



T. ROWE PRICE 2022 UK GENDER PAY GAP REPORT

WHAT IS THE GENDER PAY GAP?

- The gender pay gap is the difference in average hourly pay of all men and all women in an organisation regardless of role or level.
- The gender pay gap is not the same assessment as equal pay, which compares pay between men and women in similar roles.
- The mean is the average of a data set.
- The median is the middle value of the data set when arranged in ascending order.



At T. Rowe Price, our people are our greatest asset. We thrive because our company culture is built on collaboration and the diversity of backgrounds, perspectives, talents and experiences of our associates.

Our commitment to diversity, equity and inclusion (DEI) is rooted in a multiyear intentional strategy designed to grow and support our diverse workforce; engage and develop our associates; sustain and enhance our inclusive culture and communicate our commitment and progress to key stakeholders.

Embracing DEI at T. Rowe Price extends to every aspect of our organisation, including compensation practices. Fair and equitable pay is fundamental to our ability to attract, retain and develop the best talent who can deliver superior results for our clients. To demonstrate this ongoing commitment, we engage respected third-party consultancies to support our evaluation of internal and external pay equity and address any anomalies within that performance year. This analysis has helped us to validate that we have equal pay for equal work across the organisation.

UK 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, performance history, working arrangements, organisational structure or differing compensation structures between firms and roles. As with all data, it must be analysed in the context of our business, the industry and workforce gender participation trends. For example, the raw data do not account for legacy stock awards, new joiners or associates transferring into the UK receiving pro-rated compensation, part-time working or associates taking time out of work to care for children or for other reasons.

Gender pay gaps are associated with representation gaps, meaning that there are more men than women in more senior higher-paying positions. This is due, in part, to an industry legacy of not attracting and retaining women into financial services and investments careers.

OUR 2022 DATA SHOW PROGRESS MADE ON ALL FOUR METRICS SINCE OUR LAST REPORT.

Pay and Bonus Gap

	MEAN PAY GAP	MEDIAN PAY GAP
2021	44.1%	36.1%
2022	27.8%	33.8%

**16.3 PERCENTAGE POINTS
IMPROVEMENT YOY**

**2.3 PERCENTAGE POINTS
IMPROVEMENT YOY**

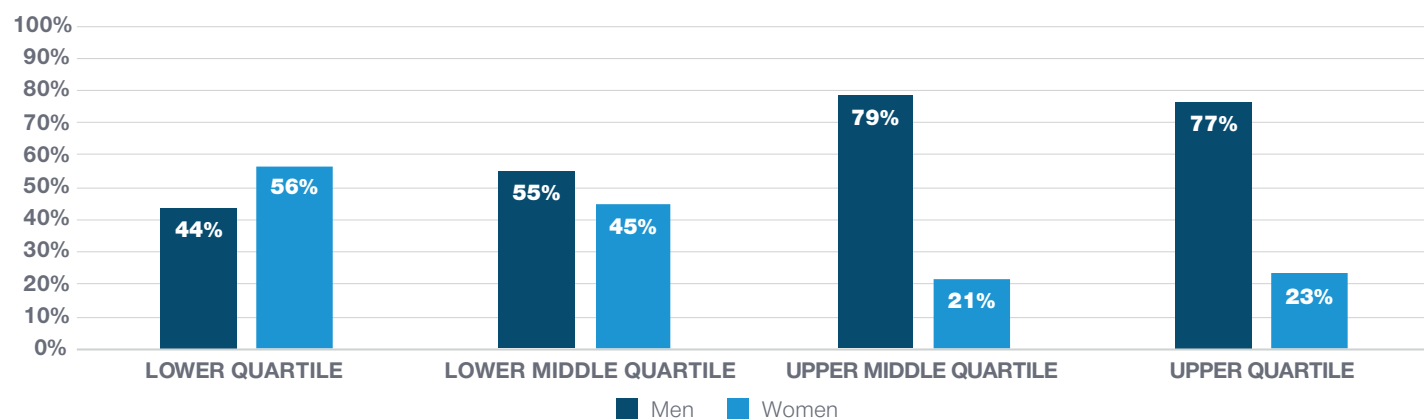
	MEAN BONUS GAP	MEDIAN BONUS GAP
2021	69.3%	48.4%
2022	62.8%	38.3%
	6.5 PERCENTAGE POINTS IMPROVEMENT YOY	10.1 PERCENTAGE POINTS IMPROVEMENT YOY

How to read the differences:

Positive figures show when men are paid more than women on an aggregated basis

Positive year-over-year (YOY) figures show that there has been a narrowing (improvement) of the gap compared with the last annual report

Pay Quartiles



The above graphic illustrates that 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 is the key driver of our gender pay and bonus gaps. Whilst we have pronounced female representation gaps in the upper-middle and upper quartiles, over time, **our female representation is increasing in these 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.

According to our 2022 data, **our mean and median gender pay gaps improved from our 2021 figures by 16.3 and 2.3 percentage points**, respectively. We saw our mean pay gap increase in 2021 by 14.4 percentage points mainly due to a stock option exercise, which has rebalanced in the last year, and the higher compensation levels of our senior roles, which are currently predominantly performed by men. There has been an increase in the proportion of females in all pay quartiles, and notably a two-percentage-point increase in female representation in our upper pay quartile, which is contributing to the narrowing of the pay gaps.

Our **mean and median bonus gap also improved by 6.5 and 10.1 percentage points**, respectively. As with the drivers of the gender pay gap, our gender bonus gap has improved by increasing the number of women in senior and higher-paid roles. Today, 30.7% of our senior roles in the UK are held by women¹ compared with 21.8% in 2017. We are aiming to increase the representation of women in senior roles globally to 33% by 2025.

¹ Data as of 28 February 2023.

Proportion of associates receiving a bonus

RECEIVING A BONUS	WOMEN	MEN
2021 Receiving a bonus in the period	90%	82%
2022 Receiving a bonus in the period	89%	92%

A slightly higher proportion of male associates than female associates were paid a bonus in the year leading up to 5 April 2022. Of the associates who did not receive a bonus, 61% were men and 39% were women. Bonus eligibility is largely impacted by the timing of when an associate joined and separated from the firm. During the reporting period, several third-party contractors, notably men in technology roles, converted to employment positions, which impacted bonus eligibility within the reporting period. In addition, senior-level positions have more highly leveraged packages and are more likely to receive stock, which is counted within the bonus calculation. Lower representation of females in these roles drives a high bonus gap within our industry and at T. Rowe Price.

Longer-Term Trends

Whilst we continue to see a positive bonus gap trend over time, significant head count changes and stock option activity have caused fluctuations in the gender pay gap over the last six years. Our UK population increased by 143% during that period – from 321 associates in 2017 to 780 in 2022 – and it is therefore difficult to draw a clear year-on-year comparison. We continue to expand our business in strategic areas requiring specialised skills. This includes hiring from the technology market where only 22% of roles are currently held by women, which will impact on our ability to source female talent.² We are working to mitigate these hiring challenges through our investments and technology early careers programs, where we strive to achieve a balanced gender slate, and through our community outreach and internal coding skills programs.

We anticipate seeing further fluctuations in our data due to possible stock option exercises from historical grants and ongoing regulatory change in our industry, notably Investment Firms Prudential Regime (IFPR), which significantly impacts the compensation mix for those in risk-taking roles.

We continue to invest in and develop our people, understanding that significant and fundamental change takes time to realise results. As a firm headquartered in the United States, our footprint in the UK has traditionally been focused on sales and investment roles that are historically male dominated. We continue to grow and add regional capability in strategic areas. This scaling up means new opportunities for a more varied base of roles and operations with a better balance of genders.

Continuing Our DEI Journey: Addressing Gender Representation

T. Rowe Price is committed to achieving a more balanced gender representation throughout our organisation. We will continue to prioritise attracting, retaining and developing female talent; investing in our early career pipeline and building robust succession plans.

We are committed to reducing our representation gap through meaningful and targeted investments in our talent, including:

- **Women in Sales, Investments and Technology programmes.** These programmes are designed to increase representation, create a more gender-inclusive culture and develop female talent. Using research-based solutions, our goal is to solve for the challenges that

women face in the financial services industry and specific disciplines and throughout their career journey. This includes executive coaching circles, caregiver and parental transitional support and career break talent programs, hiring toolkits and inclusive leadership group discussions. We are dedicated to continuing and refining these programmatic efforts to maximise their impact globally.

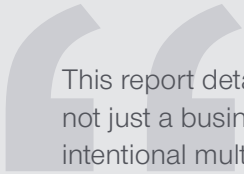
- **Aspire**, an internal programme designed to develop our associates' capability and confidence as leaders so that mid-senior-level women can contribute more to the wider business, be prepared for expanded, stretching opportunities and progress their careers. Having piloted this program in EMEA, it is now being expanded to our APAC region.
- **Diversity Project Pathway Program.** We are supporting two associate analysts on this pilot program for future female fund managers and facilitated a skills session on data management and modelling for the entire cohort of 60 women.
- **Broadening our talent acquisition strategies** through early careers talent programme in our Technology and Investments businesses; partnerships with job boards, including *Black Young Professionals*, *Diverse Talent Networks*, *TechnoJobs* and *myGwork* and continuing to work with the *Bright Network*, *Investment20/20*, *upReach* and *Girls Are INvestors on our apprenticeship* and internship programmes to enhance the diversity of our talent pipeline.
- **Expanded mentoring and networking activities** for women and diverse employees through internal mentoring programmes and external partnerships, including *LGBT Great*, *the Diversity Project*, *Moving Ahead Gender Equity programmes* and *UpReach Investment Springboard programme for students*.
- **Inclusion training** completed by 93% of people leaders in EMEA region and increased resources for and awareness of the importance of **male allyship** in progressing gender equity.
- Internal and external communication campaigns on key diversity and inclusion topics showcasing **diverse employee role models** and thought leaders.



² <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/women-in-tech-the-best-bet-to-solve-europes-talent-shortage>

Diverse employee networks

Our global associate-led business resource groups are key to advancing our diversity and inclusion efforts and are essential in maintaining our collaborative culture. Each group develops opportunities to increase engagement, promote education and present commercial opportunities for associates and the firm that are aligned to our DEI strategy. **WAVE** (for women and allies, providing mentoring, education and networking opportunities at T. Rowe Price), **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.



This report details our 2022 data, which we can confirm is accurate. Diversity, equity and inclusion is not just a business imperative, it's a cultural imperative at T. Rowe Price. Our progress is rooted in an intentional multiyear strategy. As we continue to make **strides towards gender parity**, we are **dedicated** to holding **ourselves accountable** by **growing** and **supporting** a **diverse** workforce, **enhancing** an **inclusive culture**, engaging our associates, and communicating our success to key stakeholders.

Cochairs of EMEA Leadership Council



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Managing Legal Counsel



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