

2022 UK Gender Pay Gap Report

Morgan Stanley is committed to embedding diversity and inclusion as an essential pillar of our business strategy and building a workforce that reflects the demographics and values of our employees, clients, shareholders and the global communities where we live and work. We remain focused on achieving this through innovation, strategic action and a long-term investment in our employees and communities.

We hold ourselves collectively accountable for ensuring that women of all backgrounds have equal opportunity to develop and progress in their careers. Our inclusion efforts are designed to provide support to the needs of employees and their families.

In this report, we publish our UK Gender Pay Gap figures for 2022. The results highlight our ongoing efforts to close the pay gap by increasing the proportion of women in senior roles and striving for gender balance across all levels.



CEO Statement



“Whilst our focus on narrowing the gender pay gap continues to show modest progress, we have much to do to achieve long-term, sustainable change. Our 2022 Gender Pay Gap Report reflects our continued commitments and investments in the retention and advancement of women. This includes a strategic focus on enhanced talent development offerings for women and their managers, benefits that support women, and senior management accountability to ensure equitable opportunities for women.

Morgan Stanley employees live our core values, and ‘Commit to Diversity and Inclusion’ reaffirms our pledge to drive gender equity. We are pleased to see progress in our recruiting and retention efforts with increased female representation, particularly women in senior leadership roles. In 2022, we raised the bar for our Women in Finance Charter target to accelerate this momentum.

In 2017, we reported our first Morgan Stanley UK Group median hourly gender pay gap figure as 35.2%. Now in our sixth year, we are pleased to see continued momentum in narrowing this with a 2022 median figure of 27.6%, a reduction from our 2021 median figure of 29.8%. Continuing to increase women in leadership roles and narrowing the pay gap remains a key priority.

Our Diversity & Inclusion strategy for 2022 is centrally focused on tracking our progress to our stated goals, building inclusive managers and teams, and ensuring access to quality career development opportunities and progression of our talent, which we know will be critical to achieving our goals.

I confirm the data in this report is accurate.”

Clare Woodman
Head of EMEA & CEO of Morgan Stanley & Co. International Plc

A handwritten signature in blue ink that reads 'Clare Woodman'.

Key highlights

Morgan Stanley has a five-point, multi-year action plan to reduce its gender pay gap.

Updates to our initiatives this year include the following:

1. Senior Leadership Commitment

- Female representation on our senior governance bodies has increased to 47% of the Board of Directors of Morgan Stanley International Limited, our principal European operating entity, and 44% on our EMEA Operating Committee
- In addition to our female CEO, we have seven female senior leaders on the EMEA Operating Committee
- Our EMEA CEO is Executive Sponsor of the HM Treasury Women in Finance Charter and a member of the Women in Finance Accountable Executive Taskforce and the 30% Club
- Division heads review gender pay gap data ahead of the compensation process to reduce gender imbalance in remuneration decisions, as well as conduct bi-annual diversity reviews with the CEO

2. Focus on Recruitment

- Quarterly recruitment events for experienced professionals, hosted in partnership with our employee networks and supplemented with direct sourcing efforts, resulted in 38% female hires
- Entry-level programmes for incoming classes drive female representation, including 87% of our Early Career Programmes, 47% our annual Apprenticeship Programme, 47% of our Future Generation Scholarship Programme, and 44% of our 10,000 Black Interns conversions
- New partnership with Code First Girls sponsors UK students in Nanodegree courses, with all 3 women participants offered places for the 2023 Technology Analyst Programme in London and Glasgow

3. Path to Leadership and Robust Talent Management

- 39% of UK officer promotions were women
- In 2022, ~700 women across EMEA participated in one of our development programmes. To date, more than 2,800 women have participated in one or more of our development programmes
- Enhanced talent programming with an emphasis on coaching and manager support, with individualized career planning and sponsorship

4. Focus on Benefits

- Our benefits support the physical, mental and financial wellbeing of our employees and their families with support for working parents at the core of policies, including: 16 weeks paid co-parenting leave (maternity leave for 26 weeks), 4 weeks paid caregiver leave, leave for miscarriage, pregnancy termination and unsuccessful IVF, and refreshed Flexible Working Arrangements
- Proactive approach to mental health and wellbeing driven by our Global Wellbeing Board and Wellbeing Influencer Network, which builds awareness, prevention and access to best-in-class resources and treatments on topics including children's mental health, menopause, breast health and gender affirmation

5. Manager Education

- Multi-tiered mandatory inclusive leadership curriculum for all managers to ensure that performance processes are inclusive
- Managers are provided with an enhanced suite of immersive and scalable training options, with practical tools to lead inclusive and high-performing teams on key topics including employee engagement and retention, career progression, effective feedback and wellbeing support

Executive Summary – Morgan Stanley UK Group

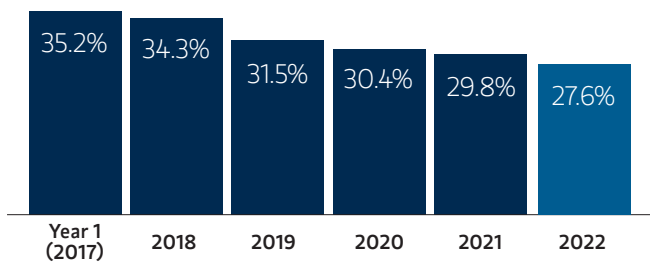
In this summary, we review the combined data of the three entities as Morgan Stanley UK Group (MSUK), as we believe this provides a more balanced reflection of our total UK workforce and enables us to highlight trends.

Fairness in our pay practices remains a core part of our compensation strategy. Our results reflect that we have a greater proportion of men than women in senior positions, and in businesses where market rates of pay are highest, but we remain committed to reducing our Gender Pay Gap.

Median Hourly Pay Gap

Our 2022 median hourly pay gap is 27.6%, which is a 2.3 percentage point decrease in comparison to 2021, and a 7.6 percentage point decrease from our first report for 2017. Whilst this demonstrates that our efforts to narrow the pay gap are yielding results, we still have considerable work to do to gender balance our workforce across all levels.

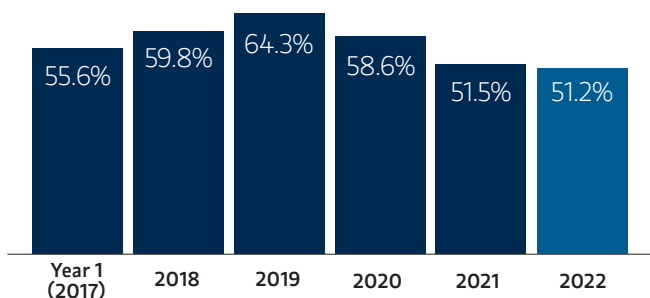
MS UK Group Median Hourly Pay Gap



Median Bonus Gap

Our 2022 median bonus gap slightly decreased to 51.2%. This improvement is mainly driven by Morgan Stanley & Co. International PLC, which predominately employs front-office employees, where we have seen a meaningful increase in the median female bonus. Although the bonus gap remains high due to the proportion of men in our senior management population, we are aware that the growing proportion of women in entry to mid-level roles will impact our ability to close the bonus gap in the near-term. Nevertheless, enhancing our female talent pipeline remains a key priority to enable sustainable, long-term advances in gender equity.

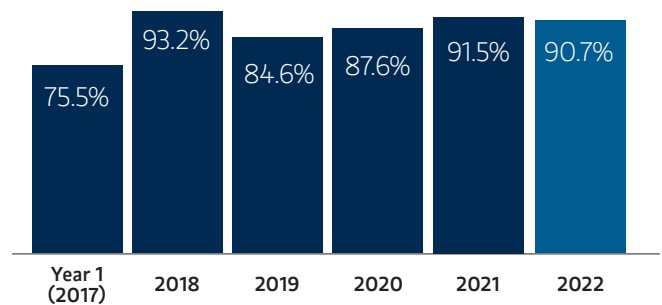
MS UK Group Median Bonus Gap



Proportion Receiving a Bonus

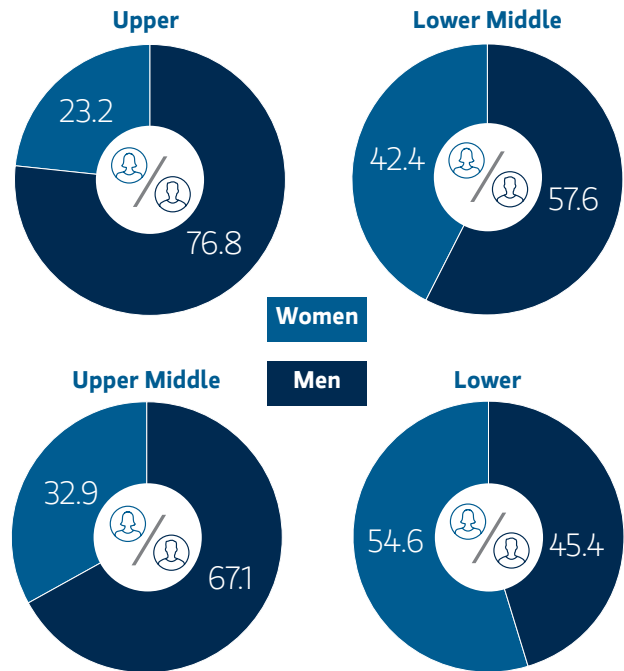
Over the last few years, we implemented changes to make more roles bonus eligible. Special bonus payments were made in the reporting period for 2018, 2021 and 2022, which resulted in the higher proportion of employees of both genders receiving a bonus in those years.

MS UK Group Population of Women Receiving a Bonus



Pay Quartiles

Female representation in the top quartile improved by 1.7 percentage points in 2022, an increase of 3.9 percentage points on our representation since our first report. The composition of our workforce is illustrated in the diagram below showing the percentage of women in each pay quartile for MSUK.



YoY Var % Female

Upper	↑ 1.7
Upper Middle	↑ 0.3

YoY Var % Female

Lower Middle	0.0
Lower	↑ 2.3

Statutory Figures – Morgan Stanley UK Limited, Morgan Stanley Employment Services Limited and Morgan Stanley & Co Intl Plc

Detailed below is a full summary of all statutory Gender Pay Gap data for the three Morgan Stanley UK entities that had 250 or more employees as of April 2022 and comprise the Morgan Stanley UK Group (MSUK Group).

- Morgan Stanley UK Limited (MSUK – predominantly support divisions)
- Morgan Stanley Employment Services Limited (MSES – mixture of revenue and support divisions)
- Morgan Stanley & Co Intl Plc – (MS&Co – predominantly revenue generating divisions)

		MS UK GROUP	MSUK	MSES	MSIP
Snapshot pay (%)	Median	27.6	18.7	27.5	36.1
	Mean	40.8	20.0	45.1	48.8
Bonus pay (%)	Median	51.2	35.3	57.0	56.6
	Mean	70.5	46.2	85.8	66.8
Proportion who received a bonus (%)	Women	90.7	91.3	94.0	88.5
	Men	92.1	93.3	89.1	90.6
Pay quartiles (% female)	Quartile 1	54.6	53.0	44.6	52.7
	Quartile 2	42.4	45.5	57.1	34.0
	Quartile 3	32.9	37.0	47.3	29.1
	Quartile 4	23.2	27.8	30.8	12.8

The Gender Pay Gap Explained

The Gender Pay Gap is the average pay difference between women and men across an organisation regardless of role or level.

The Gender Pay Gap is different to equal pay. Equal pay ensures that women and men are being paid equally for the same or similar role, or for work of equal value.

The Firm is committed to ensuring compensation and reward decisions are fair, equitable and consistent, and are made based on an individual's role, performance and experience, regardless of gender, race, ethnicity or other demographic.