gap have been focused on real and systemic changes within abrdn, which are complex in nature and take time. We have the right actions in place, but progress is slower than we would like. We will continue to prioritise the activity and actions that we know will make the biggest difference.



Tracey Hahn
Chief People Officer

What is the gender pay gap?

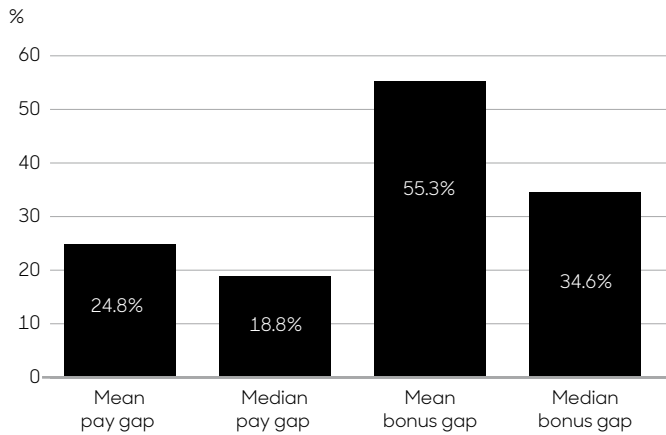
The gender pay gap is the difference in the average pay of men and women in a company, regardless of the job they do.

It is not the same as equal pay. The Equal Pay Act in the UK legally requires that men and women working for the same employer must get **equal pay** for doing **'equal work'** (the same, similar, equivalent or of equal value).

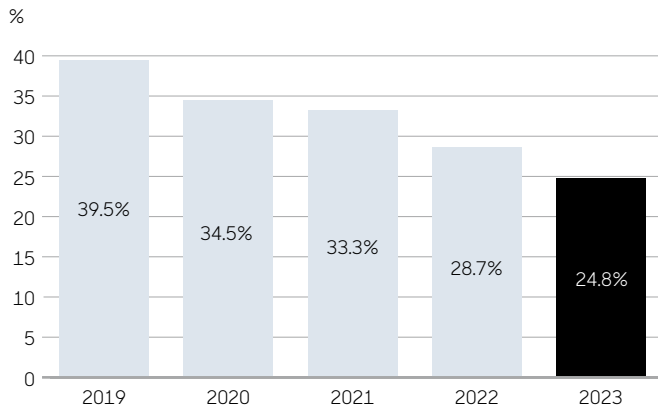
¹ We reported in 2017 as separate organisations Standard Life and Aberdeen Asset Management.

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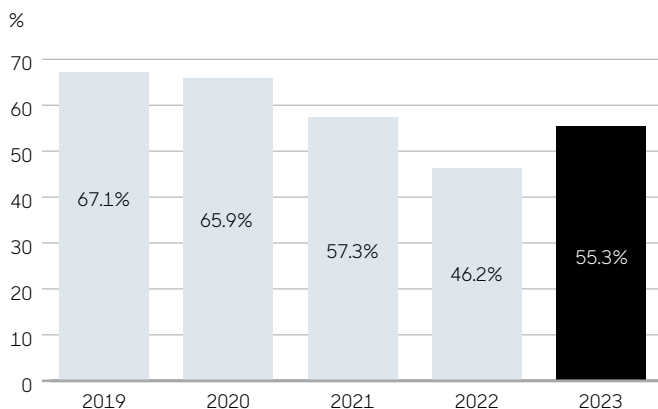
2023 gender pay and bonus results



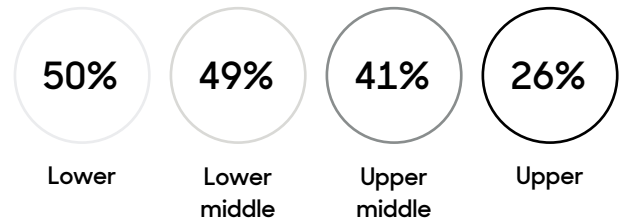
UK abrdn mean gender pay gap trend



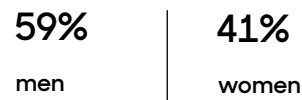
UK abrdn mean gender bonus gap trend



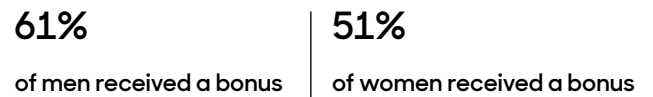
Percentage of women in each pay quartile



Percentage of women and men in overall in-scope population



Percentage of women and men receiving bonus



What do our results show?

Our actions at key points – hiring, promotions and organisational design – are having a positive impact as our gender pay gap continues to reduce. While our mean gender bonus gap has increased in this reporting period, median bonus gap has reduced.

The biggest factor influencing our gender pay gap is that we have more men than women in senior roles and more women than men in our most junior roles. We are committed to actions which will see a more equal gender balance at all levels of our organisation.

Challenging global market conditions for our industry meant we had a reduced variable pay plan bonus pot this year, and average bonuses for men and women were reduced. Other types of bonus payments (for example commission, deferred fund and share payments) were less impacted. These bonuses are available to certain roles (for example sales roles, senior roles) and these roles currently have higher proportions of men, therefore driving an increase in the mean bonus gap. These awards are only relevant for a small population, which is why the median bonus gap is less impacted than the mean.

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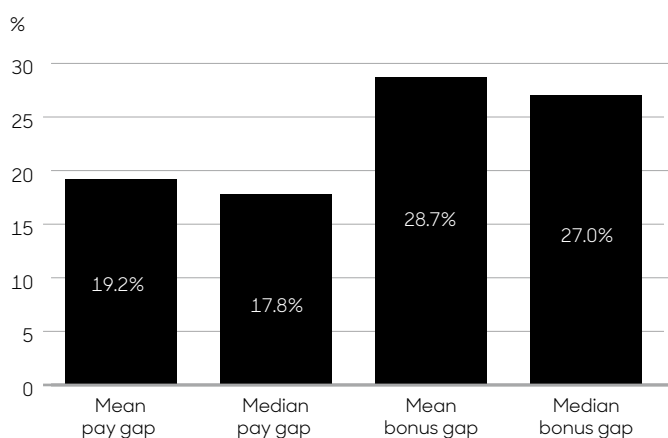
Interactive Investor (ii)

In May 2022 abrdn completed the acquisition of ii, the UK's number one flat-fee investment platform for private investors. ii is a high-tech direct investing service for retail customers and complementary to the high-touch model found across the other parts of abrdn.

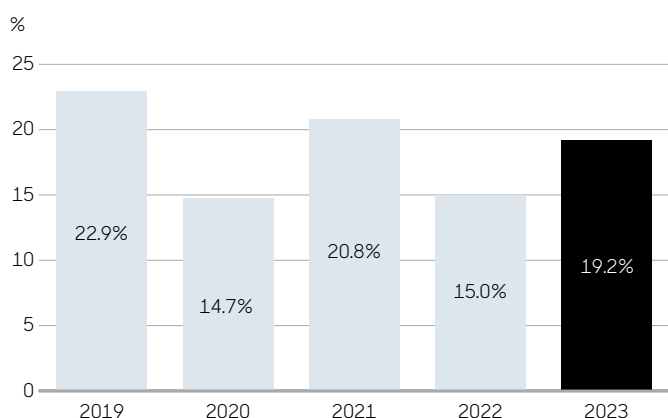
ii continues to operate as interactive investor (ii) within abrdn plc, and we have included ii's gender pay information separately for transparency, as well as including ii data within the abrdn plc results.

The acquisition of ii brings circa 680 colleagues² to the abrdn group, all based in the UK. As ii has a lower gender pay gap than abrdn, the impact of the acquisition has been to contribute to the reduction in our overall abrdn gender pay and bonus gaps.

2023 gender pay and bonus results (ii)



UK mean gender pay gap trend (ii)



The gender pay and bonus gaps in ii are attributable primarily to the higher proportion of men in senior roles and in technology teams.

ii operates separately within abrdn, although all parts of the group share best practice about actions that are most effective to improve gender balance. ii are focused on reducing the pay gap through:

- **Championing greater transparency in pay** (using the annual pay review and bonus year-end process to rectify differentials, through living wage commitments).
- **Gender-inclusive recruitment practices** (requiring our agencies to provide diverse shortlists, using Tech career break returner programme for Salesforce technology area, introducing assessments in our selection process to help mitigate against potential biases).
- **Culture and engagement** (signatory to the Women in Finance Charter, set targets for women on Board and in leadership roles, supporting a diversity and inclusion colleague forum since 2020 which drives local events and actions, measuring inclusivity in our colleague survey, and partnering with organisations to help support us with DEI).
- **Flexibility as standard** (we advocate for flexibility with the option to work up to 40% time at home, and all roles being advertised as open to flexible working).



² As at April 2023.

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What we're doing to address the gap

We are committed to continued reductions in our gender pay gap, with a primary contributing factor of having a lower proportion of women in senior roles and a higher proportion of women in our most junior roles. We have actions in place globally to address this imbalance focused on real and systemic changes within abrdn:

1. We have targets in place for the representation of women across abrdn

Our gender targets for 2025

Board Gender	Global Workforce Gender
	
Senior Leader Gender	
	

We have set a range of targets for the representation of women, as under and over-representation at different levels is a major contributor to our pay gap.

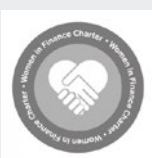
We have made good progress in addressing this over the last few years – this progress aligns with the reductions we've made in our pay gap. Targets help to keep us focused and on track and create transparency with our colleagues.

2. In partnership with the Diversity Project, we have a collective industry target



As an industry, we have set a collective target to reduce our gender pay gap by one third (from 2019 levels) by 2026.

3. We were one of the first signatories to the HM Treasury Women in Finance Charter



Through this, we have created a link between executive director pay and business-wide progress on gender, and demonstrated our commitment publicly.

At abrdn we know that diversity is about more than gender. We're building a culture where everyone feels they belong and can be their very best. Our data helps us understand how to do this most effectively. We're in the process of building our people data so that we will be able to calculate pay gaps for ethnicity, disability, sexuality and socio-economic background.

Being transparent about our actions and commitment to reducing our gender (and other) pay gaps will help improve progress in our business and right across the industry. But we also believe that transparency and progress in individual firms is unlikely to be enough to address the big issues our industry faces. We need to understand and tackle systemic issues that are leading to misogyny and sexual harassment industry-wide, and causing gender progress to be at a standstill in fund management, the lifeblood of our industry. There are fundamental shifts needed to attract and retain women and underrepresented groups and remove barriers (corporate and societal). This will take courageous action from all of us.

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4. We have a progressive gender action plan to focus efforts where they are needed



What's done

- **Recruitment**

We've introduced gender inclusive recruitment practices such as augmented writing software for adverts and job descriptions, running returnship programmes for women who have taken time out of work and developing strategic partnerships to attract more women into roles in our company (e.g. GAIN – Girls are Investors).

- **Development**

We've introduced development offerings for women at early, mid and senior career stages.

- **Data**

We've driven greater accountability by providing leaders with increasingly detailed gender data.

- **Capability**

We've addressed gender-related barriers to career progression, including building inclusive leadership capability, creating safe spaces to share and learn (such as our menopause community), publishing our Career Framework, and producing colleague 'Talk about' guides.

- **Colleague support**

We've provided a practical support framework through our colleague network for gender equality, Balance. Balance support colleagues throughout the year on a range of topics, from getting on to a Board, to mental health and managing imposter syndrome.

- **Policy**

We offer gender inclusive policies such as our equal parent leave offerings in different regions, including market-leading parent leave in the UK.

What's next? Focus for 2023-25

Gender-inclusive practices

Leadership support and advocacy to embed and use tools we have in place to support gender balance (returnships, pathways, gender specific development, mentoring, gender-inclusive hiring practices).

Leader-led advocacy to encourage capability building to address gender micro-behaviours, increasing transparent feedback, and encouraging inclusive leadership.

Policy review

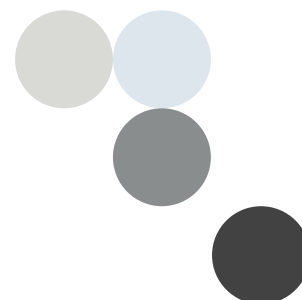
By focusing on our policies which impact our gender representation we can make positive progress. This includes a policy review into a menopause policy, a wider gender policy (including how to support you if you transition gender), and reviewing other pre-existing policies with a gender lens.

Embedding gender data in HR processes

Great processes are in place, but our focus now is tracking how they're used and what impact they have for women's careers, so that we can make changes if needed. We'll track gender data through our learning and development programmes, talent pipelines, Career Framework, performance and reward, joiners, movers and leavers.

Build menopause support

We've established a menopause community, healthcare support, line manager training and colleague guidance. We'll build on this with a series of masterclasses to support people experiencing menopausal/perimenopausal symptoms, including experts discussing sleep, exercise, nutrition, and other topics.



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Statutory Disclosure

Aberdeen Corporate Services Ltd		
	Median 2023	Mean 2023
Gender pay gap	23.03%	25.09%
Gender bonus gap	7.78%	32.78%
Pay quartiles	Female	Male
Q4 (Upper)	25.9%	74.1%
Q3 (Upper middle)	37.0%	63.0%
Q2 (Lower middle)	43.8%	56.2%
Q1 (Lower)	57.7%	42.3%
Proportion receiving bonus	43.7%	54.1%

abrdrn Financial Planning and Advice Ltd		
	Median 2023	Mean 2023
Gender pay gap	41.50%	42.02%
Gender bonus gap	67.55%	66.11%
Pay quartiles	Female	Male
Q4 (Upper)	16.7%	83.3%
Q3 (Upper middle)	50.0%	50.0%
Q2 (Lower middle)	68.3%	31.7%
Q1 (Lower)	71.7%	28.3%
Proportion receiving bonus	29.9%	67.8%

abrdrn Holdings Ltd		
	Median 2023	Mean 2023
Gender pay gap	7.02%	14.14%
Gender bonus gap	9.09%	53.50%
Pay quartiles	Female	Male
Q4 (Upper)	32.9%	67.1%
Q3 (Upper middle)	44.3%	55.7%
Q2 (Lower middle)	49.4%	50.6%
Q1 (Lower)	44.1%	55.9%
Proportion receiving bonus	49.7%	53.5%

abrdrn Investment Management Ltd		
	Median 2023	Mean 2023
Gender pay gap	30.53%	28.50%
Gender bonus gap	58.65%	57.28%
Pay quartiles	Female	Male
Q4 (Upper)	24.3%	75.7%
Q3 (Upper middle)	29.9%	70.1%
Q2 (Lower middle)	44.6%	55.4%
Q1 (Lower)	66.7%	33.3%
Proportion receiving bonus	49.8%	65.1%

abrdrn Investments Ltd		
	Median 2023	Mean 2023
Gender pay gap	30.87%	30.28%
Gender bonus gap	65.38%	58.29%
Pay quartiles	Female	Male
Q4 (Upper)	19.1%	80.9%
Q3 (Upper middle)	32.4%	67.6%
Q2 (Lower middle)	44.9%	55.1%
Q1 (Lower)	52.9%	47.1%
Proportion receiving bonus	33.8%	48.0%

Interactive Investor Services Ltd		
	Median 2023	Mean 2023
Gender pay gap	17.78%	19.23%
Gender bonus gap	26.97%	28.73%
Pay quartiles	Female	Male
Q4 (Upper)	26.4%	73.6%
Q3 (Upper middle)	33.3%	66.7%
Q2 (Lower middle)	48.1%	51.9%
Q1 (Lower)	44.2%	55.8%
Proportion receiving bonus	85.4%	86.0%

Declaration

In accordance with the United Kingdom's Equality Act 2010 (Gender Pay Gap Information) regulations 2017, we confirm that the UK gender pay gap information in this document is accurate.

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