

Gender pay gap

2022 to 2023 reporting year



Welcome

to our gender pay gap report



Adrian Sainsbury, Chief Executive

The gender pay gap shows the difference in average pay between women and men. At Close Brothers, the gap is mainly driven by a higher proportion of male incumbents in both senior and front office roles, and a higher number of females who work part-time.

It is important to note the gender pay gap is different from equal pay, which ensures equivalent pay for 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.

At Close Brothers, we recognise that gender identity is broader than male and female and we want to affirm that we welcome colleagues of all gender identities.

As a Group we continue to support initiatives that will enable us to see more females in senior manager positions, we are working towards a target of 36% senior manager roles being held by a female by 2025. As at 31st July 2022 33% of our senior managers were female. This progress in line with our Women in Finance charter commitment and signatory. Delivery against diversity targets, including gender and ethnicity, is one of the objectives in our Long-Term Incentive Plan for senior management.

Our inclusion employee networks continue to have executive level sponsors and lead on engagement activities across the Group and act in an advisory capacity so we can work collaboratively together. This year we have launched two new employee networks Working Parents & Carers and Social Mobility to support

and promote initiatives.

We are signatories to a wide range of charters and commitments across a broad spectrum of inclusion themes and social enterprises, including the Race at Work Charter, the Women in Finance Charter and the Valuable 500. We partner with leading diversity organisations, including Stonewall and the Business Disability Forum, to help inform our thinking and focus on actions that will make the most difference. The success of our cross company mentoring scheme was recognised through an award from Mission Include, part of 30% club, awarding us the 'Most Dynamic Organisation'. We are delighted to have been recognised in this way and especially for a programme that was created to support the development of underrepresented groups.

Our people remain our priority and we continue to focus on supporting them especially after the pandemic. As most of our people embark on new ways of working, we are confident our enhanced technology capabilities will enable us to offer creative flexible solutions that support a healthy work-life balance. Our recent engagement survey shows 94% of our colleagues feel included and 93% feel they can be themselves at work.

I am encouraged by the progress we are making across the Group and making Close Brothers an inclusive place to work. I recognise there is always more we can do and I am committed to ensure we make further progress to ensure Close Brothers is a great place to work for all our people.




The Close Brothers Group continue to celebrate diversity and are committed to creating an inclusive culture where all our employees can feel proud to work for us.”

Some key statistics about gender balance and gender pay

Our female employees represent¹:

 **45%** of our workforce


 **33%** of our Senior Managers²

 **40%** of our Managers

 **40%** of our Board

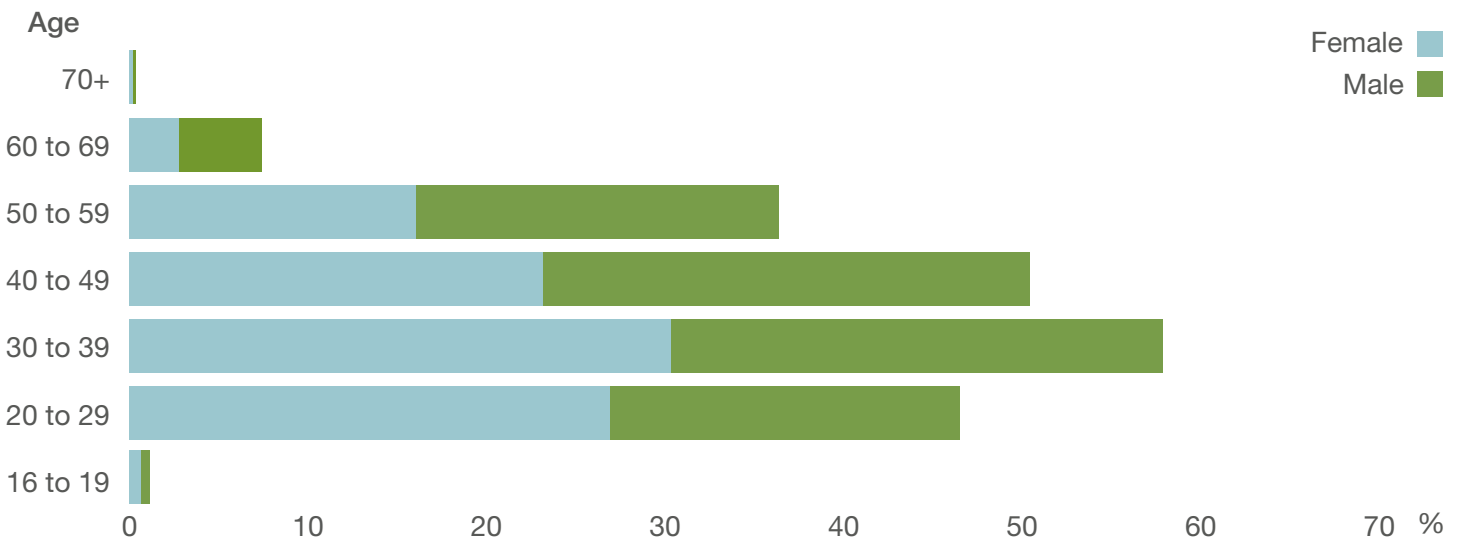
¹ The above figures are calculated on a 3 year rolling average with data as at 5 April 2020, 5 April 2021 and 5 April 2022. All other statistics within the report are spot figures at 5 April 2022.

² 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



Our Group-wide gender pay gap

 **1.3%** Average pay gap between employees in the same salary band

Mean	Median
34.0%	36.8%

Our commitment to improve gender **balance.**

We continue to strive for gender balance across all levels of our organisation, Our employee led gender balance network is pivotal in creating awareness across three key focus areas to assist us in achieving our objectives.

I am delighted to be the new executive sponsor for gender balance. Having worked at Close Brothers for several years, I have seen the excellent work the network has promoted and the tangible differences it is making to the Group. Whilst there is always more we can do I think it is important we reflect on how far we have come and the continued progress we are making.



Bradley Dyer
Executive sponsor of gender balance

Attraction and recruitment

We continue to focus on initiatives that will enable us to attract and recruit diverse talent across all levels of the organisation.

We educate our hiring managers to provide a consistent and best practice approach for talent acquisition. We have developed a modular programme of training interventions that highlights biases that can impact interviews and how to interrupt them. We aim to equip line managers with the skills and knowledge to make effective and fair recruitment decisions.

We screen job descriptions for gendered language to avoid using it in a way that excludes people. We seek balanced shortlists and diverse interview panels for roles.

Our commitment to explore flexible working during the early stages of the recruitment process is something we continue to promote, with some roles openly stating flexible working patterns in job adverts.

We strive to achieve a 50:50 gender split for our entry level and formal training programmes including our Aspire school leaver programme, our graduate schemes and our summer internships.

Career progression

We continue to partner with the 30% club through which we provide cross-business mentoring, as part of Gender Equity, for our talented females. Almost half of mentees who have participated in the scheme over the years have had a promotion, secondment or internal move.

We are proud to have co-sponsored the latest UK Automotive 30% Club's 'Inspiring Automotive Women Awards' and are delighted that one of our colleagues in our Motor Finance business was declared a winner.

The gender balance network continue to host engaging events and opportunities for all of our colleagues to network and also create awareness. Recent topics included world menopause day, imposter syndrome, international women's day and mental health for international men's day.

Leadership

We launched our Group 'Emerging Leaders Programme' with 20 high potential individuals with an equal female to male split. This programme continues to develop and support individuals into future executive positions.

The network has also launched a quarterly newsletter to spotlight the career paths of both men and women within the firm and continues to look for opportunities to engage with colleagues to progress gender balance.

We continue to run inclusive leadership training sessions for our managers, senior managers and group executives, highlighting how actions and behaviours can shape our inclusive culture.

Increasing our efforts on inclusion.

Creating an inclusive culture where all our colleagues are supported allowing them to thrive, is essential to our continued success to the business. Alongside our commitment to improving gender balance across all levels of the organisation we remain focused on broader inclusion initiatives too.

Allyship

At Close Brothers, we aim to develop a culture of allyship to promote a sense of belonging and inclusivity.

Our 'Close Brothers Way' mandatory learning module aims to demonstrate our values and cultural attributes, so all of our colleagues understand and promote an inclusive culture.

Inclusive recruitment

We have continued to implement new initiatives to support our commitment to increase the representation of minority groups.

We are working to ensure diverse shortlists and interview panels and continue to deliver inclusive recruitment training to those involved in the process.

Career development

We have partnered with the Mission Include scheme to support the career development of colleagues from underrepresented backgrounds through mentoring.

We are focused on ensuring our development programmes include colleagues from a broad range of backgrounds. Our transparent, fair and open selection process has helped improve the diversity of our programmes.

Prior to our performance reviews, we run inclusive performance review training sessions to support managers in overcoming bias.

Mental wellbeing

The wellbeing employee network continues to be pivotal in supporting and creating awareness, with the new chief executive officer of CBAM as the executive sponsor.

This year we changed our 'Christmas Shopping Day' benefit to a 'Wellbeing Day' that can be used throughout the year.

To support our colleagues post pandemic we partnered with BUPA to run virtual workshops on a number of wellbeing topics.

All employees have access to our 24/7 Employee Assistance Programme, Mental Health First Aiders and the Thrive app that offers techniques for meditation and Cognitive Behavioural Therapy.

Ethnic diversity

As signatories and in line with our commitment to the Race at Work Charter, we continue to monitor ethnicity disclosure levels. Our disclosure has materially increased from 75% at the end of FY22 to 83% as of 31 July 2022, which allows us to more accurately measure our ethnic balance to inform our thinking and future actions.

We continue to progress our efforts in line with our target to have 14% ethnically diverse managers across the Group by 2025. As of 31st July 2022 10% of our managers identify from an ethnically diverse background.

Our Ethnic Diversity employee network, sponsored by our chief credit risk officer, has established itself with core strategic aims to create a safe space for colleagues from ethnic minority groups to share personal experiences and seek counsel. The network has been a key driver in promoting a multitude of key celebrations whilst also raising awareness through speaker events available to all colleagues.

This year we extended our partnership with 10,000 Black Interns and hosted our largest with 30 placements across the Group. This programme helps young people enter our industry and a number of the interns secured permanent roles with us. We're hoping this will continue to provide a strong entry level diverse talent pipeline going forward.

Accessibility

Our employee accessibility network continues to establish itself whilst creating awareness on topical areas such as neurodiversity and living with a disability. They continue to provide feedback on how the Group can attract and engage those who identify as having a disability.



Increasing our efforts on inclusion continued

Social mobility

Our working group recently transitioned to become a new employee network with executive sponsorship from our commercial chief executive.

We continue our partnership with upReach; a charity committed to transforming social mobility. This year's summer internship programme offered six-week placements for six university students from lower socioeconomic backgrounds. Through our partnership with upReach, we support 10 individuals to volunteer and train to become mentors each year.

We offer a number of mentoring opportunities to our current colleagues. We partner with the 'Girls Network' through supporting mentoring to inspire and empower girls from lower socioeconomic backgrounds to identify with female role models.

We've removed unnecessary must-haves in our job ads, like requiring degrees for roles that don't need them.

LGBTQ+ inclusion

Our LGBTQ+ Network, "Unity" has continued to organise highly engaging events to raise awareness of LGBTQ+ issues in the workplace and nationwide. With our first in person Pride event this year it was a great opportunity for increasing the visibility of our LGBTQ+ role models and allies. The network continues to actively partner with the Group.

Working parents and carers

Transitioning from a support group to an executive sponsored employee network, we hope that we can create a supportive environment for our working parents and carers. Our benefits are regularly publicised, and we support everyday flexible working empowering colleagues to achieve an optimal work/life balance.

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 2022. When comparing mean hourly wages, this shows that women's mean hourly wage is 34.0% lower than men's.

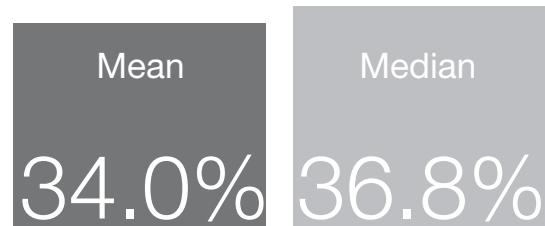
Understanding our gender pay gap

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.*

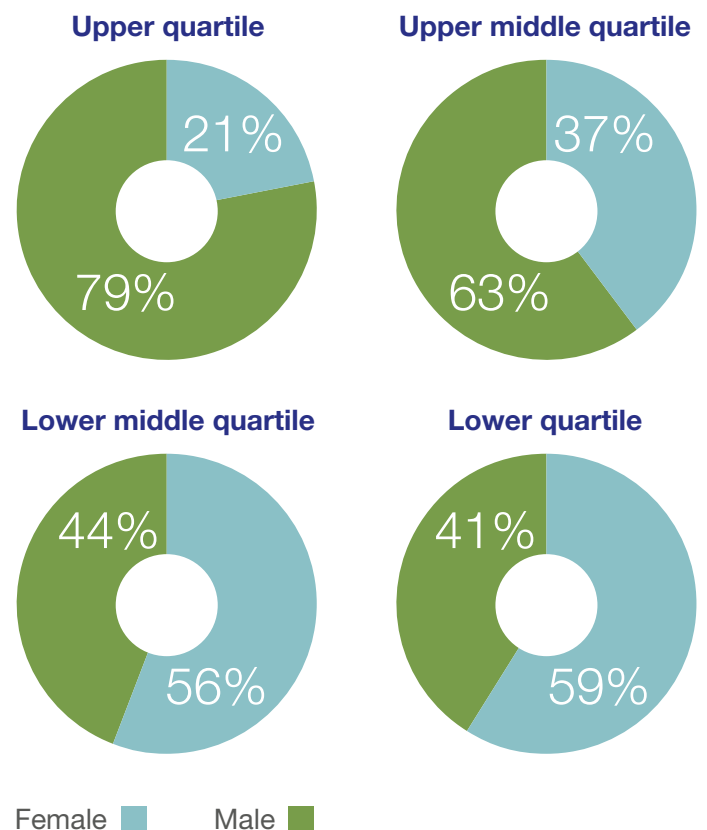
The overwhelming majority of our gender pay gap is driven by the fact that women hold fewer senior positions across the Group.

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.

Group-wide gender pay gap



Proportion of male and female colleagues in each pay quartile



Our gender pay gap figures continued

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 1.3%. This gap is due to differences in role responsibilities within the pay band.

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 2022.

Bonus pay gap figures are provided in the chart opposite. When comparing mean bonus pay, this shows that women's mean bonus pay is 81.0% 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:

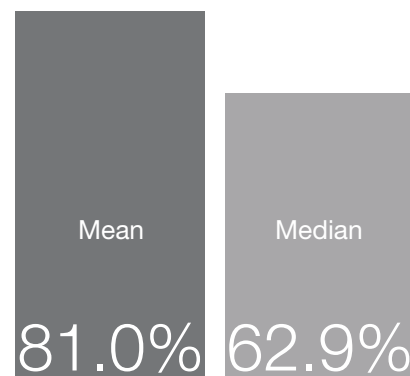
- The individual joined the company after a certain point in the annual compensation review cycle
- Unsatisfactory performance during the year

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

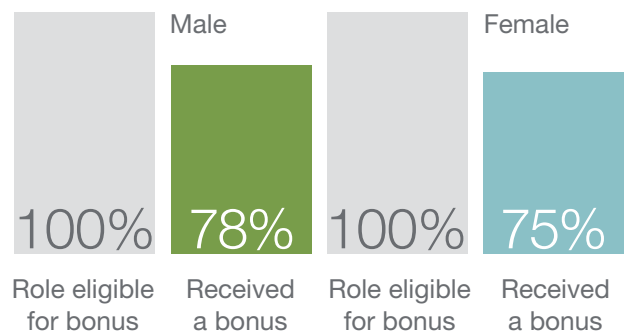
Average pay gap between employees in the same salary band



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.

 **72%** 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.

 **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.

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.

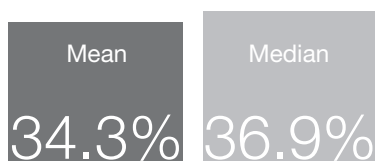
Summary statement

Our diversity and inclusion initiatives have enabled us to see positive progress across the Group. Our front office roles filled by women have seen an increase in comparison to last year.

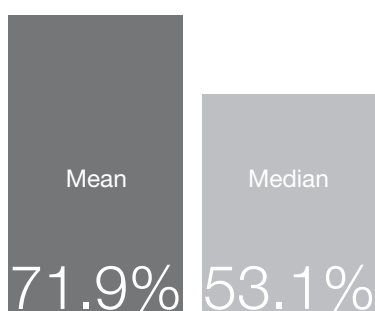
Creating an inclusive environment where all colleagues feel they belong and can thrive in their career at Close Brothers remains a key priority.

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

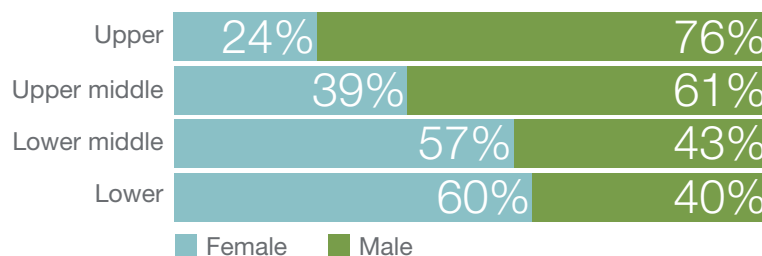
Appendix: Close Brothers Banking Division



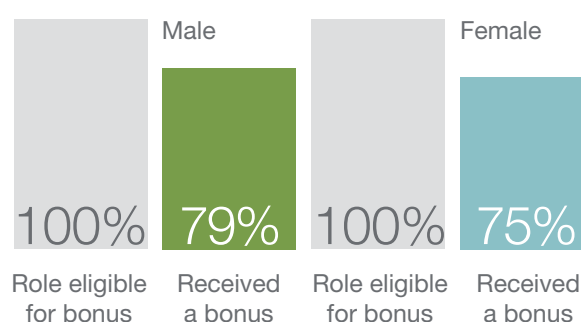
Gender pay gap figures



Gender bonus pay gap figures

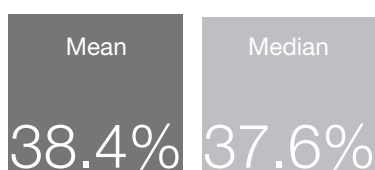


Proportion of male and female colleagues in each quartile band

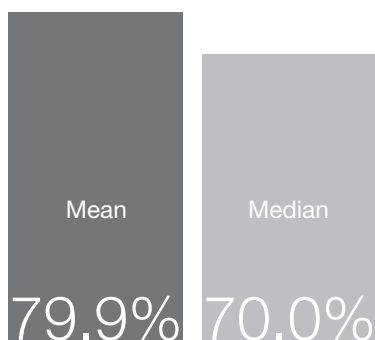


Proportion of males and females receiving a bonus

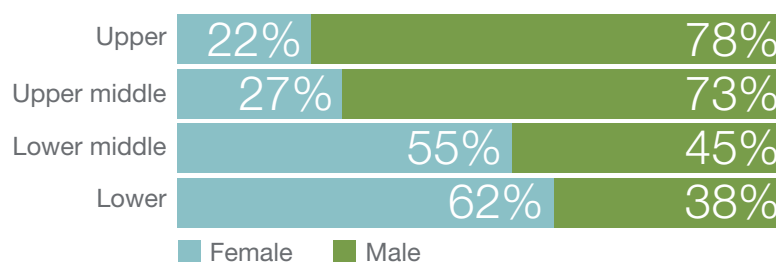
Appendix: Close Brothers Asset Management



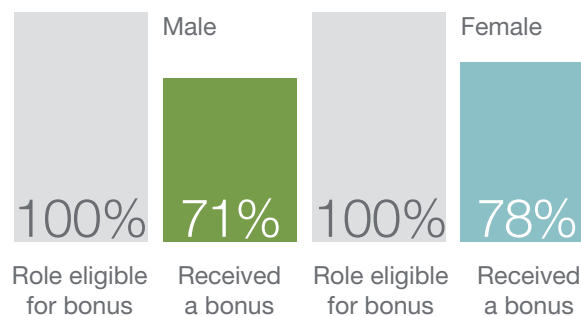
Gender pay gap figures



Gender bonus pay gap figures

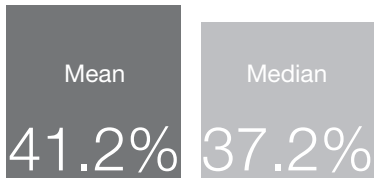


Proportion of male and female colleagues in each quartile band

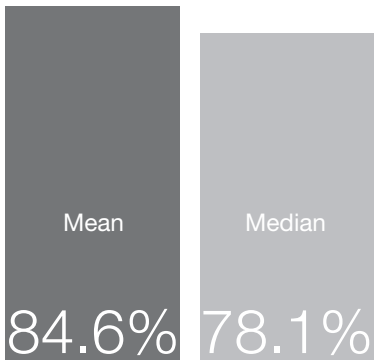


Proportion of males and females receiving a bonus

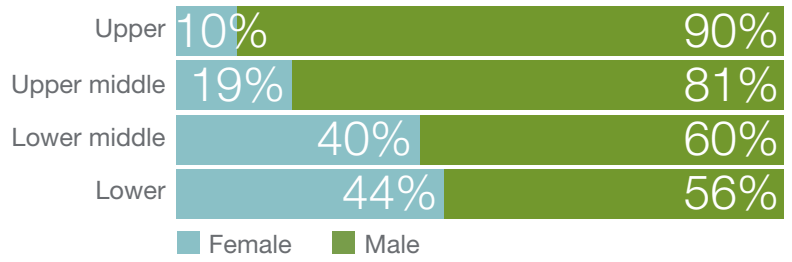
Appendix: Winterflood Securities



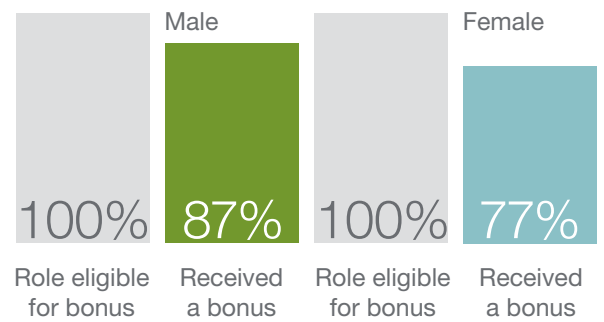
Gender pay gap figures



Gender bonus pay gap figures



Proportion of male and female colleagues in each quartile band



Proportion of males and females receiving a bonus

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