



Report 2020

UK GENDER PAY GAP

INTRODUCTION



AVERIL HAMILTON

Head of Human Resources, EMEA

A handwritten signature of Averil Hamilton in blue ink, written in a cursive style.

At T. Rowe Price, we are committed to attracting and developing diverse talent, building diverse teams, and creating an inclusive environment for all associates. Diversity, equity, and inclusion (DEI) is not just about doing the right thing, it is a business imperative and we believe that building a diverse organisation is crucial to T. Rowe Price's success. We recognise that a more equitable organisation will attract a wider talent pool, where different viewpoints can contribute to a fully rounded perspective on which to base sound business, strategy and operational decisions. To do this, we start with taking accountability, being transparent and learning from our associates and organisations inside and outside our industry.

The UK Government's gender pay gap reporting has encouraged many UK businesses to take responsibility for addressing their pay and representation gaps and we welcome the opportunity to share our commitment to diversity and inclusion.

Although we have seen positive trends in some areas since we started reporting our gender pay gap data in 2018, we know that there's still more work to do to make the changes across our entire business. We've experienced a significant population increase of 40% since 2018. From our first report, we have seen

a positive trend as our median bonus gap steadily decreased from 73% to 56%. Similarly, our mean pay gap has decreased by 7.1% and mean bonus gap by 9.2%, over this period.

Fundamental change can be slow, but we recognise that our DEI strategies must be integral to the way we do business. In 2020, we implemented ambitious new initiatives to help deliver and drive change.

Like many of our peers, we are faced with a legacy of the financial services industry not attracting enough women. Despite the historical imbalance, we continue to do more to push our diversity and inclusion agenda forward, recognising that change in our industry will take time and may not be easy.

We believe that a more diverse T. Rowe Price will be a better organisation—for our clients, our communities, and our associates.

In this report, we share our 2020 data and what we are doing to continue to narrow the gap. We confirm that the data reported are accurate.

Averil Hamilton
Head of Human Resources, EMEA

OUR COMMITMENT

We are committed to addressing the gender representation gap in our organisation. Through our firmwide DEI strategy, we seek to bring more women into leadership positions through internal development opportunities, promotions, and recruitment.

New DEI Strategies and Initiatives

In 2020, we hired Raymone Jackson as the new global head of DEI to help drive our global strategy—reviewing and overseeing our current DEI programmes, as well as envisioning new strategies that can help us improve the attraction, development, and retention of our diverse associates. We hired Kerry Amies, as international DEI manager to develop DEI strategies for the Asia Pacific (APAC) and Europe, the Middle East and Africa (EMEA) regions. We also hired additional talent acquisition partners and a dedicated diversity communications partner and are in the process of hiring three diversity partners focused on aligning and executing DEI across business units and a diversity manager to lead our gender equity programmes globally.

To realise our ambition of attracting and recruiting diverse talent and achieving our representation goals, we are building on our success and deepening our diverse candidate slate expectations. Our guideline of 40% diverse candidate slates for all positions has been reaffirmed. In 2021, we will implement new interview guidelines to include diverse candidate slate requirements for all people leader openings. These guidelines will require female candidates to be part of the final slate that is considered for hire.

Firmwide Objectives

We also launched an enterprise-wide performance objective for all associates related to DEI demonstrating our shared responsibility for supporting and advancing DEI at T. Rowe Price.

Talent Acquisition and Development

As a firm, we continue to maintain an enterprise-wide goal to ensure that at least 30% of interviewees for senior roles are diverse. We came in just shy of our target in 2020, with 28% of those interviewed for EMEA senior roles identifying as women. In total, 43.8% of new senior hires were female, 33% of our senior promotions were women and an equal split of men and women were promoted into all roles.

We're actively promoting asset management careers to young women through our community outreach programmes. These programmes are centred on raising aspirations, creating professional role models, and opening doors to young people in our local community. Through our youth development programmes, we partner with girls' schools in East London and have held career days and workshops on female empowerment.

Our London apprenticeship scheme and community work experience programmes provide employment opportunities to talented people from diverse backgrounds.

In April 2019, we hosted our first Insight Week for first-year university students. We hired 14 students and 70% of those identified as female. Our Insight Week presents an opportunity to learn about a possible career in investing and is a gateway to apply for the Summer Intern Programme. In 2020, all of our events went online including the Women in Leadership event where 376 female students were in attendance. This was a 50.4% increase from the previous year. Our goal is to encourage a diverse range of university students to apply for internship and entry-level positions within our investment teams. These recruitment strategies complement our business-led programmes.

OUR COMMITMENT

Business-Led Programmes

Over the past few years, we have implemented key programmes within our sales and investments divisions. This is where we have seen the most pronounced representation gaps since we started reporting. In 2019, we launched the **Women in Investments** initiative, designed to address the needs and priorities of women building careers in investments. Since the launch, robust research was conducted on the benefits, challenges, and perceptions of flexible working for investment professionals. The outcome of this research has informed our new global flexible working philosophy. Alongside this, a review of our leave and support policies will inform strategies to better support women in the workplace. Similarly, the **Women in Sales** initiative aimed at sales professionals, includes programmes to support women returning to work after a career break, mentoring and networking and developing talent. Our 2020 data show an increase in females in investments and sales roles.

The technology sector is heavily weighted to male talent with only 16% of the sector being female IT professionals in the UK. At T. Rowe Price, our current UK technology population is 17% female and we are passionate about attracting more women into careers in technology and developing and supporting our existing population. In 2021, we are excited to launch a **Women in Technology** initiative to help address representation gaps in our technology function by encouraging more women into technology roles and supporting their careers.



OUR COMMITMENT

Regional Programmes

As a firm, we partner with organisations that help develop and support female talent. We currently have 20 mentees and mentors from the firm taking part in the **30% Club Cross-Company Mentoring Scheme**, an award-winning social enterprise specialising in promoting gender equality through a network of women and men in top positions. Similarly, the **FT Women in Business Forum** offers female associates based in EMEA the opportunity to access a network of senior business leaders across industries to hear the latest thinking on macroeconomic topics and discuss these issues together.



Business Resource Groups

WAVE — Our resource group for women and their male advocates

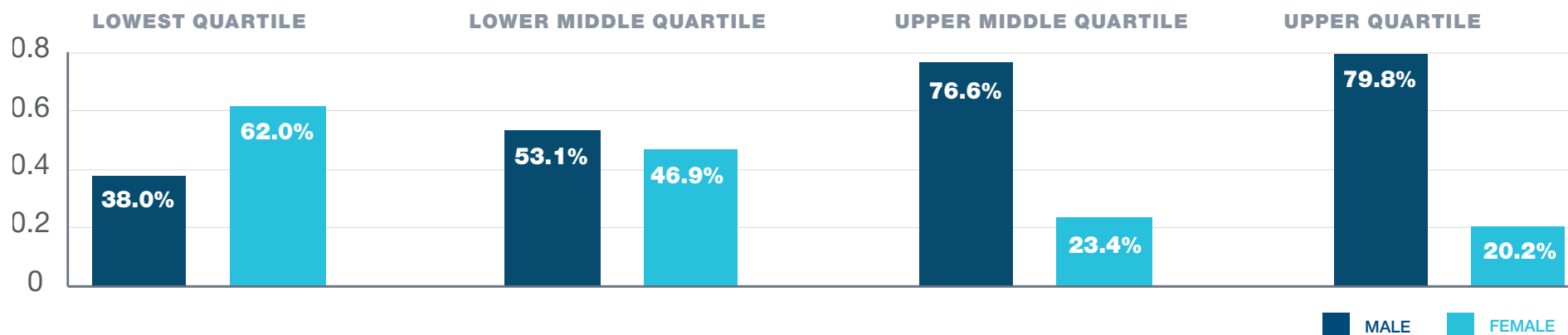
To foster an inclusive and respectful workplace, our associate-led business resource groups help to maintain a collaborative culture by providing networking and career development opportunities. Supporting the firm's ability to attract, develop, advance and retain women, **WAVE** provides mentoring, education and networking opportunities for women and men at T. Rowe Price. We have also recently launched Amplify Voices to elevate the voice of Black women working with **MOSAIC**, our ethnicity employee resource group. The Amplify Voices Advisory Committee will support and inform our ongoing efforts to attract, develop, advance, and retain underrepresented female talent and will provide important consultation to the Management Committee to identify and remove barriers.



OUR DATA

(DATA SNAPSHOT FROM THE APRIL 2020 PAY PERIOD)

Pay Quartiles



The above graphic illustrates the gender distribution at T. Rowe Price in the UK across four equally sized pay quartiles. As the image shows, we have a large proportion of women in the lowest pay quartile and we have less female representation at 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 gap. We are focused on improving diverse representation in our investment, sales and senior management roles and have key diversity and inclusion initiatives designed to tackle our representation gaps.

Gender Breakdown by Role Type

These graphics illustrate the gender distribution across different business segments and roles. As the data show, we have less female representation in our investment and sales roles although we have more women in these roles since 2019. These roles typically tend to have higher levels of pay than other roles. Our London-based associate population is more concentrated on investment and sales professionals and therefore may indicate a higher gender pay gap than other firms with a broader associate population in their UK entities.



OUR DATA

(DATA SNAPSHOT FROM THE APRIL 2020 PAY PERIOD)

Pay and Bonus Gap

The table below reflects our overall mean and median gender pay gap and bonus gap for the reporting period. The mean hourly pay gap is the difference in average hourly rates of pay of men and women. The median hourly pay gap shows the difference in the midpoints of the ranges of hourly pay rates for men and women. Similarly, the mean and median bonus pay gap numbers show the differences in average bonus pay and in the midpoints of the ranges of bonus pay between men and women, respectively.

GENDER HOURLY PAY GAP	MEAN	MEDIAN
2019	30.2%	33.8%
2020	29.7%	39.0%

GENDER BONUS GAP	MEAN	MEDIAN
2019	71.9%	63.5%
2020	76.9%	50.3%

Hourly Pay Gap by Quartile

	LOWEST QUARTILE	LOWER MIDDLE QUARTILE	UPPER MIDDLE QUARTILE	UPPER QUARTILE
MEAN	63%	-0.1%	-1.2%	-1.5%
MEDIAN	71%	-1.7%	-4.8%	-1.2%

As illustrated in the pay gap by quartile table above, the lowest quartile highlights that we have more females in lower paid support roles.

Proportion of Associates Receiving a Bonus

GENDER HOURLY PAY GAP	WOMEN	MEN
2019 RECEIVING A BONUS IN THE PERIOD	92.0%	94.2%
2020 RECEIVING A BONUS IN THE PERIOD	91.6%	90.6%

More women than men were paid a bonus in the year to 5 April 2020. 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 cutoff date.

LOOKING FORWARD

Our DEI Journey

As we mature in our diversity and inclusion (D&I) journey, we have added an important piece to our vernacular—equity. While we have always harnessed a mindset of equity in our strategy and programming, it is important that we call out its importance formally. When DEI go together, our workforce is empowered to bring their best to work. For T. Rowe Price, equity refers to the actions that we take to ensure that everyone has access to opportunities and experiences that enable their career ambition and advancement. Simply, equity aims to identify and eliminate barriers that prevent the full participation of groups and individuals. We are executing an aggressive DEI growth strategy and we will be rolling out programmes, resources, and learning initiatives focused on the following pillars:

- Grow and support a diverse workforce
- Sustain and enhance an inclusive culture
- Engage and develop associates
- Communicate and amplify our commitment
- Accountability

We have developed a specific DEI strategy tailored to the needs of our regional business and aimed at amplifying our progress in EMEA. This is a multiyear strategy aligned to our global pillars and supported by a regional leadership governance body. This includes talent acquisition, associate and leadership development, performance management, and associate retention in order to support sustained growth and long-term momentum. Our vision not only addresses the internal evolutions to our strategy, but also takes external factors, such as labour market fluctuation and industry participation, into account. We look forward to reporting our progress against this strategy and our contribution to our global representation goals over the coming years.



CLOSING QUOTE



Whilst we have made progress in some areas, we know that there is more work to do to make our organisation more **equitable** and **diverse**. We know that our differences are what fuel **innovation** and **performance**, and the strategic initiatives we have developed are aimed at **improving** the diversity of our workforce, particularly where we have the most pronounced representation gaps. We understand that having **diverse leadership** with an **inclusive culture** will help us deliver for our clients, inspire new generations of leaders, foster **collaboration** and **motivate** people to join T. Rowe Price. Closing representation gaps in our industry will take time but this does not deter us from driving our diversity, equity, and inclusion agenda forward. **Attracting diverse female talent** and continuing to support and develop women at T. Rowe Price will make us a stronger and more resilient organisation that can better serve our clients and our communities.

Scott Keller
Head of EMEA Distribution



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