

Gender Pay Gap Report 2020/21

Foreword



Committed to tackling the gender pay gap

At Numis, we are committed to equality, inclusion and achieving gender diversity at all levels. Over the past year, and since our inaugural Gender Pay Gap Report in 2019, we have made progress by increasing the proportion of women in the wider workforce. However, we recognise we still have a lot of work to do to improve our gender pay gap. The key to this is improving female representation at the senior levels within our organisation, which has been challenging due to legacy structural issues and cannot be quickly changed if the shift is to be sustainable over the long term.

Mica Ross
Head of HR

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We aim to create robust and long-lasting change through our policies and practices. We have already taken significant steps, but progress will take time, especially within our broader industry.

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I confirm that the calculations provided are accurate and meet the requirements of legislation

A handwritten signature in black ink that reads 'M Ross'.

Mica Ross
Head of HR

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF

+44 (0)20 7260 1000
mail@numis.com
www.numis.com

Understanding the gender pay gap

What is the gender pay gap?

The gender pay gap is the difference in average gross hourly earnings between women and men. This measure is different to equal pay, which demands the same rate for women and men doing the same or similar work of equal value.

The gender pay gap is not a result of unequal pay between male and female employees at Numis. Instead, it can be attributed to the structural issues across the finance industry – and most major UK sectors – but that does not mean we cannot work hard to change it.

In the investment banking industry, in which Numis operates, there is a much higher proportion of men than women in senior, client-facing and revenue-generating roles. These roles pay some of the highest salaries in our sector and have a higher ratio of variable to fixed remuneration than others. Conversely, there is a higher proportion of women than men in lower-paying administrative roles. We are proud to have hired more women as a proportion of total recruits in the past year than ever before, but

it must be noted that this has been mostly in entry-level roles. In order to promote long-lasting equality, it is crucial that we find ways to support our female staff to progress from junior roles to more senior ones. We believe there is huge potential for women to take major roles as investment banking professionals. As an industry and individual firms, we have a responsibility to help this happen.

Further developing our inclusive culture and putting robust and effective diversity & inclusion initiatives in place puts us in an advantageous position to reduce our gender pay gap, and enable and empower women to reach the most senior levels.

We acknowledge that progress does not happen quickly in any industry, nor without significant effort from its constituents. To create meaningful and long-lasting change, policies and practices need to be carefully thought through and implemented properly.

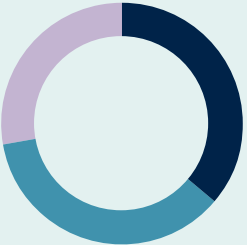
Why is this issue so important to tackle?

The gender pay gap, which touches almost every UK sector, has far-reaching implications for society. It indicates that women are less likely to progress as far as men in their career

and therefore accumulate less wealth over their working lives. It also has a compounding effect that lowers a woman's pension contributions and increases the risk of her having insufficient income in retirement.

At the same time, failure to tackle the issue could have significant impacts on our business and the success of the wider industry. The benefits of diversity and inclusion can be considerable for companies and their decision-making. These benefits have been documented by leading academic and corporate studies over many years and are beginning to be acknowledged and acted upon by a wide range of business leaders. Evidence shows groups with a diverse make-up collaborate more effectively and bring together different experiences, which generates a much broader set of opinions and proposals for solving problems and challenging ideas. This can ultimately lead to better outcomes. Numis is therefore committed to addressing diversity in all forms, with gender being one key part of our overall inclusion policy.


Our people




281
Total number of employees

● Equities	102
● Investment banking	101
● Support functions	78

Where we operate



269
employees in London



12
employees in New York

Headcount as of 5 April 2020. The number includes permanent and fixed term employees only.

A closer look at our gender pay gap: 2019 vs 2020 figures

At Numis, the gender pay gap for median hourly pay fell slightly by 1.4 percentage points from 2019 to 60.1% in 2020, while the gap for mean hourly pay dropped 0.6 percentage points to 47.9%.

This downward trend was not mirrored in bonuses, where the gap rose marginally, despite the fact that more women are getting bonuses, with 89% of female employees receiving them in 2020 compared to 86.2% in 2019. Meanwhile, the proportion of men being paid bonuses has fallen, with 92.9% receiving this type of benefit payment in 2020

compared to 97% in 2019. On a median basis, the 2019 gap rose 0.5 percentage points to 93.2% in 2020; on a mean basis, it increased 4.3 percentage points to 81.3%. This reflects there being more men in senior, client-facing and revenue-generating roles, which typically pay bigger bonuses.

Hiring more women into junior and entry-level roles will initially have a negative impact. In order to effect the long-term structural change we are aiming for, the gap will need to get wider before it narrows. Employing more women at the outset and then

supporting them to progress into senior roles is a key part of addressing the legacy inequality and therefore the most responsible way of contributing to positive change within our own firm and the wider industry.

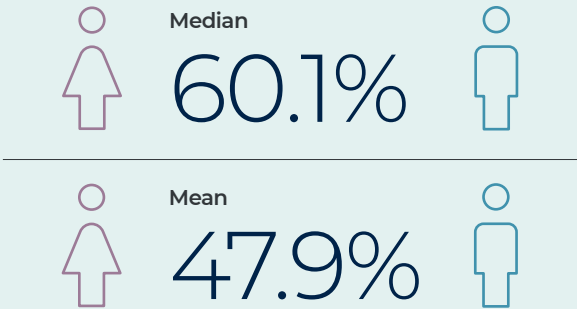
As noted above, most of the women we recruited in 2020 took junior and entry-level roles, which is clearly shown in the figures for the lower quartile for hourly pay. When we took this snapshot of the company in 2020, 62.1% of employees were female, up 4.3 percentage points from 2019. We also saw a higher proportion of women in the lower

middle quartile for hourly pay – up 1.8 percentage points to 28.4% in 2020. A similar trend occurred in the upper middle quartile, where female employees accounted for 10.4% last year, up 2.6 percentage points compared to 2019.

However, the proportion of women in the top quartile fell very slightly to 6.1% from 6.2%. This is a symptom of the paucity of women gaining entry to the very top levels, and it is vital that we as a company – and as part of a wider industry – continue to build a strong pipeline and enable better access.

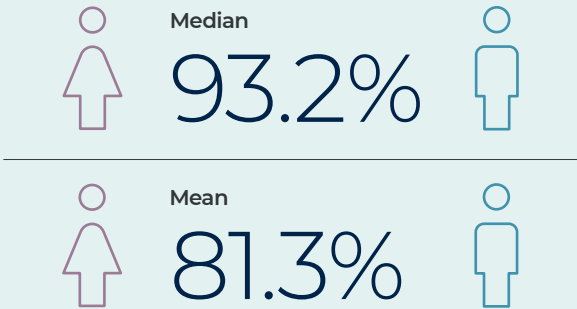
Gender pay gap hourly pay (mean and median)

Percentage difference between the mean and median hourly pay of men and women.



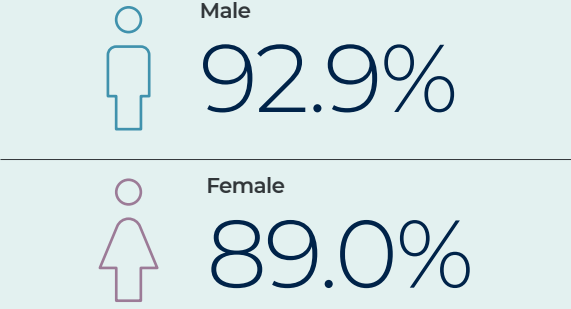
Gender pay gap bonus pay (mean and median)

Percentage difference between the mean and median bonus pay of men and women.



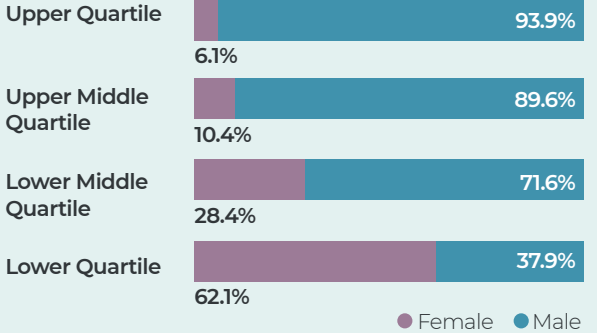
Proportion of bonus paid

Proportion of men and women receiving bonuses.



Gender pay gap split across Hourly pay Quartiles

Proportion of men and women in each quartile of our pay structure.



Our commitments and initiatives



At Numis, we are fully committed to lowering the industry-wide gender pay gap, and have bolstered our commitments to lower the structural imbalances of men in the highest paid, senior roles.



Bringing in more female talent

We continue to fulfil our commitment to increase the proportion of women in our workforce, which is 28.2% female as of September 2021, up from 26.9% a year ago.

Last year, we introduced a commitment at board level to build our brand through targeted marketing and events in order to attract female applicants. For example, we hosted an on-site female campus event with presentations from across our business. We also reviewed our processes to focus on increasing female representation across all roles at all stages of recruitment. This led to us amending our role descriptions for job advertisements to remove any unintentional gender-biased language.

We have already seen the benefits of this work. Of all the permanent and fixed-term hires we made in the October 2020 to September 2021 financial year, 36.5% were taken by women, up from 34.5% in the previous financial year. We have worked hard with our recruitment partners to create a more diverse shortlist with a particular focus on gender, without having a specific target, which we believe would be unduly restrictive.

Our efforts are focused on making long-lasting, impactful change by focusing on attracting female talent. While we sometimes face limited choices due to a relatively shallow pool of senior candidates, we are exploring how we can support the women we hire at a junior level to be successful and ambitious. We want to help them grow into senior and better paid roles within our organisation and inspire a new generation of female leaders in our industry.

At every board meeting, our HR director reports on the gender ratio of new hires and the overall mix of the organisation. These figures are tracked via a dashboard to analyse trends at all levels of seniority in the firm. This enables us to assess and track our progress, and make informed decisions on our future plans, initiatives and policies.

This year, we created a junior talent manager role within the HR function. This enables us to have a dedicated campus, entry-level recruitment and development specialist, who is focused on improving a diverse talent pipeline for our business.



Our commitments and initiatives

continued



Supporting and retaining female talent

Helping to solve the childcare puzzle

One of the biggest contributing factors to the UK's gender pay gap is a childcare system that often fails to meet the needs of working families. The rising costs of childcare, along with the myriad responsibilities of parents – which have historically fallen on mothers – are among the most common reasons why women drop out of the workforce, increasing the gender pay gap.

It seems clear that a barrier to attaining better gender balance at senior levels across any industry is the unequal split in childcare responsibilities and the high costs. The recent pandemic has impacted many people's working lives and conditions, yet there is emerging evidence that the greatest pressure has been placed on mothers. Across many industries, including ours, a new hybrid working world is becoming commonly accepted, yet childcare is one of the least flexible areas and we need to find solutions.

We recently introduced an initiative to provide some options. In partnership with Bubble, an app that connects parents with qualified childcare professionals, we offer all employees financial contribution each month, which can buy up to five hours of flexible childcare. While this is not a long-term solution, it is a step towards helping support all parents – but particularly women – in the workplace.

Despite being a relatively small institution within a major industry that is dominated by larger organisations, we offer a generous shared parental leave. Following a market benchmarking exercise in early 2020, we enhanced our maternity and shared parental leave policies. All our employees are offered enhanced paternity and maternity pay compared to statutory levels. We offer full pay for those taking two weeks enhanced paternity leave, with up to six months full pay for maternity and shared paternity leave depending on tenure. Also, as part of our commitment to flexible working,

we are introducing a 'Work From Anywhere' scheme. This allows all employees to work from wherever in the world they choose outside the workplace for up to four weeks a year on a trial basis until the end of 2021. This builds on our introduction of flexible work arrangements and job shares in 2020. We believe that hybrid working and flexible solutions will help make the differences between the experiences of our male and female employees a little less stark and will lead to fewer women leaving the workforce over the long term.



Our commitments and initiatives

continued

Mental health support

We have launched a partnership with mental health specialists InsideOut to enable all employees to easily and anonymously access one-on-one counselling with trained specialists. The service is available without any pre-approvals and operates on a similar basis to private healthcare. This is part of our plan to create an inclusive workplace and open up conversations around parenting, mental health and any other issues our employees are facing.

Executive committee progress

Improving the diversity of our executive committee is integral to improving our gender pay gap and increasing the proportion of women at senior levels. This year, we appointed our first female non-white executive committee member, increasing the number of women on the committee to two. We have also introduced positive inclusion training for the executive committee with INvolve, a market leader in diversity coaching. Through this partnership, we aim to drive cultural change and create an inclusive workplace where any individual with talent and ambition can succeed.

An inclusive network to support a diverse workforce

In 2020, we decided to build and invest in our mentoring programme to embed a structured process and training for mentors and mentees to help both women and men benefit from support from senior colleagues.

Building on this, we want women to have a dedicated space in which they can discuss their shared experiences and will be launching the Inclusive Numis Network in the next financial year. The network has been created by Numis staff to both build a diverse workforce where everyone can feel supported and convey a positive message internally and externally.

It will provide a forum to discuss the unifying experience of being a woman in a male-dominated industry, find other common ground and work to help make all employees feel included.

The **INN Numis Network** will provide four main pillars:

Community support: Focused external and internal support aims to help make all employees feel represented within the workplace.

Career development: Mentoring schemes and sessions will be provided for returning or prospective parents, including a focus on how to manage work/life balance.

Professional networking: Employees will be able to connect with groups at other institutions to hold large, external events.

Charities: Fundraising for a charity of choice.

The Inclusive Numis Network is just one of our many approaches to help tackle the structural issues within the investment banking and wider financial sector that have created the industry-wide gender pay gap.



Looking forward

As we have set out in this report, we are making progress. While change will not happen overnight, we have made a clear commitment to reducing the gender pay gap and reducing legacy inequality.

These approaches we have already launched, along with others we are currently preparing, aim to make a significant difference within our own organisation, and make it an attractive place for any talented individual to work and succeed.