

Gender pay gap

2021 to 2022 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.

As signatories of the Women in Finance Charter, we set and exceeded our target of 30% of senior manager roles being held by a female by 31 July 2020. We are working towards a new target of 36% senior manager roles being held by a female by 2025. Delivery against diversity targets, including gender, are one of the objectives in our Long-Term Incentive Plan for senior management.

We remain committed to improving gender balance across all levels of the organisation.

We have continued our focus on broader inclusion goals and are pleased to share that we have set a target for 14% of managers to be ethnically diverse by 2025.

In 2021, we launched our new Diversity and Inclusion employee networks with executive level sponsors.

These networks are empowered to lead on engagement activities and act in an advisory capacity so we can work collaboratively towards change.

We have developed our work with leading inclusion organisations and charters such as the Business Disability Forum, Race at Work Charter and Women in Finance Charter. This year, we also began working with the Girls Network and the Social Mobility Foundation, in addition to expanding our partnership with the 10,000 Black Interns programme.

Our people remain our priority and we continue to focus on supporting them, especially through the pandemic and the transition back into workplaces. We are committed to providing flexible working opportunities to support a healthy work-life balance for all colleagues.

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.

Our recent engagement survey shows that employees feel treated fairly, regardless of different characteristics or how they identify, and that people of all cultures and backgrounds are respected and valued. We are continuing to work on initiatives to support an inclusive working environment where all our colleagues feel they belong.




The Close Brothers Group is committed to Diversity and Inclusion and we are passionate about creating an environment where all our colleagues feel they belong and can thrive.”

Some key statistics about gender balance and gender pay

Our female employees represent¹...

 **46%** of our workforce

 **32%** of our Senior Managers²


 **41%** of our Managers

 **36%** of our Board

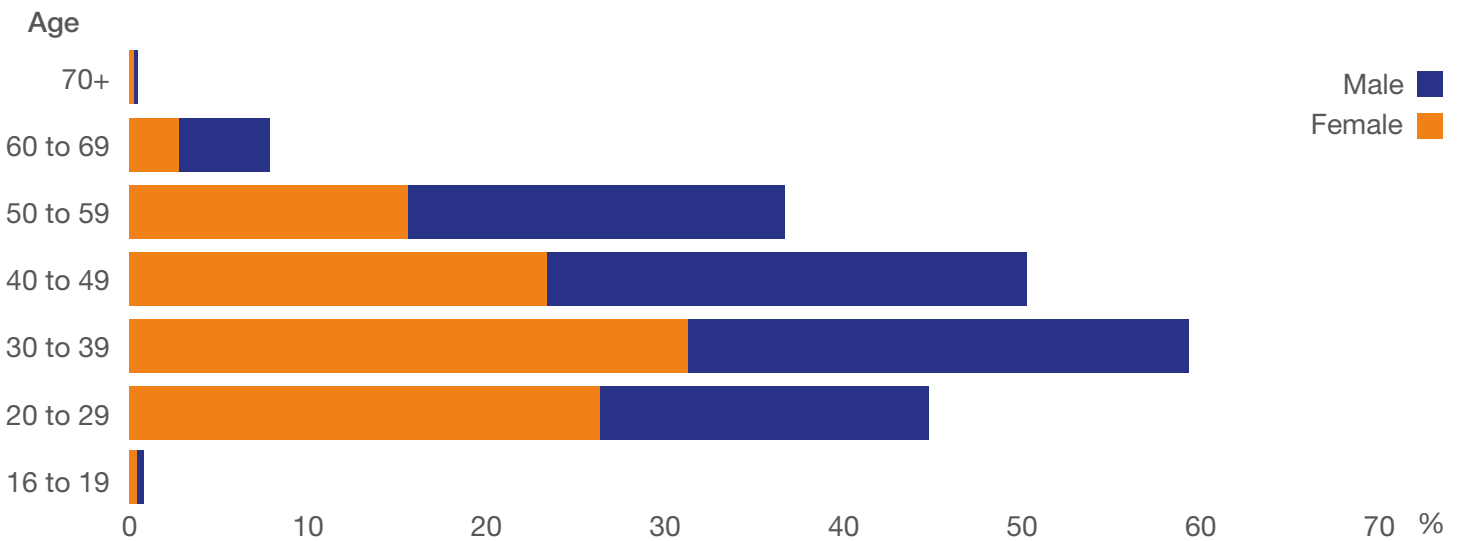
¹ The above figures are calculated on a 3 year rolling average with data as at 5 April 2019, 5 April 2020 and 5 April 2021. All other statistics within the report are spot figures at 5 April 2021.

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.


 **9%** of our employees have elected to work part-time

 **81%** of part-time workers are female

Our workforce spans seven decades



Our Group-wide gender pay gap

 **1.9%** Average pay gap between employees in the same salary band

Mean	Median
38.7%	40.6%

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

At Close Brothers, we strive towards having equal representation of men and women at all levels and across all roles in our organisation. In order to improve our gender balance, we are focused on three key areas; attraction and recruitment, career progression and leadership.



Philip Yarrow, CEO Winterflood
Executive sponsor of gender balance

As executive sponsor for gender balance, I am pleased to see we have progressed a number of initiatives this year to improve gender balance, such as the launch of our new gender balance network.

I will be working closely with our network 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 at Close Brothers.

Attraction and recruitment

We are focused on attracting and recruiting talented females across all levels into the organisation and have implemented various initiatives to work towards achieving this.

Our job descriptions and advertisements are continually reviewed and we use a gender decoder to avoid use of gender bias wording.

We have diversified our recruitment channels to tap into minority talent pools. For example; use of the LinkedIn targeting tool and working with agencies to achieve balanced shortlists.

We continue to deliver inclusive recruitment training for hiring managers and have developed a new 'License to Recruit' training to ensure a consistent and inclusive approach for talent acquisition.

We seek balanced shortlists and diverse interview panels for all roles to alleviate bias in the process. Flexible working opportunities are discussed from the beginning of the recruitment process to ensure transparency and attract diverse candidates.

Career progression

In partnership with the 30% club, we continue to provide cross-business mentoring for our talented females, with 75 mentees having participated in the scheme to date.

As part of the UK Automotive 30% Club, seven women in our Motor Finance business were nominated for the Inspiring Automotive Women Awards. We co-sponsored the event and supported schools' events highlighting the range of opportunities within the automotive industry for women.

Inclusive performance review workshops are run for all line managers to support fair and inclusive decisions around promotion, and performance ratings.

Our succession pipeline is reviewed quarterly and various discussions are had with senior management to alleviate bias in decisions around talent.

Leadership

All line managers and leaders receive various training modules focusing on elements of the employee life cycle where key decisions are made. These cover areas such as recruitment, performance reviews and talent and succession. All modules have a strong focus on inclusion to support fair decision making.

The gender balance network works closely with our Diversity and Inclusion team and the Executive sponsor for gender balance to achieve change across the organisation. The group hosted an event in partnership with 'Women on Boards' exploring how joining a board can benefit career paths.

To celebrate international women's day, we recently invited Tech influencer Abadesi Osunsade to Close Brothers to discuss 'breaking the bias' in the workplace and empowering women to step out of their comfort zone. We also hosted speed networking events to provide our colleagues with the opportunity to speak with senior members of the firm.

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

At Close Brothers, we aim to develop a culture of allyship to promote a sense of belonging and inclusivity. This year, we have launched our allies programme with an allyship awareness session for all colleagues.

Inclusive recruitment

We have continued to implement new initiatives to support the commitment to increase 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

This year, we have partnered with the Mission Include scheme to support the career development of colleagues from underrepresented backgrounds through mentoring.

Delegates on junior development programmes are now selected through an open application process to ensure transparency and inclusion in the process. As a result there has been an increase in diversity on our junior programmes.

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

Mental wellbeing

Our new mental wellbeing network, sponsored by Martin Andrew; CEO of Close Brothers Asset Management, engages colleagues to break stigma around mental health.

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

Under our commitment to the Race at Work Charter, we have continued to drive ethnicity data disclosure and have exceeded our target of 60% completion by July 2021, at 66%.

We are also proud to share we have set a representation target of 14% managers to be ethnically diverse by 2025.

We have expanded our partnership with the 10,000 Black interns programme and will be hosting 30 interns across the Group this summer.

LGBTQ+ inclusion

Our LGBTQ+ Network, "Unity" have continued to organise initiatives to raise awareness of LGBTQ+ issues in the workplace and increasing the visibility of LGBTQ+ role models and allies. To celebrate Pride month, we invited Dame Inga Beale to share her experience of building inclusive environments.

Disability

Rebecca McNeil, CEO Retail Division, sponsors a new disability network that is working to support inclusion in this area. To mark International Day of Persons with Disabilities, the network organised an initiative to share the experiences of being a wheelchair user. We continue to partner with the Business Disability Forum to support best practice in this space.

Social mobility

We have increased work experience and internship opportunities for those from disadvantaged backgrounds through partnerships with the Social Mobility Foundation and Upreach, and we offer opportunities to apply for permanent roles.

We are also partnering with the Girls Network to provide mentoring for girls from least advantaged communities.

Working parents and carers

We continue to provide virtual support sessions for our working parents and carers, led by executive sponsor, Angela Yotov, General Counsel.

We promote 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.

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 2021. When comparing mean hourly wages, this shows that women's mean hourly wage is 38.7% 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.

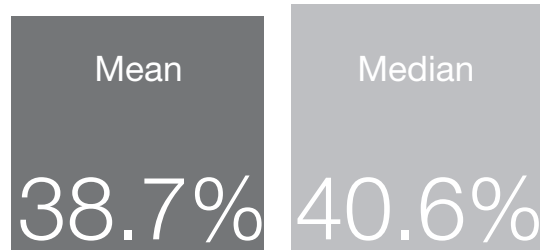
The overwhelming majority of the gender pay gap is driven by women holding fewer senior positions.

When we look at the difference in average pay between genders in the same salary band, the pay gap reduces to 1.9%. This is due to differences in role responsibilities within the pay band.

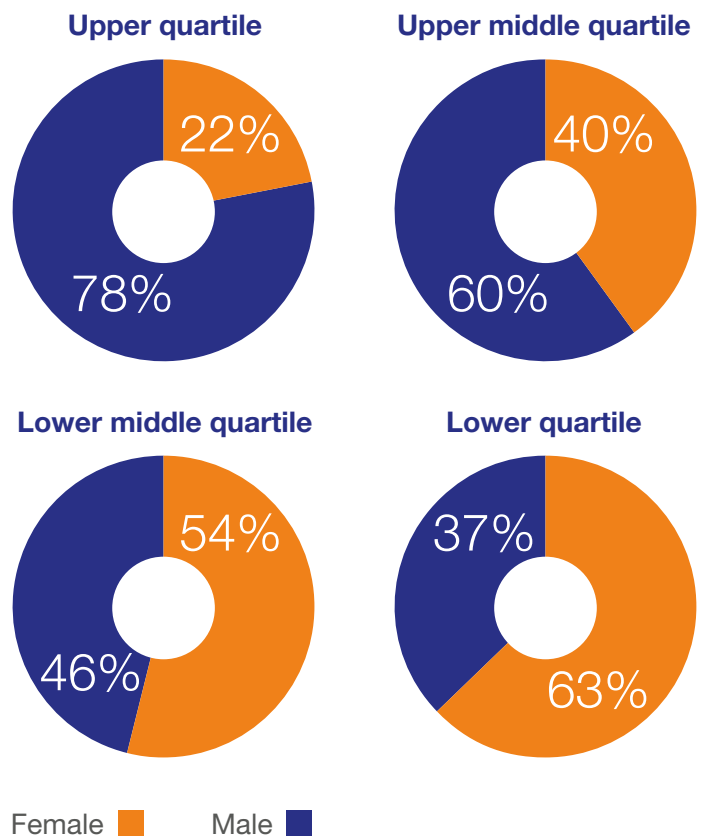
As shared earlier in the report, we have a number of initiatives in place to further improve the gender balance at all levels of the organisation.

We remain confident that all employees are paid equally for performing the same role.

Group-wide gender pay gap



Proportion of male and female colleagues in each 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 2021.

Bonus pay gap figures are provided in the chart opposite. When comparing mean bonus pay, this shows that women's mean bonus pay is 80.6% lower than men's.

Understanding our gender bonus pay gap

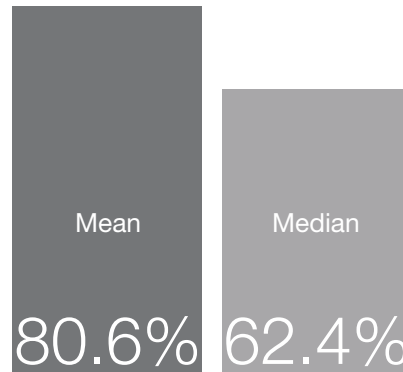
All colleagues within the Group are eligible to receive a bonus.

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

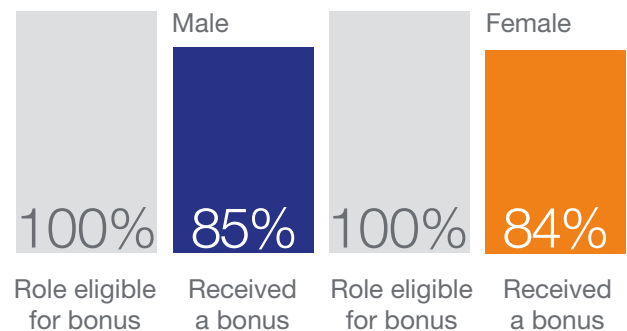
- The individual joined the company after a certain point in the annual compensation review cycle
- Unsatisfactory performance during the year

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

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.

 **76%** 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. This is especially prominent this year, where our trading divisions and Sales teams have had exceptional performance.

 **81%** 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 supportive of solutions; such as flexible working opportunities that enable all colleagues to balance their work and home life.

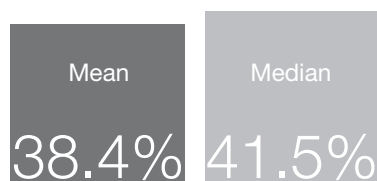
Summary statement

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

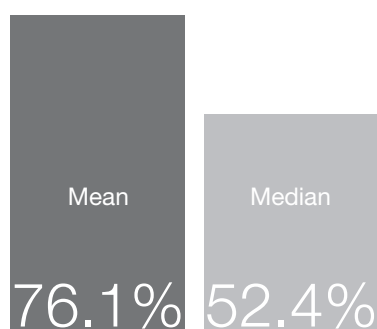
We are committed to driving long term change and creating an inclusive environment where all colleagues feel they belong and can thrive in their career at Close Brothers.

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

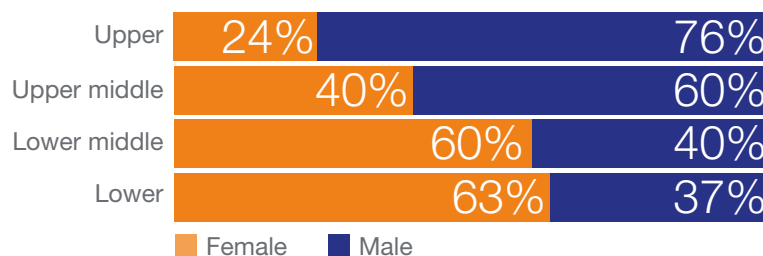
Appendix: Close Brothers Banking Division



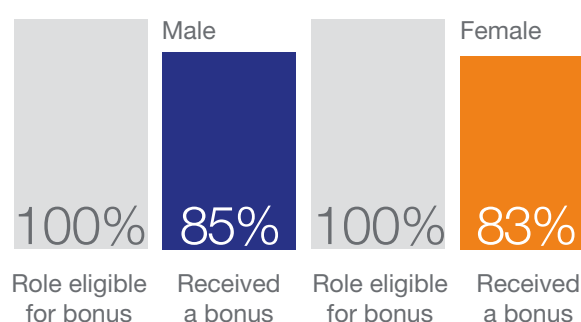
Gender pay gap figures



Gender bonus pay gap figures

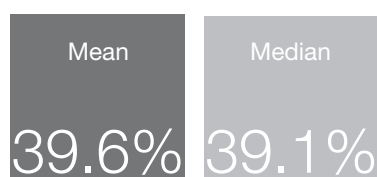


Proportion of male and female colleagues in each quartile band

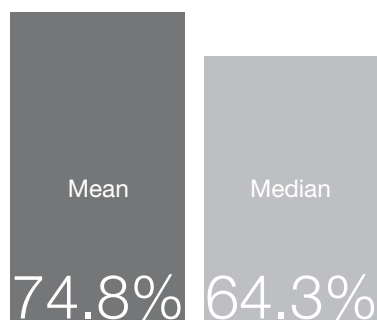


Proportion of males and females receiving a bonus

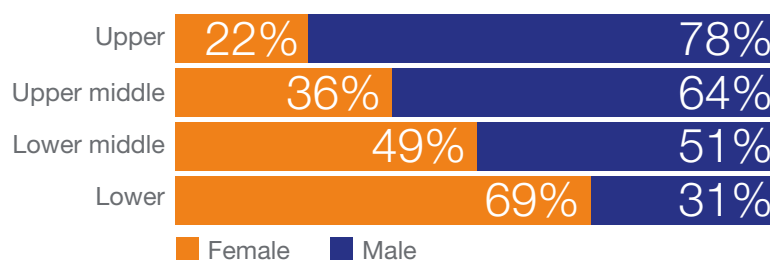
Appendix: Close Brothers Asset Management



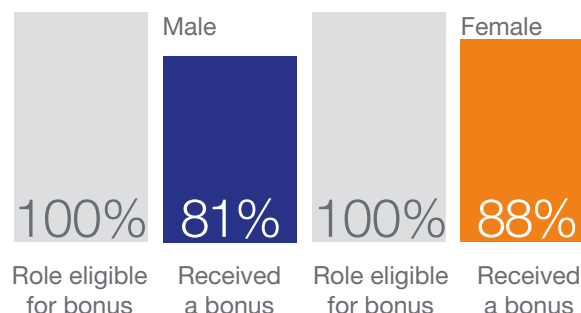
Gender pay gap figures



Gender bonus pay gap figures

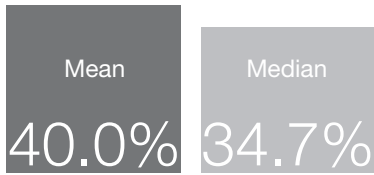


Proportion of male and female colleagues in each quartile band

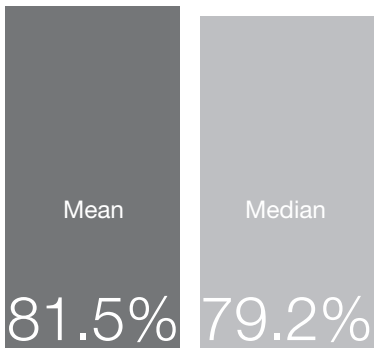


Proportion of males and females receiving a bonus

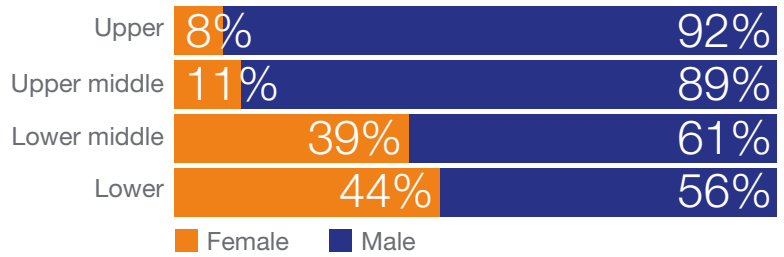
Appendix: Winterflood Securities



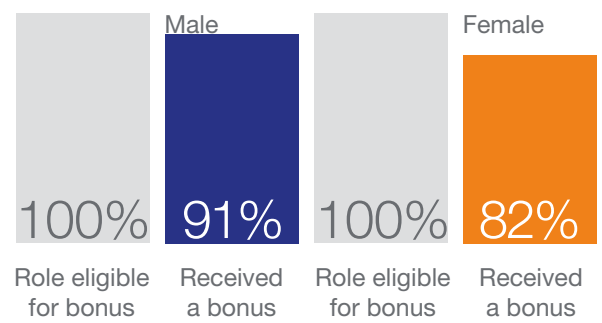
Gender pay gap figures



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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