

YBS GENDER PAY REPORT 2021



At YBS, you'll find identities from all areas of life, with different cultures, beliefs, ages, outlooks and more. Just like the communities we serve. We're proud of our differences - they make us who we are and that's why for us, gender is no more or less important than any other characteristic.

From 2017 onwards, all companies with over 250 employees were asked to report on their gender pay gap and continue to publish this gap on an annual basis. This is most simply described as the difference between the average wages of men and women regardless of seniority. This is different to equal pay which addresses the difference in pay for men and women in the same job.

2021 figures

As at April 2021, our Gender Pay Gap stands at 28.1%, this a reduction of 4.8% on the Society's 2020 figure. The main driver of our gender pay gap remains to be the imbalance of women and men at different levels of the organisation. In simple terms, we have more men occupying senior roles, whilst more women occupy less senior roles.

The improvement in the score this year signifies that the work undertaken to improve this gender imbalance is beginning to narrow the gender pay gap. Since our last report, we've seen an increase in the number of men taking on entry level roles (6.1%), particularly in our branch network, and have also seen more women moving into senior management roles (1.6%), which together have driven down the pay gap.

YBS signed the Women in Finance (WiF) Charter in September 2018 and set a target to achieve 50% female, 50% male representation in senior management roles by June 2023, with a minimum of 40% of either gender. In September 2021 we reported female senior managers as 49%, an increase of 5% in the last 12 months. We now have a fully gender-balanced talent pipeline to Director level, whilst as at November 2021, females occupy 36% of Board level roles.

However, there is still more to do to further improve gender representation; if YBS were to have a 50:50 gender split across the organisation it would have a GPG of 4.2% (3.5% in 2020). The increase in this figure is driven by our commitment to support women into senior leadership roles. As they develop into their new roles, their salary tends to be at the lower end of the range compared to their more experienced male counterparts. As our female senior leaders' competency and capability grow this gap will once again settle.

In 2021 our colleagues were recognised and rewarded through the Society's annual bonus scheme. As in previous years, almost equal proportions of women and men received a bonus award, with both men and women achieving virtually the same percentage in terms of the maximum bonus opportunity.

We have also calculated our 'gender bonus gap', which in 2021 this stands at 46.2%; this is 2.1% lower than our 2020 figure. Unlike the gender pay gap, the bonus gap is calculated purely on the number of colleagues in the organisation. This means that it doesn't take account of part-time working and the impact that this has on both salary and bonus payments. As a result, it is potentially higher due to the majority of our part-time colleagues being female.

There was no significant difference between the average pay increase awarded to men compared to women (0.03%) during our 2021 annual pay review, confirming that this has not detrimentally impacted the Gender Pay Gap.

Our progress over the past year

Over the past 12 months, YBS has put in place a number of initiatives to address both gender and ethnicity the representation at all levels in the organisation.

This includes introducing strength-based recruitment to enable more males into branch roles and women to move into senior roles; allyship sessions with the Executive Committee and Directors to build their understanding of the issues faced by women, black, Asian and minority ethnic groups in the workplace; and the launch of five Colleague Networks, which are designed to amplify the voices of underrepresented groups - women, LGBTQ+, ethnicity, disability, and parents and carers.

To further highlight our progress in this area, this year we received the Leaders in Diversity accreditation and won two FREDIE awards, organised by the National Centre for Diversity (NCFD), for Large Business of the Year and Financial Services Company of the Year. We also rocketed from 57th place in 2020 to 11th place in the Top 100 Most Inclusive Workplaces 2021 and were placed in the Top 10 Top Employers for Working Families 2021.

However, we know there is still more to do. Addressing the issue of gender representation across an organisation takes time and at YBS we're committed to staying focused on this for as long as it takes.

What does Inclusion and Diversity mean to YBS?

Inclusion and diversity is important to the Society and we don't limit our work to focus purely on gender. We believe an inclusive organisation is critical to our success, both today and in the future.

That's why we're committed to making inclusion and diversity a reality, for everyone at every level. We know we're not quite there yet, we're on a journey to creating lasting change in our workplace, with every colleague and for the community. And, true to our Yorkshire roots, we're not just saying it. We really mean it.

What more is YBS doing to create an inclusive workplace?

Looking to the future we're putting plans in place to further address the gender imbalance and create a more inclusive organisation. Over the next 12 months we'll be pushing ahead on this journey by:

- ✓ Launching the YBS Promise, which demonstrates our commitments to building lasting change in our workplace, for our colleagues and for the wider community. Our three promises are:
 - To create a working environment where everyone feels safe, trusted and valued.
 - To help people to thrive, whatever their perspectives, identities, or backgrounds.
 - To become an organisation that adds real value to the communities we love to serve.
- ✓ Introducing a mentoring programme for all colleagues in underrepresented groups, including one-to-one support, mentoring circles and reverse mentoring.
- ✓ Developing and launching our Ethnicity Development Programme, which is focused on building skills, capability and confidence of our BAME colleagues to help them progress their career at YBS.
- ✓ Launching new interactive learning solution, Equally Yours, which is designed to support colleagues in having inclusive conversations by developing their understanding of the Equality Act and the protected characteristics; the lived experiences, stereotypes and assumptions of those with minority identities; and the barriers people face in a workplace and in society.

The gender pay gap evolves over time and can be impacted by a number of factors. However, we are confident that our work in the Inclusion and Diversity space will help us to create a more sustainable change going forwards, for the benefit of our workplace, our colleagues and the communities we serve.

STATUTORY METRICS 2021

Gender pay gap - mean¹ : **28.1%**

Gender pay gap - median² : **24.5%**

Gender bonus gap - mean³ : **46.2%**

Gender bonus gap - median⁴ : **31.7%**

The proportions of male and female relevant employees who were paid bonus pay.

 **95.4%**
women

 **91.5%**
men

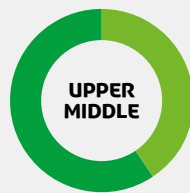
The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper pay quartiles.



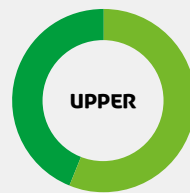
Male: 20.1%
Female: 79.9%



Male: 31.5%
Female: 68.5%



Male: 40.4%
Female: 59.6%



Male: 57.5%
Female: 42.5%

¹ The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

² The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

³ The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

⁴ The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

SUMMARY OF MOVEMENT IN THE GENDER PAY GAP

Measure	2021	2020	2019	
Mean pay gap	28.1%	32.9%	30.5%	
Median pay gap	24.5%	29.0%	27.9%	
Proportion of men & women in each quartile of pay (M:F)	Upper quartile	57.5% 42.5%	58.5% 41.5%	56.2% 43.8%
	Upper middle quartile	40.4% 59.6%	41.0% 59.0%	40.8% 59.2%
	Lower middle quartile	31.5% 68.5%	27.5% 72.5%	27.4% 72.6%
	Lower quartile	20.1% 79.9%	18.0% 82.0%	18.9% 81.1%
Mean bonus gap	46.2%	48.3%	47.9%	
Median bonus gap	31.7%	33.3%	34.1%	
Proportion of men receiving a bonus	91.5%	91.2%	96.1%	
Proportion of women receiving a bonus	95.4%	93.8%	95.8%	

Statement of Accuracy

The information in the 2021 statutory metrics table above in relation to the Yorkshire Building Society has been created in line with and to comply with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in relation to the pay period including 5 April 2021.

I confirm that the information is accurate.



Stephen White
Executive Director Sponsor

Date: 1 December 2021