

# The Gender Pay Gap at Investec Bank plc

2019



# Foreword

At Investec we know that diversity of thought is critical to increasing our ability to innovate, adapt and perform in this fast-paced world. We are committed to attracting, developing and retaining a diverse and representative workforce. We believe that more diverse groups will give rise to a more inclusive environment where we value the differences in who we all are, encourage challenge and welcome the unique perspective that each individual brings. The creation of an inclusive environment enhances business performance which will in turn add value to our clients and to society.

As at 5 April 2019 in the UK banking business, our mean gender pay gap stood at 29.4% - an improvement on the previous year (2018: 32.8 %). We actively drive a number of initiatives detailed within this report that have contributed to the ongoing reduction of our gender pay gap.

We recognise that we still have more to do and are committed to continuing to build a more balanced and inclusive workforce. At Investec our vision for Belonging, Inclusion and Diversity (BID) is for everyone to find it easy to be themselves, and to feel they belong. It's a responsibility we all share and is integral to our purpose and values as an organisation. Continually mindful of our biases and consciously inclusive, we encourage each other to embrace opportunities for growth.

BID supports our key strategic priority of driving greater connectivity and is aligned to our value of embracing diversity. Our commitment to BID builds on our diversity principles, which include specific aims to increase our female representation in general and senior leadership in particular. The gradual reduction in the gender pay gap over the period is due to the proactive adoption of a number of interventions, changes in practice and policy enhancements.

To further demonstrate our commitment, in 2019, we appointed Zandile Nkhata as Belonging, Inclusion and Diversity Lead, a new position, responsible for supporting the organisation and its leaders to develop informed strategies and drive initiatives with impact. This appointment will not only increase the level of focused attention providing regular feedback on effectiveness, but will continuously assess the external environment providing innovative thought leadership to ensure we make great strides in closing the gender pay gap at Investec Bank plc year on year.

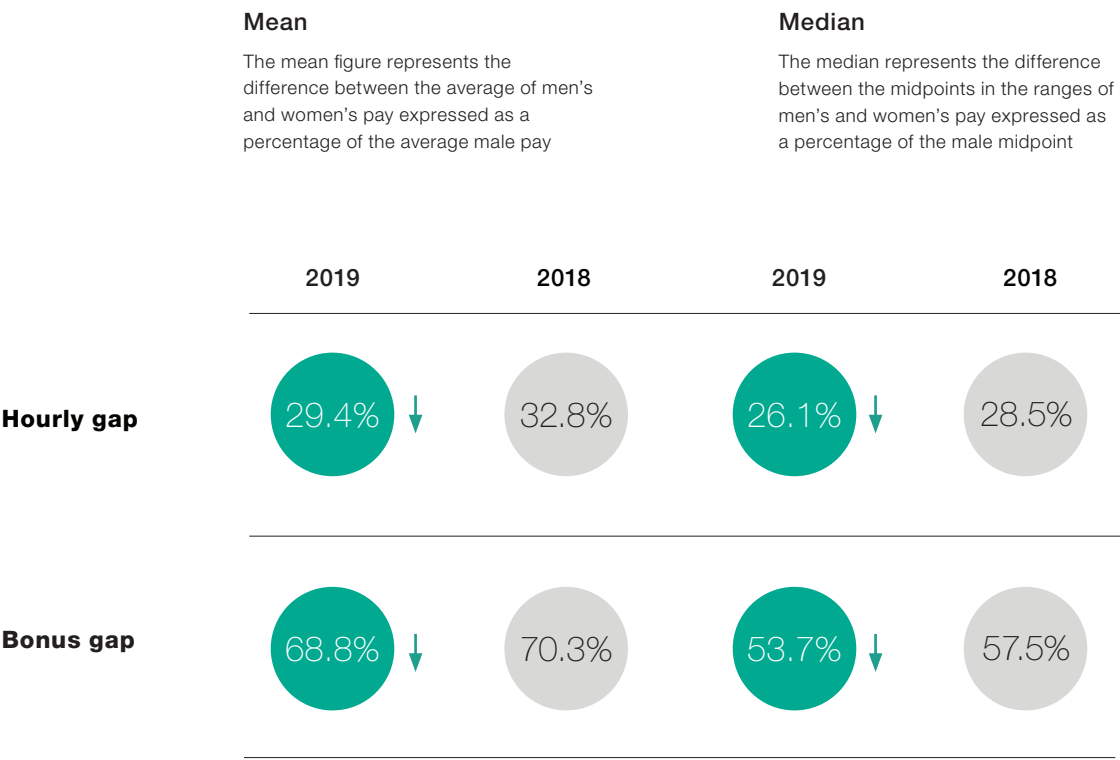
This report was submitted at the peak of the COVID-19 pandemic, a significantly challenging period for our people and their families. Throughout they have remained connected to our clients and their needs, focused on our pressing business priorities, and supportive of one another, particularly those facing uniquely difficult circumstances. I would like to take this opportunity to thank them for their resilience, sense of what we stand for as a business and the way in which they have adapted to new ways of working and connecting across our organisation. The progress we have made in belonging, inclusion and diversity has been instrumental in supporting us during this period and I'm confident, as we reflect on our priorities, will be invaluable as we go forward.



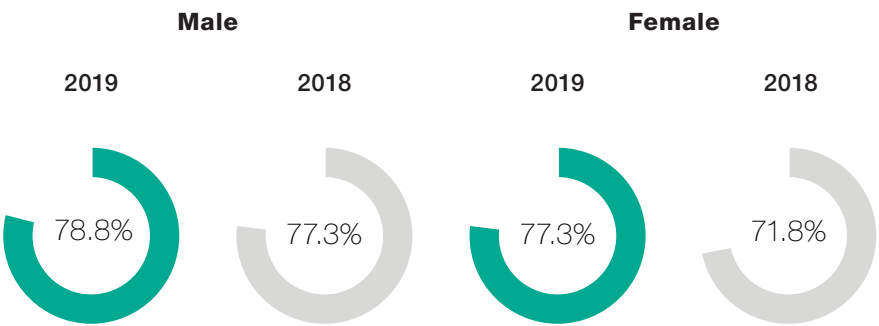
# Our gender pay gap results

The data below is based on the hourly rates of pay in the pay period to 5 April 2019, and bonuses paid during the 12 months to 5 April 2019, compared with the prior year.

## Hourly and bonus pay gaps

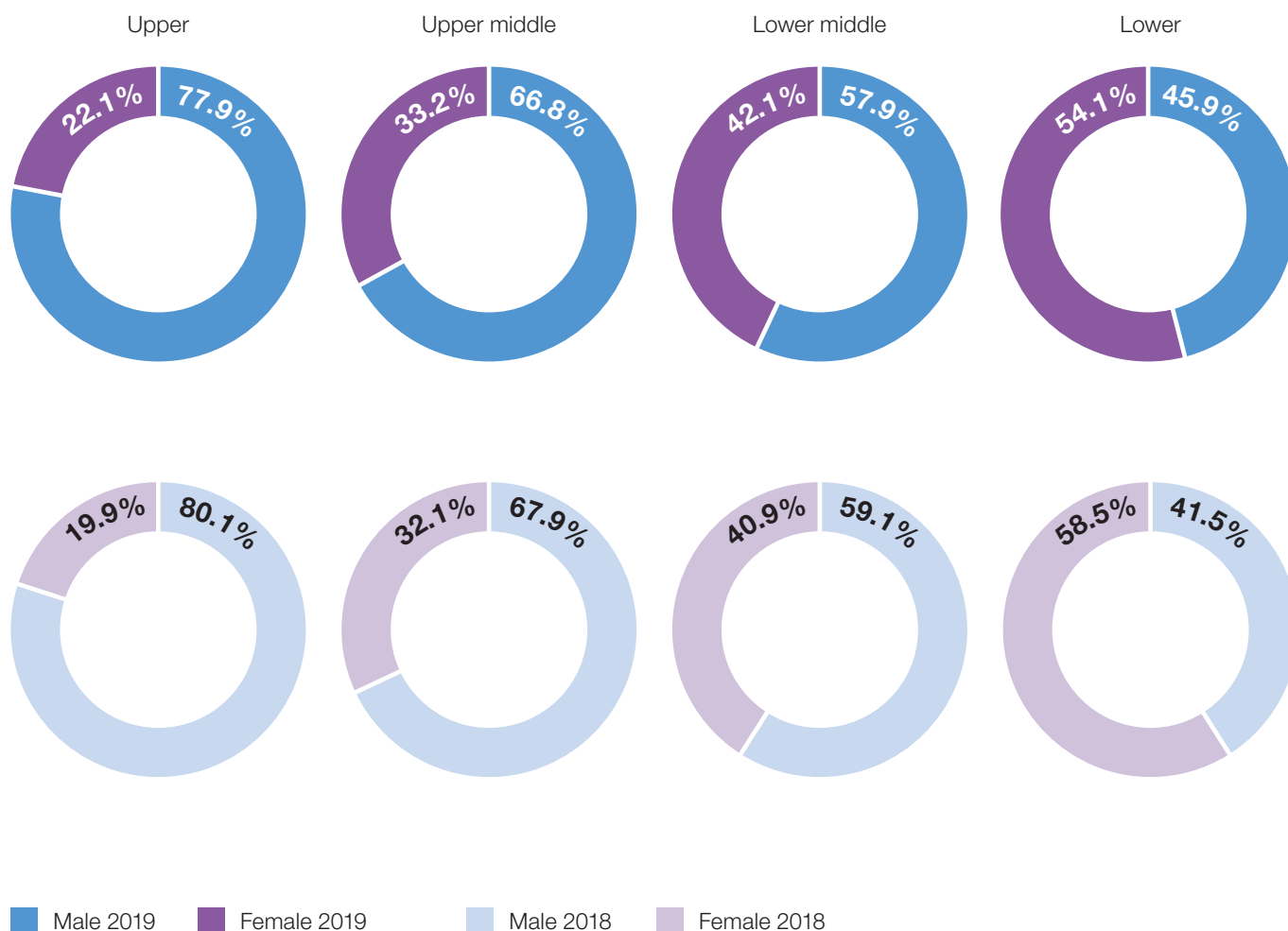


## Proportion of men and women receiving a bonus



## 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?

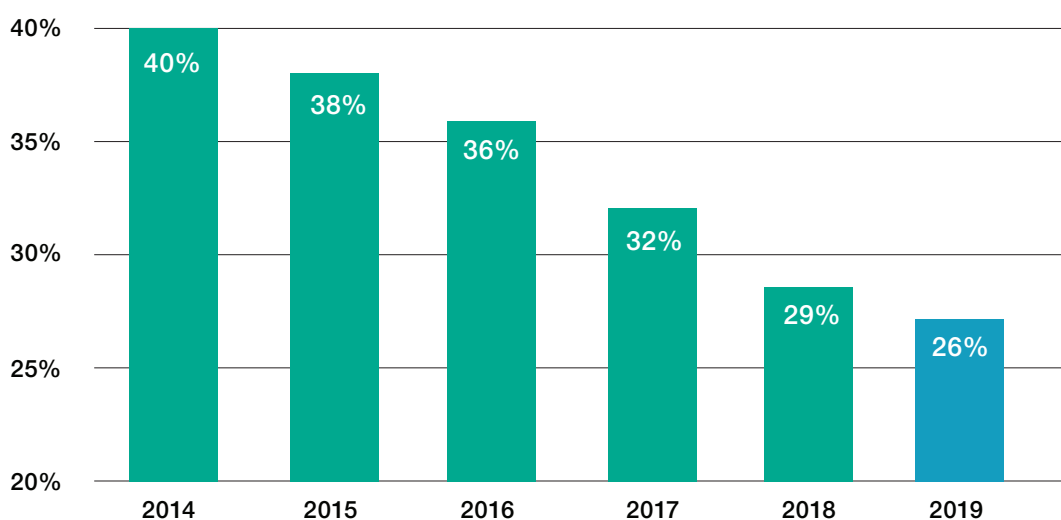
The hourly bonus and gender pay gaps are calculated on the average and median across Investec Bank plc and do not take into consideration factors such as the type of role and level of seniority. Our pay and bonus gaps continue to be principally driven by a higher proportion of women in junior roles and a lower proportion of women in senior leadership, revenue-generating and client-facing roles. We are confident that men and women are paid fairly and equitably based on their role, skills and experience, and this is central to our reward philosophy.

We are 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 the past year, reflecting the initiatives which we have put in place, and we will continue to work towards further improvement. This continues the positive trend since 2014, as shown below.

## Median hourly pay gap history



# Bonus pay gap

The reduction in our pay gap has been mirrored in our mean bonus gap which has decreased to 68.8% (2018: 70.3%). All 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.

# Belonging, Inclusion and Diversity at Investec



The following BID actions are embedded within a broader BID plan which include the following priorities:



Speaking up



Client & partnership focussed inclusion



Learning initiatives



Inclusion and diversity targets and measures



Organisation flexibility

Each of these five priorities is supported by a number of actions. Highlighted below are some of these initiatives that will, we believe, continue to drive the reduction in the gender pay gap.

## Speaking Up

We have reviewed our workforce engagement activities, in part to meet the requirements of the UK Corporate Governance Code and secondary legislation introduced in 2018. This has provided a greater opportunity to understand employee sentiment including those in relation to questions of belonging, inclusion and diversity. The process of synthesising the engagement feedback from numerous engagement activities has assisted the organisation in understanding the impact of actions in progress and those that may be required to drive better outcomes. The findings, themes and actions are reviewed and validated by the Investec Bank plc Executive and reported to the Board biannually.

Our Inspire staff networks are a key partner in the delivery of this priority. Our networks, which are employee-led and sponsored by senior executives, include the following affinity groups: black, Asian and minority ethnic (BAME), gender balance, LGBT+ and YoungMinds – a network for our younger colleagues specifically aimed at building their networks and engaging with senior leadership.

One of the aims of our well-established gender balance network is to enable the exchange of knowledge and experiences in order to improve opportunities for career success for our female colleagues. The network regularly hosts Taboo sessions which are conversations with leadership and employees tackling challenging subjects. Topics have included: the gender pay gap, flexible working and shared parental leave. Each year they also host an extensive week long programme of engagement for International Women's Day.

## Learning Initiatives

Our Learning team invests significantly in a number of formal and informal opportunities for upskilling all employees and in the development of our current and future leaders. In order to support our female colleagues in shaping and progressing their careers, we are taking part in the 30% Club mentoring scheme for the second year. This scheme offers cross-company, cross-sector mentoring to women at every stage of their career.

In addition, we have recently launched a leadership development programme focussing specifically on women called "Through the Looking Glass". The goal of the programme is to develop high potential leaders and build a pipeline of female talent.

Other initiatives aimed at creating an inclusive workplace include "Zebra Crossing", our flagship two-day diversity and inclusion programme aimed at minimising unconscious bias and raising awareness of multicultural differences at personal, interpersonal and institutional levels. Since launching this programme in November 2017, 29 workshops have taken place which have included 455 attendees from across the business including participation by all of our UK based board directors, both executive and non-executive, and the senior executive leadership team.

We have also launched an internal mentoring initiative to provide increased opportunities for peer-to-peer mentoring and have designed and delivered an on-demand, team-based intervention called “Building Inclusive Teams”. This workshop educates teams on the Equality Act 2010 and how to create an inclusive environment. It facilitates various informal processes designed to encourage debate and dialogue around appreciating diversity whilst considering the effectiveness of their team inclusion practices.

### **Organisation Flexibility**

We take a proactive approach to ensure that we are able to attract a diverse pool of candidates by carefully positioning ourselves as an inclusive employer. We are committed to balanced and diversified shortlists for all open roles and are working with both internal and external recruiters to ensure that shortlists and interview panels are appropriately balanced. We continue to deliver interview skills training with a focus on diversity and inclusion and have recently launched our first returnship programme, providing women who had been out of the workforce for a prolonged period with an opportunity to restart their careers. Our graduate recruitment continues to build a diverse and balanced pipeline of future talent across our business areas, particularly in investment banking and technology.

We have a number of people policies and practices that help to balance individual needs, including enhanced paid parental leave of up to 26 weeks for all staff. This leave can be shared between parents, encouraging a more balanced approach to raising children. We have created a working environment that is more agile and responsive to the needs of all individuals, with flexible working arrangements encouraged in service of performance.

### **Diversity and Inclusion Targets and Measures**

At a board level, the Board Diversity Policy, in recognition of the recommendations of the Hampton Alexander Review, has set a target of 33% female representation on the board. The policy recognises the benefits of having a diverse board and senior management team. The balance of skills, knowledge and experience, differences in background, ethnicity, gender and other qualities all contribute to achieving diversity of thought.

Investec signed up to the Women in Finance Charter in 2018 with a target of 30% female representation in senior leadership by 2022 and we have made steady improvements year on year, achieving 22% as at March 2019. As Executives we are responsible for diversity and inclusion, meeting set targets for diversity, publishing annual progress reports and linking the pay of senior executives to delivery of these targets.

## Conclusion

This report is illustrative of our commitment to increasing all forms of diversity throughout our business whilst embedding inclusive practices. We hope that the work that we have reported highlights the level of focus, attention and importance we place on belonging, inclusion and diversity. We acknowledge there is more work to be done in reducing our gender pay gap and we are working hard to address this over time. We confirm that the information featured in this report is accurate.

### **Ruth Leas**

Chief Executive Officer  
Investec Bank plc