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2021 Gender Pay Gap Report

As part of BNY Mellon, we live our values through a distinctive set of behaviours to achieve our shared purpose: **To power individuals and institutions to succeed across the financial world**. Our Diversity, Equity and Inclusion strategy supports our collective efforts to create a culture where we all feel we belong and can succeed because of our differences.

As part of our commitment to equality, Pershing Limited has published its fifth UK Gender Pay Gap report, in accordance with the UK government's criteria.

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Gender Pay versus Equal Pay

Measuring a gender pay gap is not the same as measuring equal pay. The Gender Pay Gap is a measure of the difference between the average earnings of men and women. In contrast, equal pay analyses what men and women are paid for the same/similar work. BNY Mellon, our parent company, is committed to fair and equitable compensation practices. We regularly review our global pay practices to ensure men and women employees receive equal pay for equal work and voluntarily publish the findings of our global pay equity analysis.

PAY AND BONUS GAP

	2020 Mean	2021 Mean	2020 Median	2021 Median
Base Salary Pay Gap	22%	26%	36%	39%
Bonus Pay Gap	39%	40%	50%	57%

As at 5 April 2021, the disclosable median pay gap is 39% and the mean pay gap is 26%. For 2020, the figures were 36% and 22% respectively. Analysis of our gender pay gap shows that it is influenced by a greater proportion of men than women in senior, higher-paid roles. The mean salary was driven by the mean hourly pay for men decreasing by 1.8% year on year, compared to an decrease of 6.6% for women. The 2021 results are also impacted by the decrease in number of women in senior roles (-27% versus -5% for men in senior roles). However, it is important to note that the gender pay gap results for Pershing are subject to more variation given the relatively small number of headcounts and the prominence of operational staff based outside of London.

As the bonus pay gap is calculated on the amount of bonus/incentive paid, and not on the full-time equivalent, it is influenced by the greater proportion of women occupying part-time roles and taking extended periods of leave. Additionally, the bonus pay gap continues to be impacted by deferred awards that have vested within the reporting period. Given men occupied a greater proportion of senior roles during the past decade, they would still be receiving deferred awards from those years. In addition, Pershing's numbers are further impacted by the higher decrease in the number of women in senior positions. We were disappointed to see the increase in the median bonus gap, but this continues to be impacted by a greater number of women occupying part-time roles compared with men (18% women compared with 0.08% men in 2021 vs 17% women and 0.02% men in 2020).

PROPORTION OF EMPLOYEES RECEIVING AN INCENTIVE AWARD–2021

MEN

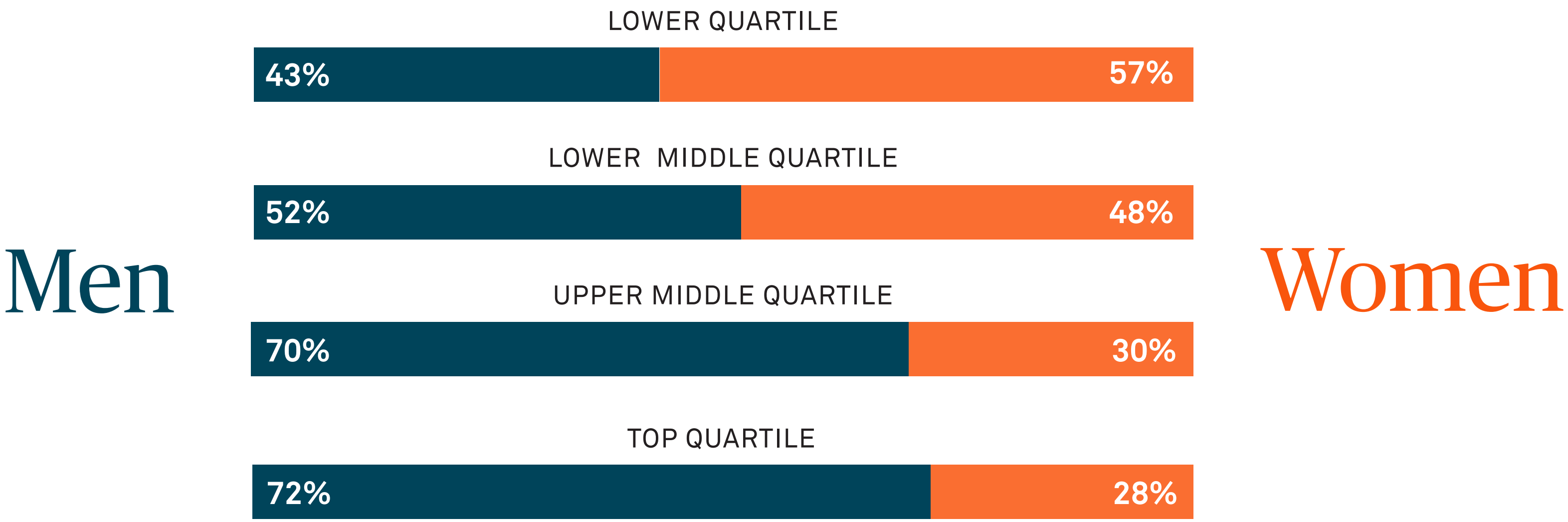
96%

WOMEN

99%

All UK employees have an equal opportunity to participate in our incentive programmes and we actively monitor and review decisions made in our annual pay-for-performance cycle.

GENDER DISTRIBUTION BY PAY QUARTILE–2021



The quartiles split our employees into four equal groups ranked from the highest to lowest rate of pay and show the relative percentage of each gender in those groups.

Addressing the Pay Gap

We are committed to improving workforce representation through external hiring and internal mobility, and by strengthening a culture where our people are recognised for doing meaningful work and everyone feels a sense of belonging. To support our aims, we continue to enhance our systems, people processes, policies and practices to enable more effective access to and retention of a broadly diverse workforce.

Women currently comprise 30% of senior leaders, 32% of mid-level leaders and 41% at all levels of Pershing Limited*. Until we have more gender-balanced teams at every level of the organisation, a gender pay gap will likely persist.

We continue to focus our efforts on a number of actions to improve our gender representation, and therefore gender pay gap, in the UK, including:

- We set diversity goals that hold our executive leaders and management teams accountable for improving workforce gender diversity. We provide leaders with real-time workforce metrics to help them make informed decisions to improve gender diversity including establishing hiring protocols, debiasing talent practices, managing attrition and strengthening internal talent pipelines for promotion.
- In our recruitment process, we mandate diverse long and short lists at every stage, recommend the use of diverse interview panels and require gender-neutral language in job descriptions. To help us access a broader pool of diverse talent, we have recently added 3 new strategic pipeline partners.
- We have invested in a significant, new diversity, equity and inclusion learning path. These resources include a course on delivering practical strategies to mitigate the impact of bias, a second course to differentiate inclusive leadership competency, including modules on Inclusive Hiring and Inclusive Performance Management, and a skill-building centre of curated resources to support continuous DEI learning.
- We recognise the need to support our employees through significant life events and to moderate the potential impact a period of absence can have on an individual's pay—employees remain eligible for incentives during all company paid leave periods.
- We encourage all employees to take advantage of maternity, adoption and shared parental leave (26 weeks full-salary pay) and are actively looking at introducing a global minimum standard for parental leave to help balance childcare responsibilities and set the standard as a leading employer. We support working parents through family-friendly policies, an online parental leave toolkit, a parental buddy programme, virtual babysitting, enhanced child and eldercare support, and a programme that supports parents currently on, or recently returned from, parental leave.
- In January 2021, we launched a Global Caregiver Leave policy where employees can take up to 10 days paid leave per year to help manage planned or unplanned family care circumstances.
- We are helping support the future of the workforce with a flexible hybrid approach. This will give our people the freedom and responsibility to determine the mix of remote and in-office experiences that will enable them to perform at their best.
- We launched a Business Inclusion Council in 2020, to ensure Diversity, Equity and Inclusion is kept at the core of our talent experience and embedded in our strategy. This group drives business ownership of DEI including actions to attract, retain, develop and advance women.
- We support the development of our workforce and the advancement of underrepresented talent, including women, with company-wide initiatives such as internal and external mentoring, reverse mentoring and sponsorship programmes and internal and external professional development programs.

** As at 11/01/2022*

As signatories of HM Treasury's Women in Finance Charter since 2016, BNY Mellon is committed to championing industry-wide gender diversity transformation. We actively promote diversity across the financial services industry through thought leadership, best practice sharing and peer collaboration forums. We are proud to be included in the 2022 Bloomberg Gender-Equality Index, which seeks to drive change in gender equality through measurement and transparency.

We actively work to strengthen a culture of equity, inclusion and belonging, inside and outside of our company. Our leadership team is outspoken about the need for action, to step up and take ownership of change we can influence, as a company and as individuals. We are achieving momentum as diversity, equity and inclusion are woven more deeply into the fabric of our organisation. Some progress has been made, but we are by no means satisfied. While we have accelerated planned DEI actions, we realise that meaningful results arise from sustained action over time.

To learn more about diversity and inclusion at BNY Mellon, visit BNYMellon.com/diversity.

I confirm the data reported is accurate.

Elizabeth Canning
Interim CEO and Chief Operating Officer