

FitchGroup

GENDER PAY GAP REPORT 2022





Welcome

At Fitch, we are committed to integrating Diversity, Equity and Inclusion principles into every aspect of our business. We strive to make a positive impact that creates a sustainable future for our communities and for Fitch.

As part of our DEI Strategy, we have set targets to increase the proportion of women at Executive and Managing Director level to 35% from 26% by 2030. 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.

Our 2022 figures for Fitch Ratings UK show there has been a slight decrease in both the gender pay gap and bonus pay gap compared to April 2021. While this is progress, we recognize that we still have more to do to address this gap. We are also publishing our results for Fitch Solutions UK for the first time.

We continue to have an ambitious, strategic and long-term commitment to build an inclusive workplace, further invest in our communities, and champion sustainable business practices.

A handwritten signature in black ink that reads "Paul Taylor". The signature is written in a cursive, flowing style.

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 men and women and relates to the distribution of men and women at different levels of seniority within the company and the pay imbalances this can create.

The methodology used to calculate the gender pay gap is in line with UK Government guidelines and therefore looks at salary data post salary sacrifice and also factors in one off bonus payments, both of which can cause variances in the data year to year.

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 reporting of the data for the company 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 is less skewed by outliers (for example, if one person is paid significantly more than others in the organization).

The bonus pay gap is the difference between average bonus payments for men and women. 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 data

Since April 2018, 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.

The information reported relates to the population of Fitch Ratings Ltd (UK) as of April 2022. This year we are also showing the data for our Fitch Solutions businesses.

Our Gender Pay Gap

Fitch Ratings

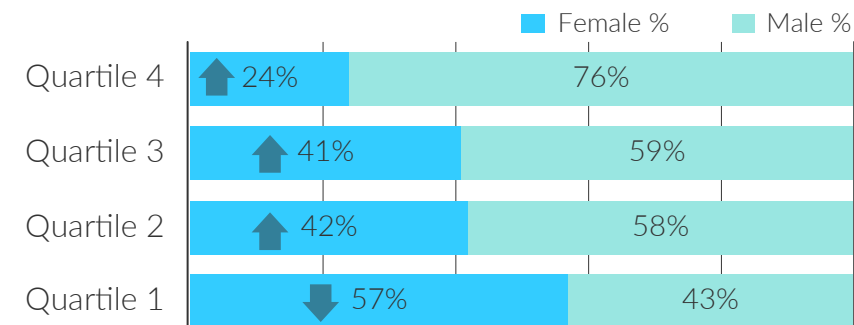
Gender Pay Gap



Gender Bonus Gap



Proportion of Females and Males by Pay Quartile



Gender Gap by Quartile 2022

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

Note: Quartile 4 is the top quartile by hourly pay

Fitch Ratings gender data analysis

Our 2022 figures show an 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 2022 by 1.1% compared to April 2021 and a decrease in our overall median pay gap by 1.4%.

2022 showed a net growth in our female population and this is reflected in the quartile data (specifically Q2 and Q3) showing a net overall female growth of 2% compared to 2021.

Fitch Solutions gender data analysis

This is the first year we have shown the gender pay gap for Fitch Solutions as our recent acquisitions have taken the total UK population above the required threshold for reporting requirements. Given that it is the first year of reporting, we are unable to compare against previous years. Fitch's DEI strategy and objectives apply globally to our Ratings and Solutions businesses.

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 this reaches at least 35% by 2030. Every % increase in representation helps reduce the pay gap, although we will hire and promote female talent wherever we can, as best serves the needs of Fitch. We are dual headquartered in both London and New York, so 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

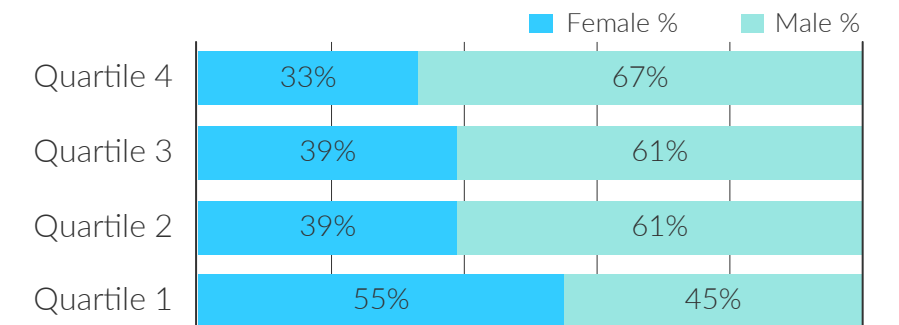
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Quartile 1	50%	50%	50%	50%

Note: Quartile 4 is the top quartile by hourly pay

A Stronger, More Inclusive Culture

We believe in an inclusive and equitable culture where all employees can thrive, reach their full potential and be treated with respect and dignity.

Our Diversity, Equity and Inclusion Strategy includes five pillars: workforce of the future, equitable and inclusive culture, industry leadership, supporting our communities and diverse and responsible supply chain.

Workforce of the Future

Our DEI recruitment strategy sets minimum standards to ensure the process is inclusive. This 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, and diverse interview panels.

Promoting gender equality and empowering women

We are committed to taking action to create an inclusive environment that promotes gender equality and fosters empowerment for all women at Fitch. On behalf of Fitch Group, our CEO Paul Taylor signed the United Nations Women's Empowerment Principles (WEPEs), which guide businesses on how to promote gender equality and empower women in the workplace and the community.

Supporting women to develop their careers

Talent review and succession plans help us identify emerging female talent and leadership. Our managers play an important role in working with women to identify development opportunities to grow their careers.

Connecting women at Fitch

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.

Equitable and Inclusive Culture

Fitch offers all employees the Us.u.all suite of learning, which provides training on relevant DEI topics. The training modules focus on raising awareness of inclusivity, and creating an environment of acceptance in order to inspire us to confront our biases and behaviors, understand the impact on others and commit to making a change.

In 2020, we also launched the 'License to Hire' program to enhance managers' skills to enable them to make objective and less biased decisions in the hiring process.

Programs to support our talent

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

Mentorship to grow career opportunities

In 2022 we launched MentorPoint, a mentorship platform that brings together the various ERG mentoring programs.

Supporting our working parents and carers

We believe it is important to support colleagues as they become parents and as their families grow. Fitch has recently reviewed policies in this area and in 2023 we will introduce a global minimum standard for parental support, enhancing existing policies in the majority of our locations and providing a common framework for all employees.

A Stronger, More Inclusive Culture

A focus on wellbeing

We promote an inclusive culture where all employees feel enabled and supported to do their best work.

We have a wide range of resources for managers and colleagues to improve their wellbeing. These include access to mental health training and resources through the Unmind App, a resource paid for by Fitch, which offers a range of tools in areas including improving sleep, self-care, mindfulness and building resilience.

Our Employee Assistance Programs (EAPs) offer all employees and their immediate families access to financial and legal services, and support with dependent care and stress management.

We also have accredited Mental Health First Aiders (MHFA) who have been trained in EMEA, APAC and North America to offer support to colleagues globally in confidence as well as a network of Wellbeing Champions across all regions who play an important role in helping colleagues feel connected and supported.

Flexible 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.

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.

Industry Leadership

Social Value Collaborations

Social Value Collaborations serves as a bridge between our DEI and CSR strategy & our customers and partners. We are working 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.

As part of our Social Value Collaborations initiatives, Fitch has partnered with Luminary, a career growth platform and collaboration hub created to address the systemic challenges impacting women across all industries and sectors.

We have also expanded our relationship with the CFA Institute, we are strategic sponsors of their CFA Institute's Young Women in Investment Program. We have also supported the non-profit organization 100 Women in Finance.

In 2022, we also sponsored Female Quotient's Equality Lounge at the SALT Conference.

Empowering women in financial services

Fitch Learning has a long-standing commitment to the empowerment, training and development of women in the financial services. The 'Women in Financial Services' series was created to help women develop their careers. In 2022, Fitch Learning organized the 'Advocating for Yourself' webinar and published a report on **'Imposter Syndrome: Microaggressions'**.

Supporting our communities

As part of Fitch Community we seek to strengthen our commitments through global partnerships to promote access to education and learning opportunities in under-represented communities.

Connecting women with girls' aspirations

We have a commitment to education and opening up opportunities for the next generations. 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.

Our three-year partnership started in the USA, Mexico, Spain & Singapore and will be expanded in the future. 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.

Diverse and Responsible Supply Chain

Fitch Group is committed to the highest standards of ethical business conduct, and we expect the same of our Suppliers. Our Supplier Code of Conduct includes our expectations 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.

Paths to the Future



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FORWARDPATH

ForwardPath is a year-long leadership development program designed to help Fitch increase the advancement of female talent to senior leadership positions.

- **48** 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.
- **94%** retention of program participants.



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CREDITPATH

Fitch CreditPath is a 10-week paid program that welcomes professionals with financial services experience who are ready to re-enter the workforce and US Military Veterans who are ready to jumpstart their career.

- **49** CreditPath Program participants since 2017 inception.
- Recent expansion to include Military Veterans and opportunities in Technology.
- **2023** - we will be welcoming **eight** full time hires from our 2022 CreditPath Program which includes **three** US Military Veterans & **five** Returning Professionals.



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TALENTPATH

Introduced in 2021, TalentPath is a year-long talent development program for Fitch Associate Directors and Directors who identify as part of under-represented ethnic minority groups.

- **53** TalentPath participants since its 2021 inception.
- **2022** - we expanded the program to include UK eligible employees.
- **2022** - we increased our program size by **57%**.