

Gender Pay Gap Report 2023

April 2024





Introduction

The UK requirement to publish our annual Gender Pay Gap enables us to analyse how we remunerate our colleagues and reflect on our progress to date.

A key people objective set in 2023, was the achievement of greater gender balance across the Bank, with initiatives to tackle underrepresentation, including a drive to increase female leadership and the development of our female talent.

This journey has started from the top with the agreement of a target for better female representation at Board level, and better-balanced recruitment shortlisting targets.

The Gender Pay Gap results reported this year continues to compare favourably with our peer group. We reported some movement in our findings for 2023, with a slight increase in our mean pay gap, and positive improvements in our median pay gap and bonus gap reporting.

We know we have more work to do, and we are committed to reducing our Gender Pay Gap, in our contribution as a UK employer and bank, investing in the UK and British economy.

This report provides further insights as to our 2023 findings and progress made in the last year. The figures presented relate to Hampshire Trust Bank (HTB) only.

2023 Gender Pay Gap Results

The data presented is based on the hourly rates of pay for all full paid relevant women and men working at HTB as at 5 April 2023, and bonuses paid during the 12 months to 5 April 2023, compared with the prior year.

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

Hourly Gender Pay Gap

MEAN PAY GAP

2022: 22%

24%

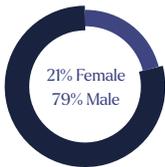
MEDIAN PAY GAP

2022: 21%

19%

The Gender Pay Gap shown above is the percentage difference in average hourly pay between women and men. The mean pay gap of 24% in hourly pay indicates that for every £100 paid to a man, a woman is paid £76 at HTB (on an average across all levels).

Gender Representation by Pay Quartile



LOWER QUARTILE

2022: F: 21% | M: 79%



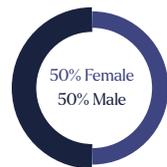
LOWER MIDDLE QUARTILE

2022: F: 32% | M: 68%



UPPER MIDDLE QUARTILE

2022: F: 34% | M: 66%



UPPER QUARTILE

2022: F: 49% | M: 51%

The quartile distribution represents the split of employees in ascending order of hourly pay with the upper quartile representing the highest paid employees.

Bonus Gender Pay Gap

All our employees are eligible to receive a discretionary bonus, following the completion of a satisfactory period of employment. Our reward structure is performance-linked, with a population of individuals who receive the basis of a sales incentive bonus structure.

MEAN GAP

2022: 47%

50%

MEDIAN GAP

2022: 49%

41%

The bonus pay gap data shows the percentage difference in average bonus made during the 12 month period up to 5 April 2023. The mean bonus pay of 50% indicates that for every £100 bonus paid to a man, a woman is paid £50 bonus at HTB (on an average across all levels).

Percentage of Colleagues Receiving a Bonus

FEMALE

2022: 59%

69%

MALE

2022: 65%

76%

Our Findings

Our 2023 Gender Pay Gap continues to compare favourably with our peer group. Overall, our Gender Pay Gap findings highlights a 24% average difference in hourly pay between our male and female colleagues. This means that for every £100 paid to a man, a woman is paid £76, on average across all levels.

We found some movement in our 2023 findings, with a slight increase (+2%) in our mean hourly pay gap, and a marginal improvement in our median hourly pay gap (-2%). We reported improvements in our median bonus gap with a reduction in the mean bonus gap (-3%). The largest improvement was found in the median bonus gap reported (-8%).

Some of the factors that skew hourly pay and bonus pay averages in our results are our colleagues receiving pro-rated bonuses or reduced salaries due to being on leave such as maternity leave or working part time. As an example, when colleagues on maternity leave move onto statutory or unpaid maternity leave, their average weekly earnings reduces and their average bonus for the Gender Pay Gap period. This inadvertently impacts the average hourly pay and bonus pay averages for women. Further, as our bonus awards are on a basis of salary bandings, the pay and bonus gaps reported, are attributed to higher earners, getting higher bonuses.

The hourly pay quartile distribution illustrated on page 4, shows that whilst the gender mix in the lower pay quartile has remained static (compared to 2022), we have seen increases in the proportion of females across each of the other three quartiles. This has shown an improvement in the gender balance for each quartile, and for the first time we are pleased to report a 50%:50% balance in the upper quartile. Addressing our gender mix is a priority, as this is key in tackling the hour pay gap and consequently, the bonus pay gap.

In lieu of a formal grading structure in place, the gender pay analysis has been undertaken by division and salary banding to establish the headline conclusions published in this report.

It is key to highlight that the Gender Pay Gap does not represent equal pay. Despite what our Gender Pay Gap has identified, through continual reviews and monitoring of pay and compensation, we are confident that men and women are lawfully paid equally at HTB, for performing equivalent roles across our business.

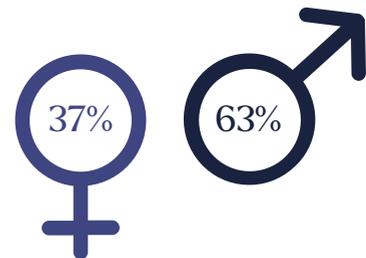
Gender Representation

In 2023, we made concerted efforts to begin to close the gender representation gap in our workforce. As a result, we have seen these initiatives start to make positive incremental progress. Our focus continues with efforts to address underrepresentation in our workforce, with the aim of creating a better balance to reduce our Gender Pay Gap over time.

We are pleased to report that the efforts created in 2023 to address underrepresentation across the Group have made positive traction, with an increased female ratio of 3%, against the prior reported year.

OUR WORKFORCE REPRESENTS

(as at snapshot date: 5th April 2023):



FEMALE: 37%
2022: 34%

MALE: 63%
2022: 66%



Culture and Wellbeing

Promoting the importance of a speak-out culture across our organisation has been a key focus in 2023 to engender a more inclusive and transparent culture. A coaching and feedback programme delivered to our senior managers in 2023 fostered this principle, along with using balanced and supportive feedback as a developmental and motivational tool. In our annual engagement survey, we further test our Speak Up culture and the trust between management and colleagues to ensure consistency across the bank and we work hard to remedy any concerns that are raised.

Through an independent organisational study in 2023, commissioned by the Executive Board, we ascertained experiences from a cross-section of our colleagues who provided their insights into the drivers of our culture and motivations. We continue to learn from our colleagues how we can do better to promote a more inclusive workplace. The key findings from the study have been used to shape our people priorities and Equality, Diversity & Inclusion (EDI) agenda into 2024.

Our annual wellness calendar continues to provide education and awareness of self-care for all, promoting wellness through a range of subject matter. This has included financial wellbeing, awareness of women and men's health concerns, positive mental health in the workplace, and specific self-care training for those employees who support our vulnerable customers.

Fostering Inclusivity

Through the recognition and promotion of events such as International Women's Day and Pride, we want to celebrate and recognise diversity in our workplace.

We want to better understand the backgrounds of our workforce and have embarked on a drive to encourage more self-reporting, whilst increasing transparency of our efforts with our colleagues through quarterly EDI progress updates. We are excited to launch a number of new EDI initiatives in 2024 to increase education and awareness and celebrate our multi-cultural workforce.

Supporting our Female Talent

Supporting female talent is important to us. In 2023, we sponsored a female leadership development programme, and introduced the first tranche of enhanced Group family friendly policies to provide a competitively positioned offering and inclusive benefits. This included new policies such as a menopause and fertility policy.

These initiatives contribute to our EDI journey, with other priorities in the pipeline into 2024. We are committed to creating more opportunities for the women across the bank to network and collaborate and be part of the solution to help build our female pipeline for the future.

Our EDI Journey

For the first time in 2023, we introduced shortlist gender targets in recruitment to promote gender diversity in our hiring practices and aim to develop a better balanced pipeline. This has helped in the positive shift in our female ratio, as seen by a 3%, increase reported this year.

We recognise the need to make further change to achieve a better balance of underrepresented groups across HTB. We continue to promote respect and diversity in the workplace through our leadership and management teams, make progress against our EDI agenda, and the formal appointment of an Executive Sponsor for EDI in our CEO, to drive positive change.



The focus on building our leadership capability in 2024, will include role modelling fair and respectful leadership behaviours, and an action plan of initiatives to drive positive change.

We are developing a methodology to formalise the definition of our senior management population, in lieu of a formal grading structure across our business. This will enable us to report upon and track progress at a senior management level in terms of our gender ratios, progression progress and recruitment pipeline.



In Closing

At Hampshire Trust Bank, our Executive Board are committed to the investment of our people, and we firmly believe that diversity makes us stronger. This is a philosophy that forms part of our people values. We continually strive to make HTB a better place to work for all of our colleagues. We believe it is important to regularly hear from our colleagues, to understand their individual views, and how they think we are doing. Our management team actively encouraged a diversity of views, in the value that our employees' opinions matter.

On behalf of Hampshire Trust Bank Plc, I can confirm that the Gender Pay Gap information published is accurate.

A handwritten signature in black ink, appearing to read 'Matthew Wyles'.

Matthew Wyles

Chief Executive Officer and Executive Sponsor of EDI



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HHR003/CHD/280324/7