



# Gender Pay

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Report 2018

*C. Hoare & Co.*

PRIVATE BANKERS SINCE 1672

# Introduction

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The relationship that we have with our employees is central to the bank's continued success. We must attract and retain the widest pool of talent. We believe this is made possible by focussing on looking after our employees with an inclusive workplace.

The results of our gender pay gap analysis are discussed below, as is the methodology behind the calculations. Our gender pay gap is in line with many financial services firms across the UK. The partners, board and senior management have the responsibility to understand and address the reasons behind the existing gender pay gap.

# What is the gender pay gap?

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The gender pay gap calculates the difference between the average pay of men and women across an organisation, irrespective of their role. The analysis of a gender pay gap is not the same as an analysis of equal pay. The latter directly compares two individuals who carry out like work, or work of equal value.

We do have a gender pay gap in favour of men, but we are confident that we do not have an equal pay issue. We have conducted a very careful review of all roles across the bank, and we are satisfied that men and women are paid equally for the same or comparable roles. Any individual pay disparities that emerge (through job changes or external hires) are addressed through our annual remuneration review process.

# How is the gender pay gap calculated?

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The gender pay gap calculation is mandated according to the Regulations which govern gender pay reporting.

The mean and median differences in the hourly rates of pay for ordinary pay and bonus pay are calculated as follows:

$$\frac{\text{average (or median<sup>1</sup>) male hourly rate} - \text{average (or median) female hourly rate}}{\text{average (or median) male hourly rate}} \times 100$$

<sup>1</sup>The "median" is the "middle" value in the list of hourly rates. To find the median, the hourly rates are listed in numerical order from smallest to largest

## How do you calculate ordinary pay?

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Ordinary pay is not limited to salary. It includes other payments such as shift and duty allowances and excludes payments relating to overtime, redundancy or pay in lieu of leave. Ordinary pay is an employee's gross pay after any reduction for a salary sacrifice scheme (even if the employee has voluntarily opted in to the scheme).

## How do you calculate bonus pay?

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The Regulations require us to report on any bonuses paid between April 2016 and March 2017. At the bank, bonus payments were made in June 2016 (our year-end bonus which covers performance year 2015/16), and November 2016 (our interim bonus which covers performance year 2016/17). Therefore, this period will span two performance years.

The next few pages outline our gender pay and bonus gap results. Due to the regulatory requirements, the data we have published relates to our 2016/17 performance year (April 2016 – March 2017).

# Our results

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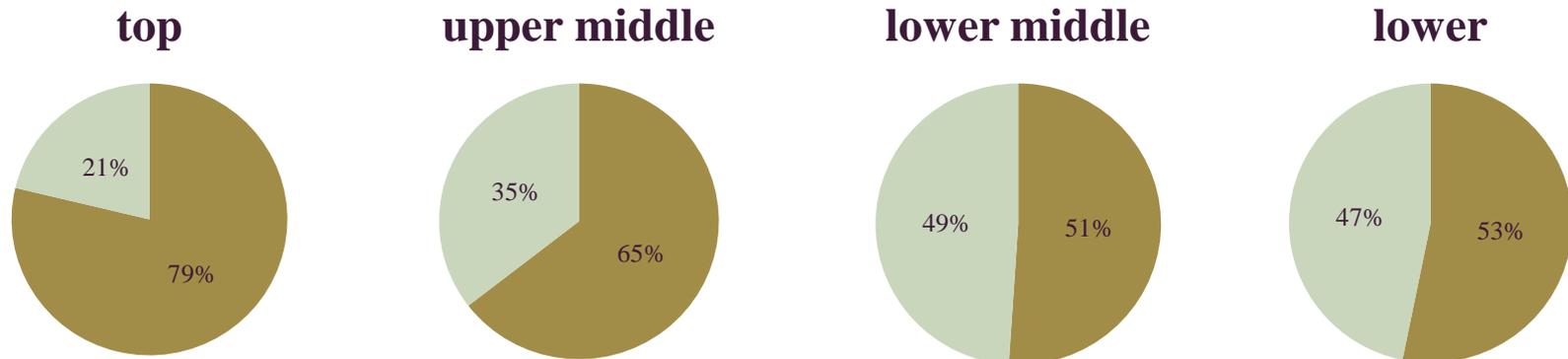
As with many businesses, and particularly within the financial services industry, there are more men in senior positions than women as shown in the quartile distribution that follows. This is the main driver of the gender pay gap.

| Differentials between men and women |       |        |
|-------------------------------------|-------|--------|
|                                     | Mean  | Median |
| Ordinary Pay                        | 32.7% | 28.3%  |
| Discretionary Pay                   | 27.7% | 38.5%  |

# What are quartiles?

Quartiles are determined by listing male and female employees in order of pay, from the highest to the lowest paid. This list is then split into four equal-sized groups or “quartiles”. The percentage of men and women in each quartile is then calculated.

Distribution of gender at each quartile



88.8% of men and 91.6% of women received a bonus in 2016/17. This means that there is a 2.8% gap in favour of women.



Our data shows that the proportion of women who receive a bonus is slightly higher than the proportion of men who receive one, but our results show that there is a significant gap in the amount. This is because there are more men in the bank’s senior roles with the potential for a higher salary, and thus, high bonus opportunity.

# Our people strategy

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The partners, board and senior management agreed an overarching People Strategy in November 2017. This included a new Leadership Development programme. In 2018/19, this programme will be extended to more employees to invest in them at earlier stages of their careers.

We recently rolled out unconscious bias training to our partners and senior management. This training also forms an important part of the Leadership Development programme. As a next step, we will roll this out to all hiring managers and those responsible for recruitment.

# Next steps

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We are committed to making the bank a more inclusive workplace and expect this, over time to result in a reduction of the gender pay gap. In a small organisation the pay gap number is expected to be relatively volatile. Specific actions we are taking are:

1. Strengthening our recruitment and staff appraisal processes to embed even further the bank's values of empathy, excellence, honesty and social responsibility.
2. Reviewing all existing employment policies to ensure that they make flexible working easier, especially at a more senior level.
3. Formalising the process for the board to monitor the gender pay gap on a regular basis.

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