

UK Gender Pay Gap Report 2017

BLACKROCK®

Foreword



Inclusion and diversity are critical to BlackRock's mission to create better financial futures for clients. By harnessing the different backgrounds and experiences of our people, we challenge the status quo, inspire innovation, and create better outcomes for our clients and ourselves.

The UK Gender Pay Gap Regulations give us the opportunity to discuss our progress as well as the challenges we face, and focus our efforts to improve. We have made a long-term commitment to increase the number of women in senior positions at the firm through hiring, retention, promotion, and development initiatives. We embrace the responsibility we have to our employees and to the communities in which we operate. We also recognise the scale of the issue and multi-year commitment required.

Closing the gap requires consistency, persistence, and focus in every decision we make. For BlackRock, this is ultimately about creating more opportunities for women to become leading investors, technologists, and senior executives. In this report we outline some of the initiatives we are undertaking within the company and across our industry. But, simply stated, we need to move faster and do better.

Rachel Lord

Senior Managing Director,
Head of Europe, Middle East, and Africa

Today

53% of our global Graduate Class hires were women in 2017

45% of all new hires globally were women in 2017

40% of our global workforce are women

28% of the BlackRock, Inc. Board of Directors are women (pending nominee elections on 23 May 2018)

Women in Senior Leadership Roles

Today
27.5%

Target for 2020
30%

Understanding our Pay Gap

Our gender pay gap data shows that men at BlackRock earn more on average than women. This is because men hold a majority of the firm's most senior and highest-paying roles while women are more prevalent in more junior roles.

We need to do more to create senior leadership opportunities for women, particularly in our core portfolio management and technology functions.

Fair Pay at BlackRock

We have processes in place designed to ensure fair pay for roles with similar scope and impact, but we need to remain vigilant. BlackRock has a strong pay-for-performance culture: our annual compensation process takes into consideration role, performance, seniority, skills, knowledge, and market benchmarks. We conduct functional and regional reviews to ensure pay decisions are made fairly and without bias.

An independent third-party firm recently conducted an analysis of our compensation practices. The results show that our pay practices are based on a number of factors, such as experience, role, and impact – gender is not a driver of pay.

Gender Pay Gap vs. Equal Pay

The **gender pay gap** is the difference between the average pay for men and women across a workforce, regardless of role or seniority.

Equal pay is being paid the same for the same/similar work and similar impact. This has been a requirement under UK law since 1970, and is the law in many other markets in which we operate.

BlackRock UK Gender Pay Gap Figures

21% mean ordinary pay gap

28% median ordinary pay gap

69% mean bonus gap

45% median bonus gap

94% of male employees received a bonus

93% of female employees received a bonus

Closing the Gap

The gender pay gap data highlights our current gender distribution and the lower ratio of women in senior and higher-paying roles. We are intensely focused on changing that ratio.

We recognise that it will take a multi-year strategy and focused execution to close the gap. We need to deepen our focus on recruiting, developing, and retaining women at all levels of the firm in order to make the change we need.

Progress will not be linear. The gender pay gap could widen some years as a result of the vesting of equity awards made in prior years and as we hire more junior women into our talent pipeline.

We have made hiring, engaging, and advancing women a priority for many years – we have a strong foundation on which to build. Last year, over one third of our senior hires were women and we increased the number of women in senior leadership roles to 27.5%. We are making progress but we are not satisfied with where we are today.

Five Years of Global Progress

2012 ■ 2017

38% **53%**

of the Graduate Class were women

41% **45%**

of all new hires were women

24% **27.5%**

senior leader female representation

Closing the Gap: **Recruitment**

We have established hiring and talent development processes designed to ensure that talent decisions are made without bias while promoting workplace diversity.

In recruiting, we:

- Require that we interview a group of diverse candidates for every open job
- Train our managers to be aware of unconscious bias and take steps to mitigate potential bias
- Coach our managers to build high-performing, diverse teams, and to foster inclusion and belonging for all employees
- Use competency-based interviewing to assess candidates against consistent job standards
- Review select job postings for potentially biased language
- Hold the recruitment and search firms with which we partner accountable to the same standards

We have initiatives focused on making it more attractive and easier for women to join BlackRock. In order to encourage young women to explore these career options, we have developed a range of programmes including **The Hallac Scholarship**; our support for **Into University/Big City, Bright Futures**; and the **Girls Network**. Each of those offer financial support and mentorship to young women.

2017 UK Hiring

53%

of the Graduate Class were women

39%

of all senior leaders hired into the firm were women

47%

of all new hires were women



“We’re not waiting for women to find BlackRock. We are reaching out at every level to find the women who are going to drive the future for BlackRock and its clients. Scholarships at the entry level and a more strategic approach to recruiting at the executive level are making BlackRock a better place.”

Ola Fadipe

Director,
EMEA Talent Acquisition Lead and Global Head of
Campus Recruitment and Development

Closing the Gap: **Development**

To move women into more senior roles, we continue to focus on the development of women at BlackRock. A key component of our leadership development programmes is sponsorship – widely considered a career accelerator. We've incorporated sponsorship of women into our development programmes for Managing Directors, Directors, and Vice Presidents. We are focused on ensuring that our programmes are accelerating the careers of the women at BlackRock. We closely track their effectiveness through promotion rates, role expansions, and leadership roles in external industry forums, including boards.

Women's Leadership Forum (WLF) accelerates the development of our most promising female leaders. Over the past seven years, it has focused on increasing the strategic impact and executive presence of women through a blend of sponsorship, coaching, and structured learning.

Leadership Excellence and Development programme (LEAD) targets high-performing emerging leaders in areas where we know we want to boost representation. At 57% female participation, the recently launched program focuses on raising self-awareness of strengths and development areas, skills building, BlackRock case studies, coaching, and exposure.

Human Capital Committee (HCC) Sponsorship Initiative matches senior leaders dedicated to career development with high-performing, diverse Directors. Launched in 2017, 68% of programme participants were women. The goals of this initiative are to:

- Drive opportunities for career development, mobility, and growth
- Build a deeper and more diverse leadership bench
- Ensure leaders broaden relationships with top diverse talent



"Mentorship and sponsorship have been incredibly important to me as I've developed my career. I've been fortunate to have a broad array of advisers from inside and outside of BlackRock who have helped me see things from a different perspective, learn about myself, and make brave decisions. I also have the privilege of acting as sponsor and mentor to other people, which is hugely rewarding. It's about creating a culture where mentorship and feedback are the norm – some of my most impactful relationships grew naturally."

Poppy Allonby

Managing Director,
Head of Strategic Product Management, EMEA

Closing the Gap: Retention

We understand that our people are highly sought after. That is why we work hard to retain our high-performing women and men. Creating an inclusive culture where everyone feels they can belong – where they can be themselves and do their best work – is key to retaining talent at BlackRock. Our leadership model, which is the basis of how we assess emerging leaders, is underpinned by demonstrating inclusive leadership and building high-performing diverse teams.

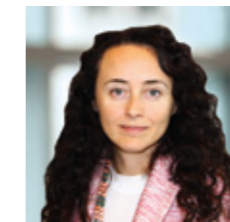
We know that it is important for women to have role models in leadership positions across the organisation. We are proud that the Europe, Middle East, and Africa (EMEA) Executive Committee is 37% women, and that the board of BlackRock Group Limited – the holding company which oversees the BlackRock EMEA group of companies – is over 30% women.

Women's Initiative Network (WIN), which recently celebrated its 10th anniversary, brings together leadership, innovation, and passion to foster the full potential of BlackRock's women through a number of initiatives reaching over 1,000 employees across EMEA. These initiatives include:

- **Analyst Mentoring:** Group mentoring programme
- **Elevate Series:** Three-part series for Associates, providing skills workshops, career planning guidance, and access to role models, as well as an EMEA-wide network of similarly motivated peers
- **Art of the Ask:** Exclusive opportunity for high-potential women at the Vice President level to develop their potential through building skills, confidence, and the ability to negotiate successfully – to ask for what they want

Balancing Work and Life

We offer a progressive and comprehensive suite of benefits designed to promote work-life flexibility and employee financial and personal wellness. These include a flexible time off policy, agile working arrangements, emergency child care, school holiday cover and back up, adult and elderly care, enhanced pay during maternity leave, enhanced paid leave for non-primary care givers, and paternity leave. To further support new parents, we provide maternity leave coaching and offer pre- and post-leave workshops for both employees and managers.



"BlackRock's collaborative, meritocratic culture with its focus on innovation provides me with great opportunities to learn and make a difference."

Simona Paravani

Managing Director,
Global Head of Investments,
Client Portfolio Solutions

Transparency and Accountability

We believe that transparency and accountability are critical as we seek to create a more inclusive and diverse workforce. We use both to inform and improve our recruiting and development practices.

We regularly track and monitor gender data, reviewing hiring, promotion, and attrition at the firm, regional, and functional levels. These scorecards ensure we continuously challenge ourselves to increase the diversity of our teams. We also measure and review performance ratings, promotion, and compensation to ensure fair and objective decision making.

Senior leaders are held accountable for progress on diversity. The BlackRock, Inc. Board of Directors oversees our Global Executive Committee's compensation and bonus pools, which are determined, in part, based on how they deliver against annual Talent and Diversity objectives. These objectives specifically include an increase in the number of women at all levels and progress against our short-term goal of 30% women in senior management roles.

Last year, we built training programmes and tools for our managers to create more diverse and inclusive teams and began embedding those expectations in our talent processes. Managers are evaluated against these expectations in the annual performance review process.

Employee Opinion Survey (EOS)

We also measure employee reaction to our inclusion and diversity efforts through our yearly Employee Opinion Survey (EOS), which has 95% participation. Through this process, we learned that women at BlackRock are looking for role models and sponsors/champions to increase their feeling of belonging at the company. We acted on this data by creating more sponsorship programmes and committing to extending these programmes deeper into the organisation.

Industry Leadership

We believe that it is critical that we work to promote the role of women and other underrepresented groups not only within BlackRock, but across our entire industry.

We display our commitment in a variety of ways:

- We were an inaugural signatory to the **UK Women in Finance Charter**
- We are active members of the **30% Club** and have 60 employees currently assigned as either mentors or mentees across the industry
- We sit on the **100 Women in Finance Leadership Council**
- We are a sponsor of **The Diversity Project**
- Our CEO is a signatory of the **CEO Action for Diversity & Inclusion** organised by PwC
- We partner with other women's networks across the industry to share best practices
- A number of senior BlackRock women have been externally recognised for their leadership and influence, featuring in awards such as Financial News' *100 Most Influential Women in Finance* and Financial Times' and HERoes *Top 50 Champions of Women in Business*
- We encourage employees to consider the diversity of panels when asked to speak at industry events, and to consider refusal if the panel is not sufficiently diverse



"I joined the London board of 100 Women in Finance because I am

passionate about supporting women in our industry and our firm - because we need more women in senior investment roles. To make progress, we need to empower women through professional development and peer-to-peer networking, and it is critically important to inspire young women to pursue careers in finance and investments."

Sheryl Needham

Managing Director,
Head of BlackRock's Family
Office business in EMEA

A Letter from the CEO



Eight founders – six men, two women – started BlackRock 30 years ago with the commitment to do things differently, to constantly push ourselves to do better for our clients and for employees.

We have grown a lot in 30 years. Among the things we learned along the way is that if we are going to help our clients build better futures – if we are going to fulfill our social purpose – we need to be more diverse, inclusive, and equitable. We learned that to serve our clients, we need to mirror the people whose money we manage. This means being Japanese in Japan, Dutch in the Netherlands, British in the UK. And with a growing number of women managing wealth not just in households but in endowments and institutions, we need more women to drive our business.

BlackRock looks different three decades later. Our team is made up of individuals who are as extraordinary as they are different. Today we are men and women of every demographic description. We speak more than 100 languages. We work from more than 70 offices in 30 countries.

But we will – we must – do more to drive the diversity of our team. We need to improve ourselves, not replicate ourselves. We need more voices to ensure we make the best decisions. We need to continue to create an environment in which all employees feel they can be themselves.

Above all, the standard by which we evaluate every individual on our team must always be performance and nothing else.

We are committed to making it our purpose to continue to evolve and improve – to build a more diverse and inclusive firm – to serve our clients and to build a better BlackRock.

Larry Fink

Founder, Chairman, and Chief Executive Officer
BlackRock

Disclosures

Pay Gaps as at 5 April 2017	BlackRock UK (All UK Employees)		BlackRock Investment Management (UK) Limited		BlackRock Asset Management Investor Services Limited	
	Median	Mean	Median	Mean	Median	Mean
Ordinary Pay Gap	28%	21%	23%	20%	23%	17%
Bonus Pay Gap	45%	69%	41%	71%	72%	50%

Proportion of employees who received a bonus	BlackRock UK		BlackRock Investment Management (UK) Limited		BlackRock Asset Management Investor Services Limited	
	Female	Male	Female	Male	Female	Male
	93%	94%	93%	94%	97%	97%

Proportion in each quartile		BlackRock UK				BlackRock Investment Management (UK) Limited				BlackRock Asset Management Investor Services Limited			
		LQ	Q2	Q3	HQ	LQ	Q2	Q3	HQ	LQ	Q2	Q3	HQ
		Female	50%	46%	33%	25%	48%	50%	35%	25%	55%	30%	27%
Male	50%	54%	67%	75%	52%	50%	65%	75%	45%	70%	73%	80%	

Mean: The mean gender pay gap is the difference in the average hourly pay for women compared to men.

Median: This is the 'midpoint' of all hourly salary/bonus earnings of men and women. If you separately lined up all the women in a company and all the men, the median pay gap is the difference between the hourly pay rate for the middle woman compared to that of the middle man.

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

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

We verify that the information in this disclosure is accurate.



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