

**Fitch**Group

# UK Gender Pay Gap Report 2023

TOGETHER WE **EQUAL MORE**





## Welcome

At Fitch, we are committed to an inclusive and equitable culture where all employees can thrive, reach their full potential and be treated with respect and dignity. A central part of this is doing more to attract, hire, engage, develop and retain female talent at all levels.

Measuring our progress over time is very important for us. In our DEI Strategy published in 2022, we set ourselves the goal of increasing representation of women in Managing Director and Executive roles to 35% globally by 2030. Since then, we have increased by 2pp to 28% and we are working hard to ensure we build on this goal.

Our 2023 pay gap figures for Fitch Ratings UK show there has been an improvement in both our gender pay gap and gender bonus gap for the second successive year.

We are committed to continuing these initiatives and measuring their impact to ensure our efforts are contributing to our progress. With the DEI Strategy as our roadmap, we will achieve a stronger, more inclusive culture for all.

A handwritten signature in black ink that reads "Paul Taylor".

**Paul Taylor**  
CEO, Fitch Group



# The gender pay gap

## How do we calculate our gender pay gap?

The gender pay gap shows the difference in average earnings between women and men and relates to the distribution of females and males at different levels of seniority within the company and the pay imbalances this can create.

In line with requirements we have been publishing gender pay gap results since 2018 for Fitch Ratings Ltd (UK).

## How does the gender pay gap differ from equal pay?

The gender pay gap is not the same as Equal Pay. Equal Pay relates to men and women being paid equally for equal work and considers key factors which influence pay, including different roles, skills, seniority and market pay rates. Equal Pay is a legal requirement in the UK, governed by the Equality Act, and a commitment at Fitch for our employees around the world regardless of legislation.

A company can have a gender pay gap without breaching Equal Pay provisions and the gender pay gap at Fitch is not the result of unequal pay between men and women performing the same work.

## How do we report our data?

The data is presented in four ways:

**Mean pay gap** is the difference between the average hourly pay of men and women. The mean is calculated by adding the hourly pay of all men and dividing it by the number of men, the same is done for women, and then the two figures are compared.

**Median pay gap** is the difference between the median hourly pay rates of men and women. The median is calculated by finding the figure that falls in the middle pay point between the lowest and highest paid man and lowest and highest paid woman and comparing the two figures. The median reduces the impact of outliers (for example, if one person is paid significantly more than others in the organisation).

**The bonus pay gap** is the difference between average female and male bonus payments. In line with the reporting requirements, our figures do not consider factors such as eligibility due to start date, nor employees who were eligible to be considered for a bonus but did not receive one due to their performance not meeting the required standard.

## Hourly pay comparison by pay quartile

The Gender Pay Gap is often confused with Equal Pay. Therefore, we also compare the individual hourly pay for the population in each Pay Quartile using the same dataset. This shows the difference in the mean and median pay rate between men and women within each quartile, where a 50/50 ratio indicates pay equity.

## Gender pay gap reporting requirements

Since April 2018, UK Government legislation requires all companies with 250 or more employees in the UK to report the Gender Pay Gap annually for this population.

As of April 2023, only Fitch Ratings Ltd (UK) meets the reporting requirements. For transparency and comparative purposes, we have also included data for our Fitch Solutions UK businesses even though this is a group of companies where no individual entity meets the qualifying headcount.

# Our gender pay gap

## Fitch Ratings

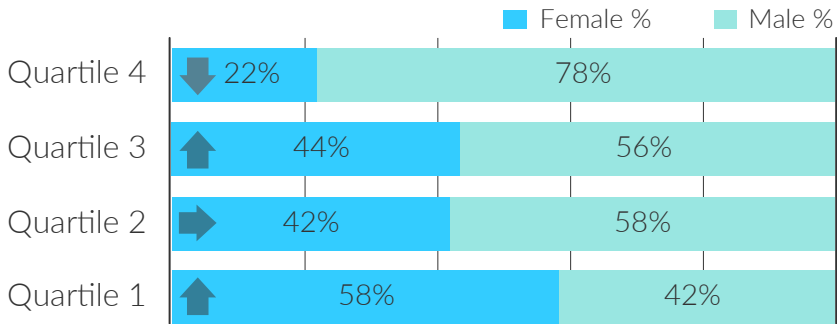
### Gender pay gap April 2023



### Gender bonus gap April 2023



### Proportion of females and males by pay quartile



### Gender gap by pay quartile 2023

Quartile	Male Mean %	Female Mean %	Male Median %	Female Median %
Quartile 4	49%	51%	52%	48%
Quartile 3	50%	50%	51%	49%
Quartile 2	50%	50%	50%	50%
Quartile 1	49%	51%	47%	53%

Note: Quartile 4 is the top quartile by hourly pay.

## Fitch Ratings Ltd gender pay gap trend

Our figures show an improvement in both our gender pay gap and gender bonus gap for the second successive year. The data reported shows a decrease in our mean pay gap as of April 2023 by 1.4% compared to April 2022 and a decrease in our overall median pay gap by 2.2%.

## Fitch Solutions UK gender pay gap trend

In our 2022 report, we voluntarily published Fitch Solutions pay gap data for the first-time for comparative purposes. The data reported shows a decrease in our mean pay gap as of April 2023 by 5.2% compared to April 2022 and a decrease in our overall median pay gap by 10.3%.

## Drivers of our gender pay gap

The primary driver of the gender pay gap is the under-representation of women in senior roles, which in turn results in a lower proportion of women in our upper pay quartiles. As part of our DEI Strategy, we are now targeting a year-on-year increase in the proportion of women in senior level roles so that it reaches at least 35% by 2030. Fitch is dual headquartered in both London and New York, and the majority of our Executive and many MD level positions are currently divided between these locations. We are also a growing global business, and the number of senior roles beyond our headquarters will also increase.

## Fitch Solutions

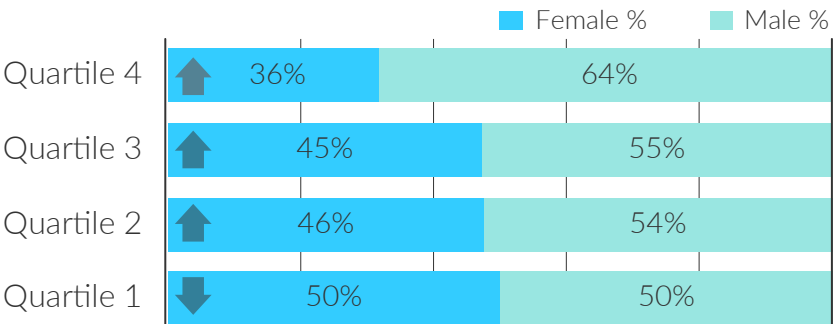
### Gender pay gap April 2023



### Gender bonus gap April 2023



### Proportion of females and males by pay quartile



### Gender gap by pay quartile 2023

Quartile	Male Mean %	Female Mean %	Male Median %	Female Median %
Quartile 4	50%	50%	50%	50%
Quartile 3	51%	49%	50%	50%
Quartile 2	49%	51%	49%	51%
Quartile 1	50%	50%	51%	49%

Note: Quartile 4 is the top quartile by hourly pay.

## A stronger, more inclusive culture

### Promoting gender equality

We are committed to taking action to create an inclusive environment that promotes gender equality at Fitch. On behalf of Fitch Group, our CEO Paul Taylor signed the United Nations Women's Empowerment Principles (WEPs) which are based on transparency, accountability and the tracking of progress and results.

### Fair and inclusive recruitment

We have developed a recruitment strategy that upholds the highest standards of fairness and inclusivity. This strategy includes interview training for hiring managers, the use of gender decoding for job descriptions, review of key competencies for each role, hiring manager toolkits, sourcing and screening of diverse candidate slates, collaboration with diversity-focused organizations and our employee resource groups (ERGs) to broadcast career opportunities and diverse interview panels.

Our dynamic approach to filling each open position is informed by a commitment to diversity, equity, and inclusion. Our recruitment strategy not only enriches our recruitment process but also reinforces our dedication to cultivating a diverse and dynamic workforce.

### Supporting career development

Implementing fair and consistent talent review and succession planning processes is instrumental in recognizing and supporting female leaders. We have also placed a renewed focus on internal mobility, including developing internal talent, enabling the transfer of skills and expertise across our organization, and ensuring equity in career development in line with our DEI Strategy.

### Creating mentorship opportunities

We foster a culture of feedback, learning, and development and support women's career advancement. Our company-wide mentorship platform, MentorPoint, brings together colleagues who want to receive or offer mentorship, facilitating mentor pairings, resources, and training for a 12-month period. Mentoring also provides opportunities for our employees to meet with and learn about others with different backgrounds and experiences to themselves.

### Connecting women at Fitch

The Fitch Women's Network - is a vibrant community for women to connect, contribute and grow professionally and personally. It is dedicated to attracting, retaining and developing female talent and to address gender and diversity balance in support of Fitch's business success.

### Enhanced parental leave

We want everyone at Fitch to achieve their personal, family and professional ambitions, irrespective of gender, gender identity or gender expression, marital status, or any other characteristic protected by applicable law.

In 2023, we introduced a global minimum standard of 16 weeks paid leave to all birthing parents, and 10 weeks paid leave for all parents (additional for birthing parents).



We are committed to take action to close the gender pay gap.



## Supporting parents and caregivers

In 2023, our Fitch Working Parents Network expanded its scope to include all caregivers and became the Working Parents & Caregivers Network (WP&C Network). The network aims to facilitate a supportive and inclusive community of parents, caregivers, and allies at Fitch and to provide resources to support employees in celebrating their successes, overcoming their challenges and achieving career goals alongside family and home needs.

Additionally, all Fitch employees have access to **Employers for Carers** (EfC), an online support portal for working caregivers, and to WorkLife Central, an online platform designed to support, inform, and inspire professionals in their family life, work life and wellbeing.

## Flexible and hybrid work

We have a hybrid working environment for our global workforce and we continue to provide options for alternative work schedules where needed.

We believe that a hybrid working environment is the best way to balance productivity, innovation, employee development and company culture. It supports us in retaining diverse talent and attracting a wider talent pool with diverse backgrounds, experiences and opinions.

## Social Value Collaborations

Social Value Collaborations serves as a bridge between our DEI and CSR strategy & our customers and partners. We partner with industry stakeholders to support under-represented groups to increase their skills and employability and collectively contribute to a society that is fair and equipped for the future.

In 2023, Fitch partnered with **Luminary** to deliver executive coaching to female employees who want to advance professionally and personally. We are also strategic sponsors of the CFA Institute's **Young Women in Investment Program** and we provide annual memberships to **100 Women in Finance** to our employees in partnership with our Women's Network.

## Empowering women in financial services

Fitch Learning has a long-standing commitment to the empowerment, training and development of women in the financial services industry. Our Inclusivity and Women in Financial Services Webinar series was created to help women succeed in developing their career in the industry. In 2023, the series was expanded to include topics on gender neutral inclusivity as well as sessions specific to women. Participants at various career stages have joined virtual and in-person events covering topics including communication styles, overcoming imposter syndrome and unconscious bias.

## Resources for those experiencing menopause

As part of our commitment to gender equity and inclusion, we support women at Fitch throughout all their life stages. We understand that menopause can impact individuals' performance and wellbeing in the workplace, and that is different for everyone. Through our UK PMI employee benefit, members of the scheme can access a Menopause Hub which includes articles, support for employers as well as other resources on the topic.

## Supporting girls in our communities

As part of our commitment to education, we partnered with **Inspiring Girls International** to empower girls by building their skills, knowledge and confidence to achieve and succeed at school and in life.

The program provides role models, information, and access to skill-building opportunities to broaden the girls' horizons, increase their aspirations, and impact the decisions they make about their future education and career direction. Through the partnership, Fitch volunteers become role models and sources of inspiration for the girls. In 2023, we reached more than 1,000 girls and expanded the program to the UK.

## Diverse and responsible supply chain

We are committed to the highest standards of ethical business conduct, and we expect the same of our Suppliers. Fitch's Supplier Code of Conduct sets our expectation that Suppliers maintain safe working conditions, commit to inclusive, fair and respectful treatment of their employees and contractors, comply with all applicable laws and regulations and generally follow ethical business practices.

We recently became a corporate member of **Weconnect International**, a global network that connects certified women-owned businesses to qualified buyers around the world. We aim to leverage this membership to gain exposure to diverse businesses and understand how to better utilize them as we continue to develop our Global Procurement and Responsible Sourcing programs.



We are committed to the highest standards of ethical business conduct, and we expect the same of our Suppliers.

## Programs to support our talent

**Our path programs** – CreditPath, ForwardPath and TalentPath – are talent and leadership development courses intended to strengthen the pipeline of diverse talent across the organization.



FitchGroup

### CreditPath

CreditPath is a program that predominantly supports women who are ready to re-enter the workforce and US Military Veterans who are ready to transition to the private sector.



FitchGroup

### ForwardPath

ForwardPath is a leadership development program designed to help Fitch improve its pipeline of female talent to senior leadership positions. The program is a targeted investment in promising future women leaders and will actively support their professional development as they continue their employment with Fitch.

- **57 women** have completed or are currently participating in the program since its launch in 2018.
- **90%+ of graduates** have been promoted or have expanded job responsibilities.
- **95% retention** of program participants.



FitchGroup

### TalentPath

TalentPath is a nine-month development program for our colleagues who are part of under-represented ethnic and racial communities. It is a learning opportunity that combines workshops, personalized career coaching, exposure to senior leaders and a special project. Managers of participants play an integral part in the program, to set participants up for maximum success.

- **75 TalentPath participants** since its 2021 inception.
- **95% retention** of program participants.