

# Gender pay gap

2024 to 2025 reporting year



# Welcome

## to our gender pay gap report



Mike Morgan, Group CEO



I am committed to continuing our support for positive change”

I am pleased to share with you our latest insights on the gender pay and bonus gaps in Close Brothers, along with an overview of the underlying factors and the steps we are taking to address them.

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

This reporting year, we saw a reduction in the pay and bonus gaps in our Banking and Winterflood Securities divisions. Close Brothers Asset Management is included in this report as they were part of the Group during the reporting period. There we observed a slight increase in these gaps, due to remuneration adjustments and performance-related awards for some client-facing roles, which are predominantly occupied by men.

Our gender pay and bonus gaps are primarily driven by two factors: the higher proportion of male incumbents in senior and client-facing roles, and the greater number of women who work part-time, which affects pro-rated bonus calculations.

In 2024, we launched our new Group-wide Diversity and Inclusion (D&I) Strategy, aimed at addressing the broader structural and systemic challenges faced by women and other under-represented groups. This report includes an update on our progress towards the goals outlined in the D&I Strategy and a particular focus on gender-specific initiatives.

It is important to distinguish between the gender pay gap and equal pay. Equal pay ensures that employees of all gender identities receive equivalent compensation when performing at similar levels in similar roles. Through ongoing reviews of our compensation and recruitment processes, we remain confident that our people are paid equally for comparable roles across our business.

We are proud to partner with our Employee Inclusion Networks, which play a vital role in providing peer-to-peer support, raising awareness and advocating for enhancements to our processes, policies and increased representation across the Group. They regularly engage with their Group Executive Sponsor and senior business leaders, fostering engagement and allyship across the organisation. We are grateful to the Gender Balance Network, our gender-specific forums within various business areas, and our Professional Women of Colour and Menoforum working groups, all of whom contribute significantly to our efforts to attract, develop and retain exceptional female talent.

Throughout this report, we refer to men and women; however, we recognise that gender identity is broader than the categories of male and female.

We welcome colleagues of all gender identities and partner with our Unity (LGBTQ+) Network to educate colleagues about gender identity and inclusive pronoun use.

We are encouraged by the progress made across the Group with our new D&I Strategy and action plan. These initiatives help address the causes of the gender pay and bonus gaps, while also promoting wider diversity and inclusion. I am committed to continuing our support for positive change in these areas.

# Key statistics about gender balance and gender pay

Our female employees represent<sup>1</sup>:

**45%** of our workforce

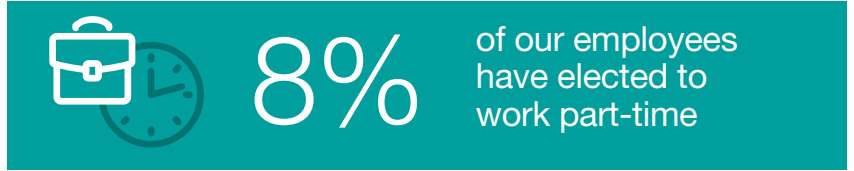
**40%** of our Managers

**32%** of our Senior Managers<sup>2</sup>

**45%** of our Board

<sup>1</sup> The above figures are calculated on a three-year rolling average with data as at 5 April 2022, 5 April 2023 and 5 April 2024. We do this to provide a continuous view of our representation across levels. All other statistics within the report are spot figures at 5 April 2024.

<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.

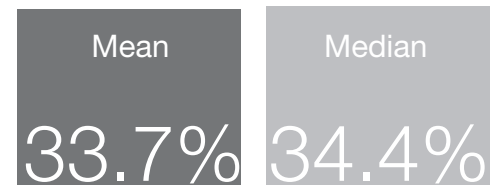
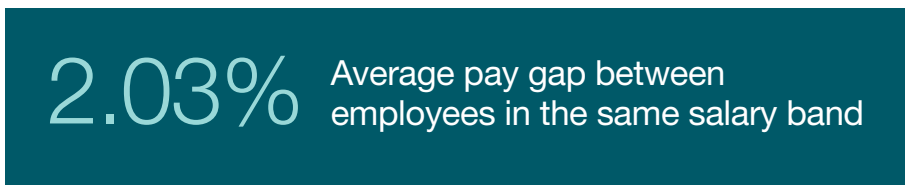


Over 85% of our colleagues have chosen to share their ethnicity with us.

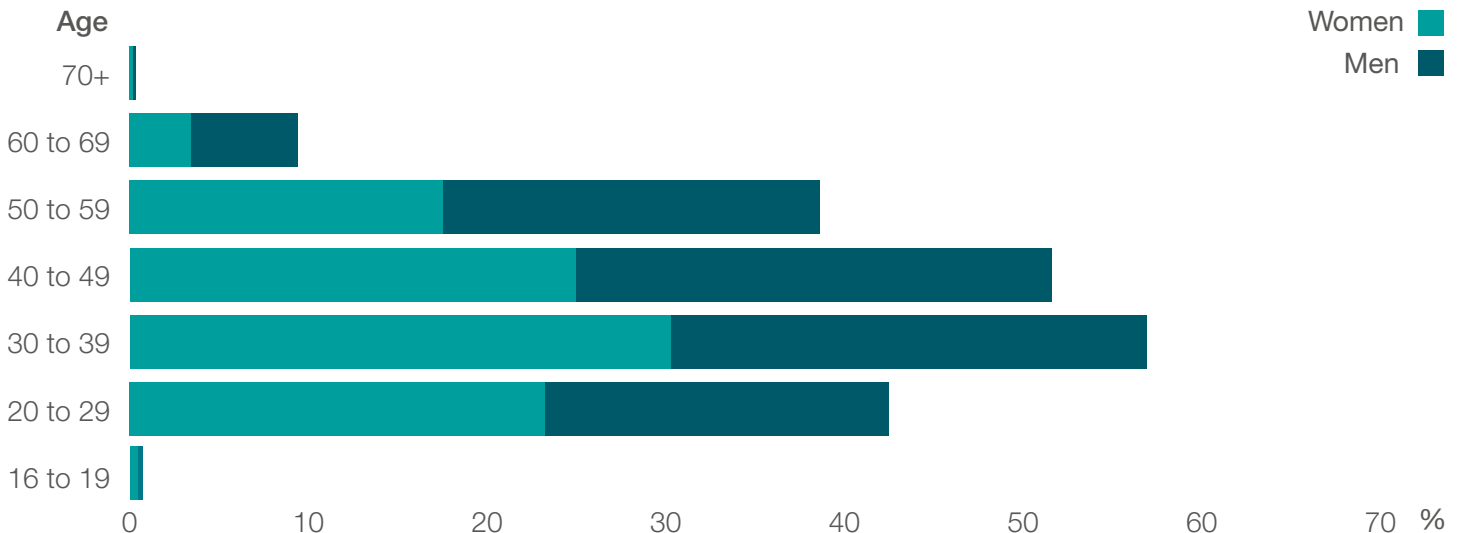
This reflects the trust placed in us to use this aggregated data and strategically shape initiatives to further advance D&I initiatives in the organisation. Of those who have disclosed, more women than men come from ethnic minority backgrounds (16.7% women vs 14.8% men), and the difference is also seen at manager and senior manager levels.

The newly created Professional Women of Colour working group further supports our efforts to advance women from ethnic minority backgrounds to progress their careers with us.

## Our Group-wide gender pay gap



## Our workforce spans seven decades



Analysing our data through an intersectional lens allows us to implement initiatives which more effectively address challenges faced by specific groups. For example, we have a sizeable population of menopause-age women in the organisation, so the Menoforum Working Group drives policy improvements and system changes, and organises awareness raising events for line managers and peers.

# Our Gender Balance Network

The Gender Balance Network was set up in 2021. Its mission is to identify and challenge imbalances to improve gender equality at every level across the organisation.



Elizabeth Martine  
Gender Balance Network Chair

I am honoured to take on the role of Chair of the Gender Balance Network at Close Brothers, leading a dedicated team of exceptional volunteers. With over 15 years of experience engaging with gender networks, I am deeply committed to fostering an environment where everyone can thrive regardless of their gender, background, or identity.

This year, our renewed Network strategy is centred on three key pillars: advocating for gender equity, cultivating an inclusive environment, and taking decisive action to ensure that people with all gender identities have the opportunity to succeed and prosper. We have made significant steps towards gender equity through a variety of initiatives and events, while also acknowledging there is more to be achieved.

I am delighted to step into the role of Executive Sponsor for the Gender Balance Network. There is already remarkable activity ongoing across the Group and it is important that we build on this momentum to ensure that we become a more diverse and inclusive organisation.

The Network has a strong foundation, and in 2024, we refreshed our strategy for the year ahead. We have shared this transparently with our colleagues and encouraged everyone to support us in raising awareness locally and join us as we continue to break down barriers and achieve tangible progress.

Phil Hooper  
Executive Sponsor of Gender Balance



## The Gender Balance Network refreshed its approach in 2024, focusing on three core pillars of our strategy:

**Advocate:** Being the voice of gender equity at Close Brothers, by supporting the review of representation targets post 2025, contributing to gender pay gap reporting and initiatives addressing the gaps, and facilitating submissions for awards.

**Champion:** Promoting an inclusive environment by increasing male allyship and enhancing engagement across networks internally and externally.

**Thrive:** Taking proactive measures to support progression for all genders by helping the business identify and address barriers to progression, enhancing recruitment processes and reviewing internal policies.

This year, the Gender Balance Network led several impactful initiatives including International Women's Day and International Men's Day celebrations in collaboration with the Unity (LGBTQ+), Working Parents and Carers and Mental Wellbeing networks, maintained consistent communication with members through a quarterly newsletter, and contributed to process improvements such as refining recruitment practices and updating policies. A noteworthy achievement includes one of the Network's Vice-chairs winning an award at theTechWomen100 in 2024.



International Men's Day event, Crown Place

Internally, the Network has closely collaborated with the D&I team, the Group Executive Committee, our employee networks and business leadership teams. Externally, it is a member of Gender Networks, a networking forum connecting volunteer leads from over 100 companies to share challenges, opportunities and peer support. The Network is also spearheading our company's partnership with charities such as Smart Works, who are dedicated to empowering women to reach their full potential, secure employment and change the trajectory of their lives.

In addition, our business areas are deeply engaged in advancing gender equity initiatives. The 'Women in Motor' group at Close Brothers Motor Finance proactively raises awareness about female representation in the industry, with a specific focus on sales and middle management roles. This area is a key priority in their 2024/2025 strategy, which also includes educating colleagues through events and internal content, and contributing to thought leadership within the automotive sector.

In 2024, the 'Women in Premium' group was launched within our Premium Finance business. Its mission is to improve female progression into senior management positions within Close Brothers Premium Finance. By fostering allyship, understanding and awareness, the group aims to create a supportive community for women to share their experiences, build confidence, and educate others on unconscious biases and inequalities in the modern workplace. Notably, the group's co-sponsor was shortlisted for 'Mentor of the Year' at the 2024 Women in Credit Awards.

Within Close Brothers Property Finance, the 'Women in Property' group highlights the unique challenges and opportunities women face in property and construction, and aims to drive meaningful conversations and actions to make the sector more appealing and accessible for the next generation of women.

The Professional Women of Colour working group was established in 2024 to provide peer-to-peer support, facilitate networking opportunities, and promote the professional and personal development of women from ethnic minority backgrounds. Connecting gender and ethnicity, the group is continuously improving education on intersectionality throughout the organisation. Their impactful efforts earned them the 'Initiative of the Year' award at Close Brothers' inaugural company-wide D&I Awards in 2024.

The Menoforum Working Group exemplifies another key volunteer initiative, where members come together to support one another, share strategies for managing menopause challenges, and increase awareness among colleagues who may not be directly affected. The group has successfully campaigned to make menopause an absence category for sick leave internally, advocated for coverage for menopause-related healthcare advice in the company's private medical plan, and launched a comprehensive menopause policy. They also provide regular training sessions for managers and colleagues to increase menopause awareness. The Menoforum received 'Team of the Year' at the 2024 D&I awards at Close Brothers, and notably won 'Most Open Culture' at the 2024 Menopause Friendly Employer Awards. Close Brothers was also shortlisted for best peer to peer support at the same awards, reflecting the strength and impacts of the Menoforum's supportive colleague initiatives.



International Women's Day event, Crown Place

# Our efforts on inclusion

We recognise that, to help the people and businesses we work with thrive over the long term, we have a responsibility to help address the social, economic and environmental challenges facing our business, employees and customers. Diversity and inclusion are embedded into our values and culture internally, and we also know that in a changing external environment, embedding inclusion into our ways of working with customers and external partners is becoming increasingly important. In 2024, we designed a three-year D&I Strategy and action plan.

## Our D&I Strategy has three focus areas:

1. Attracting and recruiting more diverse talent and supporting colleagues throughout their careers.
2. Increasing psychological safety to maintain our strong inclusive culture.
3. Delivering good, sustainable outcomes for our customers, and embedding inclusion in our interactions with customers, suppliers, charities and corporate partners.

We have committed to leadership and management engagement and accountability across all D&I actions. Highlights of our Strategy commitments and overall approach to inclusion are outlined below. In the meantime, we continue to monitor our employee engagement survey data and the most recent results in FY24 showed 90% of colleagues feel included and 92% feel comfortable to contribute in meetings.

### Attracting and recruiting the best talent and embracing equity in these processes

As part of our Strategy commitments, in 2024 we completed an end-to-end review of our recruitment process through an inclusion lens. We are now implementing key actions including emphasising accessibility for candidates during onboarding.

All of our job advertisements are carefully assessed for inclusive language and we remove unnecessary criteria such as degree, qualifications or experience requirements where not essential. We now advertise our roles with flexible working arrangements, including part time and job share options.

We aim for balanced shortlists in both direct recruitment and through partner agencies and ensure interview panels are diverse and gender-balanced where possible.

Additionally, we recently updated the content of our 'Licence to Recruit' training emphasising inclusive hiring practices and reinforcing our commitment to embedding D&I throughout our recruitment process.

### Enabling growth, retention and support for colleagues throughout their careers

We prioritise continuous education and awareness of D&I for all colleagues. During our company induction, we share our D&I priorities and all new joiners complete the 'Close Brothers Way' training which outlines our values and expected inclusive behaviours. Current colleagues complete a regular refresher, and we deliver ongoing inclusion awareness training organisation-wide.

Line managers complete training on inclusive performance reviews to ensure fair assessments at mid and end-of-year, and promote people-centric leadership throughout the year. Following performance calibration sessions, we analyse the outcomes against our demographic data to identify improvement areas. We also actively consider talent development opportunities and succession planning for high-potential individuals from under-represented groups.

We offer specialist programmes such as apprenticeships, internships with 10,000 Interns and upReach, and mentoring and coaching opportunities for minority groups. These aim to increase diversity and accessibility in our industry and organisation.

We recently celebrated eight years of partnership with Moving Ahead collaborating on mentorship programmes for women and under-represented groups. An overview of our schemes and their impact is available on our website.

We review our policies and benefits to ensure inclusiveness. In 2024, aligned with our D&I Strategy, we launched our new Transgender Inclusion Policy and enhanced our family-friendly benefits. Key updates include increasing our maternity leave and adoption leave offering from 18 to 22 weeks' full pay; providing up to two weeks' paid leave for fertility treatment and recovery (applicable to both partners); and offering two weeks' paid leave for all forms of pregnancy loss (applicable to both partners). As affordability allows, we will be looking to further improve our paternity leave offering in future to ensure we promote equal childcare responsibilities and support for working parents.



We support everyday flexible working, empowering colleagues to maintain an optimal work-life balance. We are committed to making Close Brothers a family-friendly workplace, offering benefits like emergency care cover. Additionally, we value and act on feedback constructively shared through our Working Parents and Carers Network.

When colleagues leave, we conduct exit interview analysis through a demographic lens. This approach helps us identify challenges and risks, allowing us to address issues proactively and improve our retention strategies.

### **Increasing psychological safety to maintain our strong inclusive culture**

We take pride in the dedication and hard work of our nine Group-wide Employee Inclusion Networks, two Working Groups and multiple local D&I Forums. Examples of engagement initiatives include Neurodiversity Awareness Week, Social Mobility Day, Mental Health Awareness Week, book and film clubs and bring your child to work days. Our newest addition, the Intergenerational Network, connects colleagues across multiple age brackets and helps unlock the collective wisdom of generations to drive innovation, success and growth across the organisation.

Our Networks provide valuable insights and focus groups, complementing our annual employee opinion survey in capturing colleague feedback. Demographic analysis of both quantitative and qualitative data informs initiatives to enhance our culture.

In line with the Group D&I strategy, Networks receive support through funding, resources and Executive Sponsorship, and we celebrate their impact with annual D&I awards. We further provide continuous education for managers on the importance of inclusive behaviours in performance reviews.

We promote awareness through National Inclusion Week and local Culture Weeks, emphasising psychological safety; a key pillar of our strategy. Our recent achievements, such as winning the 'Culture and Inclusion' Award at the 2024 Collaboration Network Awards, highlight our progress.

Additionally, we are signatories to a wide range of charters and commitments across a broad spectrum of inclusion themes, including the Women in Finance Charter. We also earned the Bronze award from the Defence Employer Recognition Scheme for our efforts to hire and support veterans.

Close Brothers collaborate with organisations such as Stonewall, the Business Disability Forum, Hidden Disabilities and the Diversity Project, to help inform our thinking and subsequent actions.

### **Deliver good, sustainable outcomes for our customers, and embed inclusion in our interactions with external partners**

Our lending businesses lead ongoing efforts to support vulnerable customers and integrate inclusion into daily operations, exemplifying how we embed our D&I strategy with both colleagues and customers.

We recently reviewed our client and staff entertainment standards and procedures to ensure equity and inclusivity.

In 2024, we aligned our corporate sponsored charities with our Inclusion Networks to better synchronise Corporate Social Responsibility with our D&I strategic objectives and amplify community impact. Broader corporate sponsorship decisions are also evaluated through a D&I lens to ensure they are equitable and inclusive.

### **Ensuring leadership and management engagement and accountability across all D&I focus areas**

We recognise that the behaviours of line managers and leaders, and their role modeling of our values, directly influence psychological safety, employee engagement, motivation and satisfaction. This in turn impacts productivity, turnover and customer outcomes. Management engagement and accountability is thus not only beneficial for business, but more importantly it is also the right thing to do.

Each of our Networks is supported by an Executive Sponsor, and in 2024, we formalised the role's expectations and commitments. The Group Executive Committee members also committed to a D&I pledge, actively role modeling inclusive behaviours by sponsoring events and promoting D&I across their business areas.

Additionally, 2024 saw the introduction of a mandatory D&I objective for all line managers, encouraging authentic inclusion and practical acts of allyship throughout the employee lifecycle.

### **Note on mental health and wellbeing**

Our D&I efforts align with employee engagement and wellbeing. Colleagues have access to our 24/7 Employee Assistance Programme, Mental Health First Aiders, the Thrive app, and additional consultations on nutrition and bereavement.

- Employees can also take one extra day off annually to focus on their mental health and wellbeing
- Our Wellbeing Network further drives education and awareness initiatives throughout the year

# Focus on gender

We acknowledge that our gender pay and bonus gaps are influenced by broader societal and industry-wide factors in the UK, and we are actively working to address them. Below, we outline key initiatives designed to tackle the challenges women may face in society and UK workplaces, along with our ongoing efforts to close these gaps.

## Societal gender bias and stereotyping

Stereotypes that financial services are more suited to men can limit the talent pool and introduce biases in hiring, promotions and performance evaluations. To challenge this, we advertise roles on the job board 'Investing in Women' and provide ongoing education for managers and colleagues on bias and inclusion. Training for line managers includes 'Licence to Recruit', 'Inclusive performance reviews' and 'Developing inclusive colleagues'.

## Lack of representation in leadership, client-facing roles and pipeline challenges

Women remain under-represented in leadership roles across the UK, including Board and executive teams. In the FTSE Women Leaders review, we report annually on our female representation, with our Board composition exceeding the 40% recommended target in 2024. However, we recognise the need to increase representation in executive roles and build stronger pipelines for senior management, which will help address the gender pay gap. Increasing women's representation in customer-facing roles is also important, as these positions generally have a higher variable remuneration, which affects the gender bonus gap.

The Women in Finance Charter highlights the challenge of insufficient internal pipelines of women coming through the

ranks. To tackle this, we focus on improving representation at more junior levels and developing our people. Examples include open application processes for our junior talent programmes to ensure equal access for all, and gender and other demographic characteristics being considered and reported on for all talent development programme selections. We have also updated our policy to promote internal advertising of roles, ensuring transparent opportunities for colleagues.

## Link to pay

Industry research by the Women in Finance Charter shows linking executive compensation to representation targets is challenging but effective. At Close Brothers, our Long-term Incentives Plan, of which our executives are a part of, includes progress towards our gender and ethnicity targets. Our CEO, accountable for both the Women in Finance Charter and our Gender Pay Gap report, is supported by the Group Executive Sponsor of the Gender Balance Network and the wider Executive committee.

## Wider culture and policies

Microaggressions, harassment and exclusion can impact employees' experiences at work. In 2024, we implemented changes to further adhere to the new Worker Protection Act, to help prevent inappropriate behaviours. We have enhanced other HR policies such as Dignity at Work, including the recent increase in maternity and adoption leave pay, and the provision of paid time off for all forms of pregnancy loss and fertility treatment. These improvements aim to strengthen our employer brand, specifically for female candidates, and boost retention, especially at senior levels.

## Mentoring and Networking

To address visibility and opportunities within the company and industry, we partner with our Gender Balance Network and external organisations such as Gender Networks, focused on advancing women in the workplace. We offer mentoring through cross-company schemes like Moving Ahead (the 30% Club) and our internal mentoring bench. In 2025, we will pilot a sponsorship programme, pairing senior sponsors with high-potential women and under-represented groups. This initiative will aim to guide career growth, advocate for internal moves, and provide opportunities for more responsibility and stretch assignments.







### Skills-building

Teamwork and relationship management are core values at Close Brothers. Our performance management framework emphasises the importance of these behaviours in employee ratings and expectations, recognising their value in both customer- and non-customer facing roles, regardless of technical skills. Our new learning and development offering includes training in resilience, change management and self-confidence for all. Additionally, our Employee Network members receive ongoing personal and professional development resources.

### Work-life balance and family responsibilities

Women in the UK are often primary caregivers for children or elderly/disabled adults, leading many to take career breaks or require flexible working to maintain their career trajectory. To support female candidates, our job adverts emphasise

inclusivity and flexibility, stating 'At Close Brothers we look to recruit individuals from all different backgrounds and encourage you to apply even if you don't tick every box. We celebrate diversity, promote inclusivity and are open to discuss flexible work options to help you balance your work and home life.' All hiring managers consider part-time, job share and flexible working options for both new joiners and existing employees, and we raise awareness through our Working Parents and Carers Network. In 2024, we launched the maternity allyship programme, pairing maternity returners with buddies from the Network, to provide additional support for female colleagues.

Since most part-time workers at Close Brothers are female, and bonuses are pro-rated, this negatively affects the gender bonus gap. We will continue to promote flexibility and normalise inclusive ways of working for all genders to help address this disparity.

### Gender pay gap figures

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

Our figures in the chart on the right show both the mean and median gender pay gaps based on hourly rate of pay at 5 April 2024. When comparing mean hourly wages, women's mean hourly wage is 33.7% lower than men's.

### Understanding our gender pay gap

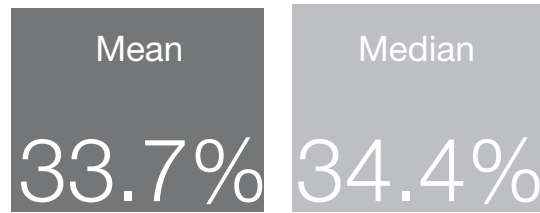
The chart on the right shows the gender split within four equal quartiles, when we order the hourly rate of pay from highest to lowest. The proportion of women in the upper quartile has increased by 1% each this year.

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

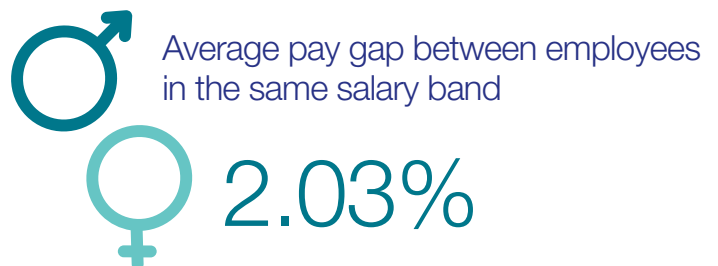
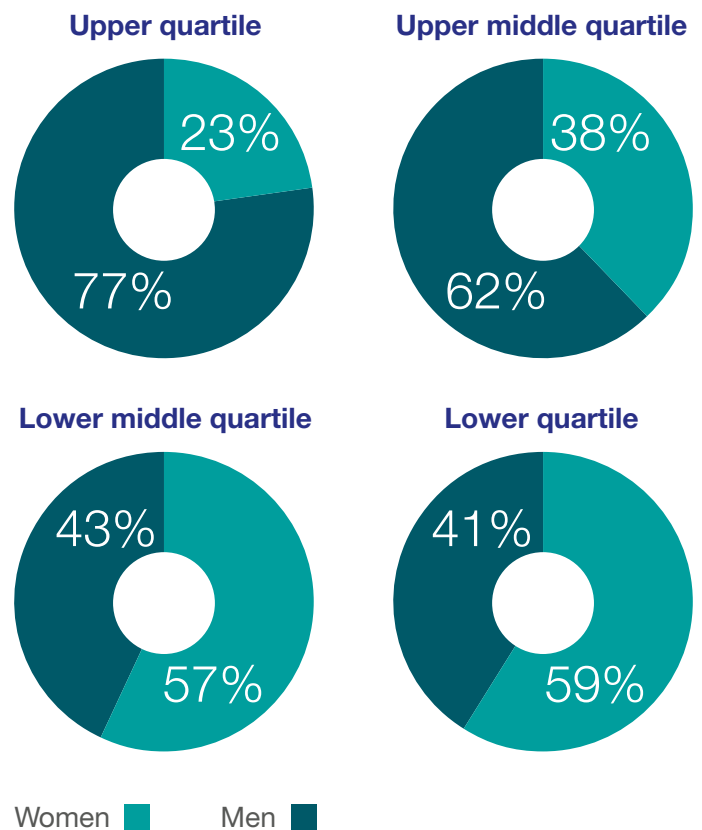
As shared earlier in the report, we have a number of initiatives to further improve the gender balance at all levels of the organisation.

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 2.03%. This is due to differences in role responsibilities within the pay band.

### Group-wide gender pay gap



### Proportion of men and women in each pay quartile



**Please note:** 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 bonus gap figures

The gender bonus gap is a measure that shows the difference between the average variable pay that men and women received in the year to 5 April 2024.

Bonus pay gap figures for Close Brothers are provided in the chart opposite. This comparison shows that women’s mean bonus pay is 72.5% lower than men’s.

### Understanding our gender bonus pay gap

All colleagues within the Group are eligible to receive a bonus, aside from where:

- the individual joined the company after a certain point in the annual compensation review cycle; or
- there has been an unsatisfactory performance or behaviours that fall below expectations have been demonstrated

Further factors that influence bonus pro-ration are part-time working patterns, extended periods of sick leave, maternity leave or shared parental leave.

We remain confident that overall performance is measured fairly, and we analyse ratings by gender alongside other demographics, to ensure equitable treatment of all employees.

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

Our job share, part-time and flexible working advertising in recruitment is an example of practical action we have taken to improve representation through attracting and recruiting people of all gender identities into roles with flexible working arrangements.

## Summary statement

Our D&I Strategy and action plan are enabling us to implement targeted initiatives to attract, develop and retain the best diverse talent, and to maintain our inclusive culture.

We will continue to focus on improving gender balance at all levels and across job roles, especially for manager roles and above, and to offer flexible working options to both men and women.

We remain committed to reducing our gender pay and bonus gaps.

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

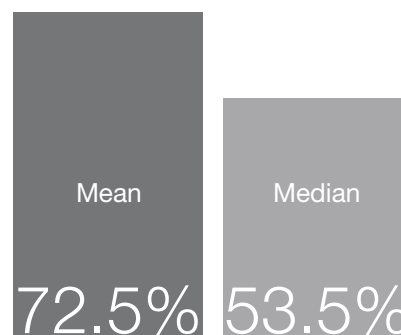
**♂ 71%** of client-facing roles are filled by men

Due to market driven factors, variable remuneration for client-facing roles is generally higher than support function and non-client facing roles.

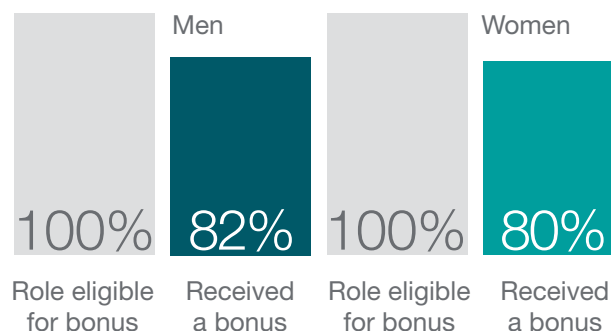
**♀ 84%** of part-time roles are filled by women

As salary directly impacts bonus opportunity, part-time employees (8% of our total population this reporting year) receive a pro-rated bonus compared to a full-time employee performing the same role.

### Group-wide gender bonus gap

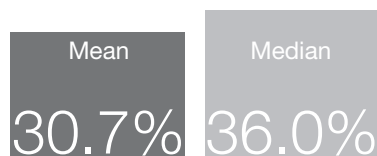


### Proportion of men and women receiving a bonus

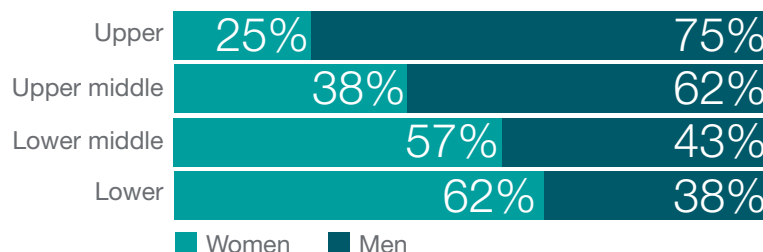


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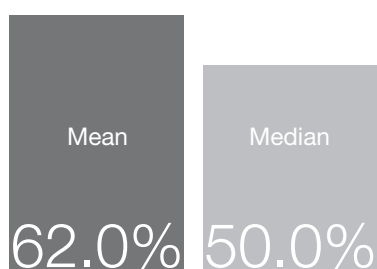
## Appendix: Close Brothers Banking division



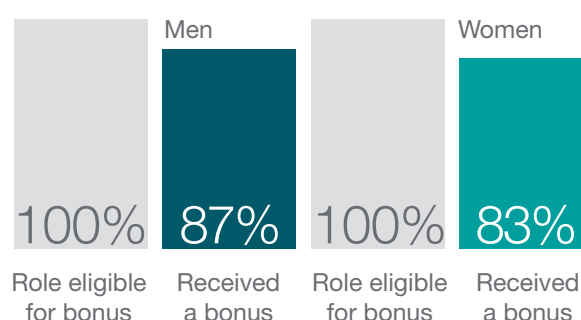
Gender pay gap figures



Proportion of men and women in each quartile band

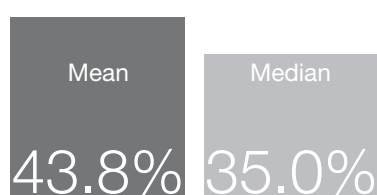


Gender bonus pay gap figures

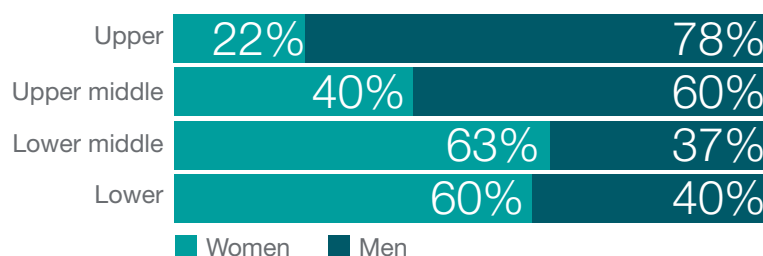


Proportion of men and women receiving a bonus

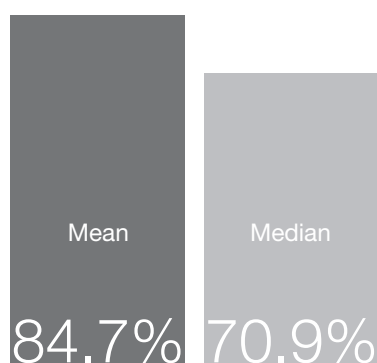
## Appendix: Close Brothers Asset Management



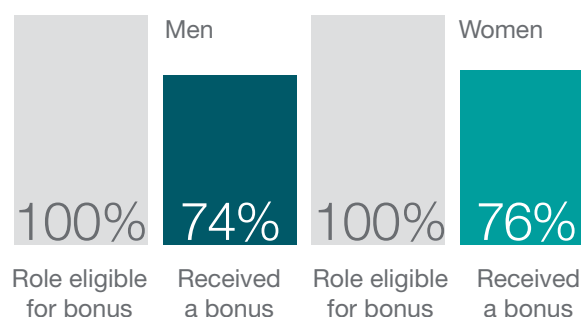
Gender pay gap figures



Proportion of men and women in each quartile band

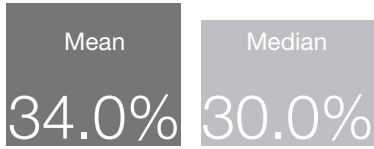


Gender bonus pay gap figures

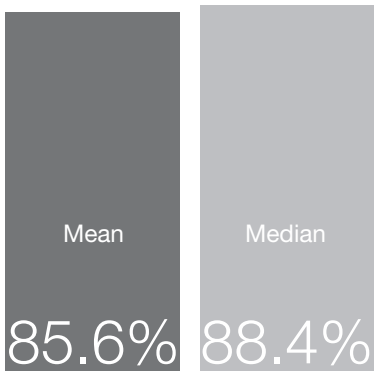


Proportion of men and women receiving a bonus

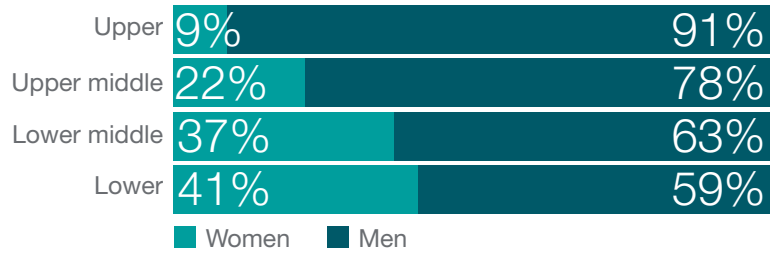
# Appendix: Winterflood Securities



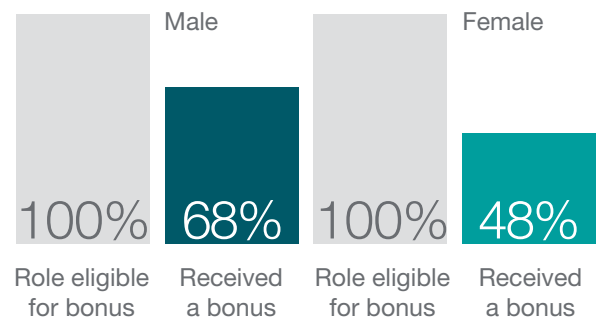
Gender pay gap figures



Gender bonus pay gap figures



Proportion of men and women in each quartile band



Proportion of men and women receiving a bonus

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