



GENDER PAY GAP REPORT 2021





WELCOME

Diversity, Equity & Inclusion (DEI) are core values at Fitch. We believe that diverse teams achieve better results by leveraging a broad set of ideas and perspectives. Our ability to harness the ideas, experiences and talents of Fitch's diverse and global workforce is integral to our success.

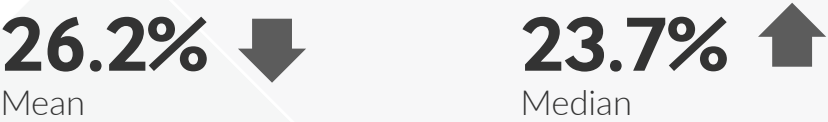
Over the past year we have continued to focus on ways of closing our gender pay gap through different initiatives which are outlined in this report. I'm pleased to say that our 2021 figures show a small improvement in both our gender pay gap and gender bonus gap, but we recognize there is still work to do. We are committed to increasing diversity, ensuring equal opportunity for all and strengthening our inclusive culture where all members of the Fitch community can thrive.

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

Paul Taylor
CEO, Fitch Group

OUR GENDER PAY GAP

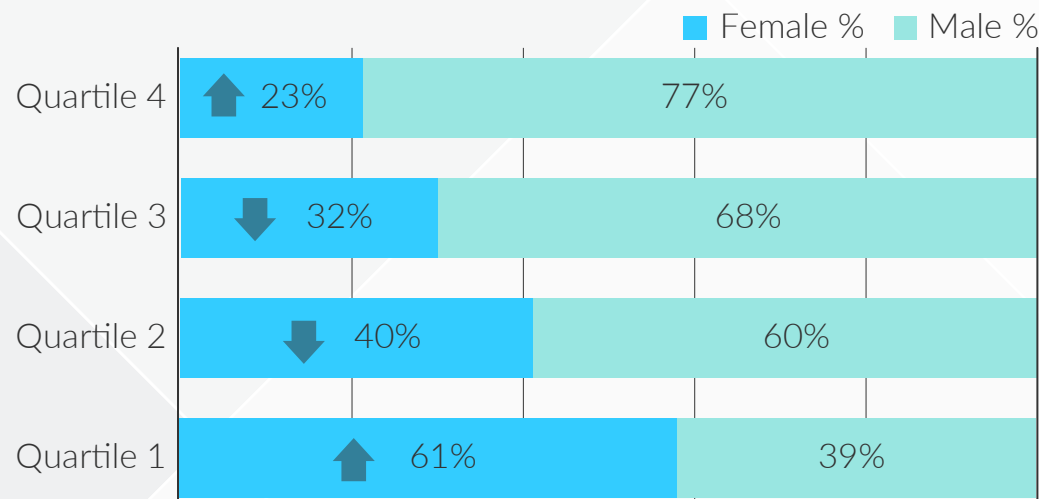
GENDER PAY GAP



GENDER BONUS GAP



PROPORTION OF FEMALES AND MALES BY PAY QUARTILE



MEAN GENDER GAP BY QUARTILE 2021

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

WHAT IS THE GENDER PAY GAP AND HOW DOES IT DIFFER FROM EQUAL PAY?

The gender pay gap is a measure of the difference between the average hourly earnings of men and women across an organisation.

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.

UK Government legislation requires all employers with 250 or more employees in the UK to report the Gender Pay Gap for employees in the UK on an annual basis.

OUR GENDER PAY GAP

At Fitch we recognise that a spectrum of gender identities and expressions exist. However, we calculate our gender pay gap using the approach required by UK legislation, which compares the pay of females and males. The information reported on this page relates to the population of Fitch Rating Ltd (UK) as of April 2021, unless otherwise indicated.

Our 2021 figures show a small improvement in both our gender pay gap and gender bonus gap. The data reported shows a decrease in our mean pay gap as at April 2021 by 4.9% compared to April 2020 but a slight increase in our overall median pay gap by just over 2%.

Our gender pay gap is due to the under-representation of women in senior roles, which in turn results in a lower proportion of women in our upper pay quartiles. This is most visible in quartile four, even though the proportion of women has increased. This is partly because Fitch has dual headquarters in both London and New York and majority of our Executive and many MD level positions are divided between these locations. This impacts our UK Gender Pay Gap as the higher concentration of women in this quartile are based in the USA.

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 is less skewed by 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.

MEAN GENDER PAY GAP BY QUARTILE

We also calculated the mean gender pay gap for Fitch Ratings Ltd. (UK) within each pay quartile band. As expected, this is much lower than the overall pay gap and confirms that the principle driver of the overall gap is the increasingly unequal distribution of men and women as role seniority increases.

WORKING TOWARDS GENDER EQUALITY

Fostering and supporting a globally diverse and inclusive workforce is a strength of Fitch. Closing the gender pay gap is something which Fitch is focused on and committed to improving, through various initiatives including our evolving approach to performance assessment, promotion decisions and annual compensation review outcomes.

The actions Fitch is taking to reduce the gender pay gap focus on addressing imbalances in gender representation in our industry and gender biases that persist in the workplace and for caregiving roles. Our actions will help us to continue to build an inclusive culture and create structural change to correct and address these imbalances. This in turn will help us to eradicate or offset inequities, resulting in more equal representation at senior levels and across the talent pipeline.

1. LEADERSHIP COMMITMENT & ACCOUNTABILITY

We will continue to work to improve our pipeline of female talent across all quartiles. To achieve this we have established a Fitch Group DEI council to bring about sustainable and long term impact to our practices.

2. DEVELOPING OUR PIPELINE

In 2017, Fitch introduced the first of its “Path” Programs. These are talent development programs focused on strengthening the pipeline of diverse talent across the organization. These include:

- CreditPath (2017 - transition/return to work talent acquisition and training program),
- ForwardPath (2018 - women’s leadership development program) and
- TalentPath (2021 - leadership development program for under-represented talent).

We have 90% retention of all Path Program participants since the first program launched.

3. FOCUS ON GRADUATE RECRUITMENT

Our early talent activities focus on attracting students and graduates. Since adopting diversity targets for gender balance across our early talent cohorts in 2018, we have progressively improved our numbers. In 2021, gender diversity for the Global Early Talent program was 53%. Increased focus was placed on broadening our efforts among ethnic/racial and other under-represented groups. In addition, we have made progress in attracting LGBTQA+ graduate talent through our partnership with “Out for Undergrad (O4U)”.

4. ENABLING THROUGH LEARNING AND DEVELOPMENT

Fitch offers employees the Us.u.all suite of learning, which introduces several training modules on important DEI topics. The modules seek to raise awareness about inclusivity, inspire us to confront our biases and behaviors, understand the impact on others and commit to making a change. Since Us.u.all launched in 2019, thousands of Fitch employees have completed the training modules which include ‘Knowing Me, Knowing You’ (4,692), ‘Minus the Bias’ (4,919), and “Building Bridges” which was just introduced in January 2022. In addition, 842 Fitch managers completed our ‘Building an Inclusive Culture’ workshop. The ‘License to Hire’ program was launched in 2020 to enhance managers’ skills to enable them make objective and less biased decisions in the hiring process. In 2020, we had 33 accreditations and in 2021, 110 colleagues attended the ‘License to Hire’ workshop with 65 accreditations.

5. SUPPORT FOR GRASS ROOTS - WOMEN’S NETWORK

The Fitch Women’s Network provides a vibrant community for women to connect, contribute and grow professionally and personally. It is dedicated to improving and attracting the talent pipeline, retaining and developing female talent and addressing gender and diversity balance. It continues to develop programs for women including mentoring opportunities, seminars with senior leaders and training on topics such as Building a Personal Brand and Communicating with Confidence. It also sponsors 100 Women in Finance.

6. A WORKFORCE FOR THE FUTURE - HYBRID WORKING

We know it’s important for everyone to have flexibility in how and where they work. At Fitch, we moved towards a hybrid working environment for our global workforce while continuing to provide options for alternative work schedules where needed. This will support us in retaining diverse talent and attracting a wider talent pool with diverse backgrounds, experiences and opinions. It will build resilience and support our future sustainability and individual wellbeing.

7. SUPPORTING OUR WELLBEING

We are focused on helping our people manage and improve their health and wellbeing, and provide them with various free tools to help them achieve this. These tools include fitness resources, the Unmind App and our Employee Assistance Programs (EAPs). We have also created a network of Wellbeing Champions across all regions, and provided accredited training for our first cohort of Mental Health First Aiders (MHFA).

PATHS TO THE FUTURE



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FORWARDPATH

- **47** Graduates of the year-long program
- **90%+** of graduates have been **promoted, currently nominated for promotion and/or have expanded job responsibilities.**
- **97% retention** of program participants (including one who moved to a Hearst Venture).
- **233** participations in the **ForwardPath Learning Series** since inception in 2019 (some women took part in multiple years)



FitchGroup

CREDITPATH

- **36** CreditPath Program **participants** since 2017 inception, with 25 offers made.
- **2021** Expansion to **Military Veterans.**
- **2021:** 11 participants / 7 offers made / **6 offers accepted.**
- **20 FCA Certifications** (Core Credit 360 written, Credit 360 Panel) among graduates.
- **6** Graduates (current Employees) **promoted and/or currently nominated for promotion.**



FitchGroup

TALENTPATH

- **21 participants** in the 2021 Inaugural Program (US colleagues who identify as Black and/or Latinx).
- **20** hours of **workshops** delivered with an average score of 4.6/5.
- **315** individual **coaching sessions** completed by TalentPath participants.
- **2022 expansion** to UK.
- Positive **impact** so far (anecdotal) on employee engagement