

The Gender Pay Gap at Investec

2017



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.

We seek to be a positive influence in all our core businesses and in each of the societies in which we operate. Embedded in our corporate responsibility philosophy is that we are an organisation that lives in society, not off it. We do this by empowering communities through entrepreneurship and education, and leveraging the value in our diversity. We believe that this will ensure the best outcome for all stakeholders. We want to be a company that does the right thing by its people and the places where we operate.

We are confident that across our organisation men and women are paid equally for doing the same job. Our gender pay gap as disclosed in this report, occurs primarily because there is a lower proportion of women in senior leadership and revenue-generating roles which attract higher market levels of pay.

We are dedicated to 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 have established targets and have the measures in place needed to meet these as set out in this report. We are committed to advancement and holding ourselves publicly accountable.

The details of our 2017 gender pay gap are set out overleaf. We have published information for our three employing entities as part of the UK government's requirements for all UK companies with over 250 employees to disclose information about their gender pay gap. The purpose of this report is not only to provide the required information, but also to identify the reasons for the gap and to set out the plans we have to address it, along with a clear explanation of our approach to diversity and inclusion primarily from a gender perspective.

What is the gender pay gap?

Gender pay gap legislation was introduced in the UK to encourage employers to make greater advances in addressing the disparity of earnings between men and women over their careers. The gender pay gap measures the difference between the average amounts men and women are paid across all of our employee categories. This is different from Equal Pay legislation in the UK which requires individuals to be paid equally for performing work of equal value. We would like to make clear that we give men and women equal pay for the same roles and have appropriate practices in place to ensure fairness, which are regularly reviewed by our remuneration committee.

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 put together our own set of diversity principles to help define the framework for that journey. These apply across the global business and while this report is specifically about the Gender Pay Gap in the UK, our diversity principles apply to all our efforts, including transformation in South Africa.

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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 asset 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 are progressing 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).
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Investec gender pay gap results

In alignment with reporting requirements, Investec’s gender pay gap statistics, are shown for each of our employing entities in the UK that have at least 250 employees: Investec Asset Management Limited (IAM), Investec Wealth & Investment Limited (IW&I) and Investec Bank plc (IBP).

The below data is based on a snapshot of hourly rates of pay in the pay period encompassing 5 April 2017, and bonuses paid during the 12 months to 5 April 2017.

	IAM		IW&I		IBP	
	Mean	Median	Mean	Median	Mean	Median
Hourly gap	48.8%	43.4%	47.2%	50.8%	35.2%	31.5%
Bonus gap	59.7%	57.8%	82.3%	82.9%	68.4%	61.8%

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

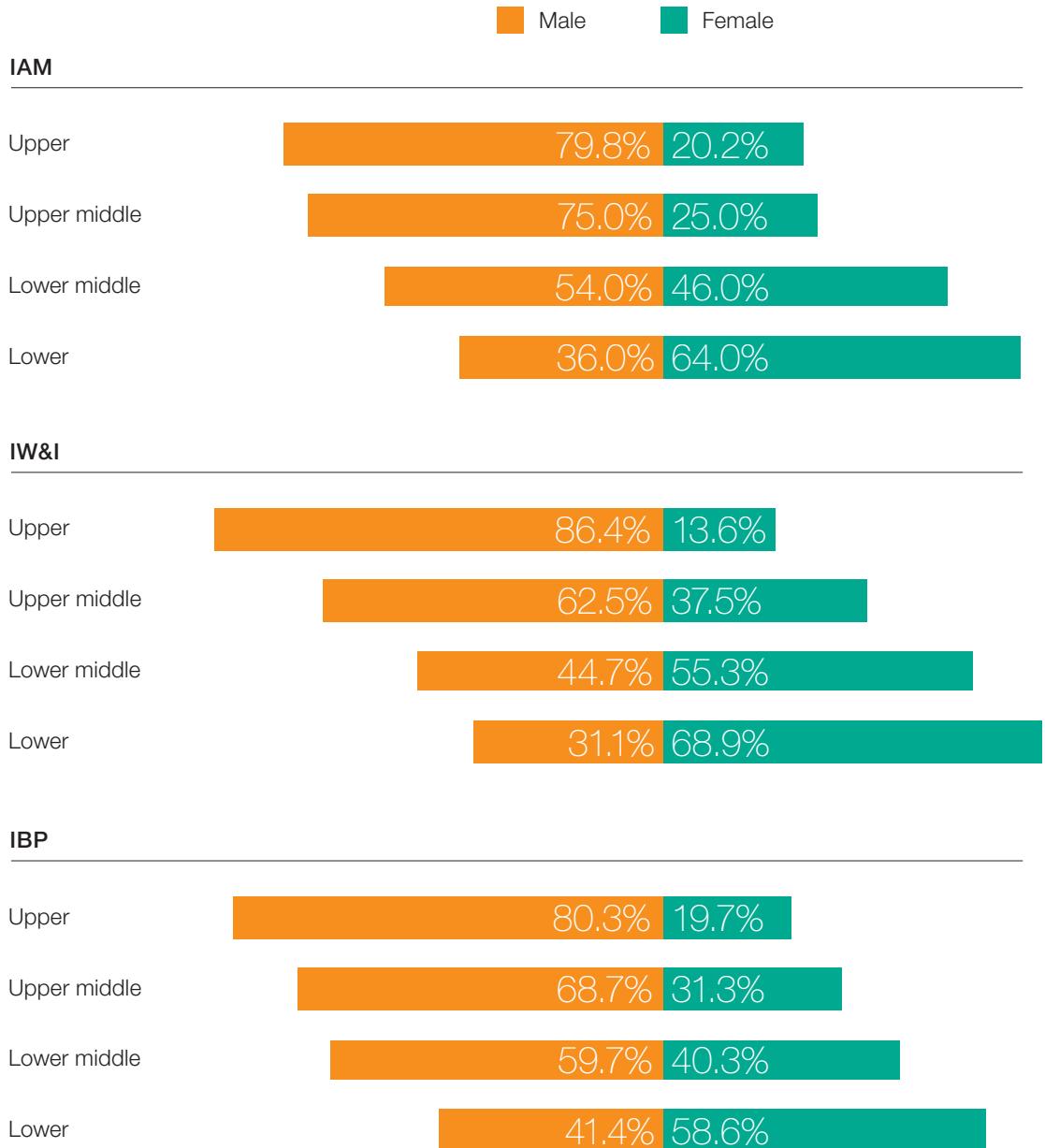
As IAM pay variable compensation in April, in accordance with gender pay gap regulations, the hourly pay information required to be reported on a statutory basis includes both basic pay and bonus. Accordingly, the statutory reported figure is 48.8% (mean) and 43.4% (median). However, the figures excluding bonus are 30.5% (mean) and 31.2% (median) and allow a better comparison with other organisations who are reporting.

Proportion of males and females receiving a bonus

IAM		IW&I		IBP	
Male	Female	Male	Female	Male	Female
80.3%	81.0%	91.8%	93.7%	75.7%	72.1%

The proportion of men and women within each pay quartile

Each quartile represents an equal number of employees.



Why does Investec have a gender pay gap?

The gender and bonus 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 gender gap occurs primarily because there is 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.

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.

We acknowledge that we have a gender pay gap and are committed to making material progress in narrowing this gap. We are taking steps to achieve 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.

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 we have established a number of 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 endeavor 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.

**Gender balanced recruitment**

We are taking a proactive approach to ensure that we are able 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.

**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.

We are creating ways to deliver mentoring across the group. Our aim is to support our colleagues, in particular, in shaping and progressing their careers. Investec Inspire is a network for women at Investec which 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 are also progressing towards a more agile environment, with flexible work encouraged where appropriate.

**Diversity awareness programmes**

We are implementing a range of internal diversity awareness programmes. We have piloted our "Zebra Crossing" initiative for senior leaders and the Investec Inspire executive committee, and are extending it to a broader audience. 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 group has signed up to the 30% Club promoting female board representation. Having a diverse board is a clear benefit, bringing with it distinct and different outlooks, alternative viewpoints, and challenging mindsets. Each of our UK employing entities have adopted their own specific targets in order to reinforce our commitment to gender diversity:

- IBP and IW&I have both adopted a Board Diversity policy, and have signed up to the Women in Finance Charter and in doing so have 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
- IAM have publically committed to achieving a target of 30% of women in senior leadership by 2023 and beyond


Experience shows that genuine progress can take longer to achieve than we might otherwise like. We believe that these measures are realistic. 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 are working towards a more balanced organisation. We know that addressing the gender pay gap needs a broad and sustained effort. We are committed simultaneously to diversity and inclusion. We have plans, which we are implementing, and we look forward to reporting 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.”



Stephen Koseff

CEO Investec Group



David van der Walt

CEO Investec Bank plc



Jonathan Wragg

CEO Investec Wealth & Investment Limited



Hendrik du Toit

CEO Investec Asset Management

