



# Gender Pay Report 2020/2021



# Introduction

"I'm pleased to be writing our first annual gender pay gap report and welcome the transparency gender pay reporting provides.

I truly believe that being a diverse and inclusive business is not only the right thing to do but is paramount in achieving success.

As of April 2020, our mean pay gap stood at 30% showing we have work to do to; but we are committed to ensuring that everyone gets an equal opportunity and fair pay for the work they do.

We have made progress since signing up to the Women in Finance Charter in 2019; we have seen females in senior roles increase from 35% to 38% and at Board level an increase from 11% to 30%. Hodge and I are fully committed to ensuring diversity is a fundamental part of our business through attracting talent, supporting and developing our colleagues and providing opportunities regardless of background."

**At Hodge, we believe in creating an environment in which all our colleagues – current and future – can thrive and develop, and where opportunity and reward is equal regardless of gender, race, ethnicity, disability, sexual orientation, age, religion, social class or background.**

Our colleagues are an essential part of our ongoing ambition to create a high-performance culture which supports high standards and levels of service to meet our customers' needs. So, not only do we recognise the importance of recording our gender pay gap, we also welcome this opportunity to identify the areas in which we can improve as an employer.

The findings in this report will be used to create an action plan to address the issues we've identified and establish a baseline from which to measure the impact of the steps we are committed to take towards continuing to make Hodge a better and fairer place to work.



**Chief Executive Officer**  
**David Landen**

# Definitions



## Mean

The mean is the average of pay received by men and by women. This is calculated by adding up the total pay and dividing it by the number of employees.



## Median

The median is the middle value when the pay is arranged in order; half of the workforce will earn more than the median and half earn less.



## Gender pay gap

A gender pay gap is the difference between the average pay of all men and all women (regardless of band or role) expressed as a percentage. The government sets out how the gender pay gap is calculated, ensuring all companies use comparable data and the same calculation methods.

# Our gender pay gap

We've calculated our gender pay gap by looking at how much our colleagues are paid and how much they received in bonuses, as well as how many colleagues received a bonus.

Gender pay gap		Bonus pay gap		Receiving bonus	
27%	33%	41%	54%	59%	62%
Median	Mean	Median	Mean	Female	Male

We've also looked at the proportion of men and women in each pay quartile.

## Top Quarter (highest paid)



## Upper Middle Quarter



## Lower Middle Quarter



## Lower Quarter (lowest paid)



Women



Men

This data shows us that we have some work to do in closing this gap. We've already made some progress since signing up to the Women in Finance Charter in 2019, and addressing our gender pay gap will continue to be a priority for Hodge.

# What we're doing now

As a business with a relatively low headcount, we recognise that small changes have the potential to have a significant impact, and that for a variety of reasons our gender pay gap figures may fluctuate. However, we're committed to introducing changes that will support a positive move both in our company and in the wider finance and banking sector.

**The gender pay gap we've identified is largely due to fewer women holding senior roles. We're working hard to identify barriers that have previously resulted in fewer women being appointed or promoted to more senior roles. More senior roles attract higher levels of pay and only by addressing this imbalance can we start to close the pay gap.**

In 2019, we signed up to the Women in Finance Charter. Since then, we've increased our female representation in senior management from 35% to 38% and are continuing to take steps in support of meeting our target of 45% of senior management roles being held by women by October 2022.

We've also supported female colleagues who are working towards their ILM Level 5 through partnering with Chwarae Teg, and we are continuing to increase awareness of unconscious bias across our workforce and its potential impact.

## **We've also:**

- Equalised our parental pay and leave policy, ensuring all parents have the same paid entitlement to leave.
- Continued to promote flexible working opportunities helping colleagues balance caring and work responsibilities.
- Continued to review succession plans and the gender balance of our talent pipeline.

# What we're doing next

## We're currently planning a review of our remuneration structures to improve governance around how we manage salaries

**This review will include a benchmarking exercise to ensure our salaries appropriately reflect the skills, expertise, experience and responsibilities of our colleagues relative to the external marketplace. This will ensure we remain competitive and can attract and retain the right calibre of people to deliver excellent levels of service to our customers.**

We'll continue to review our attraction and recruitment policies on an ongoing basis, working with external agencies and with our internal colleagues to ensure we raise awareness of unconscious bias and work to eliminate its impact.

We remain committed to diversity, respect, and inclusion, to eliminating any form of discrimination, and to breaking down any barriers that prevent our people reaching their full potential. We'll continue to work with our management teams – and with every colleague in recognition of our collective responsibility – to ensure we deliver on our aims. In doing so, we believe we can improve the representation of women in senior roles and to close the gender pay gap as a result over the course of time.

"Hodge, with my absolute focus, is committed to ensuring we have fair pay for all and such insight on gender pay gap shines a light on what we need to do to achieve this. Achieving success here will complement our commitment to having a truly diverse and inclusive workplace that will enhance our customer experience and more broadly make financial services a 'go to' career destination for all future generations, ensuring all colleagues flourish and grow."



**Chief People Officer**  
**Sarah-Ellen Stacey**



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