



# The Gender Pay Gap at Investec Bank plc

2018



# Foreword

At Investec, we are committed to attracting, developing and retaining a diverse team of people. A diverse workforce is essential to our ability to be an innovative organisation that is able to adapt and prosper in a fast changing world. We recognise the benefits of a diverse workforce being able to contribute alternative perspectives and challenge the status quo, which is integral to the Investec culture.

As of 5 April 2018 our mean gender pay gap stood at 32.8% which is an improvement on the previous year (2017: 35.2%). We are dedicated to continue improving this in line with our commitment to promoting diversity. We know that while we have worked to address greater representation of women, we have more to do. We remain committed to advancement and holding ourselves publicly accountable.



# Our gender pay gap results

The below data is based on a snapshot of hourly rates of pay in the pay period encompassing 5 April 2018, and bonuses paid during the 12 months to 5 April 2018 with the respective comparative year.

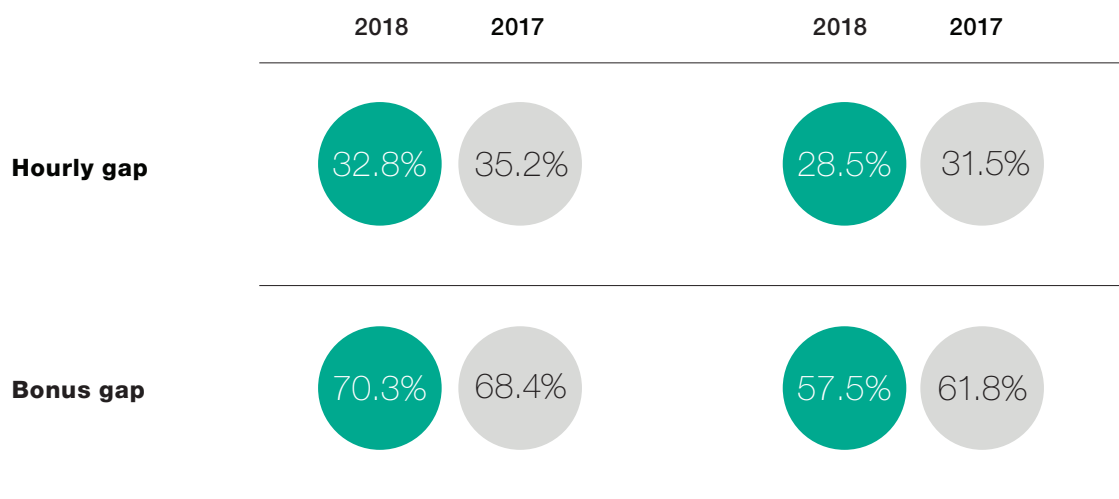
## Hourly and bonus pay gaps

### Mean

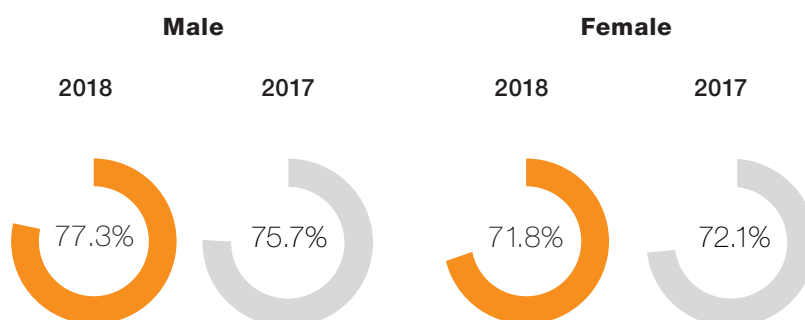
The mean figure represents the difference between the average of men's and women's pay expressed as a percentage of the average male pay

### Median

The median represents the difference between the midpoints in the ranges of men's and women's pay expressed as a percentage of the male midpoint

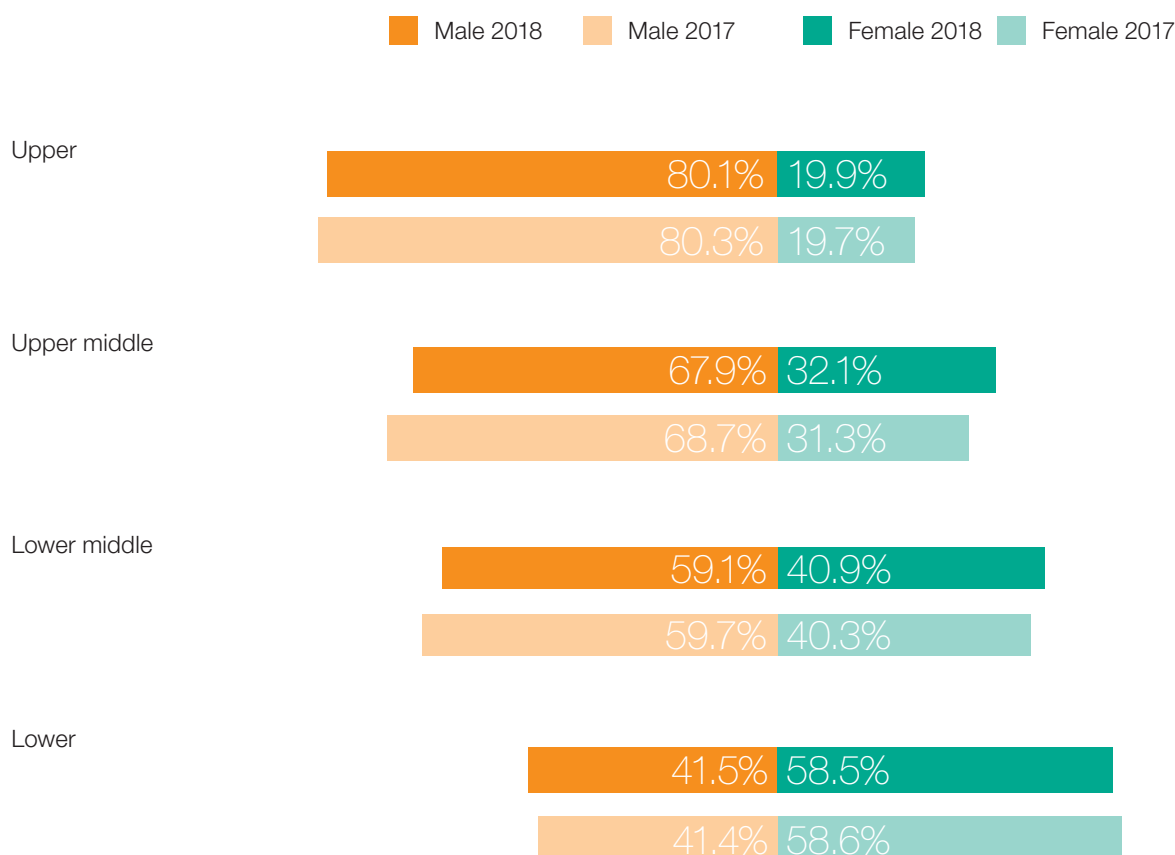


## Proportion of males and females receiving a bonus



## Proportion of men and women within each pay quartile

Each quartile represents an equal number of employees



## Why does Investec Bank plc have a gender pay gap?

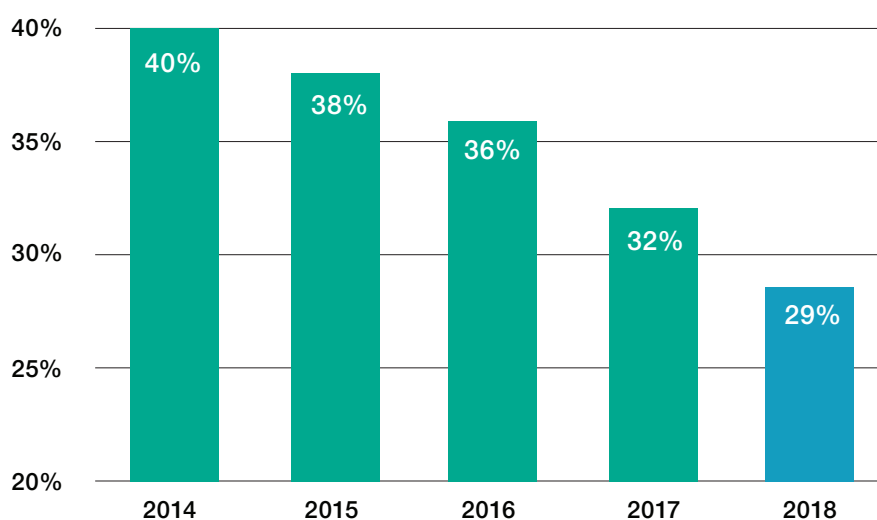
The hourly bonus and gender pay gaps are calculated on averages across the whole of an organisation and do not take into consideration factors such as the type of role and level of seniority. Our pay and bonus gaps continue to be principally driven by a higher proportion of women in junior roles and a lower proportion of women in senior leadership, revenue-generating and client-facing roles. The pay levels and higher ratio of variable to fixed remuneration for these senior roles magnifies the pay and bonus gaps. We are confident that men and women are paid fairly and equitably relative to their role, skills and experience, and this is central to our reward philosophy.

While we are not driven by awards, Investec participates and has maintained its inclusion in a number of international indices and rankings which recognize corporate responsibility standards and performance. Accordingly, we are pleased with our recent ranking of 27th in the world out of 3,206 companies and 4th in the UK (relative to all industries) for progress in gender equality and reporting, according to the 2018 Equileap Gender Equality Global Report and Ranking. We remain committed to achieving greater female representation in senior leadership and client facing roles within the organisation and are dedicated to reducing the gender pay and bonus differential over time.

## Hourly pay gap

We are pleased that our gender pay gap has reduced over time, reflecting the initiatives which have been put in place (some of which are detailed overleaf). We will continue to strive for further improvement.

### Median hourly pay gap trend



## Bonus pay gap

The reduction in our pay gap has not been mirrored in our mean bonus gap which has increased due to a number of female colleagues working part time and the fact that bonus calculations are not pro-rated for colleagues who work part time and do not take into account the point at which employees join the organisation during the bonus year. Investec supports a healthy work life balance and has progressed toward a more agile environment as noted below in our diversity principles.

All of our employees are eligible to receive a discretionary bonus. Our reward structure is performance linked and gender-neutral by design. Employees are typically eligible for a bonus after a minimum period of employment has been completed. The key reason for differences between the percentage of men and women receiving a bonus is due to the timing of new hires and whether the minimum period of employment has been completed prior to our financial year end.

## Our Diversity principles

While we have actively tried to increase the diversity of our senior leadership, we recognise that across our organisation we have more work to do. That is why we have our own set of diversity principles to help define the framework for that journey.

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- We believe in the importance and benefits of diversity and foster a culture that is supportive and inclusive of different perspectives and experiences.
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- As a global specialist bank and investment manager, diversity ensures that we represent the diversity of our global client base.
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- Our commitment to diversity is fundamentally about 'doing the right thing'.
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- We have progressed towards a working environment that is more agile and responsive to the needs of all individuals, with flexible work arrangements encouraged where appropriate.
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- In terms of diversity, we commit to equal compensation on a like-for-like basis.
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- We will work proactively to rebalance our firm in line with the societies in which we operate by empowering communities through entrepreneurship and education, and leveraging the value in our diversity.
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- We will measure and track progress annually.
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- We will work towards achieving our targets through concrete actions (listed overleaf).

# How are we addressing our gender pay gap?

Across our organisation we are committed to ensuring that women fulfil their career ambitions. We recognise that addressing the gender pay gap will take time, and below are a number of our initiatives in order to achieve our aspirational goals and targets.



## Commitment to our core values

Our core philosophies value diversity and respect for individuals. We endeavour to prevent and/or eliminate any form of discrimination based on gender, race, religion, age and sexual preference. We support and respect the protection of internationally proclaimed human rights standards and welcome the legislated UK Modern Slavery Act 2015. We have various processes to encourage debate and dialogue around appreciating diversity and different cultures.

In line with our core values Investec is responding to the Government's Ethnicity pay reporting consultation. We support the increased transparency this reporting will bring, and believe this will lead to increased workforce diversity.



## Gender balanced recruitment

We are taking a proactive approach to ensure that we are able to attract as diverse a pool of candidates as possible. For example, we are committed to balanced and diversified shortlists for all open roles. We believe this gives us a better chance of hiring the best person for the role. We are working with both internal and external recruiters to ensure that shortlists and interview panels are appropriately balanced. We also work hard to ensure that our graduate recruitment focuses on building a diverse and balanced pipeline of talent for our business. As part of one of our recruitment initiatives, we have partnered with the Women in Finance UCL Guild Society.



## Learning and development

We invest significantly in a number of opportunities for developing and upskilling employees and in leadership programmes to develop current and future leaders of the group. Investec's HR learning and development team is mandated to develop and retain people who can perform extraordinarily in support of business objectives in a manner consistent with Investec's culture and values. We support a number of external learning programmes and have developed many internal learning programmes.

Our aim is to support our colleagues, in particular, in shaping and progressing their careers.

- We have signed up to the 30% Club mentoring scheme which was launched in 2010. The scheme offers cross-company, cross-sector mentoring to women at every stage of their career. It is part of a series of 30% Club initiatives aimed at helping to develop a broader pipeline of women.
- Investec Inspire is the umbrella network for our employee-led diversity and inclusion programmes comprising of four networks and sponsored by senior leaders. Our Gender Balance network enables the exchange of knowledge and experiences in order to improve the opportunities for career success.



## Family-friendly policies and work practices

We have a number of policies and practices that help to balance family needs. One of these is enhanced paid parental leave, for all staff of up to 26 weeks. This leave can be shared between parents, encouraging a more even approach to raising children and allowing working mothers, who would like to, to return to work earlier. We have also progressed toward a more agile environment, with flexible work encouraged where appropriate.





### **Diversity awareness programmes**

Since piloting our “Zebra Crossing” initiative in November 2017, 80% of our UK based executive directors have participated in the initiative with 9 workshops having taken place to date. The Zebra Crossing initiative explores the complexities of diversity at a personal, interpersonal and an institutional level. We want our people to think deeply about diversity and inclusion and understand how decisions and behaviours are driven.



### **Measurement and accountability**

To help us measure the pace of change, we have set a number of goals and targets. The bank has adopted a Board Diversity Policy; having a diverse board is a clear benefit, bringing with it distinct and different outlooks, alternative viewpoints, and challenging mindsets. In addition the bank has signed up to the Women in Finance Charter and in doing so has committed to: having a senior executive team member responsible for diversity and inclusion; meeting set targets for diversity; publishing progress reports annually; and linking pay of senior executives to delivery of these targets. Progress against our objectives will be reviewed regularly by the relevant executive management and boards.

## In conclusion

We acknowledge that we have a gender pay gap under the regulations, but are confident that across our organisation men and women are paid equally when comparing like for like roles. We are clear on our philosophy and culture and will continue to work towards a more balanced organisation while simultaneously being committed to diversity and inclusion. We will continue to implement our plans and we look forward to reporting continued progress.

**“Our core values include unselfishly contributing to society, valuing diversity and respecting others.**

**We confirm that the information featured in this report is accurate.”**

**David van der Walt**

CEO Investec Bank plc