



Gender Pay Gap 2022 Triodos Bank Ltd



Introduction

Our mission is to help create a society that protects and promotes quality of life and human dignity for all. We make money work for positive social, environmental and cultural change.

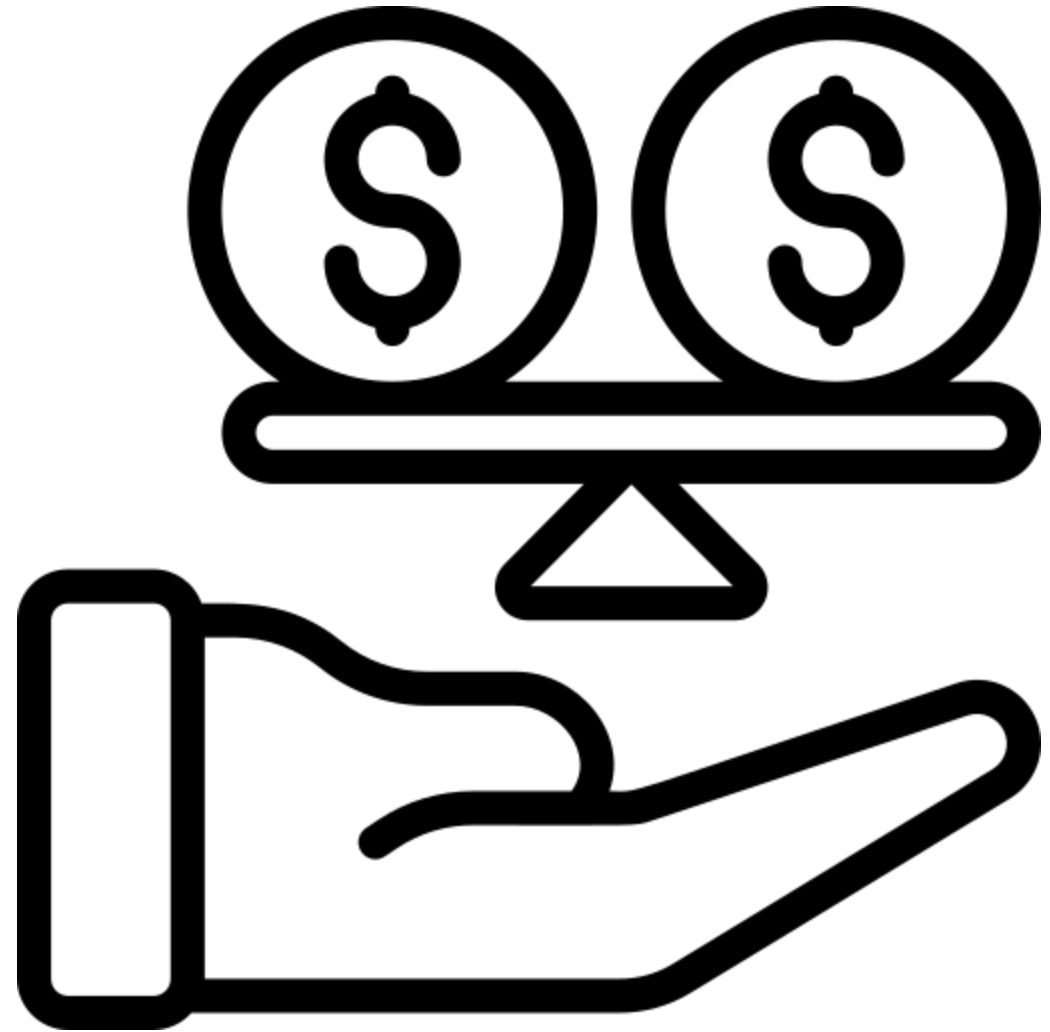
To facilitate our mission we are invested in growing a company that nurtures diverse thinking, bringing different perspectives to the table and helping us grow a sustainable business.

As part of developing a more diverse co-worker population that reflects the customers we serve, we are committed to the progression and development of gender balance at all levels within Triodos Bank UK. We see the Gender Pay Gap as a critical metric in monitoring our progress to achieving this.

What is the Gender Pay Gap (GPG)?

The GPG measures the percentage difference between the average hourly earnings of men and women across a workforce.

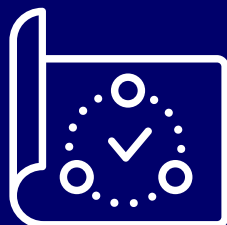
GPG is different to unequal pay, which is paying men and women differently for performing the same (or similar) work, where the reason is their sex. We regularly review our remuneration policies to ensure equal pay.



Why do we report?

Since 2017 organisations in the UK with 250+ employees have been required to report their GPG figures on an annual basis.

2022 is the first year that Triodos has reached this reporting threshold, but we have been proactively monitoring our GPG for some time. This is because we are committed to building more diverse teams and to supporting the progression of women throughout the organisation.



What do we report?

We report the following metrics in line with gender pay gap reporting legislation:

- The mean (average) gender pay gap, based on hourly pay
- The median (middle) gender pay gap, based on hourly pay
- The % of men and women in each pay quartile

Bonuses

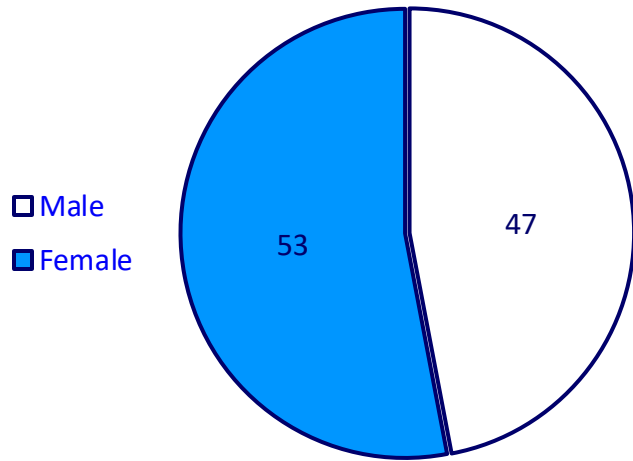
The gender pay gap legislation also requires organisations to publish the % difference in bonus figures. However, we do not operate a bonus scheme. This is because we believe that the impact we have is the joint accomplishment of all co-workers and we do not believe that financial incentives are an appropriate way to motivate and reward the right behaviours in a values-led organisation.

Our Gender Pay Gap Results

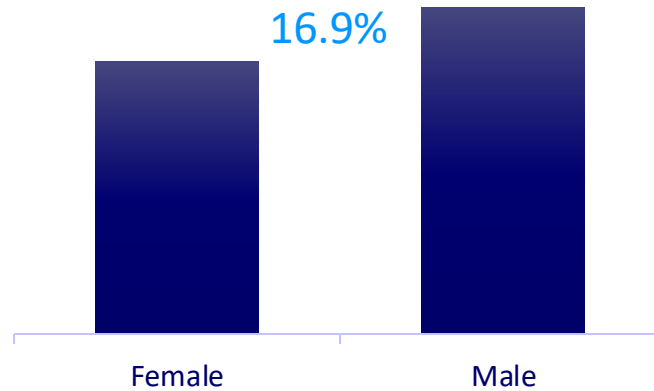
Our 2022 results at a glance

On the snapshot date of 5 April 2022 we had 257 co-workers who were in scope of the report: 137 women (53%) and 120 men (47%).

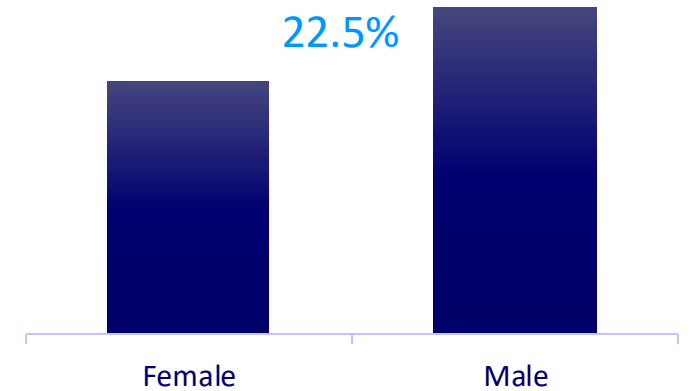
Gender split



Mean gender pay gap



Median gender pay gap



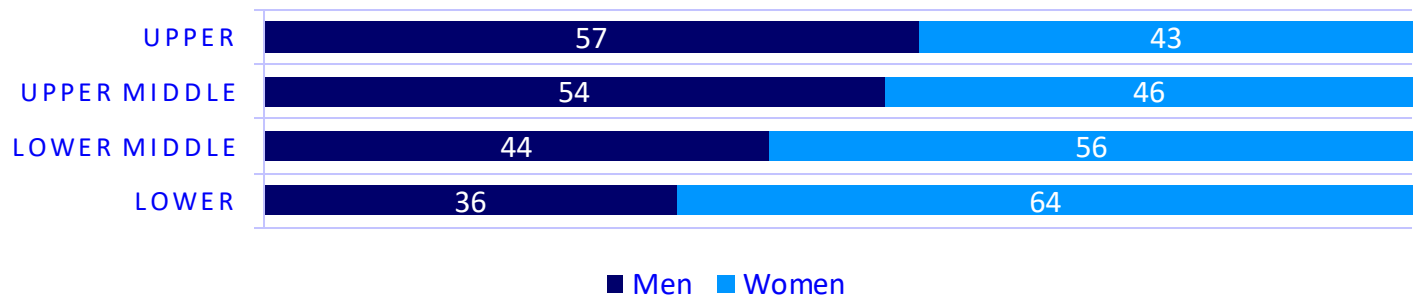
Triodos UK have a gender balance with 53% female co-workers and 47% male co-workers.

In 2022, our average male hourly rate was 16.9% higher than that of the average female hourly rate.

In 2022 the median pay gap was 22.5%, meaning the middle-earning female was paid 22.5% less than the middle-earning male.

Our pay quartiles

2022 percentages by gender



The data shows that a key driving factor in women having lower mean and median hourly pay than men, is that women have higher representation in our lower pay quartiles and lower representation in our upper pay quartiles. This contributes to reducing the average and mid-point hourly pay of our female co-workers. That said, we have seen a significant increase in female representation in our upper pay quartile, which has had a positive impact on our gender pay gap.

Year on year percentages by gender

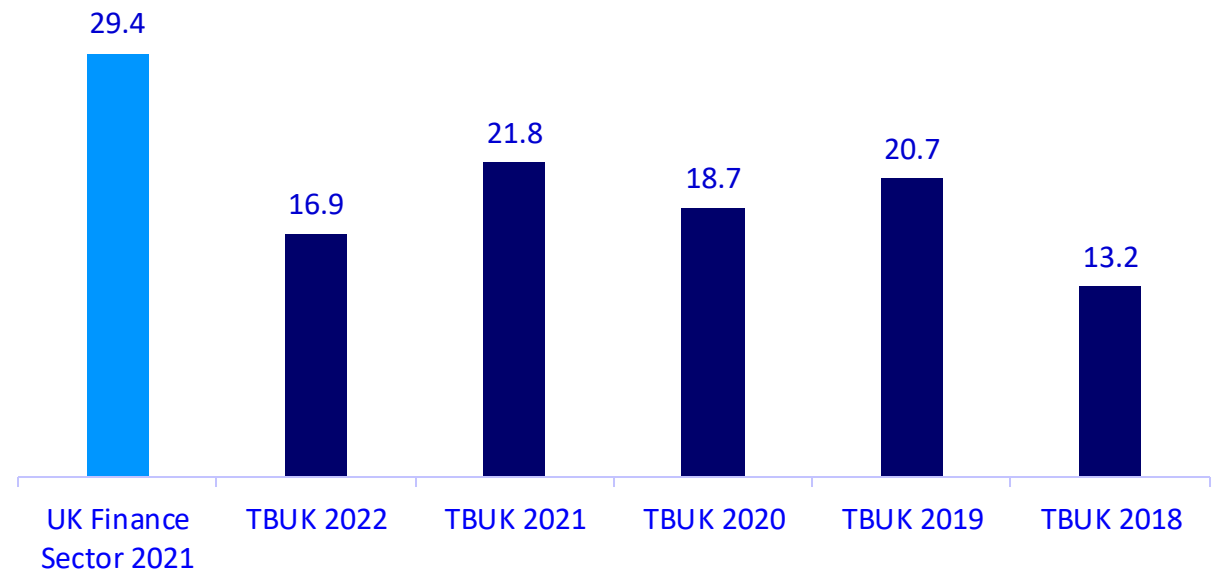
	2022		2021		2020		2019	
	Men	Women	Men	Women	Men	Women	Men	Women
Upper	57%	43%	65%	35%	67%	33%	71%	29%
Upper Middle	54%	46%	52%	48%	42%	56%	56%	44%
Lower Middle	44%	56%	42%	58%	35%	65%	33%	67%
Lower	36%	64%	43%	57%	46%	54%	44%	56%

The Mean Pay Gap

The mean pay gap is calculated by finding the % difference between the average female and male hourly pay.

In 2022, our average male hourly rate was 16.9% higher than that of the average female hourly rate. This has decreased 4.9% since 2021.

Our mean GPG was 12.5% below the Financial Services Sector average in 2021. *

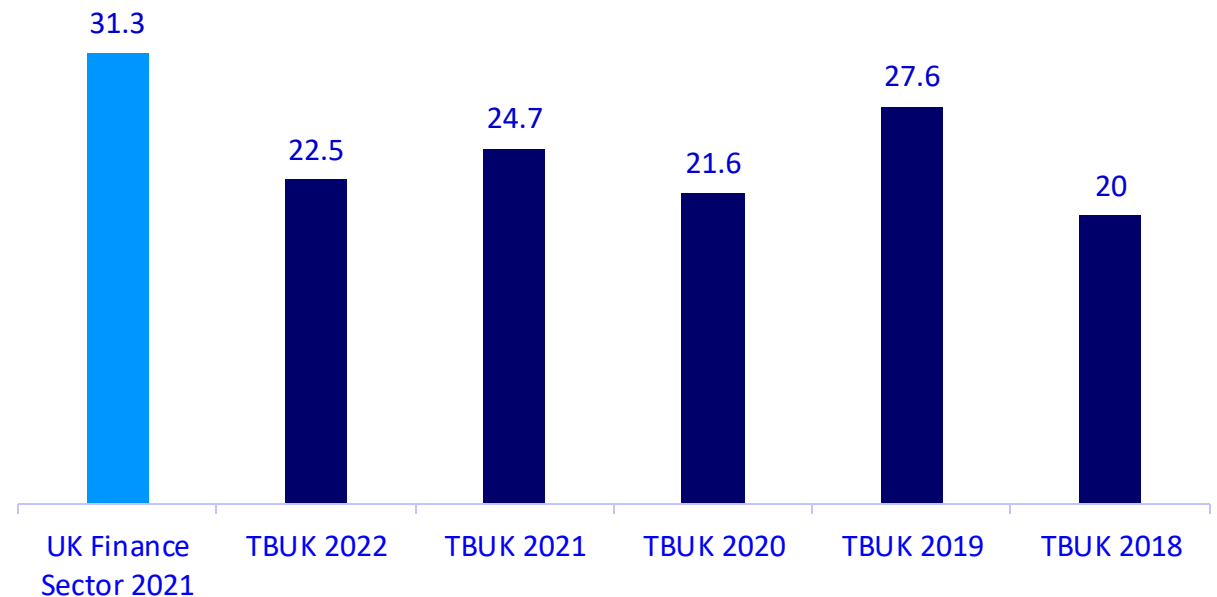


The Median Pay Gap

The median pay gap is calculated by dividing our workforce by gender, finding the middle salary of each and comparing % difference between the hourly pay.

In 2022 the median pay gap was 22.5%, meaning the middle-earning female was paid 22.5% less than the middle-earning male. This has decreased 2.2% since 2021.

Our median GPG was 8.8% below the Financial Sector average in 2021.



What is the data telling us?

Reasons to celebrate...

1. Moving in the right direction

We are pleased to see that our GPG figures for 2022 have decreased for both the mean and median.

The representation of females in senior roles has continued to increase. The distribution in the upper pay quartile has increased from 35% female to 43% female.

We realise there is still work to do but we are pleased to see female representation increasing at the most senior level.

2. Female progression

56% of our internal promotions during the year have been women.

The increase in female representation in our upper pay quartile has been through progression of internal co-workers as external recruitment at this level has been evenly split between males and females.

3. UK Financial Services

Consistently our GPG figures have been below the UK Financial Services average in both mean and median.

We are proud of this, just as we work hard to challenge the Finance Sector's approach to sustainability, we also want to act as leaders in having and valuing a diverse workforce.

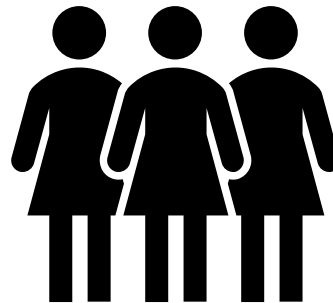
Where there is still work to do...

Distribution

Despite having a gender balanced workforce, **we still do not have an even distribution of men and women across our pay grades**, which is the primary driver of our GPG.

The gender distribution has improved in our upper quartile, but it is still not evenly balanced and we have seen the percentage of female co-workers in our lower quartiles increase in our 2022 figures.

The higher level of females in the lower quartile provides us with a strong pipeline of female talent and we need to continue to work on enabling female progression within Triodos Bank UK.



The actions we've taken

Our recruitment processes

We have reviewed our job adverts to ensure they are worded to attract a diverse range of candidates and that the wording used is gender-neutral.

We have removed any questions regarding salary expectations from our recruitment process so that our process does not perpetuate historic gender pay gaps.

We have updated our “Inclusion statement” in job adverts to contribute to breaking down structural barriers for women and other under-represented groups.

Commenced the review of our role profiles to ensure that they don’t contain any potentially biased text.

We are developing an updated suite of interview questions to incorporate a blend of behaviours and competency based questions.

Developing our female co-workers

An additional focus was placed on the development plans of our mid level female co-workers in H2 2022.

We became a corporate sponsor of Women in Banking and Finance, hosting the (re)launch of the South West chapter and offering membership to a number of female co-workers to support their development

As a learning organisation, we opened a 'lending library' aimed to promote books that might spark ideas across the organisation on this topic, raising awareness of all co-workers and supporting the development of our female co-workers

We are holding focus groups with our female co-workers at various levels to further understand any barriers to progression, and interventions to remove/overcome them.

We are developing our diversity data functionality to enable the tracking of promotions and pay rises across a number of demographics.

Achieved the target we set for female representation at 'Senior' levels (defined as Board and SMT) a year early, with 54% female representation.

Supporting our co-workers

We have continued to embed flexible working across the Bank through our flexible working approach - 'Be your Best at Work', enabling co-workers flexibility of their working location and hours.

We increased paid leave available to co-workers to support balancing work and home commitments, including additional holiday, carers' leave, emergency dependents' leave and the introduction of a Wellbeing Day.

We reviewed the overall benefits package we offer to co-workers, now offering an enhanced package, with many elements supporting mental wellbeing.

Launched menopause guidance and established the role of menopause champions to raise awareness of menopause for all co-workers and support co-workers impacted by it.

Our Action Plan

Our Aspirations

When thinking of the next steps to address our Gender Pay Gap, we've first clarified our long-term aspiration and the principles which will help us deliver this.

1. Long-term aspiration to have a **0% Gender Pay Gap**

2. Focus on taking targeted, data-driven actions that will make a difference

3. Set measurable targets to monitor progress and impact of initiatives we put in place

Our 2023 action plan

We want to build on the actions we have already taken to continue working towards our aspiration to remove our gender pay gap.

In 2023 we will be focusing on:

- **Continued development of inclusive practices in the recruitment process and by hiring managers**
- **Refining the development female co-workers need in order to 'take the next steps' in their careers**
- **'Tracking' the progress of female co-workers**

- **Ensuring the upcoming Group-wide Talent Management framework is free from bias, and managers are competent and confident in applying it**
- **Agreeing the measurable targets that will be used to monitor progress and impact**

EDI & TBUK

There are also a number of actions we are taking to support and promote diversity and inclusion more broadly, which we hope will also contribute toward reducing our GPG. Some of these are...



Partnered with Babbasa and the OurCity2030 initiative



Signatories of the **Women in Business & Finance**, **Women in Finance** and **Diversity Mark** charters



Growing our **Intern programme** to give more young people opportunities and insight to careers in Finance



Building our **Triodos Inclusion Forum**, a committed group of co-workers who are working to embed Inclusion within TBUK

rare

DIVERSITY
RECRUITMENT
EXCELLENCE

Working with **RARE Recruitment** to increase the social diversity of our talent

Closing Thoughts

We are proud that our GPG figures are below average for the UK Financial Services industry and that we are slowly increasing the number of females in our most senior roles. But we know we still have work to do.

In taking steps to achieve a 0% gender pay gap we are focussing on our top drivers; the distribution of our female co-workers across Triodos UK and their progression into senior roles. We're doing this through targeted action and will keep our action plan under constant review.

Triodos UK is growing, with new roles and opportunities becoming available for talented people to join us. We will continue to develop our recruitment processes so they hold no gender bias and encourage all genders to join us in equal measure. Finally, we will take the next steps to support our female co-workers to grow their careers with us.



Declaration

I confirm that the Gender Pay Gap information in the above report is accurate.

A handwritten signature in black ink that reads "Bevis Watts".

Bevis Watts
Triodos Bank UK Chief Executive Officer