

THE IA GENDER PAY GAP REPORT 2021

PUBLISHED MARCH 2022

THE
INVESTMENT
ASSOCIATION

For the fifth year in a row, we have made the decision to self-report our gender pay gap data. While we are not required to do so and disclosing this information is only a mandatory requirement for companies with 250 employees or more, we are acutely aware of the importance of transparency in creating a culture of inclusion and diversity and achieving gender equality in the workforce.

THE IA'S 2021 GENDER PAY GAP

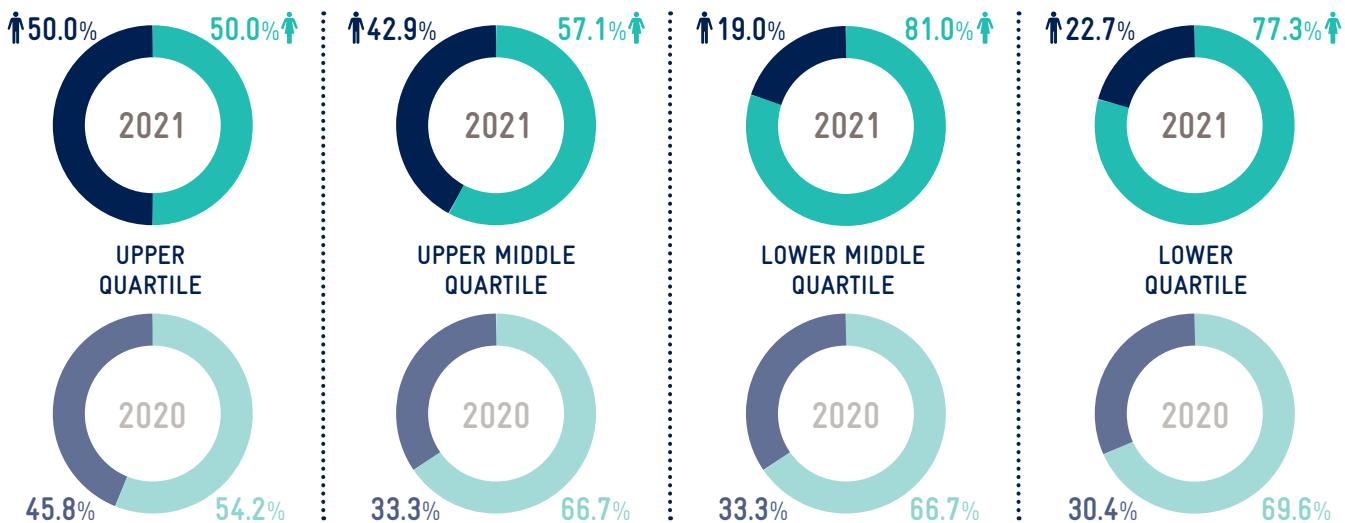
This year's data relates to the IA's 88-strong workforce on 5 April 2021. On this date, the IA had a gender pay gap of 37.0% (median) and 37.5% (mean). This represents an increase from last year's figures of 14.9% (median) and 26.6% (mean), following four years where our gender pay gap was reducing. Our findings make it clear that we need to do more to close the gap.

The size of our organisation means that a few individuals can have a significant impact on the pay gap, and with a workforce which is 66.0% female, the smaller number of males has a disproportionate impact on our gender pay gap. While we have an equal number of men and women in upper quartile positions, we currently have a higher number of women in all

other roles – that is professional roles, entry level professional roles and administrative positions, which compounds the difference. Both upper middle and lower middle quarter positions currently skew female at 57.1% and 81.0% respectively. Our CEO and Deputy CEO's salaries also impact the renumeration gap.

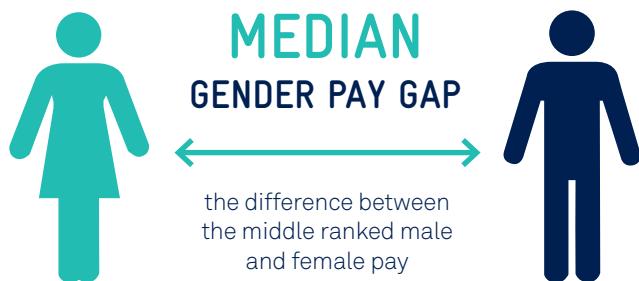
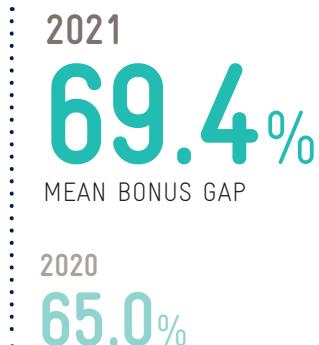
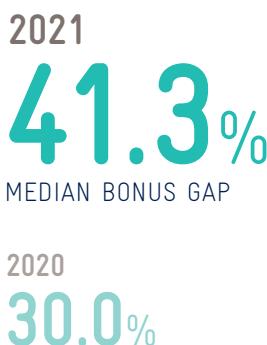
The number of women in the lower quartile of pay increased from 69.6% to 77.3% – a jump of 7.7%, while the percentage of men in the same roles decreased to 23.7% from last year's 30.4%. Of our six female new starters, four of those joined our organisation in the lower quartile. It is our priority this year to review our hiring practices to ensure we are attracting both men and women to all types of roles in our organisation.

PAY QUARTILES GRAPHICS BASED ON QUARTILE DATA, WITH 2020 COMPARISON



BONUS PAY GAP

On the 5 April 2021, the IA had a bonus gap of 41.3% (median) and 69.4% (mean), an increase from last year's 30.0% and 65.0% respectively. Like their salaries, the CEO and Deputy CEO's bonuses impact the overall bonus pay gap. These are set by the renumeration committee and board. Our discretionary bonus is adjusted for part-time hours, and we normally prorate for length of service during the year when awarding discretionary bonuses.



WHAT WE ARE DOING TO PROMOTE GENDER EQUALITY AT THE IA?

The information captured will be used to inform our hiring practices, review numeration decisions and evaluate our recruitment processes. This year's results have demonstrated to us that there is more to be done to improve gender equality at our organisation.

To ensure we are making positive progress, we are:

- » **Attracting and retaining a diverse pool of talent –**
We will continue to create opportunities for women to work at the IA across all positions, by reviewing our hiring, onboarding and retention practices, and by working with Investment20/20.

- » **Encouraging diversity in our culture –**
We continue to follow The Diversity Project's principles, which aim to achieve equality of opportunity and accelerate progress towards inclusivity across the investment and savings industry by taking part in benchmarking surveys and measuring the diversity of our employees.

» **Promoting flexible working for all staff –** While the pandemic made flexible and remote working the new normal across organisations, the IA has always offered working flexible hours or working from home to all staff. Last year, we reviewed and equalised our family friendly policies and now offer six months full pay to all parents, regardless of gender. This is something we will continue to offer, affording our employees the opportunity to balance family care with their careers.

» **Understanding and implementing best practice** – Following our 2019 'Closing the Gap' and 2020 'Addressing the gender pay gap' reports, we published 'The Diversity Data Guide' in June 2021. The guide aims to enable organisations to be more transparent and accountable by providing practical steps on collecting diversity data, underpinned by the understanding that meaningful change can only be achieved when businesses acknowledge their starting point and regularly measure progress. We will use our findings to implement best practice to ensure we are hiring, retaining and supporting diverse employees throughout all levels of our organisation.

ANNEX

GENDER PAY GAP REPORTING

	2021	2020	2019
The mean gender pay gap	37.5%	26.6%	30.3%
The median gender pay gap	37.0%	14.9%	15.9%
The mean bonus pay gap	69.4%	65.0%	65.6%
The median bonus pay gap	41.3%	30.0%	31.3%
Males and females receiving any bonus pay	93.1% Male 94.7% Female	76.5% Male 87.7% Female	93.8% male 75.4% female
Quartile distributions:			
Lower	22.7% Male 77.3% Female	30.4% Male 69.6% Female	30.4% male 69.6% female
Lower middle	19.0% Male 81.0% Female	33.3% Male 66.7% Female	31.8% male 68.2% female
Upper middle	42.9% Male 57.1% Female	33.3% Male 66.7% Female	31.8% male 68.2% female
Upper	50.0% Male 50.0% Female	45.8% Male 54.2% Female	50.0% male 50.0% female