

Fidelity International's Gender Pay Report 2017

At Fidelity, we comply with the UK government's requirement to publish the gender pay gap for UK employees.

Our analysis shows that we have a gender pay gap of 23% (mean) and 25% (median) in the hourly pay rate for men and women.

While this gap is better than the average for UK Financial Services companies of 34%, we continue to strive to improve, and have a long term programme of work in place to address it.

Some of the reasons driving this outcome for Fidelity in the UK include:

- Higher concentration of men in senior specialist roles, particularly investment management professionals
- Higher concentration of men in front-line and sales roles
- Higher concentration of women in support roles

We recognize that reducing the gap is a long term programme to which we are committed.

Gender Pay Explained

Gender pay reporting requires companies to look at pay on a mean and median basis across its male and female populations based on all male employees from the highest paid to the lowest paid, compared to the same analysis of female employees. It considers both hourly pay and bonus pay.

The gender pay gap is then the percentage difference between the mean and median earnings of men and women, expressed relative to men's earnings.

Gender pay reporting is distinct from equal pay. It does not take into account particular roles, experience or qualifications. We have robust processes in place to identify and address equal pay issues. To date the results of periodic audits show a low number of required adjustments and these are reported to the FIL Limited Remuneration Committee and remedied.

What are Fidelity's figures?

Our data looks at a 'snapshot' of our employee pay data on the 5th of April 2017 for all employees based in the UK.

Gap between male and female pay for hourly pay and bonus payments

This data shows that when we list all male salaries and all female salaries from the highest to the lowest paid, men are earning 23% more as a mean figure and 25% more as a median figure. The same analysis has been applied to bonus payments (which include for Fidelity both our annual bonus and phantom share payments) and this shows that men are receiving 69% more as a bonus figure at the mean and 55% more at the median.

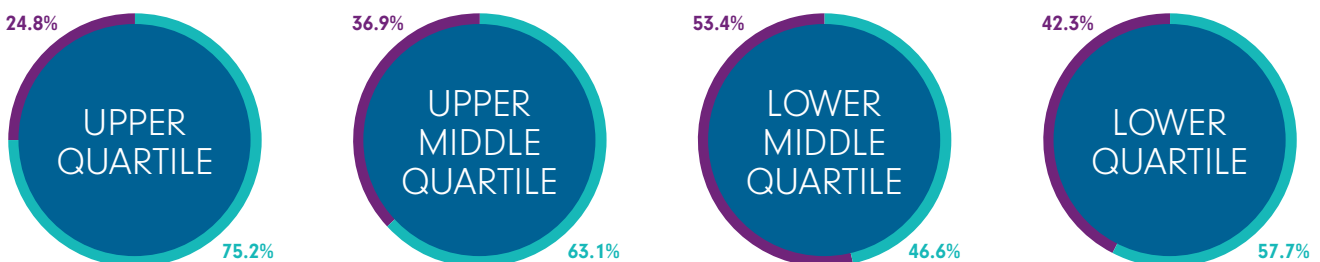
Difference between men and women

	Mean	Median
Hourly pay	23.4%	25.4%
Bonus	69.1%	54.7%

Less than 3% of the gap is attributable to pay difference. What drives the gap are the demographics of the Company. For example, having more men in senior roles compared with women is a key factor in explaining the Fidelity gender pay gap, which requires long-term sustained focus to remedy both at a company and at an industry level.

Pay quartiles

This data shows the percentage split between males and females at each pay quartile. A pay quartile is the range of salaries from lowest to highest divided into four bands. Our data shows that there are more men than women in the upper two pay quartiles which is one of the reasons for the hourly and bonus pay gap shown above.



Proportion of employees of each gender receiving a bonus

These figures show that in the 12 months up to April 2017, the same proportion of male employees and female employees received a bonus in the form of annual bonus and/or phantom share payment.



Understanding Fidelity's Gender Pay Gap

In the UK there are more men in senior positions across nearly all our UK business units. There are also certain specialist functions which both at a company and at an industry level have a high concentration of men. This too has a significant impact on the pay gap observed.

Our support for flexible working for all employees and our returning mothers program have seen a rise in uptake of part-time work by females. The inclusion of our part-time workforce in the data has a 4% impact on the bonus gap, because the regulations do not allow us to adjust the earnings of part-time staff to their full-time equivalent. We accept that, because thus far more female employees have taken advantage of our progressive flexible working arrangements, there will be a negative impact on both the reported hourly pay gap and the bonus pay gap.

When the demographics of the organisation are taken into account, the actual paygap reduces significantly to within a tolerance of less than 3%.

What are we doing to address Fidelity's gender pay gap?

The data tells us that we need to strive even harder to increase the pipeline of women talent into our organisation, particularly in the investment management and technology space and to achieve greater gender balance at middle and senior management.

We also need to continue to promote our global flexible working policy to ensure we are attracting women to our organisation at all levels of seniority, put in place the support mechanisms to retain female employees and allow them to progress within the organisation as well as removing obstacles to career opportunities.

We recognize that this is a long journey and we are committed to it. Some of the initiatives that we are undertaking include:

- Commitment to HM Treasury Women in Finance Charter. We have set gender targets to ensure there are 30% of women at senior management level by the end of 2020
- Introduction of flexible working for all employees
- Launch of the New Horizons Women Returners Programme which supports women returning to work after an extended career break
- Launch of an Investment Management Scholarship Programme which supports young people who would not previously have considered a career in Investment Management through university alongside a summer internship scheme
- Series of recruitment events aimed at attracting more girls and women into a career in Investment Management
- Celebrating diverse role models through our Women in Leadership video series, employee network activity and annual celebration of International Women's Day
- Supporting, mentoring, sponsorship and focused development for women through our talent management processes and the launch of 'Lean In' mentoring circles
- Working in partnership with the CFA Institute, and Business in the Community gender campaign in the UK to tackle specific issues relating to gender imbalance
- We have trained 96 of our most senior leaders in Unconscious Bias awareness and all managers involved in recruitment are required to complete an interviewer training course which outlines the impact of unconscious bias in hiring

We measure our progress through quarterly diversity metrics and our annual engagement survey. Whilst we are fully committed to ensuring greater gender balance in senior technical roles, we recognise that these programmes will not lead to a significant reduction of our pay gaps in the short term.

How can employees help?

All employees at Fidelity are responsible for creating a more diverse and inclusive culture. Colleagues are encouraged to get involved in gender balance initiatives through participating in our external careers events, supporting the work of our Diversity and Inclusion Network and by building an inclusive and welcoming culture through their everyday behaviours.

Where can I find further information?

You can read more about gender pay reporting on the government website: <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

Signed by Sally Nelson

On behalf of FIL Investment Management

Glossary of terms

Mean This is the average of all male/female salaries. For example, the 'mean' hourly male salary is the total value of all the hourly salaries of every male employee in the data group divided by the number of men in that data group.

Median This is the midpoint of all hourly salary/bonus figures so that there is an equal probability of falling above or below it. For example, the 'median' female salary will be the salary of that employee who falls exactly halfway in the list of salaries from the highest to the lowest.

Pay Gap This is the percentage difference between the mean and median earnings for men and women, expressed relative to men's earnings

Pay quartile This is the total employee population in this data group listed from highest hourly salary to lowest, divided into four equal quartiles
