

The Gender Pay Gap at Investec Wealth & Investment

2019



Foreword

At Investec we know that diversity of thought is critical to increasing our ability to innovate, adapt and perform in this fast paced world. We are committed to attracting, developing and retaining a diverse and representative workforce. We believe that more diverse groups will give rise to a more inclusive environment where we value the differences in who we all are, encourage challenge and welcome unique perspectives that each individual brings. The creation of an inclusive environment enhances business performance which will in turn add value to our clients and to society.

As of 5 April 2019 in our UK Wealth & Investment business the mean gender pay gap stood at 45.1% - an improvement on the previous year (2018: 46.8%). We recognise that this is a modest improvement, however, we feel confident that we are undertaking a number of initiatives, detailed within this report that will help us continue to move forward.

We recognise that we still have more to do and will continue to work towards a more balanced and representative workforce. At Investec our vision for Belonging, Inclusion and Diversity (BID) is for everyone to find it easy to be themselves and to feel they belong. It's a responsibility we all share and is integral to our purpose and values as an organisation. Continually mindful of our biases and consciously inclusive, we encourage each other to embrace opportunities for growth.

To demonstrate our commitment, in 2019, we appointed Zandile Nkhata as Belonging, Inclusion and Diversity Lead, a new position, responsible for supporting the organisation and its leaders to develop informed strategies and drive initiatives with impact. This appointment will not only increase the level of focused attention providing regular feedback on effectiveness, but will continuously assess the external environment providing innovative thought leadership to ensure we make great strides in closing the gender pay gap. We look forward to reporting progress in closing the pay gap year on year.

Jonathan Wragg

Chief Executive Officer

Investec Wealth & Investment



Our gender pay gap results

The data below is based on the hourly rates of pay in the pay period to 5 April 2019, and bonuses paid during the 12 months to 5 April 2019, compared with the prior year.

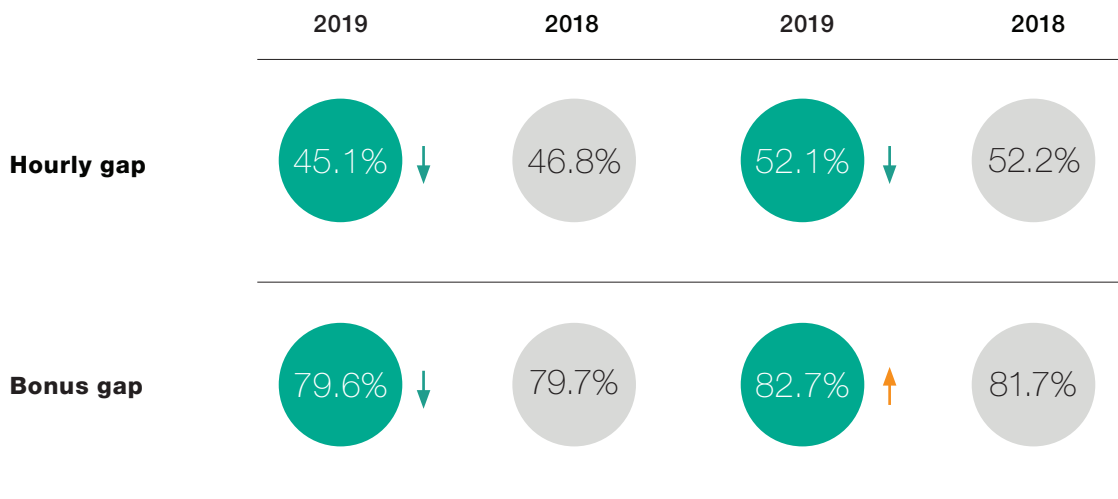
Hourly and bonus pay gaps

Mean

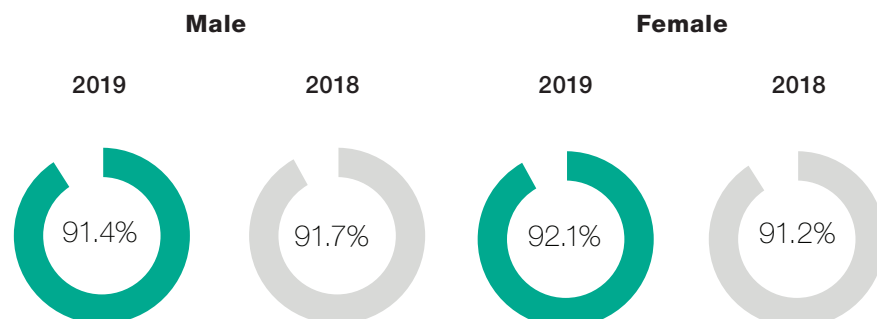
The mean figure represents the difference between the average of men's and women's pay expressed as a percentage of the average male pay

Median

The median represents the difference between the midpoints in the ranges of men's and women's pay expressed as a percentage of the male midpoint

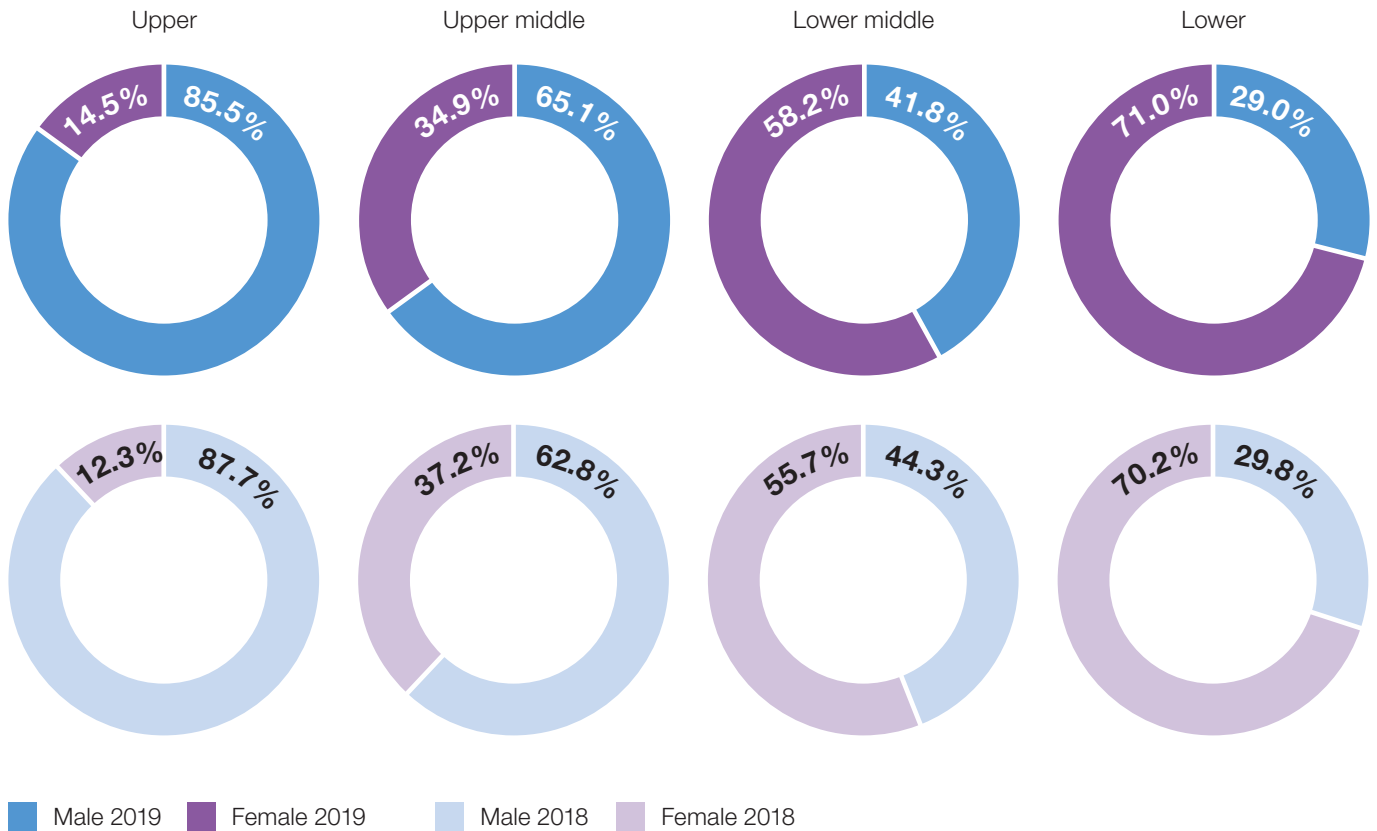


Proportion of men and women receiving a bonus



Proportion of men and women within each pay quartile

Each quartile represents an equal number of employees



Why does Investec Wealth & Investment have a gender pay gap?

The hourly bonus and gender pay gaps are calculated on averages across Investec Wealth & Investment and do not take into consideration factors such as the type of role and level of seniority. Our pay and bonus gaps continue to be principally driven by a higher proportion of women in junior roles and a lower proportion of women in senior leadership, revenue-generating and client-facing roles. The pay levels and higher ratio of variable to fixed remuneration for these senior roles magnify the pay and bonus gaps. We are confident that men and women are paid fairly and equitably relative to their role, skills and experience, and this is central to our reward philosophy.

We remain committed to achieving greater female representation in senior leadership and client-facing roles within the organisation and are dedicated to reducing the gender pay and bonus differential over time.

Bonus pay gap

While our pay gap has improved, our mean bonus gap has remained close to flat at 79.6% (2018: 79.7%). All our employees are eligible to receive a discretionary bonus. Our reward structure is performance-linked and gender-neutral by design.

Belonging, Inclusion and Diversity at Investec



BID supports our strategic priority of driving greater connectivity and is aligned to our value of embracing diversity. Our commitment to BID builds on our diversity principles, which includes increasing our female representation in general and senior leadership in particular. The gradual reduction in the gender pay gap over the period is due to the proactive adoption of a number of interventions, changes in practice and policy enhancements.

These actions are embedded within a broader BID plan which includes the following priorities:



Speaking up



Client & partnership focussed inclusion



Learning initiatives



Inclusion and diversity targets and measures



Organisation flexibility

Each of these five priorities is supported by a number of actions. Highlighted below are some of these initiatives that will, we believe, continue to drive the reduction in the gender pay gap.

Speaking Up

Our workforce engagement activities, which in part meet the requirements of the UK Corporate Governance Code and secondary legislation introduced in 2018, provide a great opportunity to understand employee sentiment in relation to questions of belonging, inclusion and diversity.

Our Inspire staff networks are a key partner in the delivery of this priority. These networks, which are employee-led and sponsored by senior executives, include the following affinity groups: black, Asian and minority ethnic (BAME), gender balance, LGBT+ and YoungMinds – a network for our younger colleagues specifically aimed at building their networks and engaging with senior leadership.

One of the aims of our well-established gender balance network is to enable the exchange of knowledge and experiences in order to improve opportunities for career success for our female colleagues. The network regularly hosts Taboo sessions which are conversations with leadership and employees tackling challenging subjects. Topics have included: the gender pay gap, flexible working and shared parental leave. Each year they also host an extensive week long programme of engagement for International Women's Day.

Learning Initiatives

Our Learning team invests significantly in a number of formal and informal opportunities for upskilling all employees, as well as to develop current and future leaders of the group. In order to support our female colleagues in shaping and progressing their careers, we are taking part in the 30% Club mentoring scheme for the second year. This scheme offers cross-company, cross-sector mentoring to women at every stage of their career. In addition, we have recently launched a leadership development programme focussing specifically on women called "Through the Looking Glass". The goal of the programme is to develop high potential leaders and build a pipeline of female talent.

Other initiatives aimed at creating an inclusive workplace include "Zebra Crossing", our flagship two-day diversity and inclusion programme aimed at minimising unconscious bias and raising awareness of multicultural differences at personal, interpersonal and institutional levels. We have also launched an internal mentoring initiative to provide increased opportunities for peer-to-peer mentoring. Additionally, we offer an on-demand, team-based intervention called "Building Inclusive Teams". The workshop educates teams on the Equality Act and how to create an inclusive environment, as well as various informal processes designed to encourage debate and dialogue around appreciating diversity and valuing difference.

Organisation Flexibility

In attracting female talent our Careers team is now taking a more proactive approach to ensure that we are able to attract a diverse pool of candidates by carefully positioning ourselves as an inclusive employer. Our graduate recruitment team is now focussing on building a diverse and balanced pipeline using Debut, which is an app specifically aimed at attracting gender diverse candidates. We are planning to deliver interview skills training which will focus on diversity and inclusion and have implemented the AdPro gender decoder for all job adverts to ensure more inclusive wording. A pilot was also successfully completed using Pymetrics, in the North of England. Pymetrics is a behavioural science and AI tool used to select candidates in an unbiased way.

We have a number of HR policies and practices that help to balance individual needs, including enhanced paid parental leave of up to 26 weeks for all staff. This leave can be shared between parents, encouraging a more balanced approach to raising children. We have created a working environment that is more agile and responsive to the needs of all individuals, with flexible working arrangements encouraged in service of performance.

Diversity and Inclusion Targets and Measures

At a board level, the Board Diversity Policy, in recognition of the recommendations of the Hampton Alexander Review, has set a target of 33% female representation on the board. The balance of skills, knowledge and experience, differences in background, ethnicity, gender and other qualities all contribute to achieving diversity of thought.

Investec signed up to the Women in Finance Charter in 2018 with a target of 30% female representation in senior leadership by 2022 and we have made steady improvements year on year, achieving 29% as at March 2019 and are on track to achieve our target. As Executives we are responsible for diversity and inclusion, meeting set targets for diversity, publishing annual progress reports and linking the pay of senior executives to delivery of these targets.

Conclusion

We are committed to increasing all forms of diversity throughout our business whilst embedding inclusive practices. We know there is more work to be done in reducing our gender pay gap and we are working hard to address this over time. Our core values include unselfishly contributing to society, valuing diversity and respecting others. We confirm that the information featured in this report is accurate.

Jonathan Wragg

Chief Executive Officer
Investec Wealth & Investment