

Women in Finance and Gender Pay Gap

December 2019

The **co-operative** bank
for people with **purpose**

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“We are continuing to prioritise gender balance in all areas of The Co-operative Bank”

Andrew Bester, CEO

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I am proud that we were one of the first banks to sign up to HM Treasury’s Women in Finance Charter in 2016.

Our target is to increase female representation in our senior leadership from 32 % to 40 % by 2020 and I am pleased to report that we have maintained our progress in 2019. We now have 42 % women in senior roles at our Bank.

One of the main reasons for this progress is our focus on encouraging women to put themselves forward for progression opportunities alongside their male colleagues. We have also simplified our overall grading structure resulting in an increase in the number of senior roles across the organisation.

In 2017, we launched a five point strategy to drive our focus and ensure the Bank is a fair and balanced workplace. As part of this, over 300 colleagues have benefitted from our career confidence programme which aims to help unlock barriers to career development. We have also maintained our focus on internal progression through robust succession planning and talent collaboration.

Our Gender Pay figures in 2019 are 22.6 % (median) and 32.96 % (mean). This is compared to 23.31 % (median) and 29.9 % (mean) in 2018.

Like many financial services firms, our Bank employs more women than men. Female colleagues represent 64.8 % of our lower pay quartile and 40.1 % of our upper pay quartile. Whilst our mean Gender Pay Gap has increased (2018: 29.9 %), we are confident that in the long term, our focused work on gender inclusion and balance at all levels will result in the gap narrowing.

Our focus in 2020 will be to continue to deliver on our five point strategy, further reinforced by the great work of our inclusion and diversity networks to support our colleagues in bringing together the talents, beliefs, backgrounds and capabilities of all.

I can confirm the Gender Pay Gap Reporting data in this document to be accurate.

Andrew Bester, Chief Executive Officer

Committed to co-operative values and ethics

Our commitment to the values and ethics of the co-operative movement is demonstrated in our inclusion and diversity strategy and we are striving to increase the number of women in senior roles at The Co-operative Bank.

We are also committed to reducing our Gender Pay Gap over time, through our focus on gender inclusion. This is driven by our focus on building gender balance across all levels of our organisation.

This report provides an update on our gender equality approach at The Co-operative Bank and includes an update on our progress towards our HM Treasury Women in Finance Charter targets and our Gender Pay Gap Reporting for 2019.





Gender balance at The Co-operative Bank

"In 2019, we have turned our focus to looking at how we can build towards gender balance at all levels across our organisation.

This has included a proactive focus in 2019 on balanced internal progression and, when recruiting externally, striving to attract a more balanced applicant base across all roles, in particular, junior and senior roles.

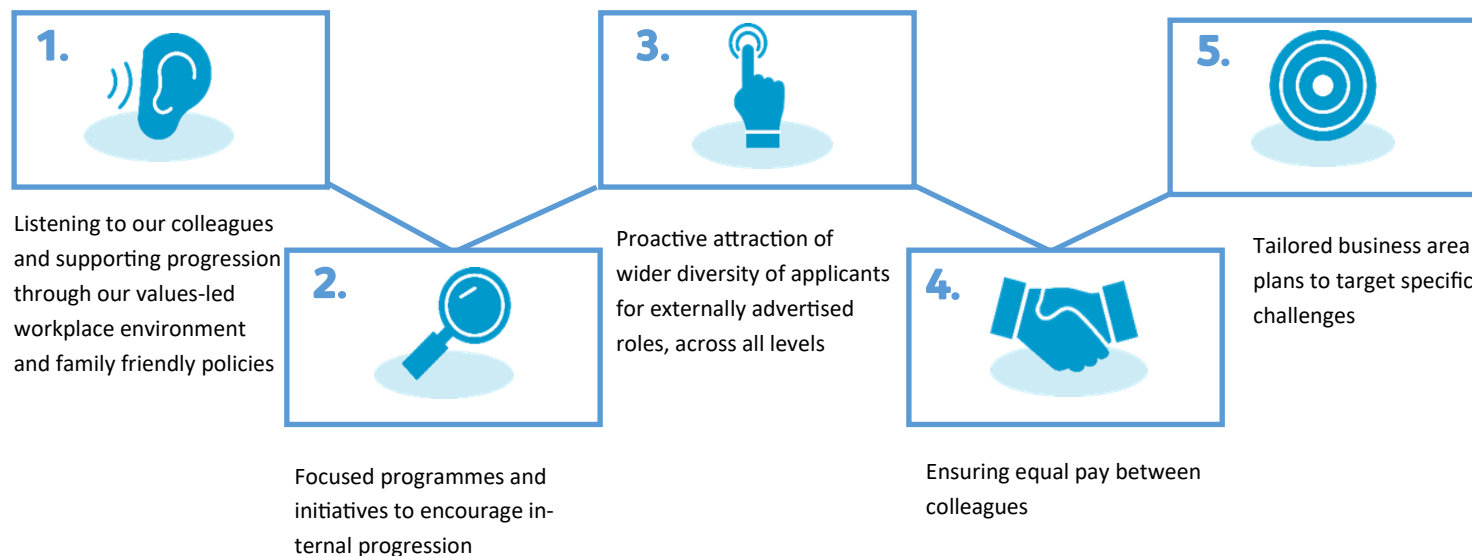
We believe that engaging in appropriate activities to build gender balance at all levels will help us create a more inclusive environment which will, over time, have a positive impact on our Gender Pay Gap."

Mark Record

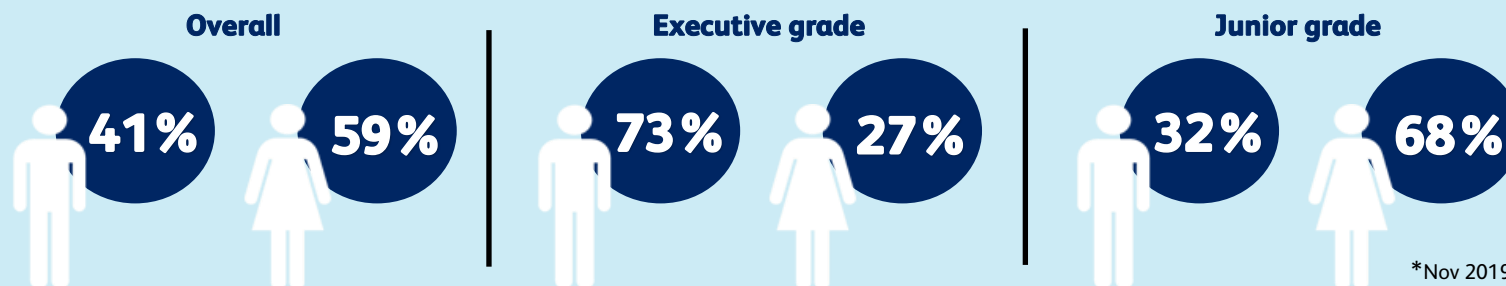
Director of IT and Change and
Executive sponsor for gender diversity

We are the only UK high street bank with a customer-led Ethical Policy which shapes how we work, ensuring co-operative values and ethics are at the heart of our business. As a key part of this, our ethical workplace commitments ensure we continue to build an environment where all colleagues can perform at their best, regardless of personal characteristics.

Our five point gender diversity plan is focused on driving better gender balance



*2019 gender balance



*Nov 2019 data linked to grade



Our five point plan is pro-actively supported by Elevate, our women's career network, run by colleagues, for colleagues.

Elevate is an inclusive network open to all colleagues regardless of personal demographics.

Its aim is to encourage and empower members to reach their potential. Highlights of their work in 2019 include celebrating International Women's Day, National Inclusion week and International Men's Day, leading a range of activities including the promotion of women's careers through their regular calendar of inspirational career journey sessions.



Our five point gender diversity plan

We have re-focused our five point gender diversity plan to help drive change across our Bank. Highlights for 2019 include:



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

- Our colleague engagement survey ensures colleague voice shapes our work and the set-up of our colleague co-operative forum this year builds on this with regular, co-operative colleague dialogue providing ideas and feedback on all aspects of our operations.
- Acting on this feedback, we have maintained our focus on internal progression through robust succession planning and talent collaboration, encouraging all colleagues to have PDPs and improving how we promote internal roles.
- We continue to promote flexible working, sharing success stories to support embedding.
- We continue to re-energise and embed our family friendly policies.
- Our women's career network, Elevate, continue to raise the profile of women role models and harness male advocacy.



2. Focused programmes and initiatives to encourage internal progression

- Our career confidence female focused mentoring programme goes from strength to strength.
- Over 300 colleagues have benefitted from our career confidence programme since its launch in 2017, predominantly aimed at women, to help unlock barriers to career development.
- Over 40 parents have supported each other through our parental mentoring programme, focusing on balancing career with family life.
- We've strengthened our inclusion and diversity mandatory training to create a culture of diversity and belonging in which people are valued and respected.



3. Proactive attraction of wider diversity of applicants for externally advertised roles, across all levels

- Positive action through external recruitment when advertising senior roles saw more women applying for roles.
- Wider advertising through gender specific media, gender bias advert language checking tools and leveraging our external partnerships including an inspirational careers event in partnership with Northern Power Women.
- We've supported developing gender balance in our junior roles through positive action to attract men as well as women through a range of external events.



4. Ensuring equal pay between colleagues

- 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. Our activities include:
 - Annual pay audits are conducted to ensure reward and benefits packages are fair regardless of gender.
 - Continuing to use pay reference guides to help ensure colleagues are paid fairly, equitably, consistently and in line with comparable roles within our business.



5. Tailored business area plans to target specific challenges

- Every area of our Bank has a responsibility to proactively focus on gender diversity and equality of opportunity.
- We recognise that our departments face different needs and challenges and so each executive member has their own gender diversity plan to drive specific local actions, reporting on progress on a quarterly basis to share successes.



Our Gender Pay Gap Figures 2019

Gender Pay Gap 2019 data was calculated in line with guidance on 5 April 2019.

“As we have done in previous years, we wanted to combine our HMT Women in Finance update with the publication of our 2019 Gender Pay Gap Figures.

Our Pay Gap is the result of the much higher proportion of women than men in our customer-facing roles which influences the gap.

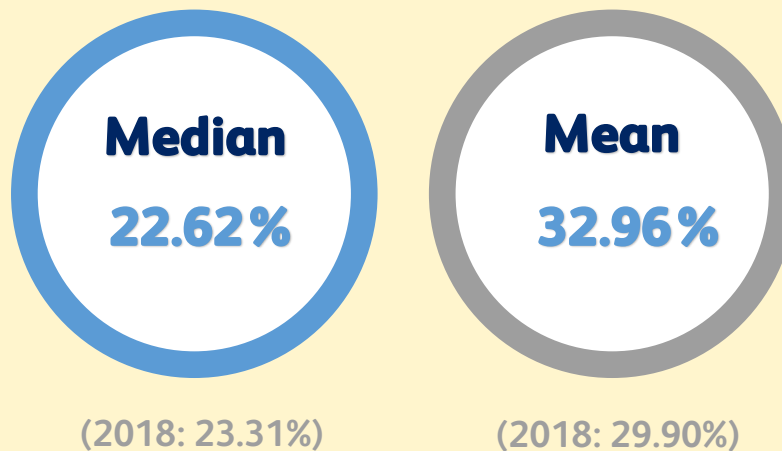
Additionally, the number of senior female colleagues and the roles they typically hold at our Bank, alongside the salaries they attract, has affected the overall figures.

We are striving to build gender balance within all levels of our organisation. Ultimately, we want to ensure our colleagues continue to be proud to work for us and recommend our Bank as a place to work.”

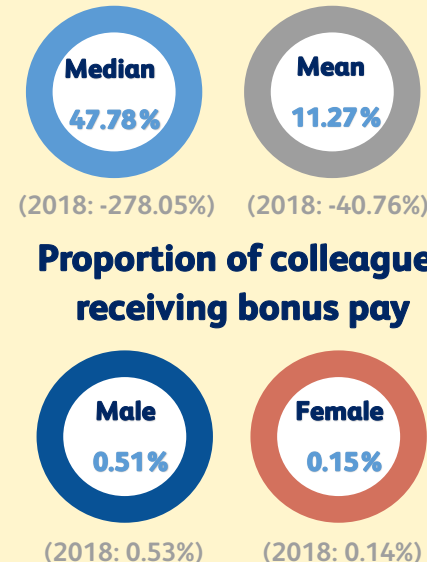


Tracey Kneller
Chief People Officer

Overall Pay Gap



Bonus Gap



Our gender profile by pay quartiles

	Proportion of male colleagues	Proportion of female colleagues
In our lower pay quartile	35.2 %	64.8 %
In our lower middle pay quartile	33.3 %	66.7 %
In our upper middle pay quartile	40.1 %	59.9 %
In our upper pay quartile	59.9 %	40.1 %

**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.

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