2019 INCLUSION AND DIVERSITY REPORT
INCLUSION AND DIVERSITY AT BIBBY FINANCIAL SERVICES

At Bibby Financial Services (BFS), we are absolutely committed to becoming a truly inclusive place to work, where everyone, regardless of their gender, race, ethnicity or sexual orientation, has an equal opportunity to reach their true potential.

One of our core values is to ‘do the right thing’. Last year, our first gender pay gap report prompted our commitment to improving our gender balance across the organisation, particularly in senior roles and within our sales team. It also sparked broader discussions on inclusion and diversity (I&D) at BFS, which is a key strategic focus for our business - both now and in the future.

Diversity comes in many forms; from how we are wired and what we have experienced, to what we believe and who we are. It is not only a balance of gender or varied backgrounds within a team, but also a balance of thought and ways of working. Diversity is not the end goal, but a means to a more inclusive workplace where everyone feels accepted, valued, respected and supported.

WHY INCLUSION AND DIVERSITY MATTERS

Having a more diverse organisation and inclusive culture is better for everyone. It helps to ensure that we attract, retain and develop leading talent within our business, regardless of background or personal characteristics. It enables us to provide equal opportunities for all our colleagues and ensures that we reflect the diversity of our client base and the markets in which we operate.

We want BFS to be a great place to work for all our colleagues, and as a Sunday Times Best Companies employer, we know that there is always more we can do to involve and develop a broader range of talent within our business.

Our sustained focus on people is a huge part of our success and our strategy is built on three key pillars:

1. COLLEAGUES
   Our people are at the heart of everything we do. We work hard to support each other, creating a positive working environment and encouraging our employees to grow and develop with us. We believe that by having a happy and engaged workforce, we can provide the highest level of service to our clients.

2. CLIENTS
   We’re a relationship based funder and this means that we get to know our clients to understand how we can support their growth ambitions. Our clients value the relationships we have with them which is why we have a Trustpilot rating of 5 stars or ‘excellent’.

3. CONTRIBUTION
   By focusing on our colleagues and our clients, we can perform to the best of our ability. We encourage our colleagues to ‘do the right thing’ and to contribute positively to the communities in which we work.

This report outlines the initiatives we have introduced to build a more inclusive and diverse business, including our latest gender pay gap results. It will be updated each year to provide details of our progress and our future inclusion and diversity plans.

“Improving diversity and the way we manage inclusion is an absolute priority. If we can reflect the environments and markets in which we operate, we will build a better, forward-looking business for our colleagues and clients, contributing positively to the communities in which we work.”

DAVID POSTINGS
Global Chief Executive, Bibby Financial Services
Our values are core to our DNA. They are the thread that brings us together and helps us to focus on what is most important for our colleagues and clients.

We have extended our values to help us to create and foster a culture of inclusion that is reflected in everything we do.

Our senior leaders actively encourage our teams to live our values in their day-to-day roles, empowering them to contribute fully to our vision of being the independent financial services company, with which every ambitious business would love to work.

We understand the common long-term goals across our businesses, customers, suppliers and people and we work towards them as a team.

We are a global business with colleagues, clients and business partners from a wide range of backgrounds. We celebrate the uniqueness each person brings to BFS creating a diverse and inclusive workforce where everyone can be themselves.

We trust and empower our people to deliver the right outcomes for our customers and our business.

We embrace our differences to foster an open minded culture which builds trusting relationships and collaboration amongst our teams and the communities in which we work.

We challenge ourselves to be the best, finding new ways to improve everything we do.

We recognise that creating an inclusive workplace requires ongoing focus. We are committed to continuous improvement, creating opportunities for all, and fostering an environment where we strive for excellence.

We do everything possible to look ahead, to anticipate customer needs and deliver innovative solutions.

We promote diversity of thought and perspective, encouraging our colleagues to challenge the status quo and be future-focused.

At all times we do the right thing, providing a quality and safe service, acting responsibly for our colleagues, clients and the communities in which we work.

We promote an environment which is free from discrimination, bullying and harassment. We celebrate and value difference and act with integrity and respect in everything we do.

Work Together

We understand the common long-term goals across our businesses, customers, suppliers and people and we work towards them as a team.

We are a global business with colleagues, clients and business partners from a wide range of backgrounds. We celebrate the uniqueness each person brings to BFS creating a diverse and inclusive workforce where everyone can be themselves.

Trust Each Other

We trust and empower our people to deliver the right outcomes for our customers and our business.

We embrace our differences to foster an open minded culture which builds trusting relationships and collaboration amongst our teams and the communities in which we work.

Be Better

We challenge ourselves to be the best, finding new ways to improve everything we do.

We recognise that creating an inclusive workplace requires ongoing focus. We are committed to continuous improvement, creating opportunities for all, and fostering an environment where we strive for excellence.

Be Innovative

We do everything possible to look ahead, to anticipate customer needs and deliver innovative solutions.

We promote diversity of thought and perspective, encouraging our colleagues to challenge the status quo and be future-focused.

Do the Right Thing

At all times we do the right thing, providing a quality and safe service, acting responsibly for our colleagues, clients and the communities in which we work.

We promote an environment which is free from discrimination, bullying and harassment. We celebrate and value difference and act with integrity and respect in everything we do.

“Nobody should feel that they are part of an organisation which doesn’t bother to offer everyone the chance to be who they are and succeed as much as they desire. Isn’t it time to ensure nobody feels excluded, ridiculed or harassed and that differences are celebrated?”

Steven Robinson
Chief Operating Officer and Executive I&D Sponsor
We know that there is always more that can be done to improve inclusion and diversity at BFS. While we are at the beginning of our journey, we have already taken steps towards being a more inclusive and diverse organisation, focussing on three key areas:

**OUR OPPORTUNITIES**
- We now require a gender balanced interview panel where possible, for all Manager level positions and above, both internally and externally.
- We have launched improved maternity, paternity and parental leave policies to better support our colleagues through changing family circumstances and during their return to work. These can be found on our Inclusion and Diversity page.
- We are now a signatory of the Women in Finance Charter and as part of our dedication to change, we have publicly committed to having at least 35% of our senior roles held by female colleagues by the end of 2020.

**OUR WORKPLACE**
- We are proud to now be recognised as a Disability Confident Committed employer.
- We are placing greater focus on wellbeing and have provided a number of colleagues with Mental Health First Aid training, to ensure all our people can access support when they need it.
- We have a designated wellbeing room in our Head Office at Pembroke House.

**OUR LEADERS**
Our senior leadership teams lead by example and demonstrate our commitment to progressing inclusion and diversity at BFS in a number of ways, including:
- Raising awareness of our I&D approach throughout the business, by ensuring it is included in colleague updates. Our senior leaders talk about Inclusion & Diversity consistently and encourage honest and open debate throughout the business.
- Listening to what colleagues have to say - forums like the annual Involving You and Best Companies surveys provide invaluable feedback on how we can make further progress.
- Leading by example, our new I&D steering group - responsible for our I&D action planning - is chaired by our Chief Operating Officer Steven Robinson, who is the accountable executive for I&D at BFS.
- Our leaders review and track progress to ensure that we can continuously improve, with measures and targets set for all of our Global Executive Committee members, which are also included in their Annual Performance objectives.

**OUR PROGRESS TO DATE**
As part of providing updates on our inclusion and diversity progress each year, we will be sharing and explaining our latest gender pay gap numbers.

**WHAT IS THE GENDER PAY GAP?**
The gender pay gap is the difference between the average pay of all men in a company and the average pay of all women in a company. Having more men than women in higher paying roles leads to a gap, as well as having more women in lower paying roles.

**IS THIS THE SAME AS EQUAL PAY?**
No. A gender pay gap is a company-wide comparison. An equal pay gap is an individual comparison – it compares the pay of men and women performing the same or similar roles.

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<th>Average female hourly pay</th>
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At Bibby Financial Services, we have equal pay for equal work and we have policies and processes in place to ensure that our pay is fair at all levels of the business.

Gender pay gap numbers reflect the distribution of female employees across the workforce - their levels of seniority and types of roles - compared to male employees.

Our gender pay gap is caused by different patterns of distribution of male and female colleagues across our organisation.

We have more men than women in higher paying senior roles and a higher proportion of women than men in our lower paying junior, administrative and operational roles.

**GLOBAL & SENIOR LEADERS**
- 73% men
- 27% women

**MANAGERS & LEADERS**
- 65% men
- 35% women

**TEAM LEADERS & TEAM MEMBERS**
- 31% men
- 69% women
Our 2018 Gender Pay Gap Results

Mean Hourly Pay Gap
This is the gap between the average hourly pay for all women compared to the average hourly pay for all men in April 2018.
The gap between the median hourly pay for all women compared to all men is 46.2% vs 39.1% last year.

Mean Bonus Pay Gap
This is the gap between the average bonus pay for all women compared to the average bonus pay for all men in the twelve months to April 2018.
The gap between the median bonus pay for all women compared to all men is 50.5% vs 47.8% last year.

Proportion of Women and Men in Each Pay Quartile
The pay quartiles are calculated by ranking the hourly rate of pay for every employee within the business and dividing this into four equal parts (quartiles). We have significantly more men in the upper quartile and significantly more women in the lower quartile.

Insights on This Year’s Gender Pay Gap Numbers
This year, our mean hourly pay gap is slightly higher (4%) and our mean bonus pay gap slightly lower (4%), than last year. These changes are driven by short-term factors. The hourly pay gap increase is due to a temporary drop in the number of men holding team member roles in April 2018.

We know that our numbers will fluctuate from year to year. What matters to us, is that over the next three to five years, our initiatives have a sustained impact on the gender balance at all levels within BFS and as a result, we see a reduction in our gender pay gaps. We also have a focus on growing and developing our own talent, with 58% of all colleagues receiving a promotion in 2018 being female.

We face the same challenges as many of our industry peers who have also reported high gender pay gaps. We are determined to lead, not follow, in building greater inclusion and diversity both now and in the years ahead.
Our aim as a business is to attract, retain and develop talent and be a great place to work, by having an inclusive and diverse workforce that respects the local markets we operate in and reflects the clients that we serve. Our Inclusion & Diversity steering group will continue to drive positive change throughout the business and are looking at initiatives in 5 main areas; Gender, Ethnicity, Sexual Orientation, Age & Disability, ensuring that any bias related to one of these characteristics is removed where possible. Our Executive colleagues have listed I&D as a focus and priority, with actions on significant I&D initiatives being included in their deliverable objectives.

We have already identified some key areas of focus that will support us in achieving our goals and we will be introducing some new initiatives in 2019 and beyond in order to progress further on our I&D journey.

**ATTRACT**
We are reviewing all of our recruitment materials, from role profiles to interview questions, to ensure that no candidate feels excluded from the process based on their background.

**RETAIN**
We are committed to evolving our existing policies and procedures to ensure that we continue to embed a culture that provides equal opportunities to all colleagues, regardless of their background.

We will continue to track and report our progress against targets, intervening as required, as well as ensuring we maintain fair pay across all levels.

**DEVELOP**
We will be assessing our training content, with the intention of providing I&D specific education and awareness for all managers.

Beyond 2019, we will continue to drive the lasting change that is required for us to lead the way when it comes to both our people, our clients and the local communities we work within.

I confirm that all the information in this report is accurate and our statistics have been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Steven Robinson
Chief Operating Officer & Accountable Executive for I&D
March 2019