

CHARLES
STANLEY▲

Gender Pay Gap Report 2020

Our Gender Agenda



Focusing on you

Foreword from

Kate Griffiths-Lambeth

The aim of gender pay gap reporting is to show the difference between what women earn at a workplace and what men get paid at the same organisation – irrespective of their jobs. Taking a ‘snapshot’ of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations, but a snapshot may also mask the fluidity of gender pay gaps. Gender pay gaps can fluctuate from month to month and across pay quartiles depending on changes to headcount.

We recognise the importance of monitoring the gender pay gap across the year, and not just on the snapshot date. Doing so gives us a better understanding of what drives our gender pay gap figure at any given time, and in turn, how it can be reduced. Our most recent formal gender pay gap figures, which have to be reported to the UK Government, cover the period between April 2018 and March 2019. The gap in the hourly rate of pay at Charles Stanley decreased by 2.9% to 34.5% and is now at its lowest since we began reporting. Whilst we are pleased to have made positive progress, there are still areas where we need to improve and the pace of change is certainly slower than we would wish.

The government requirement for companies to report their gender pay gap has brought into focus the disparity between male and female pay that exists in many industries and highlighted the need for executives to be proactive in their approach towards addressing it. In the wealth management industry, we know that it is the underrepresentation of women, particularly at senior levels, that is at the root of the gender pay gap. We must therefore work harder to make the wealth management industry more attractive to the many talented women in the UK workforce and ensure we provide the necessary support and foster a culture that enables women to thrive.

This is why we have adopted a three-tiered approach, encompassing recruitment, career progression and culture, to assist in closing our gap. You can find more details about this on page 5. To formulate our strategy, we have considered the whole employee journey, from the way in which we attract and recruit women to how we help them to progress their career with us and the support we can provide to them along the way. The culture at our company is important and we continue to strive to create a culture that is truly inclusive and celebrates diversity in all its forms. Here is some information to give you a taste of what we have done and achieved to date:

- ▶ Having signed the government-led Women in Finance Charter initiative to encourage gender balance across financial services firms, we committed to having 30% female representation at senior management level by December 2020. After the first year of participation we met this target by June 2018 – two and a half years’ early.
- ▶ We have achieved enhanced diversity at senior level with two women on the Board and four women on our Executive Committee (ExCo).
- ▶ Under the Women in Wealth initiative we had a target of 40% female new hires. In 2018/9, we exceeded this with 48% of our hires being women.



Kate Griffiths-Lambeth
Group HR Director, Charles Stanley

- ▶ As part of our commitment to flexible working, all employees are able to request flexible working patterns, be that working from home or adjusted or part time hours. 51 employees work part time hours to help with their work/life balance and many others flex their hours but still work a full working week.
- ▶ We have retained the services of specialist recruitment agencies to reach candidates who wish to continue their professional career path but who need to work flexibly or part-time or who wish some specific support to help them return to the workplace after a break.
- ▶ We have introduced a buddy-system and enhanced arrangements for employees going on and returning from parental leave.

We appreciate that there is still much to do, but we are moving in the right direction. Our approach to inclusion, fairness and flexibility at work confirms our commitment to our people and builds a strong foundation from which both individuals and the organisation can thrive.

Kate Griffiths-Lambeth

What is the gender pay gap?

The Gender Pay Gap is an equality measure that shows the difference in average earnings between women and men. The gender pay gap does not show differences in pay for comparable jobs; unequal pay for men and women is illegal in the UK.

Although the gender pay gap in the UK is at its lowest level ever, in the financial services industry the gap is well above the national average. This report looks at understanding the gap that exists at Charles Stanley, as well as what is being done to address the gap.

The Gender Pay Gap

The Gender Pay Gap Regulations came into force on 6 April 2017 and require all UK companies with 250 or more employees to publish the following specific gender pay information each year:

- ▶ Median gender pay gap – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- ▶ Mean gender pay gap – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- ▶ Median bonus gap – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
- ▶ Mean bonus gap – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
- ▶ Bonus proportions – the proportions of male and female relevant employees who were paid bonus pay during the relevant period
- ▶ Quartile pay bands – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

Detailed rules for calculating the above are set out at www.gov.uk/guidance/gender-pay-gap-reportingmake-your-calculations, but in general terms the mean and median gender pay gap is based on hourly rates of pay as at 5 April 2019, and this date is also used to calculate bonus pay received in the preceding 12 months. Pay quartiles look at the proportion of men and women in four pay bands when we divide our workforce into four equal parts.

Why it matters



Legislation which protects the interests of all workers in respect to equal pay, irrespective of gender, ethnicity or any other form of diversity, has existed for many years. For Charles Stanley, and other large companies, the advent of gender pay gap reporting means that we now have a clearer a picture of our workforce profile and it is evident that we all need to do more to support the career progression of each individual according to their aspirations and capability. It's not simply about doing the right thing; research has consistently shown that diverse companies are the most successful.

Gender Pay vs. Equal Pay



It is important to note that the gender pay gap (GPG) is NOT the same as equal pay. The GPG is concerned with the difference in the average pay between men and women over a defined period no matter what their job is, whereas equal pay deals with the pay difference between men and women who carry out the same or very similar jobs.

Understanding our Gender Pay Gap

Ordinary Pay

	Median	Mean
	£17.82 per hr	£21.50 per hr
	£26.88 per hr	£32.84 per hr
GPG	33.7%	34.5%

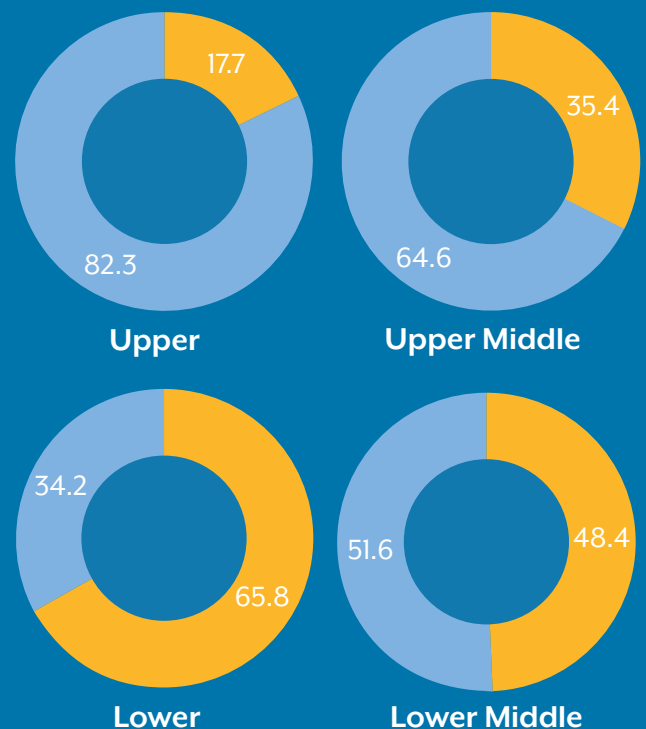
Bonus

	Median	Mean
	£3,600	£10,679
	£8,000	£40,721
GPG	55%	73.8%

Bonus Eligibility

Received	Eligible	Percentage
262	327	80.1%
372	450	82.7%

Pay Quartiles



Declaration

I confirm that our data is accurate and has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Paul Abberley, CEO
Charles Stanley & Co. Limited

We are working hard to improve our gender pay gap. The figures clearly show we are going in the right direction in many areas, but that there is still work to do in others and we are at the start of our journey. The figures are impacted by the proportion of our senior male staff who are investment managers, and their remuneration has a direct correlation to stock market movement.

We made significant progress during 2019 relating to the number of females at senior management level, as well as those across the organisation being

eligible for bonuses. However, there still remains a high proportion of men versus women in more senior roles, as well as the majority of part-time and flexible workers at more junior levels being female with resultant reductions in income through pro-rata pay and bonuses. The reality is that the gender pay gap will continue to exist while these issues remain, and part of the challenge will be in encouraging more females into the industry and nurturing that talent as they progress through

Addressing the Gap

A 3-tiered approach

We have previously highlighted our three-tiered approach to help our goal of closing the pay gap, and are continuing to work hard to redress the gender imbalance which exists in our company. We need to make diversity the norm as it brings so many benefits and enriches organisations and make them more effective. That is why we are committed to making changes to the way in which we do things.

We have made a commitment to our employees that we will be open and transparent in our approach to discussing gender pay and with factors which influence the gap. Addressing the gender pay gap is important to us, both in terms of our values of being a firm which is caring, fair and progressive and in ensuring we have a thriving, diverse business for the future.

In order to understand how we can accelerate change, we have considered our entire employee journey, from the way in which we recruit people, to the internal culture, to the support we offer all individuals to progress their career at Charles Stanley. Our three-tiered approach to help us meet our goals are:

Recruitment



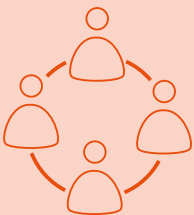
Our recruitment practices are designed to be inclusive. We work with a wide variety of specialist recruitment agencies so that we have access to the widest pool of talent. This includes agencies that are female-focused, as well as agencies which specialise in finding opportunities for people returning to work after a break in their career, who may have specific training needs.

Career Progression



We are developing clearer career pathways across the business to ensure all individuals are able to develop their careers at Charles Stanley. This includes a strong focus on identifying rising talent, enhanced training opportunities designed to boost individual skill sets and mentoring programmes. We will also actively promote the policies we have in place which can support progression, such as flexible working arrangements and shared parental leave. We have met our target of a 30% female senior management team and will continue to strive to maintain and improve upon this.

Culture



Developing a progressive, inclusive culture which celebrates diversity is a key element of closing the gender pay gap. Our culture needs to be one which fosters the talents of our people, irrespective of gender or anything else. Our dedicated Innovation through Inclusion Group is made up of a variety of individuals at all levels of seniority, who design and implement initiatives specifically to encourage diversity in the workplace.

A personal pledge from *Paul Abberley*

One thing we truly pride ourselves on and which sets us apart from other providers in the market, is that we do not try to commoditise clients into a one-size-fits-all investment solution and offer a truly bespoke wealth management service. Similarly, we don't want our staff to be pigeonholed. As we are seeing an increasingly diverse and ever-evolving client base, we need to adapt accordingly and be increasingly diverse and ever-evolving ourselves.

Likewise, we cannot attract and retain the best talent if we are not looking for it in the right places and if we are not flexible to, and understanding of, their differing needs.

Shining a light on those areas where we can improve is the only way to make progress and deliver the change needed. I am proud that as an organisation we have collectively chosen our values to be caring, fair and progressive, and that we are all committed to doing all that we can to live up to them to deliver the transformation we desire.

Paul Abberley



Paul Abberley
CEO, Charles Stanley



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