



Gender Pay

2020 Report

The 'snapshot' date for the data applied in this report is 5th April 2019

C. Hoare & Co.

PRIVATE BANKERS SINCE 1672

Introduction

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.

The results of our gender pay gap analysis are discussed below, as is the methodology behind the calculations. In this, the third year of reporting, we continue to recognise that there is more work to do, to lock in the gains of last year and to build further upon our strategies to make the bank a more diverse and even better place to work.

The partners, board and senior leadership are continuing to seek to understand and address the underlying reasons for any imbalance in order to promote gender pay equality further.

What is the gender pay gap?

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 for equal work. The latter directly compares two or more individuals who carry out the same or similar work - or work of equal value - to check that their pay is equal.

We do have an average overall gender pay gap in favour of men, but we are confident that we do not have equal pay for equal work issues or inequalities. This is because we have conducted, for two years in a row, a very careful review of all roles across the bank, and we are satisfied that men and women are paid equally for performing the same and/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?

Gender pay gap calculations are set out according to Government Gender Pay Reporting legislation which governs gender pay reporting.

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

$$\frac{\text{average (or median}^1\text{) male hourly pay rate} - \text{average (or median) female hourly pay rate}}{\text{average (or median) male hourly rate}} \times 100$$

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

How do you calculate ordinary pay?

Ordinary pay is not limited to basic salary. It includes other payments such as shift and duty allowances but excludes payments relating to overtime, redundancy or pay in lieu of holiday.

Ordinary pay is an employee's gross pay after any deduction(s) for, for example, a salary sacrifice scheme (even if the employee has voluntarily opted into the scheme).

How do you calculate bonus pay?

Gender Pay Reporting requires us to report on any bonuses paid between April 2018 and March 2019. At the bank, bonus payments were made in June 2018 (our year-end bonus which covers performance year 2017/18), and November 2018 (our interim bonus which covers performance year 2018/19). Therefore, the bonus pay statistics in this report span two performance years.

The next few pages outline our gender pay and bonus gap results. Due to regulatory requirements, the data we have published relates to our 2018/19 performance year (April 2018 – March 2019), and principally our pay data on 5 April 2019; the 'snapshot' date determined by the UK's Gender Pay Reporting legislation.

Our Results

As with many businesses across the UK, and particularly within the financial services industry, there are more men employed in senior positions than women, as shown in the quartile distribution that follows (on Slide 7). This continues to be the main driver of our gender pay gap; however, we are keen to make further improvements in addition to the decrease in bonus pay disparity from 2017/18 to 2018/19:

2018/19 Differentials between men and women		
	Mean	Median
Ordinary Pay	25.2%	24.1%
Discretionary Pay	33.8%	34.8%

2017/18 Differentials between men and women		
	Mean	Median
Ordinary Pay	24.3%	22.6%
Discretionary Pay	36.0%	32.4%

2016/17 Differentials between men and women		
	Mean	Median
Ordinary Pay	32.7%	28.3%
Discretionary Pay	27.7%	38.5%

- In 2016/17, women comprised 38% of the bank’s employees.
- In 2017/18, this increased to 43% of employees.
- In 2018/19, female employees comprised 39% of employees.
- During 2018/19, 31% of our senior hires were women.
- Currently, 40% of our board directors are women and 40% of the management team are women.

Discretionary pay is principally variable bonus pay. There has been a decrease in the mean discretionary pay gap from 2017/18 to 2018/19, which indicates that there has been an overall reduction in men receiving higher bonuses compared with women.

What are quartiles?

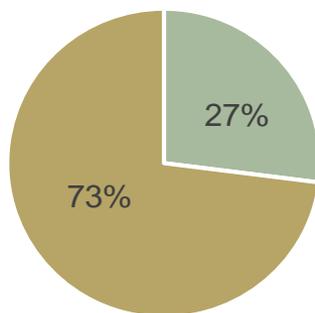
Quartiles are determined by listing all male and female employees in order of pay from the highest paid to the lowest paid. This list is then split into four equal-sized groups, by number of employees, or “quartiles”. The percentage occupancy of men and women by quartile is then calculated.

Distribution of gender at each quartile:

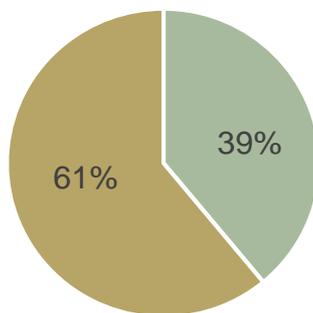
Men 

Women 

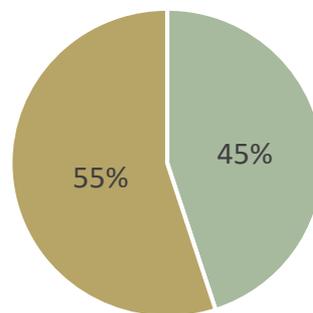
Top quartile (Q4)



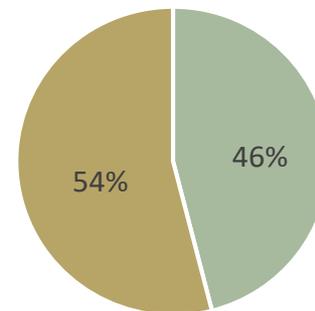
Upper middle quartile (Q3)



Lower middle quartile (Q2)



Lower quartile (Q1)

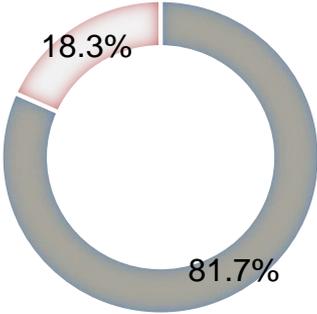


Our report shows that, compared with last year, female employees comprise a smaller percentage of the lower middle and lower pay quartile; one of a number of areas that provides foundations for further progress in reducing the overall gender pay gap.

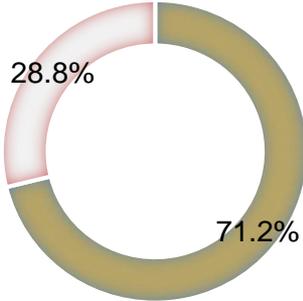
Bonuses

Those who received a bonus: 71.2% of men and 81.7% of women received a bonus in 2017/18. This is an 8.4% gap in favour of women.

Percentage of each gender receiving a bonus:



- Women receiving a bonus; 81.7%
- Women not receiving a bonus; 18.3%



- Men receiving a bonus; 71.2%
- Men not receiving a bonus; 28.8%

Mean bonus pay gap: the mean bonus pay gap is 33.8%.

Median bonus pay gap: the median bonus pay gap is 34.8%.

Our data evidences that the proportion of women who received a bonus during the reporting period is significantly higher (8.4%) than the proportion of men who received a bonus. Men, however, are still receiving higher bonus awards based on the median, but this metric takes into account more substantial bonus payments that are paid at a senior level. This senior level is still largely made up of male employees as shown in the pie chart for the top quartile (on slide 7). This explains the disparity in the metric.

Making the bank a more diverse and better place to work

In our last report, we referenced our comprehensive programme of people activities, which underpin our key strategy theme of ‘making the bank a great place to work’. These activities are continuing to be embedded and further updates are listed below alongside several new initiatives, which will help to bridge the average gender pay gap at the bank:

- **Flexible Working** – Our approach to flexible work patterns was heavily promoted during 2019 whilst new technology, referenced in the last report, to support colleagues working from home was fully implemented. We are convinced that a diverse approach to the way we work will encourage a diverse team to build successful careers at the bank.
- **Enhanced Family Leave Policies** – At the start of 2020, we enhanced our maternity pay, shared parental and paternity pay policies to enable our colleagues to balance work and homelife commitments more easily. It is our belief that a balanced work-life is essential for making the bank an accessible place to work.
- **Our Culture** – The bank has a strong “Care” mindset and as we evolve our culture through 2020, this mindset remains at the heart of our culture. Our Colleague Net Promoter Score [NPS], which registers whether colleagues would recommend the bank as a place to work, is very strong. Our 2019 colleague survey resulted in a NPS of +28 compared to a UK average of +8. By gender, the NPS was +23 for men and +34 for women. Moreover, our colleagues are actively encouraged to “bring their whole self to work” with 76% of colleagues in our 2019 survey positively saying that they felt that they can do this.
- **Line Management Training** – We continue to train our line managers to become great people managers and there was evidence of significant advancement in this capability during our 2019 colleague survey. One focus of the training is to minimise unconscious bias in our line management and so ensure that pay and hiring decisions are equitable and fair.
- **Candidate Sourcing** – We continue to have broad and diverse candidate sourcing channels. 34% of new hires in 2018/19 were women and 31% of our senior hires during that period were women.
- **Market Pay** – The bank continues to use extensive external salary data to ensure that our colleagues are paid market rates of pay and that colleagues undertaking similar tasks and duties are paid equally on the basis of gender.

Next Steps

Making the bank a great place to work requires us to be an ever more inclusive employer. We will continue to develop a set of activities that specifically ensures that talented people from diverse backgrounds are attracted to come and work for the bank and, when here, are able to readily progress their careers.

Our near term focus is to evolve our culture such that its core values of empathy, honesty, excellence and social responsibility are amplified and create an environment where colleagues can bring their whole selves to work. Supporting this work is an Equalities Task Force who have developed and are implementing a series of specific initiatives aimed at building an inclusivity mindset at the bank.

With this clear focus, the bank is committed to continue to narrow its gender pay gap.

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