



# Gender pay gap

2023 to 2024 reporting year

Winterflood 

# Welcome

## to our gender pay gap report



Bradley Dyer, Chief Executive



Winterflood continues to celebrate diversity and is committed to creating an equitable and inclusive environment where all our employees can feel proud to work for us.”

This reporting year, we have seen our gender pay gap reduce, and our bonus pay gap remain in line with previous year. Our response to the cost of living crisis was to make a sustained effort to support our lower paid employees, of whom a higher percentage are women. Although we have faced challenging markets, which led to a reduction in variable pay for front office staff, the majority of front office remits and senior positions are held by our male colleagues, and so a bonus pay gap remains. Nevertheless, we have seen small improvement of 3% and 1.3% in our female management and senior manager populations.

Our remuneration gaps are driven by two main factors; a higher proportion of male incumbents in senior and client facing roles and a greater number of women working part time and/or taking family leave, which leads to bonus proration exacerbating the bonus gap.

Increasing our overall female population is a priority for Winterflood, and we remain aware that women are underrepresented in senior roles and in the wider industry. We continue to grow our own talent, and remain focused on obtaining a diverse candidate pool for our entry level roles in professions in which female talent is underrepresented, and so real authentic change will take a longer period of time.

Winterflood, and the wider Close Brothers Group commit to progressing our diversity and inclusion initiatives as part of our long term business strategy.

This report sets out our statutory gender pay gap data, as well as the actions we are taking to improve gender and diverse representation, which will help us reduce our gender pay gap over the longer term.

As part of the Close Brothers Group, we are working towards the Group commitment for 36% of senior manager positions held by females by setting local targets at Winterflood. We are looking to increase our female representation to 35% of the total population, 35% of management roles and 25% of senior manager roles by 2025. We continue to

make progress, female representation has grown from 21% in 2018, to 29% in 2023. Although this is not as aggressive an improvement as we hoped, we remain dedicated to meeting the wider Group Women In Finance charter commitment and signatory.

Although we operate a hybrid working model, we do require that the majority of our front office roles, and those directly aligned to front office activities to be office based to meet our regulatory obligations. This also maximises the success of our entry level schemes where work shadowing and supervision are imperative to each cohort's development. We promote flexible working, hybrid working, part-time and job share options to prospective candidates and colleagues.

Winterflood has its own Diversity and Inclusion committee, that actively participates and collaborates with the broader Group's Inclusion Networks to raise awareness and advocate for positive change.

Throughout this report we refer to men and women, however, we recognise that gender identity is broader than male and female. We welcome all colleagues irrespective of gender identity, and our Group Unity (LGBTQ+) Employee Network champions inclusive ways of working, through educating colleagues around gender identity and pronouns.

I am proud of the progress made by Winterflood to close our gender pay gap, by increasing diversity and cultivating an inclusive environment. As the Executive Sponsor of the Gender Balance Network, I am equally proud of the change at Group level, and the dedication of the Network members to drive positive change for all.

I am proud that in our FY23 employee opinion survey, 97% of our colleagues felt included. We remain committed to creating an inclusive culture where all of our people feel proud to work, as well as improving diversity within our firm and the industry as a whole, for the good of our clients and the markets we serve.

# What is the Gender pay gap and how does it help improve gender representation?

The UK introduced Gender pay gap legislation in 2017 to encourage employers to make greater progress in addressing imbalance of earnings between males and females over the duration of their careers.

## What does the Gender pay gap measure?

Gender pay gaps measure the difference between the average male pay and the average female pay as a percentage of the male pay. This calculates the Mean Gender Pay Gap. Currently our Mean Gender Pay Gap is 36.8% which means if the average male employee pay was £100 per hour, the average female rate would be £63.20 per hour.

The Median pay gap measure the difference between the middle hourly or bonus pay for male staff and that of female staff as a percentage of male pay. Medians are calculated by ordering individual rates of pay from lowest to highest and selecting the middle value. Currently Winterflood's Median Gender Pay Gap is 33.2%, which means that at Winterflood if the median male rate of pay was £100, per hour the median female would earn £66.80 per hour.

**Pay gap calculations do not take into account factors such as different roles, responsibilities, performance or levels of seniority.**

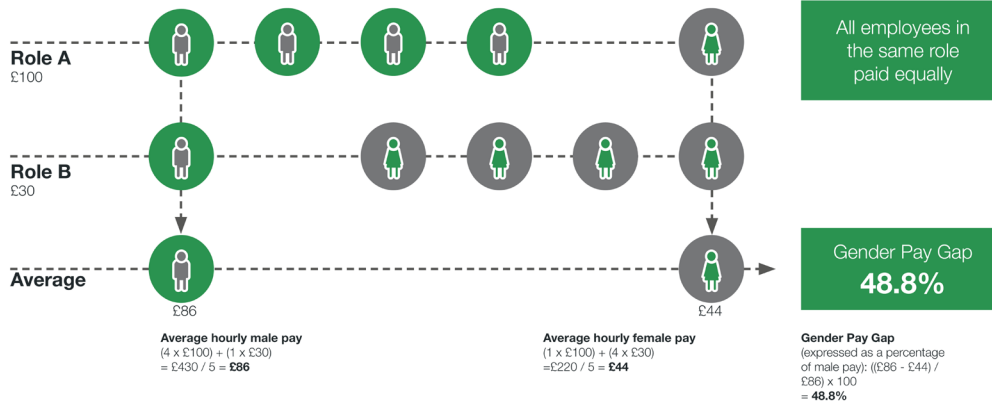
The gender pay gaps therefore reflect the distribution of males and females seniority levels and types of roles within the organisation. The examples below use gender to illustrate how pay gaps can occur, despite both genders being paid equally for the same or similar roles.

## Not to be confused with Equal Pay

The pay gaps are not the same as equal pay. Winterflood and the broader Close Brothers Group are committed to Equal Pay. Winterflood remains confident that men and women are paid equally for performing equivalent roles across the business. Pay decisions do not take into account any protected characteristics. Our people are rewarded fairly with regard to their specific role, seniority, responsibilities, performance and behaviours.

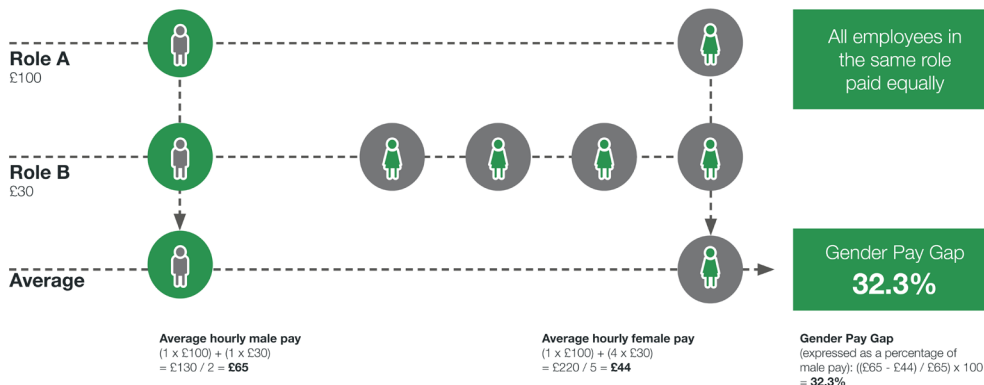
### Example 1

Greater proportion of males in highly paid roles, more females than males in lower paid roles



### Example 2

Equal number of males and females in highly paid roles, more females than males in lower paid



The examples and figures are for illustrative purposes only

# Some key statistics about gender balance and gender pay at Winterflood

## Our female employees represent<sup>1</sup>:


♀ **29%** of our workforce


♀ **18%** of our Senior Managers<sup>2</sup>

♀ **28%** of our Managers

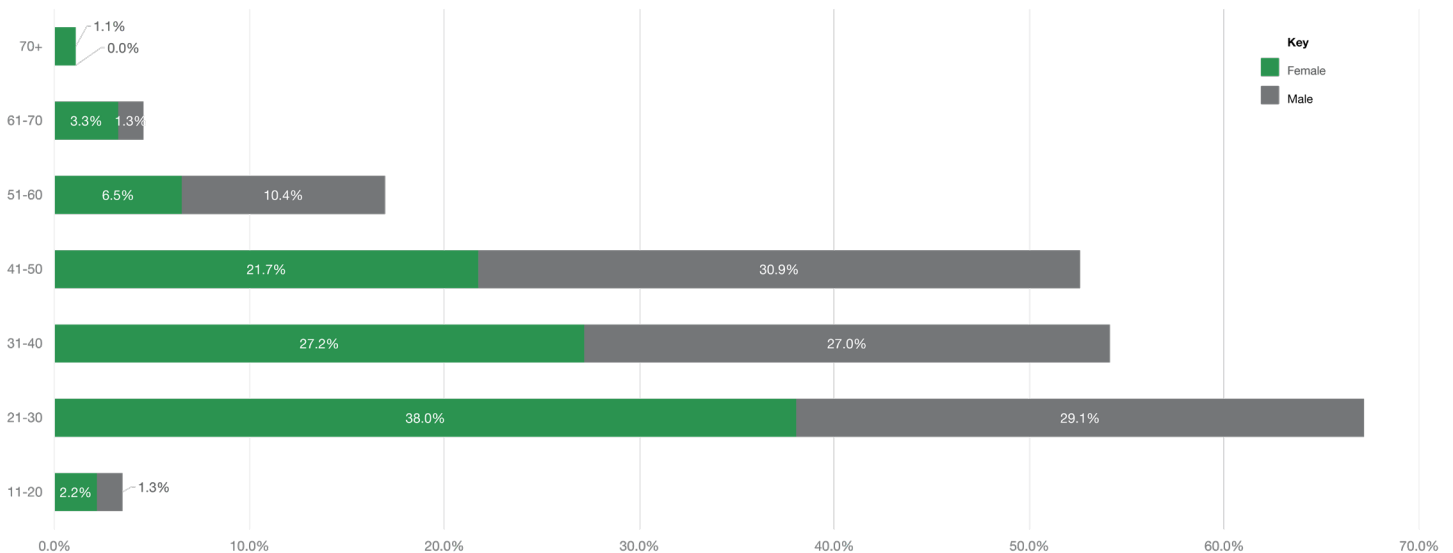
<sup>1</sup> All statistics within the report are spot figures at 5 April 2023.

<sup>2</sup> In order to align with the broader Group, and enable consistent groupwide reporting, we define Senior Managers within Winterflood as those who have line management responsibilities or are a line manager. They are generally heads of departments, functions or larger teams. However, we recognise a number of female colleagues we would categorise as senior have no managerial responsibilities or manage smaller teams due to our flat structure.


 **5%** of our employees have elected to work part-time

 **75%** of part-time workers are female

Our workforce spans seven decades. This is the percentage of total female and male populations in each age band



## Our Winterflood gender pay gap

 **4.2%** Average pay gap between employees in the same salary band

Mean **36.8%**      Median **33.2%**

# Our gender pay gap figures.

We maintain confidence that men and women are paid equally for performing equivalent roles across our business.

As of April 2024, 86% of our Front Office roles were held by male colleagues, this is a key driver of our pay and bonus gaps. In addition, when we look at seniority of role, 90% of our Executive Directors, 72% of our managers and 82% senior managers are male. This is the second key driver of both pay and bonus gaps.

## The pay gap by role classification

Overall, our average pay gap for employees in the same salary banding for the population as a whole is 4.5%, it is much lower when we look at the gap per Remuneration classifications – Front Office, Controlled Functions and Back Office, these are much lower at 1.8%, 0.9% and 0.7% respectively.

Due to the nature of their roles, market factors and regulatory expectations front office roles normally receive higher variable remuneration in comparison to their counterparts in controlled functions and back office roles. On the same basis, front office and senior colleagues are also subject to more conditions, inclusive of deferral, malus and clawback in respect of their variable compensation.

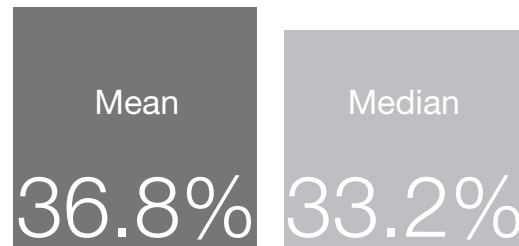
## The impact of flexible working conditions

In addition, 5% of our employees have elected to work part-time, of which 75% are female. This impacts the bonus pay gap as does any pro-rata applied to the bonus due to absence, parental leave or starting with the Company after the start of the financial year. These adjustments, whilst reasonable and fair, are not taken into consideration when calculating the bonus gap.

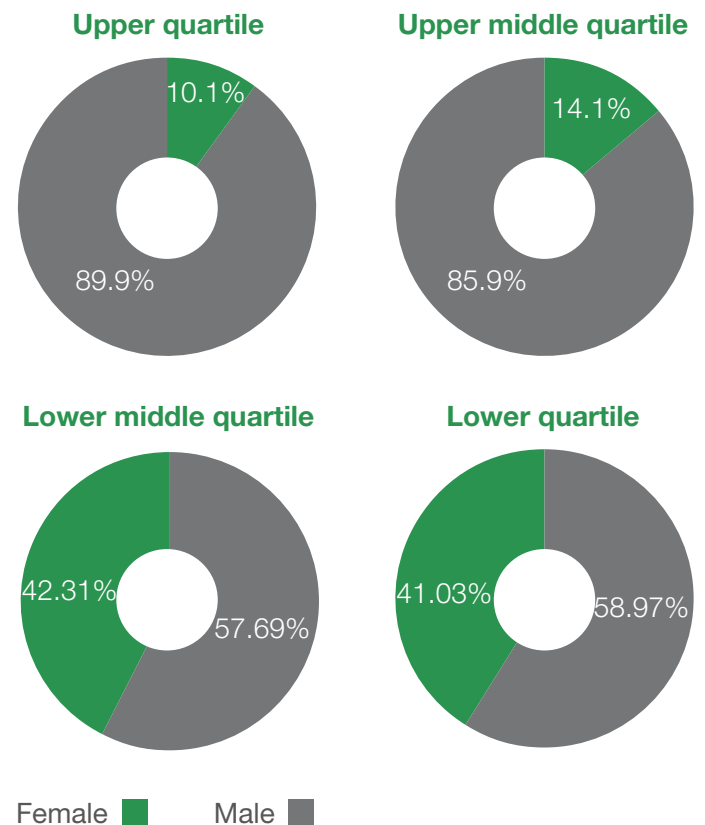
At present, more of our females colleagues take family leave over a longer period than our male colleagues, who are able and encouraged to take comparative shared parental leave.

As our population is 73% male, this has a greater impact on the gap than if our population were gender balanced or there was an equal uptake of comparative leave between genders.

## Winterflood gender pay gap



## Proportion of male and female colleagues in each pay quartile



## Our gender pay gap figures continued

We remain confident that all employees are paid equally for performing the same role. When we look at the difference in average pay between genders in the same salary band, the pay gap reduces to 4.2%. This gap is due to differences in role responsibilities within the pay band.

### Gender bonus gap figures

The gender bonus gap is an equality measure that shows the difference between the average annual bonus that male and female colleagues receive in an organisation in the year to 5 April 2023.

Bonus pay gap figures are provided in the chart opposite. When comparing mean bonus pay, this shows that women's mean bonus pay is 86% lower than men's, an increase of 1.4% on prior year.

### Understanding our gender bonus pay gap

All colleagues within Winterflood are eligible to receive a bonus.

The reason for those not receiving a bonus is generally down to one of two factors:

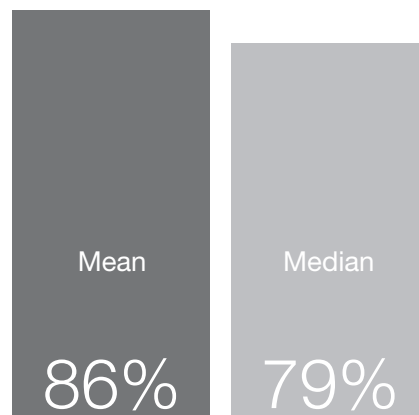
- The individual joined the company after a certain point in the annual compensation review cycle
- Unsatisfactory performance during the year

We remain confident that performance is measured fairly and analyse the gender split of performance ratings to ensure equitable treatment of all employees.

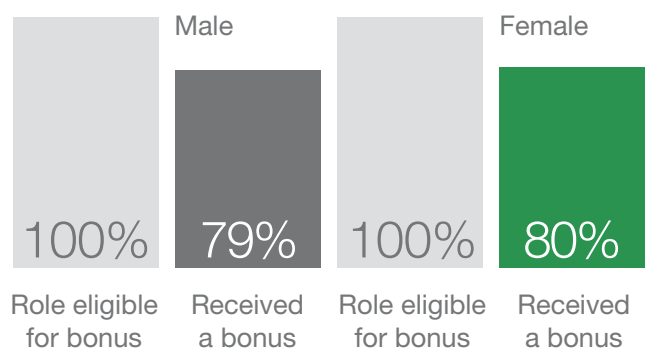
Average pay gap between employees in the same salary band



### Winterflood gender bonus gap

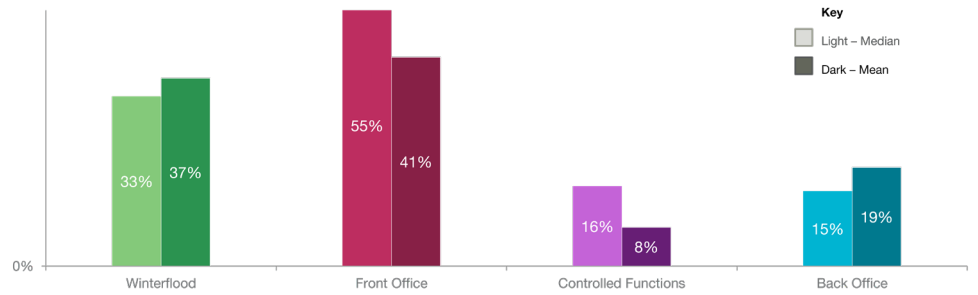


### Proportion of males and females receiving a bonus

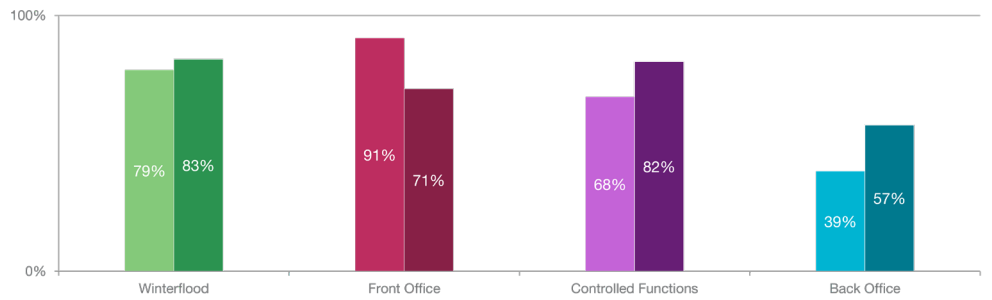




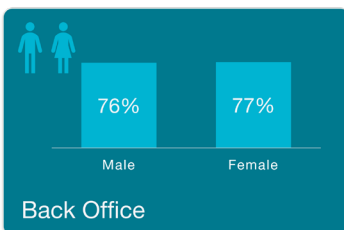
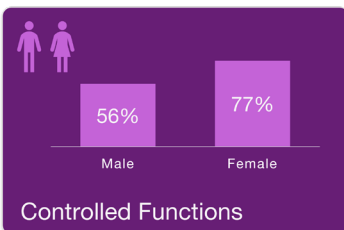
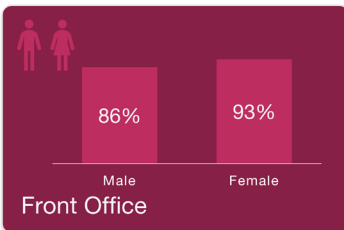
Mean & Median Gender Pay Gap



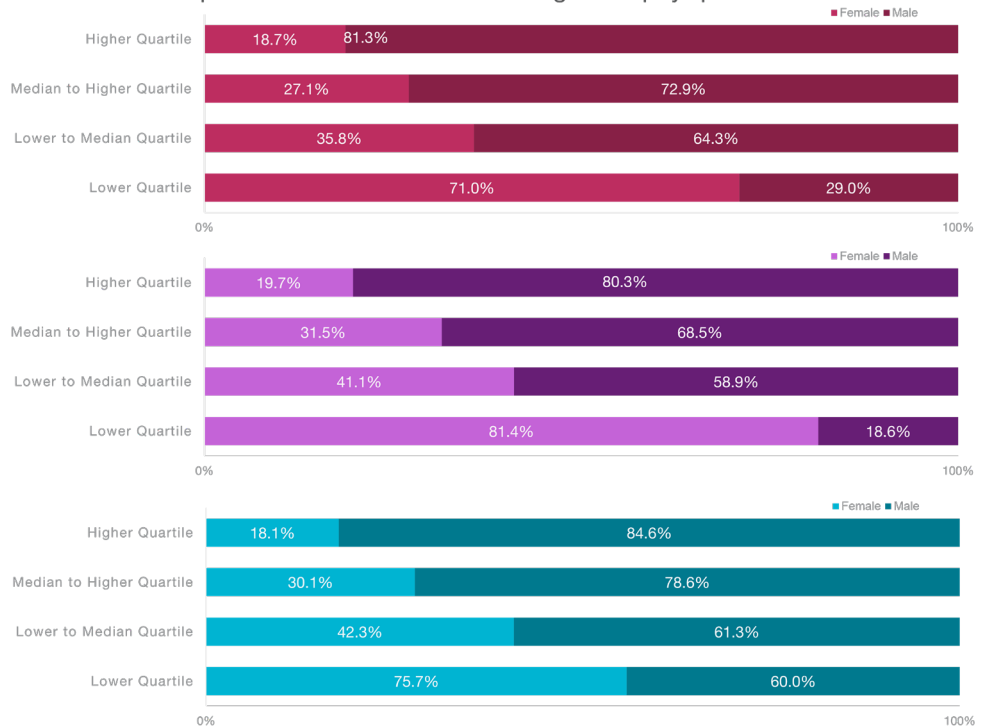
Mean & Median Bonus Pay Gap



Received a bonus



Proportion of male & female colleagues in pay quartiles



# Our commitment to improve diversity and maintain inclusion.

At Winterflood, we are committed to creating and maintaining an inclusive environment where all our people can thrive. Our aim is to ensure that everyone feels proud to work for us, in an organisation where they are valued and respected. We aim to do this through four key objectives.

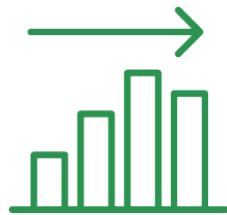


Joe Winkley  
Chair of the Winterflood Diversity & Inclusion Committee



## 1. Inclusion for all

Ensure our inclusive strategy has strong engagement through our Groupwide Networks and local D&I Committee.



## 2. Drive Data Disclosure

Improve our local diversity data disclosure rates so we can better measure success across our 7 pillars.



## 3. Improve Diversity

Balance diverse talent attraction at entry level and to the wider financial sector, whilst recognising the length of service of our people.



## 4. Develop our D&I reputation

Build inclusion into our external brand and strategy by showcasing our culture and partnering with other inclusive organisations.

### Inclusive Recruitment

We aim to attract a diverse group of candidates for every open job role. Our HR team guide hiring managers on how to write inclusive job descriptions, for example, the importance of using non-gendered language. We continue to review and remove unnecessary criteria from recruitment processes, such as specifying a degree for a role which does not necessarily require one.

We aim for balanced shortlists when recruiting both directly and through partner agencies. Where possible, interview panels are diverse and gender balanced.

In financial year 2024 we are providing our managers with “License to Recruit” training educating our people on the biases that can impact interviews, and how to manage them.

Front office roles, and roles directly involved in supporting Front Office are 100% office

based due to our regulatory obligations, however, where possible we operate a hybrid working model allowing flexibility where we can.

### Inclusive talent development

We want to increase the overall female population at Winterflood, which in turn will naturally see the proportion of women receiving promotions increase. With this in mind, we continue to participate in cross-company mentoring schemes such as Moving Ahead (previously known as 30% Club).

Internally, we are completing a local reverse mentoring scheme which has been positively received and well attended by junior diverse mentors and Board and Senior Manager mentees.

Inclusion Awareness training is interwoven into our core people practices and we also offer an open application process for our entry level programmes.

We, along with our industry counterparts have tried to increase awareness of our industry and associated career paths through internships and partnerships with schools.

### Embedding Diversity & Inclusion (D&I) into our ‘BAU’, culture and behaviours.

We promote flexible working, hybrid working and parental and carer leave to support our working parents and carers in managing their work-life balance

We promote Shared Parental, Maternity and Adoption leave, and associated pay to encourage participation from all employees as their families grow.

Our benefits are regularly publicised as well as reviewed by our Board, and always available on our intranet for our employees.



## Employee Inclusion Groups

As a smaller organisation of circa 350 employees, we value the wealth of information and knowledge shared within the Groupwide Inclusion Networks. Due to economies of scale we would not be able to replicate separate events nor gain access to a more diverse population to help us evolve as an inclusive place to work. Our local DNIC committee members all participate in the Groupwide networks and share learnings, information and promote groupwide events encouraging participation by all our people.

## Pledges and memberships

As part of the Close Brothers Group, we are by extension, signatories to a wide range of charters and commitments across a broad spectrum of inclusion themes inclusive of Women In Finance Charter, Race at Work Charter, The Valuable 500, Social Mobility Pledge, Mental Health at Work Commitment, Disability Confident Employer Scheme and the Armed Forces Covenant. We also partner with Stonewall and the Diversity Project to help inform our thinking and actions we make to make our environment more inclusive.

## Education and Awareness

Our Way, our code of conduct, sets out the way we do things at Winterflood, inclusive of the values we live by and inclusive behaviours we demonstrate. Our Way is shared with all of our people, from joining through induction, and throughout the employee cycle, through at least annual refresher training.

## Developmental Programme

We continue our partnership with Upreach; a charity committed to transforming social mobility and support their summer intern scheme on an annual basis.

In addition, following our successful partnership with 10,000 Black Interns last year, we have continued the partnership, and plan to take part in both 10,000 Black and Able Interns this year.

Externally, as part of the Group, we continue to actively partner with Moving Ahead on mentorship programmes for women and underrepresented groups.

The Group was nominated for 'Mentor Organisation of the year', our Group L&D lead for 'Programme Partner of the year' and one of our mentors was shortlisted for 'Most inspirational mentor of the year'.

## Our Places of Work

We moved into our new London office in February 2024, with improved inclusive facilities such as more breakout and canteen space to encourage collaboration and socialising whilst at work. Our facilities now include a multi-faith room, mother & baby room, music room, and first aid room, as well as onsite canteen and gym amenities to encourage our people to spend time together. The new office also incorporates better technology for bringing teams together across multiple offices or hybrid working, enabling more efficient and enjoyable town halls.

## Diversity Data Disclosure

Since we began collating our diversity data, disclosure rates have improved from 46%

to 90%, we have maintained this level of disclosure since prior year and hope to continue to improve this high disclosure rate. This high rate of disclosure enables us to more accurately measure our diversity, to inform our thinking for current and future decisions.

## Benefits

We regularly review our benefits and promote them. We recently launched the Workforce Nursery scheme enabling staff to save tax and national insurance on the full cost of nursery fees, to help our staff with the cost of living crisis, and increasing childcare costs.

In addition, we also launched the Octopus EV scheme which enables our people to save tax and National Insurance on a lease of a broad range of electric cars.

## Mental Health & Wellbeing

All of our people have access to the 24/7 Employee Assistance Programme, Mental Health First Aiders and the Thrive app which offers techniques for meditation and Cognitive Behavioural Therapy. Employees also are able to join our Private Medical Health Care.

All employees can book one additional day off a year to focus on their mental health and wellbeing.

We continue, in partnership with BUPA, our private health provider, to provide support and education on mental health. Our DNIC and the Group Wellbeing Network also provides further education and awareness opportunities.





Our gender bonus pay gap is higher than the gender pay gap. There are three main reasons for this.



86% of our front office roles are filled by men

Front office roles are revenue generating, on that basis role holders' variable remuneration is more geared to the financial performance of the firm than their colleagues in controlled functions and back office roles. This is aligned to external benchmarking reports and regulatory expectations.



90% of our Executive Directors are men

Also, 82% of Senior Managers are men. Executive Directors and Senior Managers earn more than their junior counterparts. All of our roles are benchmarked to market, to ensure compensation packages remain competitive.



75% of our part-time roles are filled by women

As salary directly impacts bonus opportunity, part-time employees will receive a pro-rated bonus compared to a full-time employee performing the same role.

As shared in this report, we are committed to addressing imbalances, and will continue to work on improving female representation in front office roles and the gender balance of those working part-time.

We are committed to finding solutions; such as flexible working opportunities that enable all colleagues to balance their work and home life.

## Summary statement

Our diversity and inclusion initiatives have enabled us to see positive progress at Winterflood and across the broader Group as a whole and retention of our inclusive culture.

Maintaining an inclusive environment where all colleagues feel they belong and can thrive in their career at Winterflood remains a key priority.

We continue to focus on improving gender balance and broader diversity at all levels and across job roles, especially for manager and senior manager roles. We continue to encourage parity in respect of taking family leave to all colleagues, as well as offering flexible working options to all staff, where possible,

We remain committed to reducing the gender pay and bonus gap.

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