

UK Gender Pay Gap Report 2018

BlackRock

Our Commitment



BlackRock has prioritised inclusion and diversity for many years. Reporting our gender pay gap in the UK is an opportunity to reflect on the progress we've made while recognising the work we still have to do.

Our UK gender pay gap has narrowed since our report last year. Our median salary gap improved by 5 percentage points while the median bonus gap improved by 12 percentage points.

The existing gender pay gap results from a gender distribution imbalance. In higher-paid senior investment, technology and management roles, we have a lot more men than women. On the other side of the balance, women are over-represented in more junior and lower-paid positions. We conducted a fair-pay analysis again this year in which a third-party expert found that gender is not a factor in how we pay people with similar jobs at BlackRock. The gap is therefore caused by distribution, not pay inequity.

Paying people fairly can never be enough for a firm like BlackRock. We aspire to be a firm where women and men alike want to build their careers because we afford them great opportunities across the spectrum of our businesses and roles. To be that kind of firm, we continue to focus on four primary areas: recruitment, retention, development, and accountability. As an organisation, we can make measurable progress when we focus on measurable outcomes. Our aim is to make all four areas work in concert so we can achieve the goal we set of 30% female representation in senior roles globally by 2020.

We accept that this is a long-term effort and our progress might not be linear. The gap could widen some years based on compensation decisions made in the past, as well as our concerted effort to hire more women into the firm at entry level. But we take our responsibility seriously on this important topic, and closing the pay gap will require strong leadership and consistency in our daily interactions.

I reaffirm my pledge to lead by example, create opportunities for women and challenge the status quo on this topic.

Rachel Lord

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

2018 UK Hiring

40% of all senior leaders hired into the firm in the UK were women

51% of all new hires in the UK were women

68% of the UK Graduate Class were women

Women on Executive Committee¹

29% of EMEA Executive Committee are women

Women in Senior Leadership Roles Globally¹

Today

28.4% → **30%**

Target for 2020

¹As at 1 January 2019

Understanding Our Pay Gap

Our gender pay gap data show 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 junior roles.

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

BlackRock’s gender pay gap figures show that we are making some progress on representation. However, we cannot yet say we are proud of the impact that our actions have had. We need to continue to focus on improving the distribution of women in higher-paying roles.

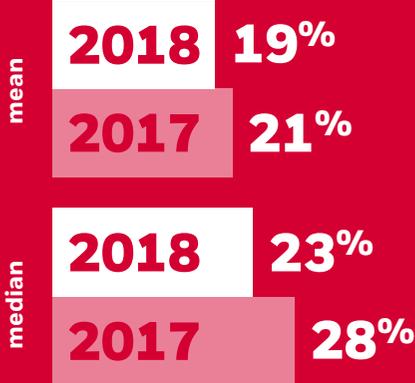
Fair Pay at BlackRock

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.

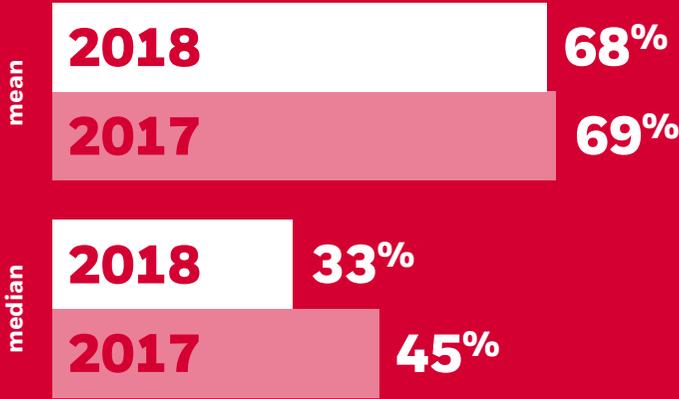
A leading independent third-party compensation firm recently conducted an analysis of our compensation practices. The results show that our pay practices are based on a number of factors, such as experience, role, and impact – gender is not a driver of pay.

BlackRock UK Gender Pay Gap Figures

Ordinary Pay Gap



Bonus Gap



As at 5 April 2018

How We're Closing the Gap

BlackRock's long-term commitment to increase gender diversity has four primary initiatives at its core: hiring, retention, development, and accountability.

Hiring: We employ certain approaches to our recruiting process to ensure that a diverse set of candidates are considered, including mandating 100% of hiring slates are diverse. We train managers to be aware of unconscious bias while collaborating with prominent researchers to mitigate potential bias in the hiring process. We know that groupthink is the enemy of sustainable performance, so we actively seek to help managers avoid hiring replicants of themselves.

Retention: Driving inclusive leadership is instrumental in our strategy for retaining women. We focus on our culture, encouraging all BlackRock employees to bring their whole selves to work while acting as inclusive teammates and leaders. We want all our colleagues to feel empowered to speak up and to contribute their ideas.

Development: A key component of our leadership development programmes is sponsorship, which is a career accelerator. We closely track the effectiveness of our targeted development programmes through promotion rates and ascension into leadership roles.

Accountability: We hold each of our businesses accountable for progress on

gender diversity. We measure our recruiting, retention and promotions by level and gender globally on a regular basis. During our quarterly business reviews, we conduct focused conversations with each business about their accomplishments, learnings and challenges. We also make it a driver of compensation for our management teams. Finally, we report our progress to the Board of Directors, who devote time every year specifically to reviewing talent and diversity across the firm.

Diverse teams ensure we reflect more deeply on our assumptions and consider the unique perspectives that each of us brings to the table. This ultimately creates better outcomes for our clients and a better BlackRock for our people.

Five Years of Global Progress

% of women in our Graduate Class



% of females in senior roles



% of female new hires



“Bridging the Gap”

We understand that real progress will only be made if we engage employees across our organisation. To that end, we have spent much of the past year listening to what all employees, men and women, across all titles and locations, feel we need to do to continue to shrink the gender pay gap and to meet our commitments for hiring, engaging and advancing women across our organisation.

Specifically, our first UK Gender Pay Gap report was the starting point for discussions we hosted in 23 offices in partnership with BlackRock’s Women’s Initiative Network (WIN). WIN is a key force inside BlackRock with a mission to drive BlackRock’s success by fostering the full potential of women.

Called “Bridging the Gap,” this new programme brought together colleagues from across the firm to crowdsource ideas and solutions that would accelerate the careers of women and empower them to become leading investors, technologists and senior executives at BlackRock.

In addition to BlackRock’s existing efforts, three key initiatives have emerged from those discussions so far:

WIN Searchlight will empower senior women to help scout and attract future female talent as part of a focused partnership with the talent acquisition team in HR.

WIN Guidelight will expand mentoring opportunities for WIN members, including a programme that will share best practices and challenge Managing Directors to take on additional female mentees.

WIN Limelight will enhance career coaching and training programmes that increase women’s visibility and exposure at the firm.

These and similar programmes have the support of the BlackRock Global Executive Committee as well as the Global WIN Council, a community of male and female Managing Directors passionate about advancing WIN’s mission and accelerating change. They are examples of BlackRock empowering the ideas of its employees, of a workplace where all voices can be heard, and of our commitment to creating more opportunities for women.



“Participating in the ‘Bridging the Gap’ discussions hosted by WIN proved to me that there are leaders and employees around the firm committed to taking action and empowering women.”

Justine Anderson, *Managing Director*
Global Head of Transition Management



“The ‘Bridging the Gap’ discussions provided a forum for women and men to come together to brainstorm solutions. The energy and actions emanating from the sessions signify positive momentum.”

Katie Parry, *Managing Director*
Head of Global Portfolio Compliance

Additional Initiatives & Perspectives

Knowing BlackRock Jam

On International Women's Day in 2018, we held a global, online conversation about gender diversity and asked all 14,000 employees for input on how we can press for progress.

The Jam generated hundreds of comments and ideas, which led to new benefits being introduced – from improved healthcare options across the globe to financial education benefits in the UK.

Partnerships in the UK

BlackRock has a responsibility to show leadership in promoting a more diverse workforce, and we are partnering with our clients and other organisations to help drive and influence gender equality dialogue across the industry. Our partnerships include:

- UK Women in Finance Charter
 - 100 Women in Finance
 - The Diversity Project
-

Big City Bright Future

Big City Bright Future is an annual three-week paid work experience programme created to help school leavers from underprivileged backgrounds who aspire to work within the City.

BlackRock's partnership with the programme allows us to identify and develop the students' untapped talent while encouraging a different and more diverse way of thinking that can enrich our business.



"BlackRock has afforded me the opportunity to learn and grow. As an investor, I've benefitted not just from the strong collaboration across the investment team but also from a firmwide culture of excellence and achievement at BlackRock."

Olivia Markham, *Managing Director*
Portfolio Manager, Natural Resources



"BlackRock has been more than just a vehicle for my own career. It has provided me with a platform to drive my passion to help women to pursue a career in the markets, to speak up and be heard."

Marilyn Watson, *Managing Director*
Head of Global Fundamental Fixed
Income Strategy

Disclosures

We verify that the information in this disclosure is accurate.



Rachel Lord
Head of EMEA



Stacey Mullin
Chief Operating Officer, EMEA

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

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

Median: 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: The total employee population in this data group listed from highest hourly salary to lowest, divided into four equal quartiles.

For 2017 BlackRock filed for two corporate entities: BlackRock Investment Management (UK) Limited and BlackRock Asset Management Investor Services Limited. At the snapshot date of 5 April 2018, BlackRock Asset Management Investor Services Limited had fewer than 250 employees and has had no employees since 1 July 2018. The employees are included in the UK total figures.

Pay Gaps as at 5 April 2018	All BlackRock UK employees		BlackRock Investment Management (UK) Limited employees	
	Median	Mean	Median	Mean
Ordinary Pay Gap	23 %	19 %	20 %	17 %
Bonus Pay Gap	33 %	68 %	30 %	68 %

Proportion of employees who received a bonus	All BlackRock UK employees		BlackRock Investment Management (UK) Limited employees	
	Female	Male	Female	Male
	92 %	93 %	92 %	93 %

Proportion in each quartile	All BlackRock UK employees				BlackRock Investment Management (UK) Limited employees			
	LQ	Q2	Q3	HQ	LQ	Q2	Q3	HQ
Female	54 %	48 %	34 %	27 %	52 %	50 %	35 %	28 %
Male	46 %	52 %	66 %	73 %	48 %	50 %	65 %	72 %