

# Promoting Broader Equality in the Workplace

Women in Finance Charter and Pay Gap  
Reporting (including both gender and  
ethnicity pay gap reporting)

December 2022

The **co-operative** bank



# Contents

**A Message from Nick Slape, CEO**

**1**

**Committed to Co-operative  
Values and Ethics**

**2**

**Pay Gaps Explained**

**3**

**Our Gender Pay Gap Figures 2022**

**4**

**Our Ethnicity Pay Gap Figures 2022**

**6**

**Our Five Point Diversity Plan**

**8**

**Our Commitment to an  
Ethical Workplace and Culture  
Priorities for 2023**

**9**



***“We are proud of what we’ve achieved so far but know there is still more work to do, not only to improve gender and ethnicity balance across our Bank, but in all aspects of diversity”***

Our commitment to HM Treasury’s Women in Finance Charter remains as strong in 2022 as it was in 2016 when we were one of the first banks to sign up to the charter. At that time we had 32% female representation at senior leadership level and in 2020 we successfully reached our committed target of 40%. Our success in meeting this target is largely due to our efforts to encourage and support women to develop the confidence to put themselves forward for progression opportunities alongside their male colleagues.

2022 has therefore been focussed on embedding this success as well as driving our commitments further forward. As proud as we are of our success to date, we set ourselves an aspirational target of achieving **45% women in senior roles** by the end of 2023. I am pleased to report we have **41\*% women in senior roles** at our Bank at end of 2022 and as we progress towards our target the focus remains on our successful diversity plan.

For the 3rd year in a row our mean gender pay gap has improved and now sits at **25.0% (down from 25.8% in 2021)**. Our mean ethnicity pay gap currently stands at **16.0%**. Whilst our median gender pay gap has once again improved, we still have further work to do to reduce this gap.

This year for the first time, we are reporting our ethnicity pay gap data alongside our gender pay gap data.

We are confident that in the long term our focussed work on inclusion and balance will result in these gaps narrowing.

I can confirm the gender and ethnicity pay gap reporting data in this document to be accurate.

We are proud of what we’ve achieved so far but know there is still more work to do, not only to improve gender and ethnicity balance across our Bank, but in all other aspects of diversity.

*Nick Slape,*

Chief Executive Officer

\*Actual is 41.5%

# Committed to Co-operative Values and Ethics

Our commitment to the values and ethics of the co-operative movement continues to be demonstrated in our inclusion and diversity strategy, which includes a strong focus on:

- Increasing the number of women in senior roles at The Co-operative Bank
- Increasing the number of women in historically male dominated areas
- Building an even gender balance across all levels of the organisation
- Building an ethnicity balance which is representative of the UK population across all levels of our organisation
- Overall building a more diverse workforce which reflects the diverse society we operate within.

We believe that this focus on a more diverse workforce will create a more productive, successful and engaged workforce and will consequently help us reduce our gender and ethnicity pay gaps over time.

This report provides updates on our diversity approach, an overview of our progress towards our HM Treasury Women in Finance Charter targets as well as outlining our gender and ethnicity pay gap reporting for 2022.



## What is a pay gap?

Pay gaps refer to the difference in average pay between groups of colleagues.

# Pay Gaps Explained

## Which pay gaps do we look at?

Since 2015 we have been examining our gender pay gap. This is a regulatory requirement for any businesses with 250 colleagues or more. From 2021, voluntarily, we extended this analysis to include our ethnicity pay gap. All our policies and procedures are designed to ensure that all groups of colleagues are treated fairly and equally with regards to remuneration.

## What is the difference between pay gap reporting and equal pay?

Pay gap reporting looks at the gap across the whole organisation when colleagues are divided into two groups, be that males vs females or non-ethnically diverse vs ethnically diverse colleagues. This is different to equal pay, which compares the pay of colleagues doing the same or similar work. Annually we

carry out an equal pay analysis which delves deeper into our colleague data to ensure at individual role level unjustified differences do not occur. As with our pay gaps we remain committed to equal pay. We carry out equal pay audits annually to ensure that colleague pay remains fair and equitable.

## Does a pay gap mean one group is being treated unfairly?

Not necessarily. Pay gaps show the average of a population as a whole. Therefore if there are particular roles which are highly paid with suitable applicants not equally represented, this can skew our overall figures. By looking further into the data though, this helps us to highlight where we can do more to attract females and ethnically diverse colleagues to apply for these types of roles.



As in previous years, we wanted to combine our HMT Women in Finance Charter update with the publication of our 2022 gender pay gap figures.

We are proud to share that 24% of our colleague population is made up of females in customer facing and customer support roles who have been with the Bank for between 5 and 47 years. The average tenure for this group of colleagues is 18 years.

This also demonstrates however that it may take us some time to redress the gender balance within this space.

We therefore remain committed to our five point diversity plan which we believe will, over time, support our ambitions in this area and drive a reduction in our pay gap.

This is particularly evident in the proactive actions taken throughout our recruitment process to ensure we attract diverse candidates. In the second half of 2022 over half of senior hires in the Bank were female.

# Our Gender Pay Gap Figures 2022

## Key drivers behind our gender pay gap

Our pay gap reflects the much higher proportion of women than men in our customer-facing roles.

This does not mean that women are paid less than men in these roles. Our equal pay audits ensure that this isn't the case. The higher proportion of women in this population does however impact both our overall mean and median gap.

Equal representation at all levels across our Bank remains a focus moving forwards.

## The difference between Mean and Median Pay Gap

### Mean Pay Gap

The mean gender pay gap is the difference in the average hourly pay for women compared to men, within a company.

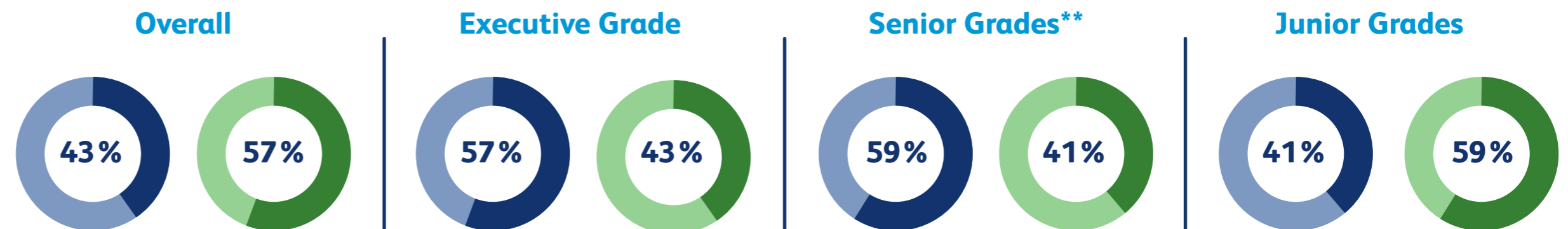


### Median Pay Gap

The median represents the middle point of a population. If you separately lined up all the women and all the men in a company in order of hourly pay, the median pay gap is the difference between the hourly pay rate for the woman in the middle of the data compared to that of the man in the middle of the data.



## 2022 gender balance figures\*

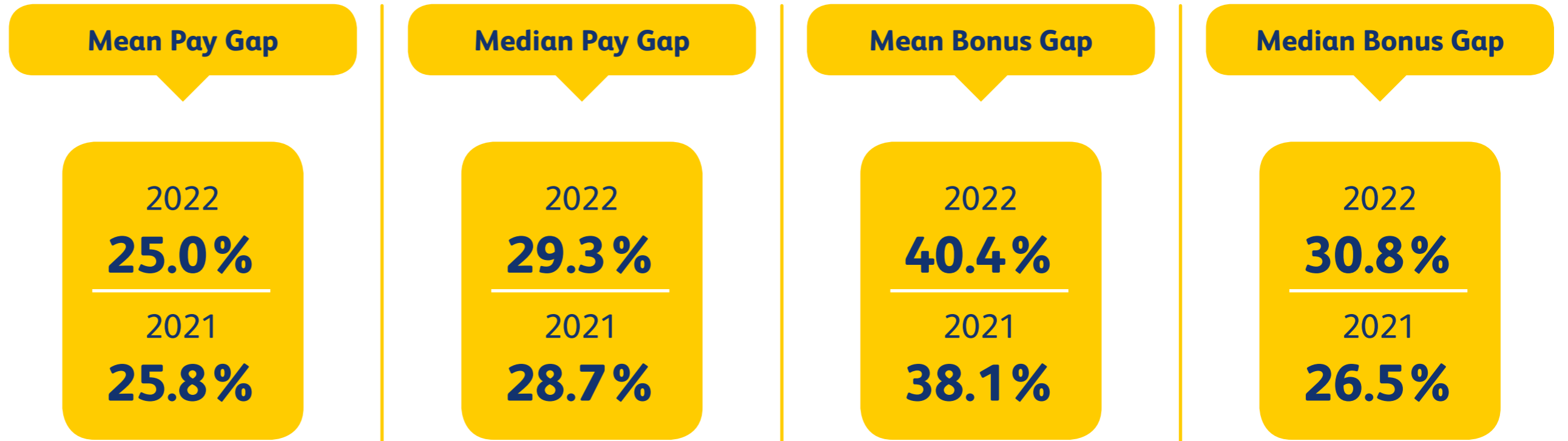


\*Nov 2022 data linked to grade

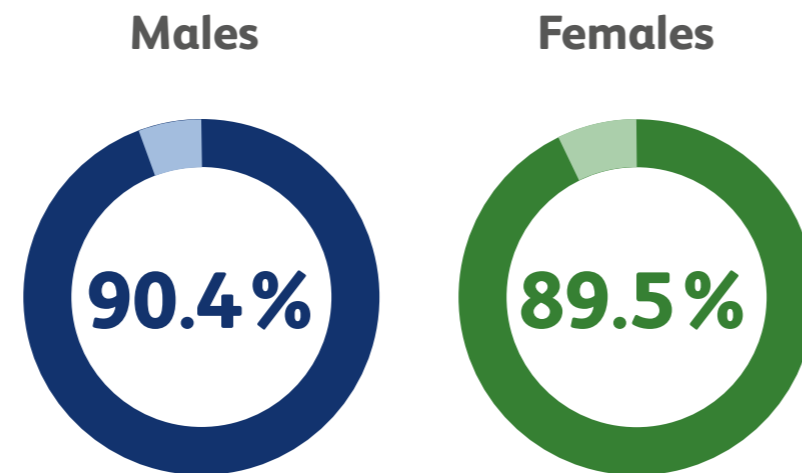
\*\*this data aligns with our Women in Finance figures



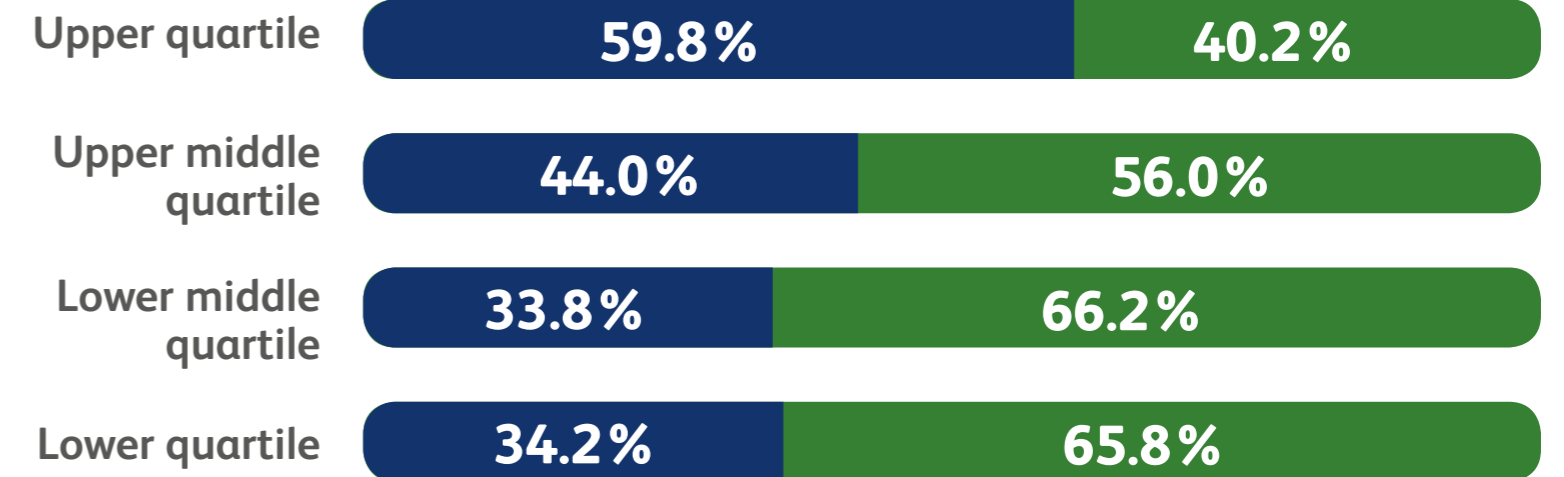
# Our Gender Pay Gap Figures 2022



## Received a bonus



## Pay quartiles



● Males ● Females

In 2021 we broadened our pay gap focus to include a review of the ethnicity pay gap in our organisation.

This year we have 2 years worth of data to share to demonstrate our current position.

Our ethnicity pay gap uses the same methodology as our gender pay gap.

This measures our pay gap between non-ethnically diverse and ethnically diverse colleagues. For simplicity and to maintain employee confidentiality, colleagues with a white background are classed as non-ethnically diverse. All other ethnic backgrounds are included under ethnically diverse.

In 2021 our colleague ethnicity data voluntary disclosure rate was 77% which has increased in 2022 to 81%.

Our ethnicity split across the overall organisation is non-ethnically diverse 85% vs ethnically diverse 15%.

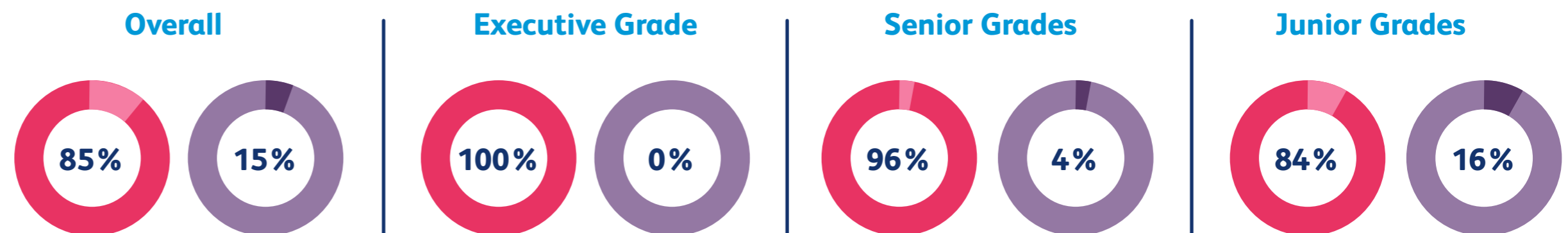
# Our Ethnicity Pay Gap Figures 2022

## Key drivers behind our ethnicity pay gap

The main driver behind our pay gap is the representation of non-ethnically diverse colleagues in senior roles. We have work to do to attract more ethnically diverse colleagues into these roles. Improvement in this area will drive an improvement in our ethnicity pay gap.

This does not mean that ethnically diverse colleagues are paid less than non-ethnically diverse colleagues across our Bank. Our equal pay audits ensure that this isn't the case.

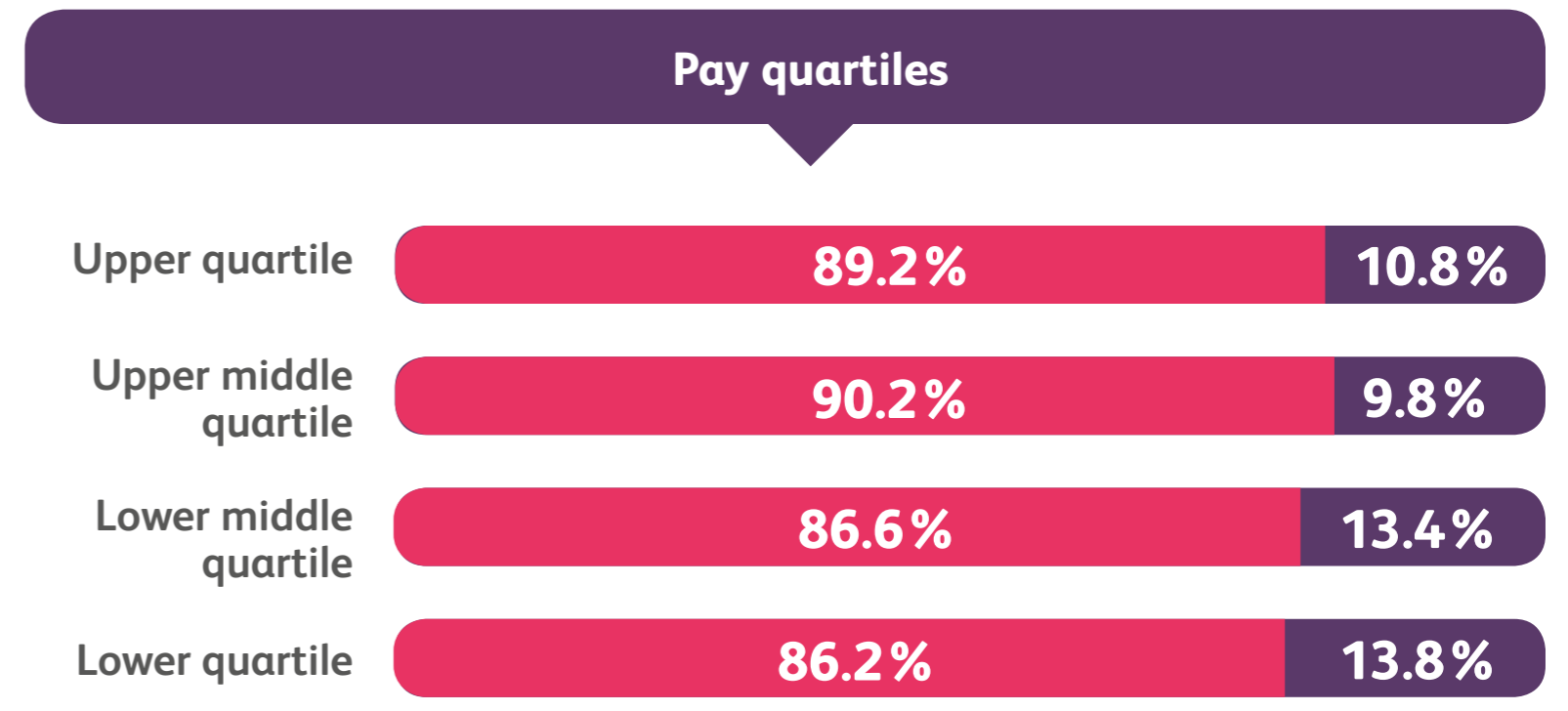
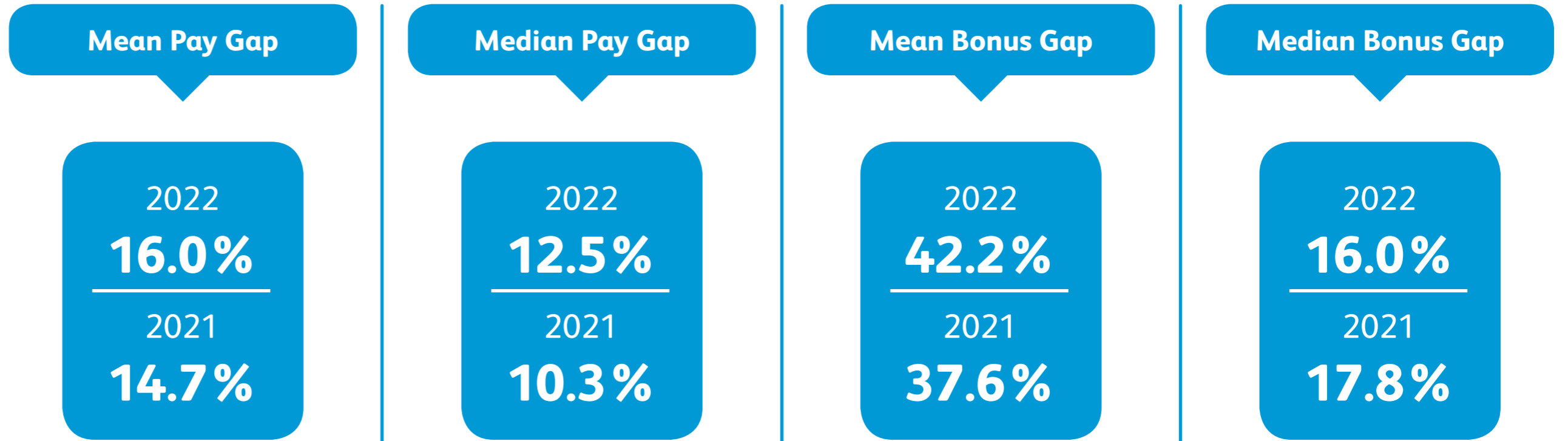
## 2022 ethnicity balance figures\*



\*Nov 2022 data linked to grade and includes only colleagues who have voluntarily disclosed this data.



# Our Ethnicity Pay Gap Figures 2022



● Non-ethnically diverse ● Ethnically diverse

Our five point diversity plan is pro-actively supported by our inclusion networks that are run by colleagues, for colleagues, championed by a member of our Executive team.

Elevate, our gender network, aims to encourage and empower members through offering support to colleagues in relation to gender-based issues and topics, with a primary aim to support women in the workplace.

Highlights of their work in 2022 include celebrating International Women's Day and providing shadowing opportunities to promote Women in Tech. Elevate have also led a range of activities focusing on career progression including inspirational career journey talks with the Banks female Executives.

REACH was created to celebrate our Race, Ethnicity and Cultural Heritage – all the things that make us proud to be different. It aims to develop an environment that supports a truly diverse and inclusive workplace for everyone, where we can all feel comfortable in sharing our stories, talking about our differences and where we can all bring our whole selves to work.

With the support of REACH members, in 2021 we were proud to become the first UK bank to adopt the Halo Code, which champions the right of colleagues to embrace Afro-hairstyles.

# Our Five Point Diversity Plan

## 1. Listening to our colleagues and supporting progression through our values-led workplace environment and family friendly policies

- Our Colleague Co-operative Forum provides an opportunity to amplify our colleague voice. Representatives raise topics and give feedback on behalf of colleagues and support the communication and embedding of initiatives across our organisation.
- We monitor our regular colleague pulse survey for inclusion themes.
- We promote our inclusive policies, specifically our flexible working policy. During 2022 we embedded a new menopause policy and introduced a pregnancy loss policy. Our enhanced paternity / secondary carer leave reinforces the importance of the balance of care between the primary carer (traditionally female) and secondary carer.
- Our inclusion networks: a number of panel events run by Elevate (gender inclusion network) and Access (network for colleagues with disability, long term health conditions and caring responsibilities) on topics such as menopause, pregnancy loss and caring responsibilities, which also highlight the policies and support offered by the Bank. REACH network regularly raise awareness of events of cultural significance and opportunities for colleagues to educate themselves around relevant topics via a monthly newsletter.

## 2. Focused programmes and initiatives to encourage internal progression

- Bankwide mentoring scheme to support colleague development.
- Career development programmes – Leader Development programme, new to leadership pathway, Graduate schemes.
- Inclusion networks activity has included CV feedback, Senior Leader career aspirational sessions, shadow a tech professional.

## 3. Proactive attraction of diverse candidate shortlists for all externally advertised roles

- Use of wider advertising channels and technology to increase the gender diversity of our candidate shortlists for all roles up to Board level.
- Embedded focus on balanced shortlisting using labour market insight technology and diverse interview panels.
- Our Digital Bees network focus on sharing skills and knowledge of digital careers to raise awareness of opportunities for women within technology across various events and external initiatives.
- DigitALL community group in Digital & Change – set up to help woman in particular build a support network across the department where they can raise concerns and find support.
- Partnerships with diversity job boards and organisations like Get Optimal, Horsefly, Hirevue and Manchester Digital (Women in Tech). All partnerships are utilised to either broaden the diversity of our candidate shortlists or remove unconscious bias from the recruitment process.

## 4. Ensuring equal pay between colleagues and a tailored business

- We continually monitor our business and guide our leaders to ensure that colleagues with similar skills and experience are being paid consistently for doing the same or similar roles, regardless of gender and ethnicity. Our activities include:
  - Annual pay audits to ensure reward and benefits packages are fair
  - Using pay reference guides to help ensure colleagues are paid fairly, equitably, consistently and in line with comparable roles within our business.

## 5. Tailored business plans to target specific challenges

- Including HMT Women in Finance metrics on our performance scorecard.
- Every area of our Bank takes responsibility to proactively focus on diversity and equality of opportunity.

# Our Commitment to an Ethical Workplace and Culture Priorities for 2023

We're committed to gender and ethnic equality and ensuring a diverse and inclusive workforce. This is reflected in our heritage; The Co-operative Bank was originally formed to support the co-operative movement, and to reflect the values and ethics of that cause.

Today, our commitment to ensuring an ethical workplace reflecting co-operative values is one of the key pillars of our Ethical Policy. This policy has been shaped by over 370,000 customer responses over the last 30 years. As part of our Ethical Policy, we commit to ensuring pay and rewards for all colleagues are fair and equitable and to monitor and address diversity related pay gaps as appropriate.

In addition to our five point plan, during 2023 we are committed to:

- Continued promotion of inclusive behaviours across our bank to benefit our colleagues and our customers
- Continued positive action to focus on wider diversity groups and gender inclusivity
- Acting on insight and feedback to support positive progress in support of all demographics.



## Find out more about how we inspire, connect and develop at The Co-operative Bank:

Our report is released once a year but you can keep up to date with our activities by following us on social media and on our website.

And we're always keen to hear from you, so please keep in touch.

### Find us here:

-  [@CooperativeBank](#)
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