



Gender Pay

2019 Report

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 second year of reporting, we are pleased that our gender pay gap has decreased but we recognise that there is more work to do. The partners, board and senior management have the responsibility to continue to understand and address the reasons behind the existing gender pay gap to further reduce the results.

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. 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?

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:

$$\frac{\text{average (or median¹) male hourly rate} - \text{average (or median) female hourly rate}}{\text{average (or median) male hourly rate}} \times 100$$

¹ 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?

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?

The Regulations require us to report on any bonuses paid between April 2017 and March 2018. At the bank, bonus payments were made in June 2017 (our year-end bonus which covers performance year 2016/17), and November 2017 (our interim bonus which covers performance year 2017/18). 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 2017/18 performance year (April 2017 – March 2018).

Our Results

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 continues to be the main driver of the gender pay gap, however, we are pleased to report that there has been a decrease in the mean ordinary pay gap from 2016/17 to 2017/18

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

In 2016/17, women comprised 38% of the bank.
In 2017/18 this has increased to 43%.
During 2017/18, 57% of our senior hires were women.

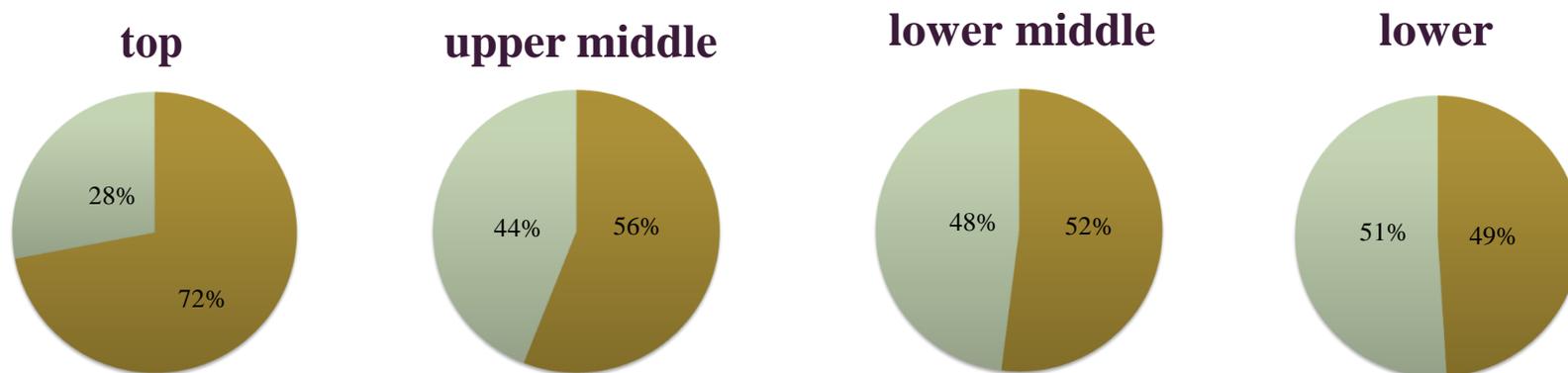
2016/17 Differentials between men and women		
	Mean	Median
Ordinary Pay	32.7%	28.3%
Discretionary Pay	27.7%	38.5%

There has been an increase in the mean discretionary pay gap from 2016/17 to 2017/18. However, there has been a decrease in the median discretionary pay gap which indicates that there has been a reduction in the data being skewed towards men receiving a more favourable bonus.

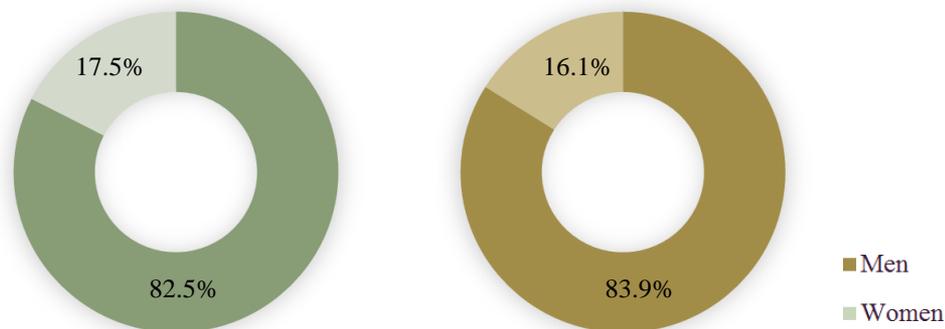
What are quartiles?

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



83.9% of men and 82.5% of women received a bonus in 2017/18. This means there is a 1.4 percentage point gap in favour of men.



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

Making the bank a better place to work

Since our last report, we have built a comprehensive programme of people activities, which underpin one of our key strategy themes: ‘making the bank a better place to work’. Several of these activities are directed at bridging the gender pay gap at the bank:

- **Talent Programmes** – We have implemented a set of development programmes that accelerate some of our best talent through their careers at the bank. The programmes operate with three different cadres of talent: leadership, emerging and entry level talent. More women are required at a senior level to bridge our gender pay gap and these programmes are intended to help facilitate that outcome.
- **Line Manager Training** – We are training our line managers to become great people managers. One focus of the training is to minimise unconscious bias in our line management and so ensure that pay decisions are equitable and fair.
- **Candidate Sourcing** – We have broadened our candidate sourcing channels so that we hire more women into the bank. Working with specialist recruitment such as those that focus on mums returning to work has ensured that 53% of our hires in 2017/18 were women with 4 women hired into our senior roles (57%).
- **Flexible Working** – We have an established flexible work pattern policy in place at the bank, which allows our colleagues to select an array of work patterns. The work patterns allow colleagues to balance home life with a thriving career at the bank. We will be introducing new technology solutions during 2019, which will also allow many colleagues to work from home more often.
- **Market Pay** – The bank utilises extensive salary data to ensure that our colleagues are paid market rates of pay and that colleagues undertaking similar tasks and duties are paid equally.

Next Steps

Making the bank a better place to work requires us to be an ever more inclusive place to work. We will continue to develop a set of people activities that specifically ensures that talented colleagues can readily advance through the bank and so create an environment that new colleagues are attracted to.

Some near-term initiatives will include a major relaunch of our flexible working practices, utilising new technology to support a variety of different work patterns. We will also be monitoring gender pay in a more dynamic way in order that we can anticipate any gender pay issues that may be emerging.

The bank is determined to continue to narrow its gender pay gap and we are delighted that we have made good progress over the past year.

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