



Gender Pay Gap 2023 Triodos Bank Ltd



Introduction

Our mission is to make money work for positive change in society. We are in business to help create a society that promotes the quality of life for all its members on a thriving planet, with human dignity at its core.

To facilitate our mission, we are invested in growing a company that nurtures diverse thinking, bringing different perspectives to the table and helping us grow a sustainable business.

We are committed to developing a more diverse co-worker population that reflects the customers we serve, and to creating a culture where everyone feels they belong and can thrive. To that end, we are committed to the progression and development of gender balance at all levels within Triodos Bank UK. We see the Gender Pay Gap as a critical metric in monitoring our progress to achieving this.



What is the Gender Pay Gap (GPG)?

The GPG measures the percentage difference between the average hourly earnings of men and women across a workforce.

GPG is different to unequal pay, which is paying men and women differently for performing the same (or similar) work, where the reason is their sex. We regularly review our remuneration policies to ensure equal pay.



Why do we report?

Since 2017, organisations in the UK with over 250 employees have been required to report their GPG figures on an annual basis.

2022 was the first year that Triodos Bank UK reached this reporting threshold but we had been proactively monitoring our GPG for some time prior to that and published internally. This is because we are committed to building more diverse teams and to supporting the progression of women throughout the organisation.



What do we report?

We report the following metrics in line with gender pay gap reporting legislation:

- The mean (average) gender pay gap, based on hourly pay
- The median (middle) gender pay gap, based on hourly pay
- The % of men and women in each pay quartile
- The mean (average) bonus pay gap.
- The median (middle) bonus pay gap.

Our Gender Pay Gap Results 2023

Our gender pay gap 2023

On the snapshot date of 5 April 2023, we had 308 co-workers who were in scope of the report: 145 men (47%) and 163 women (53%).

	2023
Mean pay gap	15.9%
Median pay gap	18.6%
Mean bonus gap	-25.7%
Median bonus gap	0.0%
Proportion of men receiving bonus	64.8%
Proportion of women receiving bonus	65.6%

Pay Gap

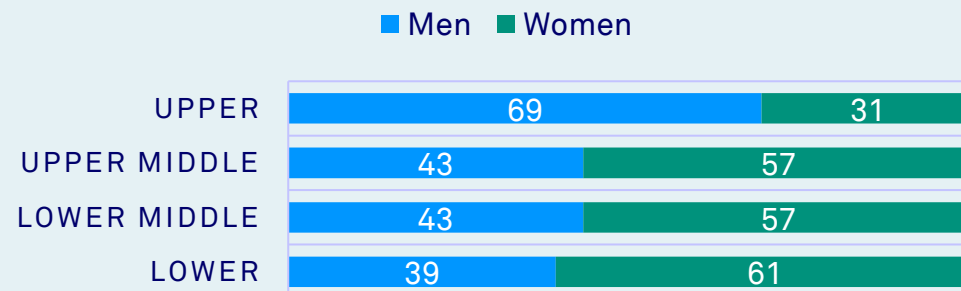
Compared to 2022, both our mean and median pay gaps have **decreased**. This shows that our actions are helping to move us in the right direction, however our pay gap continues to be driven by the distribution of our co-workers across the organisation.

The data shows that men still have a higher representation in our upper pay quartile, which is the main reason for our gender pay gap.

Bonus Gap

The negative bonus gap has been driven by our return-to-work payments under our family leave policy which are mainly paid to women returning from maternity leave. Plus in 2022, many of our co-workers under a certain salary threshold received a cost-of-living payment. This constitutes a bonus for gender pay purposes and is captured in 2023 data. We have a higher proportion of women in lower paid roles so more of them received the cost-of-living payment.

Percentages by quartile



Triodos Bank does not pay regular performance-related bonuses. More information on our bonus data is on slide 7.

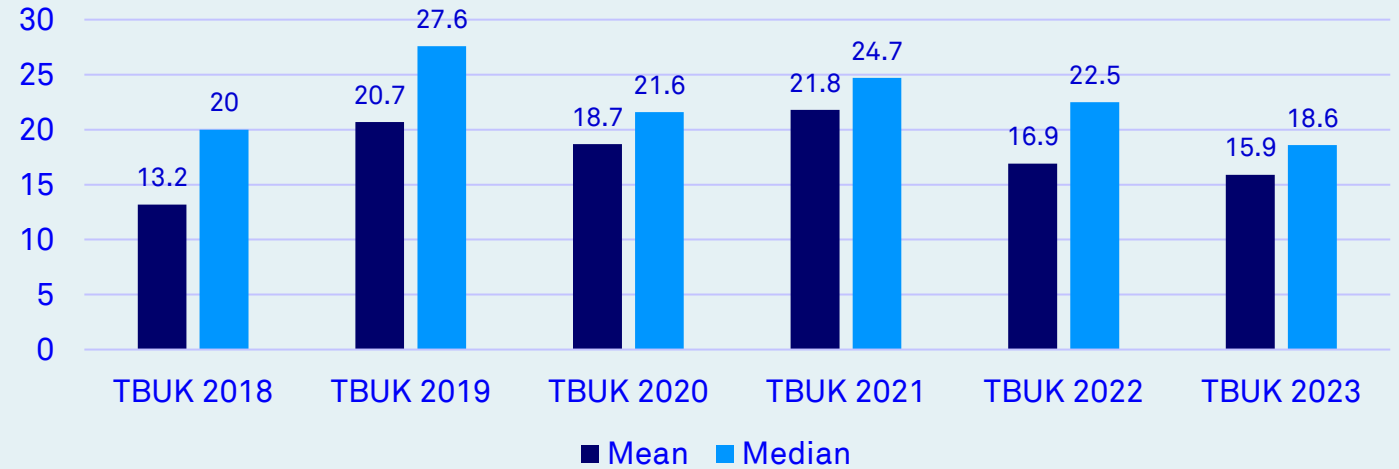
Year on year comparison

Both mean and median gaps have decreased for the second year in a row, with the median being at the lowest since our records began in 2018.

We have seen a very positive movement in the upper middle quartile with the percentage of women increasing from 46% to 57% between 2022 and 2023.

However, 2023 has unfortunately seen a decline in the percentage of women in the upper quartile, decreasing from 43% to 31%. Analysis shows that the male:female ratio in this quartile is mainly driven by higher numbers of external recruitment of male candidates.

Mean and Median



	2019		2020		2021		2022		2023	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Upper	71%	29%	67%	33%	65%	35%	57%	43%	69%	31%
Upper Middle	56%	44%	42%	56%	52%	48%	54%	46%	43%	57%
Lower Middle	33%	67%	35%	65%	42%	58%	44%	56%	43%	57%
Lower	44%	56%	46%	54%	43%	57%	36%	64%	39%	61%

Bonus data

We do not operate a bonus scheme at Triodos because we believe the impact we have is a joint accomplishment of all co-workers, and we do not believe that financial incentives are an appropriate way to motivate and reward the right behaviours in a values-led organisation.

Instead, our bonus data includes payments made through our co-worker recognition scheme, where co-workers recognise each other for demonstrating our Triodos behaviours. We also recognise a small number of co-workers each year with a Token of Appreciation.

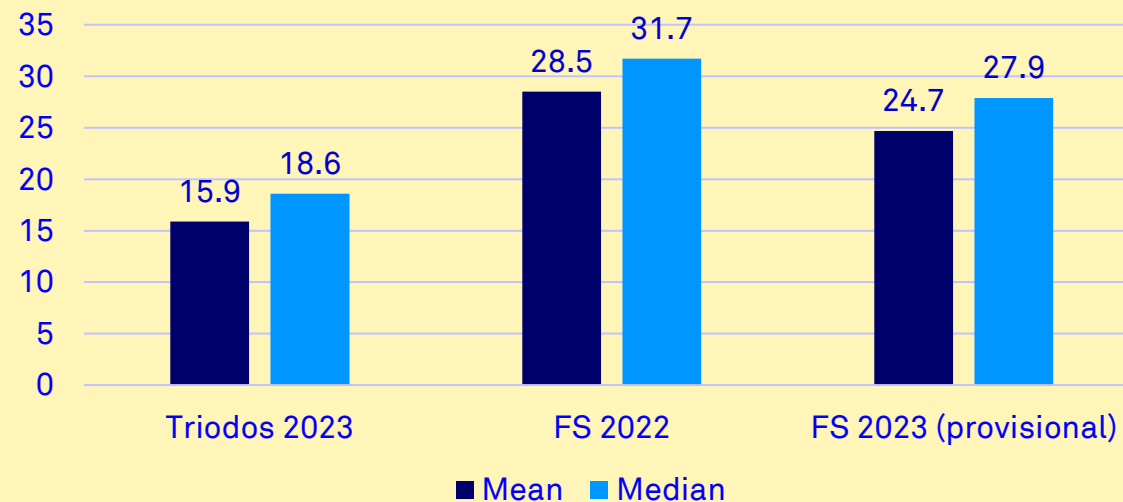
Our family leave policy for this period included a return-to-work payment. This has now been removed and reinvested into the pay received during family leave. Going forward, we would therefore expect our bonus gap to move towards zero.

Comparison against Financial Services

Once more, we find that our results are lower in comparison to other banks and financial institutions.

The Office for National Statistics provide the following data for the Financial Services sector in the UK:

Triodos and Financial Services



What is the data telling us?

Reasons to celebrate...

1. Continuing to move in the right direction

We are pleased both our mean and median GPG figures have again decreased in 2023.

We are pleased to see the percentage of women within the upper middle quartile has increased. The distribution in this quartile has increased from 46% women to 57% women between 2022 and 2023.

2. Female co-worker progression

57% of our internal promotions during the year were awarded to women.

We hope to continue our work to support female development at Triodos and help more female co-workers progress into our most senior roles.

3. UK Financial Services

Consistently, our GPG figures have been below the UK Financial Services average in both mean and median.

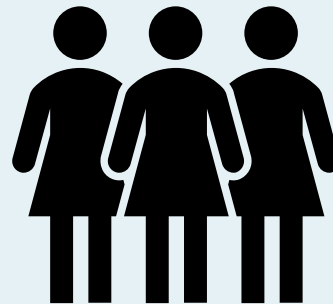
We are proud of this. Just as we work hard to challenge the finance sector's approach to sustainability, we also want to act as a leader in having and valuing a diverse workforce.

Where there is still work to do...

Distribution

Despite having a gender balanced workforce, **we still do not have an even distribution of men and women across our pay grades**, which is the primary driver of our GPG.

This year, we have seen a decrease in our percentage of women in our upper quartile, decreasing from 43% to 31%. This has been balanced by an increase in women in our upper middle pay quartile but we will continue to focus on how we can promote, recruit and retain talented women in our senior roles to see both an increase in representation at this level and continue to move our GPG in the right direction.



What actions have we taken since 2022?

Our recruitment processes

Developed a job share guidance document for managers to support testing job shares within senior (upper quartile) roles. This was following feedback from female co-workers regarding lack of part-time senior roles.

Continued to develop and implement a new suite of interview questions to incorporate a blend of behaviours and competency-based questions.

In partnership with Babbasa (a social enterprise supporting under-represented young people in Bristol), we have delivered inclusive hiring training and workshops to ensure hiring managers are aware of unconscious bias and best practice throughout the hiring process.

Built an interview guide providing knowledge on bias and interview structure to increase awareness of and eliminate bias in relation to gender and other characteristics.

Developing our female co-workers

In response to focus groups we held in 2023 for mid-career female co-workers, RISE was created - a group providing support, friendship and learning opportunities for female co-workers who are mid-career.

Responding to needs identified via the focus groups and RISE, we are launching a development programme in May 2024 designed for women which will cover self-confidence, assertiveness, influence and personal brand.

We continue to be a corporate sponsor of Women in Banking and Finance (WIBF), offering individual membership to c.30 female co-workers to access support and development activities.

We have run events with both external speakers and female senior leaders from the Triodos Supervisory and Executive Board for **all** co-workers to highlight issues impacting women at work such as unconscious bias.

We are collecting specific equity, diversity and inclusion data to provide a more comprehensive understanding of the diversity of Triodos Bank UK and particularly the intersectional nature of some co-workers' experiences, including women, so that we can respond appropriately.

We continue to run events throughout the year to support, educate and challenge stigmatised topics, including Mental Health at Work and menopause, which include specific activities for our female co-workers.

Supporting our co-workers

We reviewed our Family Leave policy increasing paid leave for maternity, adoption, shared parental leave and partners' leave (renamed from paternity leave). We removed the return-to-work bonus that was previously available for those returning from family leave and reinvested the cost, plus more, into longer paid leave. As it was mainly women receiving the bonus, this will have an impact on levelling out our bonus pay gap in future.

We introduced paid leave for co-workers undergoing fertility treatment or experiencing miscarriage, or abortion. We also extended our provision for couples whose child is born prematurely, gaining the "Employers with Heart" accreditation.

We have continued to embed flexible working across the bank through our flexible working approach - 'Be your Best at Work', enabling co-workers' flexibility and autonomy over their working location and hours. This, along with our variety of paid leave available to co-workers, particularly helps individuals who have caring responsibilities to balance work and home life commitments.

Following the launch of our menopause guidance, we established a Menopause Information Group and continued to raise awareness of menopause across our workforce including holding a menopause information session run by a GP specialising in female health that was well attended by both male and female co-workers.

Our Action Plan

Our aspirations

When thinking of the next steps to address our Gender Pay Gap, we've first clarified our long-term aspiration and the principles which will help us to deliver this.

1. Long-term aspiration to have a 0% Gender Pay Gap

2. Focus on taking targeted, data-driven actions that will make a difference

3. Set measurable targets to monitor progress and impact of initiatives we put in place

Our 2024 action plan

We want to build on the actions we have already taken to continue working towards our aspiration to remove our gender pay gap.

In 2024, we will be focusing on:

Continue building

We will continue to develop inclusive practices in recruitment and build further on how we provide balanced shortlists of candidates, particularly for senior roles.

We will continue to build on our targeted development for female co-workers and ensure we track progress.

We will continue to ensure talent management programmes are free from bias.

We will continue to develop part-time working opportunities, particularly in senior roles, through trialling job shares.

Data Driven

We are currently collecting EDI data, and this will enable us to adopt a more data-driven approach and will allow us to understand the intersectional nature of any inequality at Triodos.

We will set informed, specific and measurable targets. We want to ensure that measures are realistic, and we can collect both quantitative and qualitative feedback to monitor progress.

Equity, Diversity and Inclusion at Triodos Bank UK

There are also a number of actions we are taking to support and promote diversity and inclusion more broadly, which we hope will also contribute towards reducing our GPG. Some of these are...



Partnering with Babbasa and the OurCity2030 initiative



Signatories of the **Women in Business & Finance**, **Women in Finance** and **Diversity Mark** charters



Growing our **Intern programme** to give more young people opportunities and insight to careers in Finance



Supporting our **Triodos Inclusion Forum**, a committed group of co-workers who are working to embed Inclusion across Triodos

Closing thoughts

We are proud that our GPG figures are below average for the UK Financial Services industry, but we know we still have work to do.

In taking steps to achieve a 0% gender pay gap, we are focusing on our top drivers; the distribution of our female co-workers across Triodos UK and their progression into senior roles. We're doing this through targeted action and will keep our action plan under constant review.

Triodos Bank UK is growing, with new roles and opportunities becoming available for talented people to join us. We will continue to develop our recruitment processes, so we reach as wide a talent pool as possible and ensure our processes hold no gender bias and encourage all genders to join us in equal measure. Finally, we will take the next steps to support our female co-workers to grow their careers with us.



Declaration

I confirm that the Gender Pay Gap information in the above report is accurate.

A handwritten signature in cursive script that reads "Bevis Watts".

Bevis Watts
Triodos Bank UK Chief Executive Officer