



# Gender pay gap

2020 to 2021 reporting year

# Welcome

## to our gender pay gap report



Adrian Sainsbury, Chief Executive



**The Close Brothers Group is committed to Diversity and Inclusion and we are passionate about creating an environment where all our colleagues feel proud to work for us and can thrive.”**

Our recent engagement survey shows our employees feel they are treated fairly, regardless of different characteristics or how they identify, and that people of all cultures and backgrounds are respected and valued at Close Brothers.

The gender pay gap shows the difference in average earnings between women and men. At Close Brothers, the gap is mainly driven by a higher proportion of male incumbents in our senior and front office roles.

It is important to note the gender pay gap is different from equal pay, which ensures equivalent pay for different genders performing at similar levels in similar roles. We remain confident that men and women are paid equally for performing equivalent roles across our business.

As signatories of the Women in Finance Charter, we set a target of 30% of senior manager roles being held by a female by 31 July 2020. At this time, we exceeded this at 33% and we are making good progress towards a goal for 2025 of 36%. Delivery against gender balance targets is one of the objectives in our Long-Term Incentive Plan for senior management.

We are pleased to continue to see an increase in female managers and females in higher pay ranges. We remain committed to improving gender balance across all levels of the organisation.

At Close Brothers, we recognise that gender identity is broader than male and female and although the government regulations do not require us to report in this way, we want to affirm that we welcome colleagues of all gender identities.

We continue to work with our executive sponsored employee working groups and partner with leading inclusion organisations and charters such as Stonewall and the Race at Work Charter. This year, we signed the Mental Health at Work commitment and the Valuable 500, as part of a commitment to mental health and disability inclusion.

Our people are our priority and we have been focused on supporting them, especially through the pandemic. We have accelerated our innovation; utilising technology capabilities, enabling us to provide even more flexible working opportunities, supporting a healthy work-life balance for all colleagues.

# Some key statistics about gender balance and gender pay

## Our female employees represent<sup>1</sup>...

 **45%** of our workforce

 **30%** of our Senior Managers<sup>2</sup>

 **41%** of our Managers

 **36%** of our Board

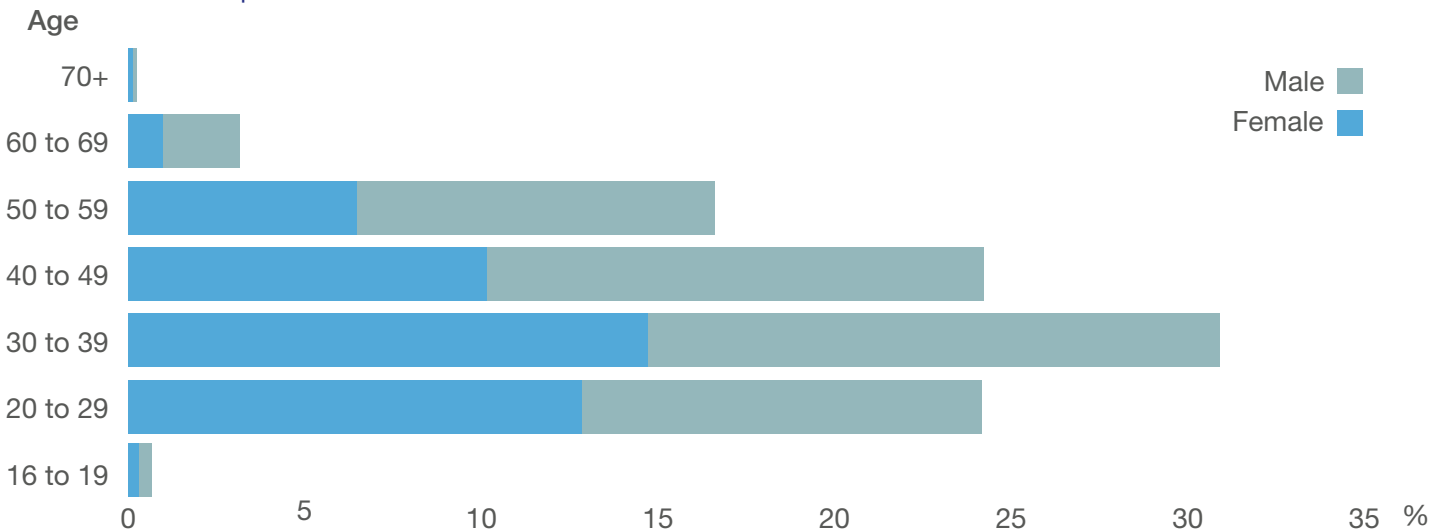
<sup>1</sup> The above figures are calculated on a 3 year rolling average with data as at 5 April 2018, 5 April 2019 and 5 April 2020. All other statistics within the report are spot figures at 5 April 2020.


<sup>2</sup> We define Senior Managers within the Group as those who have line management responsibilities for a line manager. They are generally heads of departments, functions or larger teams.

 **8%** of our employees have elected to work part-time

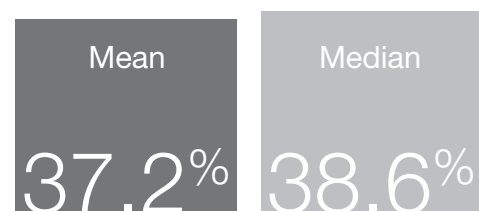
 **83%** of part-time workers are female

## Our workforce spans seven decades



 **2%** Average pay gap between employees in the same salary band

## Our Group-wide gender pay gap





# What are we doing to improve gender **balance?**

**In order to improve our gender balance, we strive towards having equal representation of men and women at all levels and across all roles in our organisation. Our three key focus areas to achieve our objectives are attraction and recruitment, career progression and leadership.**

## **Attraction and recruitment**

Numerous initiatives have been implemented to drive efforts to attract and recruit diverse talent into the organisation.

We have reviewed and updated our job description and advertisement templates, and have created a guide to support line managers and recruitment teams to write these inclusively and avoid gender bias wording.

To increase objectivity in the recruitment process, we are trialling alternative assessments and continue to provide inclusive recruitment training to alleviate unconscious bias.

We maintain our commitment to exploring flexible working from the beginning of the recruitment process to ensure transparency and allow us to tap into a wider pool of candidates.

We continue to achieve our 50:50 gender split target for all our entry level programmes and seek balanced shortlists and diverse interview panels for all roles.

As executive sponsor for gender balance, I am pleased to see we have progressed a number of initiatives this year to improve gender balance.

I continue to work closely with our gender balance working group to discuss the thoughts and suggestions of colleagues and turn these into actions. I am proud to be an ally and remain committed to gender balance and inclusion in all we do.



Philip Yarrow, CEO Winterflood  
Executive sponsor of gender balance

## **Career progression**

In partnership with the 30% Club, we provide cross-business mentoring for our talented females, with 65 mentees having participated in the scheme.

Last year, we launched a female sponsorship pilot in our Finance function and this has been running successfully, with many sponsees noting valuable support around career structuring.

As part of the UK Automotive 30% Club, a number of females within our Motor Finance business have taken part in virtual panel events to celebrate Inspiring Automotive Women day.

Our group-wide gender balance working group continues to provide informal networking opportunities for females.

We review our succession pipeline quarterly and challenge senior management to ensure we are being more inclusive in our decisions around talent.

## **Leadership**

The recent appointment of Rebecca McNeil to our Executive Committee, improves our gender balance at the most senior level of the organisation.

We continue to provide inclusion training for all line managers on how decisions and behaviours influence an inclusive culture.

The gender balance working group is focused on increasing visibility of role models and senior allies. The group has also created a virtual page on our intranet platform to share resources and reading lists around topics such as confidence building and imposter syndrome.

We continue to host events to engage all colleagues with inclusion. To celebrate international women's day, we recently held a panel discussion with Close Brothers' employees to discuss topics around role models, allyship and career development.

# Continuing our efforts on inclusion.

**We believe having diverse, engaged colleagues and creating an inclusive environment is instrumental to enabling all our employees to thrive. In addition to our focus on improving gender balance, we are also committed to developing our broader inclusion initiatives.**

## Allyship

Allies play a large role in creating an inclusive environment. This year, we will be launching our inclusion allies programme which will aim to improve knowledge, understanding and support around diversity and inclusion.

## Inclusive recruitment

As part of our commitment to increase the representation of minority groups, we are currently trialling a blind application process which aims to alleviate unconscious bias in the recruitment process. We are also working closely with our recruitment partners to facilitate diverse interview panels and ensure balanced shortlists.

## Mental wellbeing

We have recently signed the Mental Health at Work commitment to support our continued focus on prioritising mental health in the workplace.

Regular pulse surveys and numerous initiatives have been put in place including virtual fitness and wellbeing classes, and webinars on topics such as emotional resilience, mental health, nutrition and remote working.

All employees have access to our Mental Health First Aiders, Employee Assistance Programme and the Thrive app that offers techniques for meditation and Cognitive Behavioural Therapy.

## Ethnic diversity

Under our commitment to the Race at Work Charter, we have appointed Robert Sack, our Chief Risk Officer as the executive sponsor for race to provide visible leadership across the organisation.

We have set a target of increasing our ethnicity data disclosure to cover 60% of employees by July 2021, allowing us to track progress and take targeted action to support racial equality. We are pleased to share we have exceeded this target early at 66% and are looking to set a new higher target.

With support from the group-wide ethnicity working group, we have launched a reverse mentoring programme designed to build coaching skills and to provide senior leadership with valuable insight from the experiences of our minority ethnic colleagues.

We are delighted that we are partnering with the 100 Black Interns project and offering seven internship opportunities for students in our Asset Management division this summer. This ongoing initiative is part of our commitment to increase our representation of ethnic minorities in the workplace.

## Disability

We have appointed Rebecca McNeil, our Chief Executive Officer for Retail, as executive sponsor for Disability. Rebecca will be leading a newly formed disability employee working group, which will allow us insight into the work-life experiences and suggestions of those who identify with having a disability.

We have also signed up to the Valuable 500 and continue to partner with the Business Disability Forum to support us on our disability inclusion journey.

## Social mobility

We continue to partner with upReach to run our internship programme for those from less advantaged backgrounds, and offer opportunities to apply for permanent roles.

As signatories of the Social Mobility Pledge, we have made updates to recruitment practices, such as the aforementioned blind application process pilot.

## LGBTQ+ inclusion

Our LGBTQ+ Network, "Unity" has launched with executive sponsorship by Martyn Atkinson, our group Chief Operating Officer and an elected committee. They have been successful in organising Pride celebrations and initiatives for LGBTQ+ History month.

Unity is focused on raising awareness of LGBTQ+ concerns in the workplace and increasing the visibility of our LGBTQ+ role models and allies.

## Working parents and carers

This year has been particularly challenging for our working parents and carers, and we have provided virtual support sessions, led by Angela Yotov, our General Counsel who is the executive sponsor.

We continue to publicise our benefits on offer and have ensured we are supportive of everyday flexible working enabling colleagues to balance their work and home lives effectively.



## Our gender pay gap **figures.**

**We maintain confidence that men and women are paid equally for performing equivalent roles across our business.**

As part of our policies and processes, such as our annual compensation review cycle and recruitment decisions, we continue to take action to address any gaps.

All figures relate to Close Brothers Group as a whole. We provide a breakdown of figures for the Banking division, Close Brothers Asset Management, and Winterflood Securities in the appendices to this document.

### Gender pay gap figures

The gender pay gap is an equality measure that shows the difference between the average earnings male and female colleagues receive in an organisation.

Our gender pay gap figures are provided in the chart on the right. They show both the mean and median gender pay gap based on hourly rate of pay at 5 April 2020. When comparing mean hourly wages, this shows that women's mean hourly wage is 37.2% lower than men's.

### Understanding our gender pay gap

The quartile chart on the right shows the gender split within four equal quartiles, when we order the hourly rate of pay from highest to lowest.

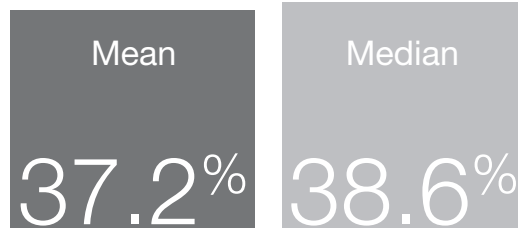
The overwhelming majority of our gender pay gap is driven by the fact that women hold fewer senior positions across the Group.

This year, we have seen an improvement in the structure of the quartiles with increased female representation across our upper quartiles.

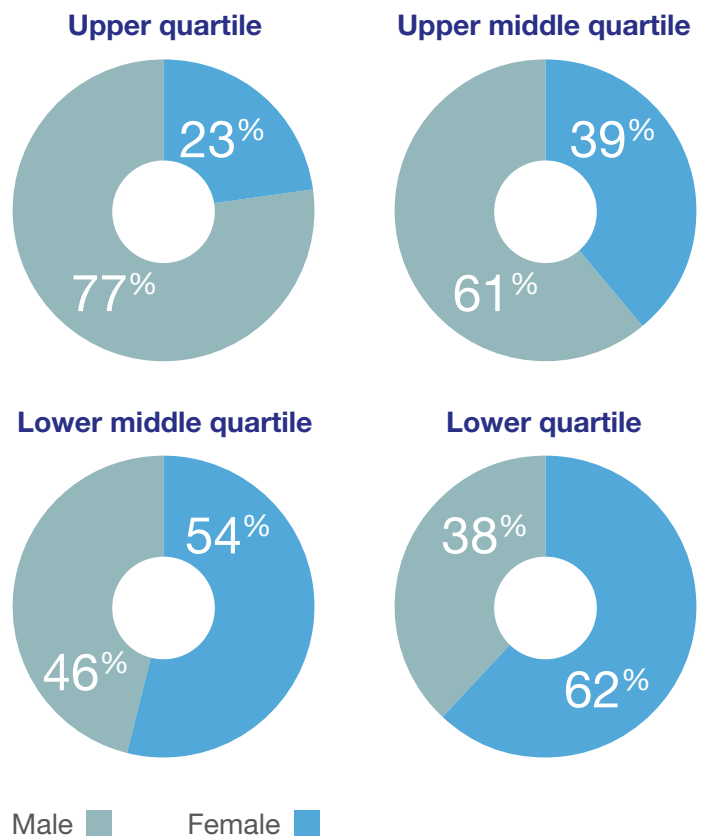
As shared earlier in the report, we have a number of initiatives in place to further improve the gender balance at all levels of the organisation.

We remain confident that all employees are paid equally for performing the same role. When we look at the difference in average pay between genders in the same salary band, the pay gap reduces to 2%. This gap is due to differences in role responsibilities within the pay band.

### Group-wide gender pay gap



### Proportion of male and female colleagues in each pay quartile



### Average pay gap between employees in the same salary band





# Our gender pay gap figures continued

## Gender bonus gap figures

The gender bonus gap is an equality measure that shows the difference between the average annual bonus that male and female colleagues receive in an organisation in the year to 5 April 2020.

Bonus pay gap figures are provided in the chart opposite. When comparing mean bonus pay, this shows that women's mean bonus pay is 75.4% lower than men's.

## Understanding our gender bonus pay gap

All colleagues within the Group are eligible to receive a bonus.

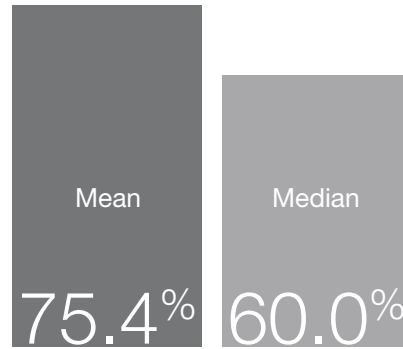
The reason for those not receiving a bonus is generally down to one of two factors:

- The individual joined the company after a certain point in the annual compensation review cycle
- Unsatisfactory performance during the year

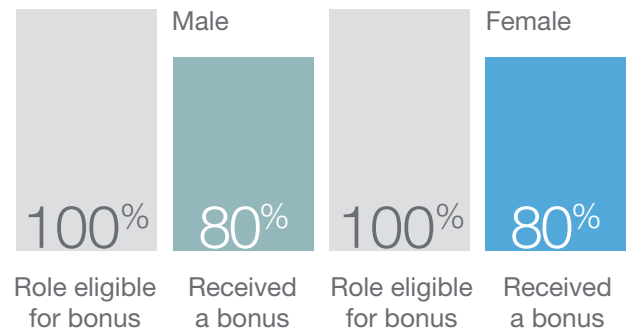
We remain confident that performance is measured fairly and analyse the gender split of performance ratings to ensure equitable treatment of all employees.

In the 2020 financial year, we can see there is no difference in the proportion of males and females that actually received a bonus.

## Group-wide gender bonus gap



## Proportion of males and females receiving a bonus







Our gender bonus pay gap is higher than the gender pay gap. There are two main reasons for this.



**78%** of our front office roles are filled by men

Due to market driven factors, variable remuneration for front office roles is generally higher than support function and back office roles.

As shared in this report, we are committed to addressing imbalances, and will continue to work on improving female representation in front office roles and the gender balance of those working part-time.

We are committed to finding solutions; such as flexible working opportunities that enable all colleagues to balance their work and home life.



**83%** of our part-time roles are filled by women

As salary directly impacts bonus opportunity, part-time employees will receive a pro-rated bonus compared to a full-time employee performing the same role.

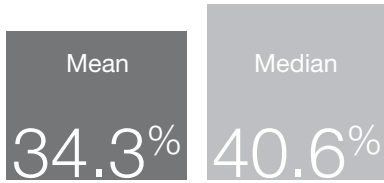
## Summary statement

We have made good progress across all our diversity and inclusion initiatives this year.

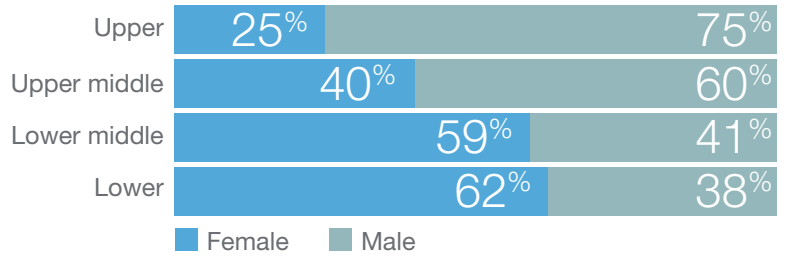
We are committed to driving long term change and creating an inclusive environment where all colleagues can thrive in their career at Close Brothers.

We continue to focus on improving gender balance at all levels of the organisation and remain committed to reducing the gender pay gap.

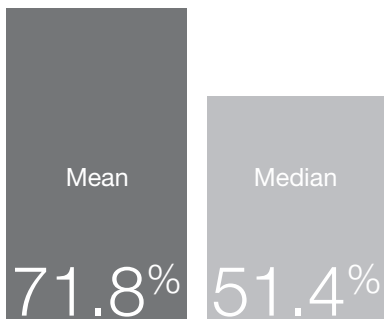
## Appendix: Close Brothers Banking Division



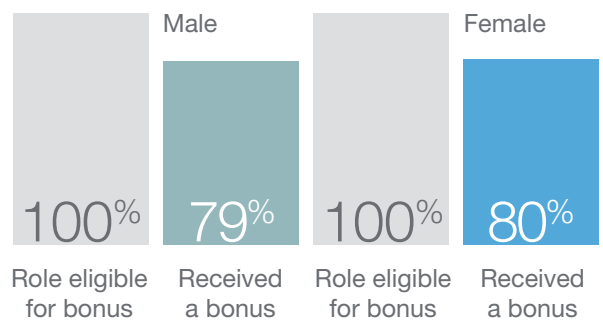
Gender pay gap figures



Proportion of male and female colleagues in each quartile band

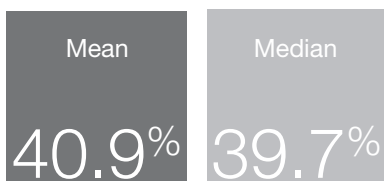


Gender bonus pay gap figures

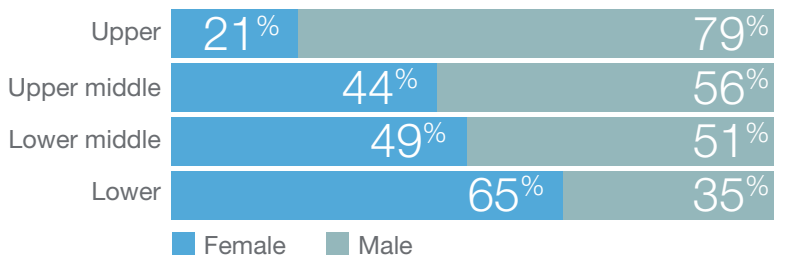


Proportion of males and females receiving a bonus

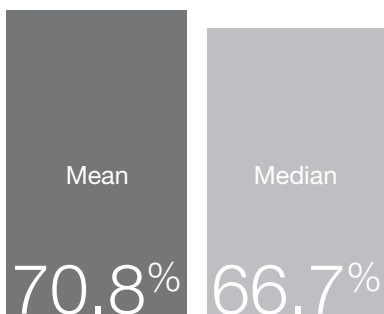
## Appendix: Close Brothers Asset Management



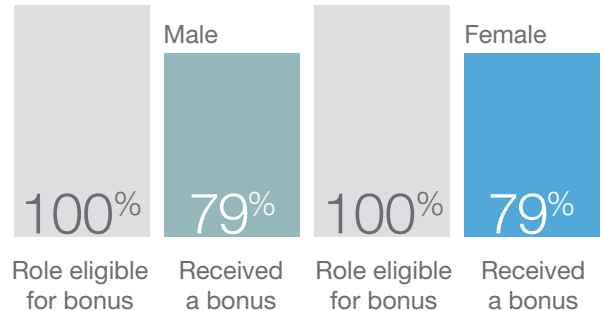
Gender pay gap figures



Proportion of male and female colleagues in each quartile band

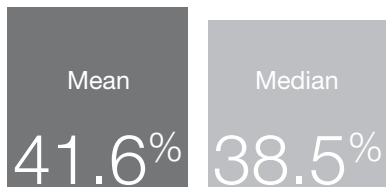


Gender bonus pay gap figures

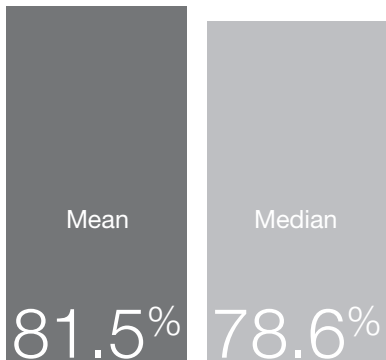


Proportion of males and females receiving a bonus

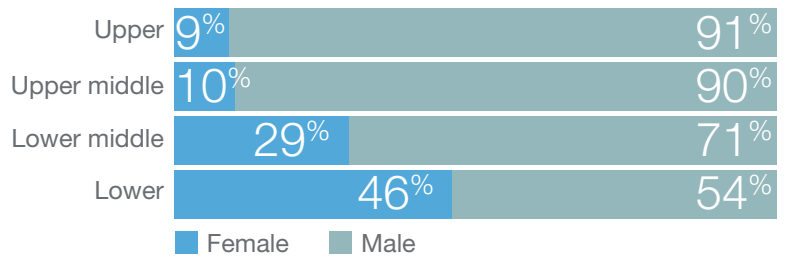
## Appendix: Winterflood Securities



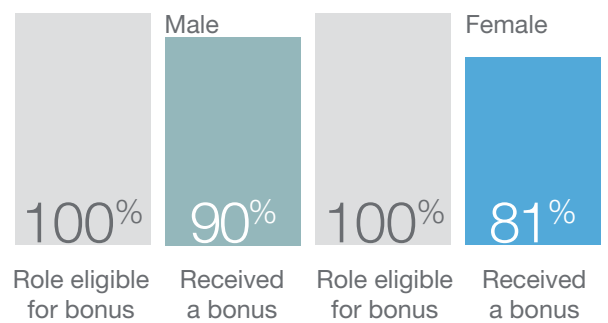
**Gender pay gap figures**



**Gender bonus pay gap figures**



**Proportion of male and female colleagues in each quartile band**



**Proportion of males and females receiving a bonus**

Close Brothers Group plc  
10 Crown Place  
London EC2A 4FT  
Tel: +44 (0)20 7655 3100

[closebrothers.com](http://closebrothers.com)