

Gender Pay Gap Report 2017

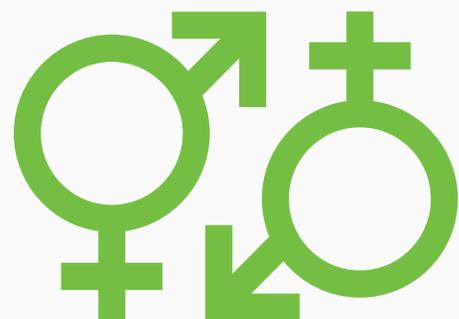
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INTRODUCTION



Ken Stannard CEO



Diversity and inclusion is important to the CCM management team and to me personally.

I am really proud to say that we have a good gender balance with 55% females and 45% males.

Fairness in reward has always been central to CCM’s approach and, having undertaken a thorough review of all roles, **I can confirm men and women who carry out similar or the same roles are paid equally**, when variations in experience, skills and performance are taken into account.

Our Median Gender Pay Gap is 27% (Mean 46%). This does not mean that people are not paid fairly, it exists because we have a higher proportion of males in senior roles (58% male and 42% female in the highest pay quartile) and a higher proportion of females in junior roles (35% male and 65% female in the lowest pay quartile).

We do have incredibly talented females in senior and managerial positions, but as well as continuing to ensure fairness, we need to place additional focus on improving the proportion of females in senior roles.

We do recognise that some functions like IT and Analytics have higher Mean Gender Pay Gaps as they traditionally attract a higher percentage of males. One of our key goals is to increase the proportion of females in these functions.

I am pleased with the proportion of females and males who received a bonus, being females 77% and males 76%, reflecting the fairness we have in eligibility and achievement assessment.

We intend to track our performance against gender diversity and inclusion metrics over time and report regularly to the Board and employees on our progress.

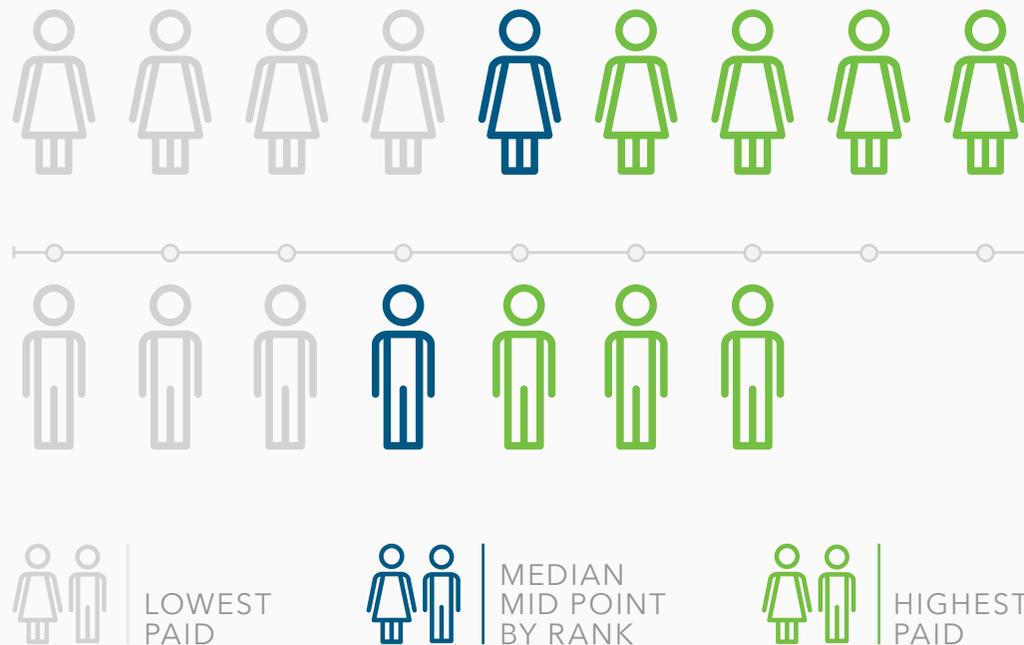
Our continued priority should be on paying people fairly, but we are also committed to placing additional focus on improving senior management gender diversity.

Group CEO
Cabot Credit Management

Please note this report only includes CCM’s UK business. The measurement period is the pay period in which the 5th April 2017 falls, at this time Orbit and Wescot were not part of the CCM Group.

DEFINITION

MEDIAN GENDER HOURLY RATE OF PAY



MEDIAN

The Mean Gender Pay Gap shows the difference in the mean (average) hourly rate of pay between males and females over the measurement period.

The mean hourly rate of pay is worked out by adding the hourly rates of pay for all employees and dividing by the number of employees (male and females separately).

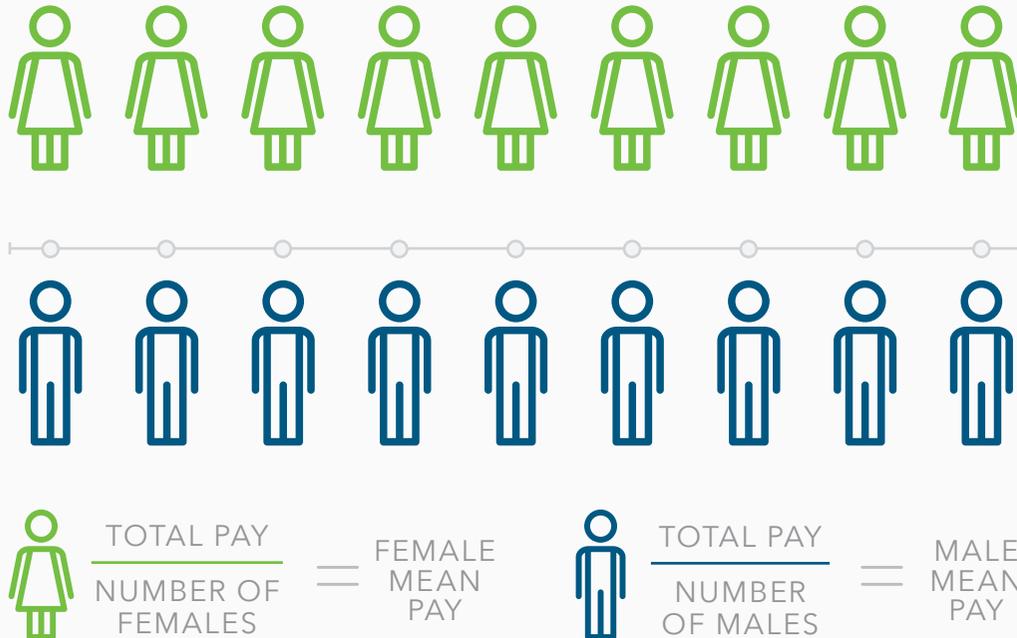
The Mean Gender Pay Gap is the female mean hourly rate subtracted from the male mean hourly rate, divided by the male mean hourly rate, multiplied by 100.

The 'measurement period' means the pay period in which the 5th April falls.

It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

DEFINITION

MEAN GENDER HOURLY RATE OF PAY



MEAN

The Mean Gender Pay Gap shows the difference in the mean (average) hourly rate of pay between males and females over the relevant period.

The mean hourly rate of pay is worked out by adding the hourly rates of pay for all employees and dividing by the number of employees (male and females separately).

The Mean Gender Pay Gap is the female mean hourly rate subtracted from the male mean hourly rate, divided by the male mean hourly rate, multiplied by 100.

The 'relevant period' means the pay period which the 5th April 2017 falls.

It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

DEFINITION

GENDER PAY OR BONUS GAP

$$\left(\left(\text{£XX} - \text{£XX} \right) \div \text{£XX} \right) \times 100 = \mathbf{XX}\%$$



It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

GENDER PAY OR BONUS GAP

The Gender Pay or Bonus Gap is the female hourly rate, subtracted from the male hourly rate, divided by the male hourly rate, multiplied by 100.

The Median Gender Pay or Bonus Gap is the female median hourly rate subtracted from the male median hourly rate, divided by the male median hourly rate, multiplied by 100.

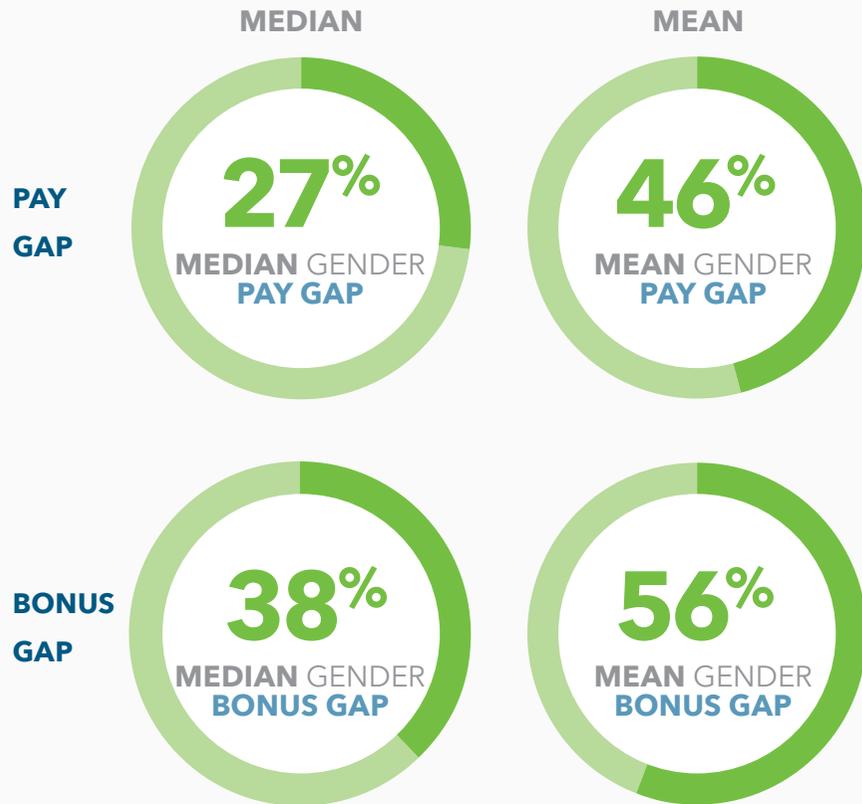
The Mean Gender Pay or Bonus Gap is the female mean hourly rate subtracted from the male mean hourly rate, divided by the male mean hourly rate, multiplied by 100.

'Pay' is base salary and 'Bonus' is base salary plus any additional bonus payments.

For Pay the 'measurement period' means the pay period in which the 5th April falls.

For Bonus the 'measurement period' means the 12 months prior to pay period in which the 5th April falls.

GENDER PAY & BONUS GAP



Why is the Gender Bonus Gap higher than the Gender Pay Gap?

Bonus % increases by seniority of role and therefore the Gender Bonus Gap increases compared to the Gender Pay Gap, reflecting that we have more males in senior positions.

Why is the Mean Gender Gap higher than the Median Gender Gap?

The Mean (average) as a calculation is more sensitive to having more males in senior positions, hence leading to a higher result. Where the Median (mid-point) being based on a rank of employees, leads to a lower result.

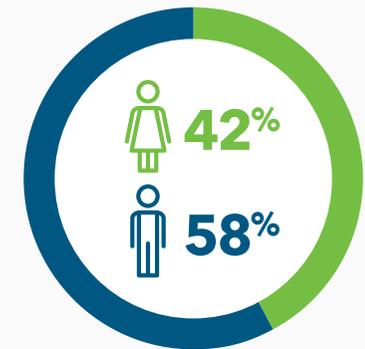
WHY?

The gender pay gap is as a result of us having more males in the higher pay quartile (senior management positions) and more females in the lower pay quartile (junior positions).

GENDER MIX LOWER PAY QUARTILE *



GENDER MIX HIGHER QUARTILE *



* Please see Gender Mix in Pay Quartiles for full details

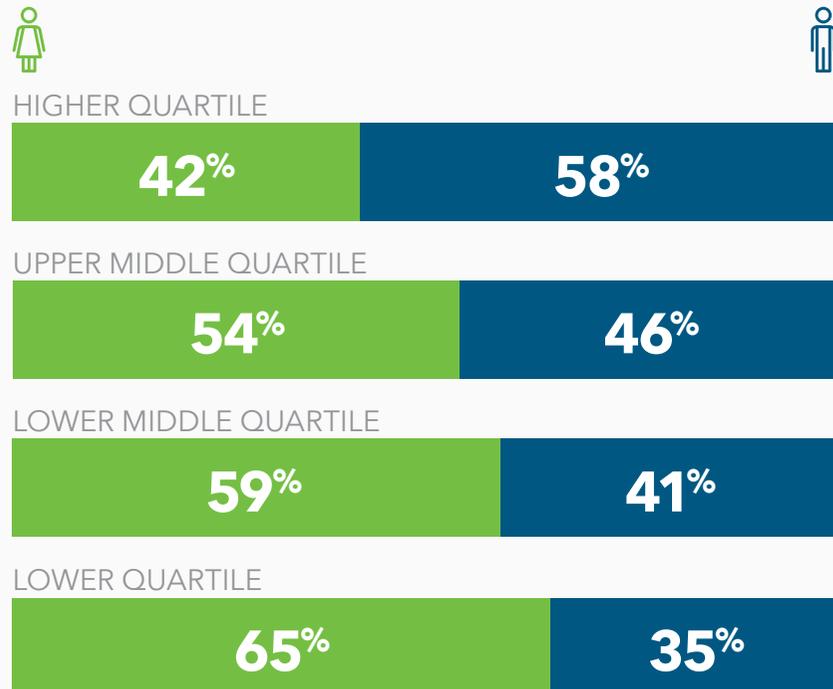
We can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.

GENDER MIX

OVERALL GENDER MIX



GENDER IN EACH PAY QUARTILE

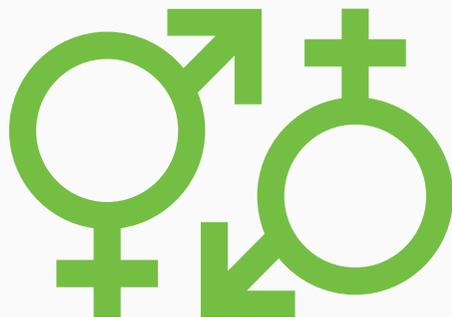
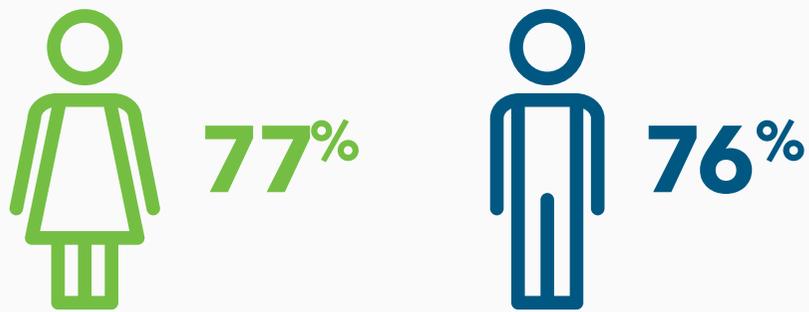


Whilst the overall gender mix is 55% females and 45% males, the male % is more in the higher pay quartiles and the female % is more in the lower pay quartiles.

Employees have been sorted based on pay from the lowest to the highest, and then split into quartiles.

We can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.

GENDER MIX OF THOSE RECEIVING A BONUS



The proportion of females and males who received a bonus in CCM is females 77% and males 76%.

This equality reflects the fairness we have in eligibility for bonus and performance assessment.

The measurement period is 12 months ending the 5th April 2017.

We can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.

CONCLUSION

We pride ourselves in having fairness in reward and we can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.

Whilst we have a good the overall gender balance (55% females and 45% males), we recognise there are more females carrying out junior roles and more males carrying out senior roles, which has resulted in our 27% Median Gender Pay Gap.

We are committed to improving the mix of males and females in managerial positions and specialist roles, specifically in Senior Management roles, and also within Information Technology and Analytics.

Present CCM practice which supports fairness and equal pay:

- **Recruitment is based on competency and our focus is on finding the best person for the role, regardless of gender.**
- **Reward and recognition is consistently based on the assessment of skills and performance.**
- **All UK* employees are appraised at least twice a year.**
- **Our base pay in most roles at the Skilled and Technical, and Team Leader grade are part of a competency pay ladder, transparently linking pay with progression in skills and performance.**
- **Appraisals (assessments of performance) directly inform the pay review and bonus processes.**
- **As of April 17 all UK* employees are eligible to participate in a bonus scheme.**
- **Flexible working is available and part time workers form 10% of our workforce, of which 91% are woman.**
- **There is equal access to training and development, regardless of gender.**

* This includes all UK businesses within the CCM Group as of April 2017.

OUR COMMITMENTS



Bennedetta Peto

Group CCRO
Cabot Credit Management

Together, we will look to take tangible actions to enable us to achieve our shared goal of improving the gender mix in senior positions and in IT and Analytics.

As well as commencing the initiatives outlined here, I ask that everyone play their part in supporting the achievement of these worthwhile goals.

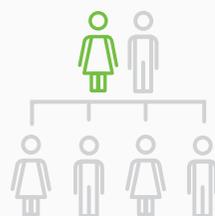


We will seek to achieve our goal by implementing a number of initiatives:



Making the most of female talent

- Aim for a 50:50 gender mix in candidate shortlists for vacancies, with particular focus on Senior Manager, IT and Analytics vacancies.
- Aim for 50:50 gender mix in our internal and external succession plans / talent pipelines, by targeting female talent.
- Aim for at least 50% female participation on any Management Development or Apprentice programmes.
- Launch a Career Re-ignition Programme which supports women returning to work after a period of leave for childcare or other reasons.



Inspire & support women

- Share stories of successful woman within the business both internally and externally.
- Develop an internal female mentorship programme to support women with their career development.



Challenge behaviours

- All managers to receive unconscious bias training to help reduce any bias that may exist in the assessment, leadership and recruitment of women.



Measure & reward progress

- Track our performance against gender diversity and inclusion metrics over time and report regularly to the Board and employees on our progress.
- All managers will have a gender diversity goal within their objectives, which will form part of their appraisal and bonus assessment.

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