



T. ROWE PRICE 2021 UK GENDER PAY GAP REPORT

THE GENDER PAY GAP IS THE AVERAGE OR MEDIAN DIFFERENCE BETWEEN PAY FOR MEN AND WOMEN

THE GENDER PAY GAP IS NOT THE SAME ASSESSMENT AS EQUAL PAY



THE MEAN IS THE AVERAGE OF A DATA SET

THE MEDIAN IS THE MIDDLE VALUE OF THE DATA SET WHEN ARRANGED IN ASCENDING ORDER

T. Rowe Price welcomes the opportunity to share our commitment to diversity, equity and inclusion (DEI) and our progress as we continue to narrow our UK gender pay gap.

We understand that there is strength in a diverse workforce. Bringing different perspectives together makes our firm stronger and helps us better support our communities and create greater value for our clients. We are committed to doing more, making changes and challenging the status quo.

We strive to ensure that all associates are compensated fairly and equitably throughout their careers at the firm. To validate this, we engage with respected third-party consultants to conduct robust annual pay equity audits and commit to addressing any anomalies within that performance year.

Gender pay gaps are often associated with representation gaps. This means that there are more men than women in more senior higher-paying positions. This is due in part to a legacy of not attracting enough women into careers in the financial services industry.

OUR 2021 DATA SHOW PROGRESS MADE ON THREE OUT OF THE FOUR METRICS SINCE OUR LAST REPORT.

Pay and Bonus Gap

	MEAN PAY GAP	MEDIAN PAY GAP
2020	29.7%	39.0%
2021	44.1%	36.1%
	14.4% POINTS INCREASE ↑	2.9% POINTS DECREASE ↓

	MEAN BONUS GAP	MEDIAN BONUS GAP
2020	77.2%	55.5%
2021	69.3%	48.4%
	7.9% POINTS DECREASE ↓	7.1% POINTS DECREASE ↓

The above table shows the difference in mean and median pay and bonus between male and female employees. Our 2021 data show that our mean pay gap has increased. This is mainly due to a stock option exercise and the compensation levels of our senior roles, which are currently predominantly performed by men.

How do stock option exercises impact the figures?

Stock options are a form of compensation that expire within a set period. This is a legacy incentive programme, and as we have seen in previous years (2018 data), a large individual stock option transaction can impact the figures significantly. We anticipate further fluctuations in our pay gap due to the exercising of stock options. These transactions and subsequent fluctuations will continue until the current associate options expire in 2026.

Our median pay gap has **improved and decreased by around three percentage points**. This is largely due to the **increase in women’s average pay—up 22% year on year compared with a 19% increase for men**.

Our mean and median bonus gap also improved by nearly eight percentage points and more than seven percentage points, respectively, due to an increase in our female population in the upper quartile for bonus pay.

We are seeing a positive trend where the median pay, mean bonus and median bonus gaps are all narrowing. Our progress is driven by increases in female pay attributable to the hiring of women into higher-paying roles and our continued focus on DEI.

We are making good progress in some key areas, including increasing representation of women in senior roles. Many of our leadership programmes are helping to drive this effort and are targeted at investing in and developing women in our UK

business. **Today, 27.1% of our senior roles are held by women compared with 21.8% in 2017.**

We have also **increased our female representation in investment and sales roles by 3% since 2020.**

Longer-Term Trends

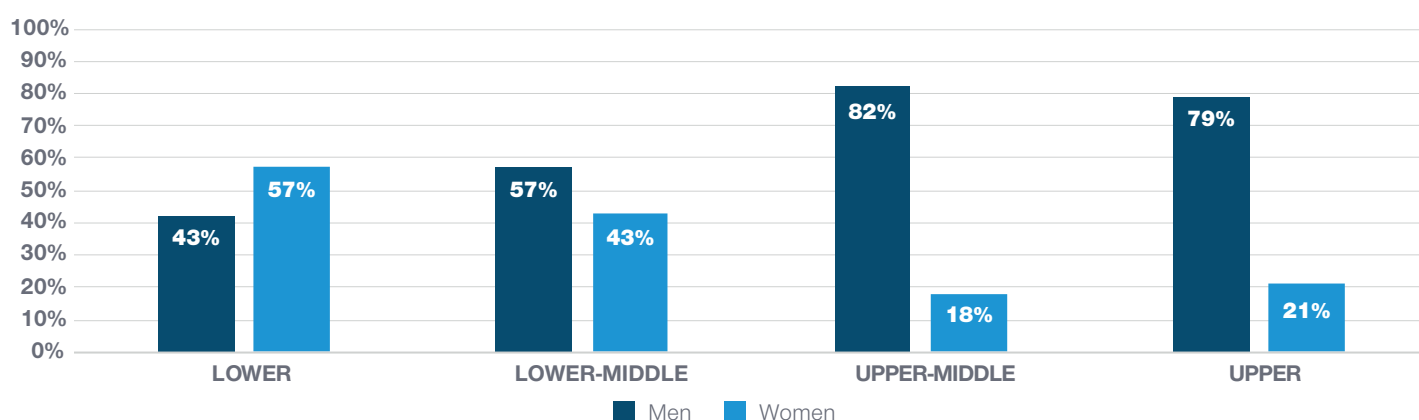
We continue to see a positive bonus gap trend with the gap narrowing over time.

The pay gap has been subject to fluctuations over the past five years, impacted by significant head count changes and stock option activity. Our UK business has seen a 117% increase since 2017—from 321 associates to 696 in 2021. We are still recruiting at pace, and the final stock options expire in 2026. Therefore, we anticipate seeing further fluctuations in our data due to continuing head count growth and stock option activity. We continue to invest in and develop our people, understanding that significant and fundamental change takes time.

As a firm headquartered in the United States, our footprint in the UK has been focused on sales and investment roles that are typically male dominated. We are growing and adding more regional capability. This scaling up means that we are seeing a more varied base of roles and operations that have a better balance of men and women.

Whilst the data help us identify representation gaps, they do not account for the complex issues around gender pay differences.

Pay Quartiles



The above graphic illustrates the gender distribution at T. Rowe Price in the UK across the four equally sized pay quartiles. As shown, we have a larger proportion of women in the lowest pay quartile and fewer women represented at the higher-paid or senior levels. This difference in distribution across the pay quartiles—with fewer women in senior and other roles that provide the highest compensation—is the key driver of our gender pay and bonus gaps. Whilst we have pronounced representation gaps in the upper-middle and upper quartiles, over time, our **representation is becoming more balanced in the lower and lower-middle quartiles**. We have long-term representation goals in place as well as targeted diversity programmes to drive our focus on increasing the number of women in senior roles.

Gender pay gap reporting can be helpful to see our pay data at a specific point in time, but as with all averages, it smooths out any nuance and does not account for differences in specific job roles and working arrangements, organisational structure or differing compensation structures between firms and roles. As with all data, we must look at our data in the context of our business, the industry and the world of work. For example, the raw data do not account for legacy payments, part-time working or associates taking time out of work to care for children or for other reasons.

Proportion of associates receiving a bonus

RECEIVING A BONUS	WOMEN	MEN
2020 Receiving a bonus in the period	91.6%	90.6%
2021 Receiving a bonus in the period	90.4%	82.5%

More women than men were paid a bonus in the year to 5 April 2021. The overall percentage of associates receiving a bonus is slightly down due to a large number of associates hired after the third quarter who were not eligible for a bonus under the bonus policy cut-off date. We also converted a number of third-party contractors, notably men in technology roles, to employment which impacted bonus eligibility within the reporting period and is reflected in the lower percentage of men receiving a bonus. In December 2021, all eligible associates received a second special bonus award to thank them for their hard work and contributions during the pandemic.

Addressing the pay gap

We intend to persevere on our journey to achieve a more balanced gender representation throughout our organisation. Our continued focus on attracting, retaining and developing female talent; investing in our early career pipeline, and building robust succession plans is at the forefront of how we do business and integral to our culture.



We are committed to reducing our pay gap through meaningful and targeted investments in our talent:

- **Launch of Aspire**, a new leadership development programme for mid-senior level women to improve their leadership confidence, capability and impact across the business
- **Acceleration of Women in Technology programme**. We have gathered key insights into culture, leadership and talent that impact female talent in technology and we created a new EMEA Technology forum to drive further engagement and accountability in this part of our business
- **Expanded mentoring and networking activities** for women and diverse employees through internal mentoring circles and external partnerships, including FT Women in Business Forum, LGBT Great, Moving Ahead Gender Equity programme, UpReach Investment Springboard programme supporting students from less advantaged backgrounds with mentors and work experience in our industry
- **Broadening our talent acquisition strategies** through a new early careers talent programme and partnerships with job boards, including WeAreTechWomen and myGwork and continuing to work with the Bright Network, Investment20/20 and Girls Are INvestors on our apprenticeship and internship programmes to enhance the diversity of our talent pipeline
- **Hybrid and flexible working philosophy** to support healthy work/life balance and reflect new expectations of agile work across talent segments
- Internal and external communication campaigns on key diversity and inclusion topics showcasing **diverse employee role models** and thought leaders
- Implementation of **global conscious inclusion training** for leaders and associates and increased awareness of the importance of **male allyship** to progressing gender equity

Our existing programmes help make gender diversity part of the way we do business:

Diverse employee networks

WAVE (for women and their male allies) provides mentoring, education and networking opportunities at T. Rowe Price. Our other associate-led groups, **MOSAIC** (supporting ethnically and culturally diverse associates and allies) and **PRIDE** (supporting **LGBTQ+** associates and allies), drive our gender equity agenda by applying an intersectional lens to their initiatives and membership programmes.



Supporting female talent

The Women in Sales, Technology, and Investments programmes focus on increasing representation and developing female talent through research-driven solutions to solve for the barriers and challenges women face within our industry, specific disciplines and within their career journey. These include professional growth programmes like sales executive coaching circles, inclusive leadership competences and supporting caregivers by examining our planned leave approach and specialised parental and career break transition support.

We continue this momentum as we look to expand our returner programme, explore our inclusive policies and continue to review opportunities to balance representation through robust succession planning and strategic appointments.



Diverse thinking and **inclusive values** are deeply ingrained in the T. Rowe Price culture. Whilst we are making progress in some areas, by harnessing our collaborative culture, together, we can make small changes to pave the way for a more **equitable** and **representative** organisation over the long term.

I am confident that we can continue to **drive change** for the associates of **today** and **tomorrow** by investing in our talent and reinforcing leadership accountability in **building and growing diverse teams**. This report outlines our 2021 data, and I can confirm that the data reported are accurate.

A handwritten signature in blue ink that reads "Scott Keller".

Scott Keller | Chair of EMEA Diversity, Equity and Inclusion Leadership Council, Head of Americas, Asia Pacific and Europe, Middle East, and Africa Distribution