

We find a **better way.**

Gender Pay Gap  
REPORT 2021



# Our Current View

## A message from our Chief People Officer, Jane Perkin

The last couple of years have had a significant impact on all of us, both personally and professionally. We have had to rapidly change the way we live, work, and interact with each other. This is very true for our colleagues at Cabot Financial (the trading name of Cabot Financial (Europe) Limited).

With several acquisitions since our formation in 1998, our colleagues have had to face into a lot of change here at Cabot Financial. We have had to adapt and flex as our company grew and modified. We now form part of a much larger group since our purchase by our majority stakeholder, Encore Capital Group, in 2018. Being part of Encore Capital Group has meant many of our colleagues have had the opportunity to work across borders, forming relationships with individuals from different nationalities and cultures.

As a business we are still on a journey of evolution, and this is evident in our Gender Pay Gap (GPG) report findings. This year, we are sharing with you some elements we feel reflect our culture and demonstrate our ways of working. We have included information about our Mission, Vision and Values (MVV), our structure, insights into the ways we are reducing the GPG and thoughts from a number of our colleagues about what it is like to work here at Cabot Financial.

We have attempted to bring to life the amazing culture inside our company which lies behind the data we are sharing with you today. We are proud and energised by our mission of 'creating pathways to economic freedom', which recognises that one size does not fit all. This is at the heart of everything we do, for consumers and our colleagues. Our colleagues' stories about their working lives at Cabot Financial show how our commitment to one of our core values 'we find a better way' gives individuals a sense of connection and belonging.

We publish three GPG reports within our group for Cabot Financial, Wescot and Orbit. It has come to light that historically we have been calculating the Cabot Financial statistics using a different methodology to that outlined by the government. You will see on the data pages we have highlighted these changes, so they accurately reflect the government calculation guidelines.

While there hasn't been a significant or sustained change in our GPG statistics since we started reporting in 2017, we are working hard behind the scenes to create the momentum needed to make a significant difference in the years ahead. Our aim is to implement systemic changes that create the desired change and are sustained even when people move on. Our intention is to provide the right environment for each individual to succeed, recognising, just like for consumers, that one size does not fit all for our colleagues either.

Addressing our GPG remains a priority at Cabot Financial and we will share some of the changes we have made to help address this gap in this report. Each change supports creating an environment that enables all our colleagues to thrive. We believe our transparency in this area will support our efforts to become a business that values and enables gender balance and diversity at all levels, across all of our businesses.



  
JANE PERKIN  
Chief People Officer

# Contents and Structure

## CONTENTS

<b>1</b>	Our Current View	<b>7</b>	Our Aspirations
<b>2</b>	Contents and Structure	<b>8-9</b>	How are We Reducing the Gap
<b>3</b>	Our Mission, Vision and Values	<b>10-12</b>	Hear First Hand From Our Colleagues
<b>4-5</b>	Gender Pay Gap	<b>13</b>	Life at Cabot
<b>6</b>	Bonus Pay Gap	<b>14</b>	Looking Forward and Conclusion

## STRUCTURE

### Encore Capital Group - European businesses

Encore Capital Group has three primary business units – Cabot Credit Management (CCM), Midland Credit Management (MCM) and Latin America Asia Pacific (LAAP). Encore Capital Group's Mission is 'To create pathways to economic freedom.'

Headquartered in London, CCM, is one of the largest credit management service providers in Europe and a market leader in the UK and Ireland.

CCM consists of nine different businesses and provides a range of credit management services across a broad client base that includes some of Europe's largest credit providers. It's debt servicing offerings include early-stage collections, business process outsourcing, contingent collections, trace services and litigation.

CCM currently employs over 3,000 people across its 18 offices in the UK and mainland Europe.



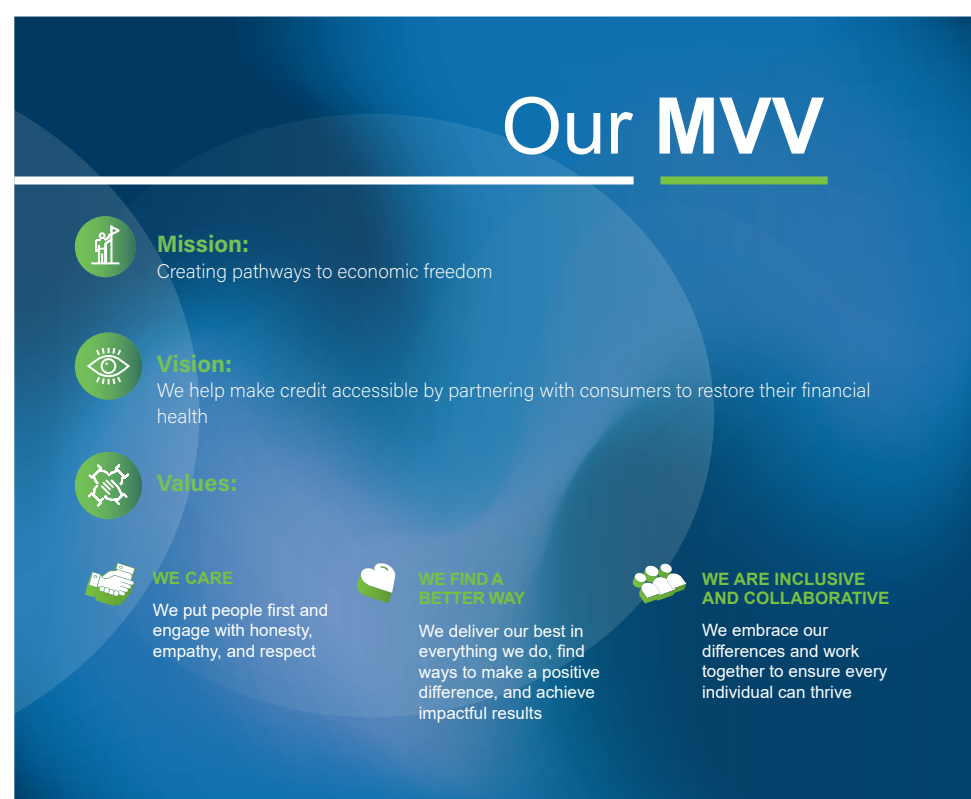
Please note this report only includes GPG data for Cabot Financial (Europe) Limited (CFE) as the employing entity of CCM's UK debt purchase business. Wescot and Orbit report separately on their Gender Pay Gap. The measurement period is the pay period in which the 5th April 2021 falls



# Our Mission, Vision and Values

At CCM, we see the power in our actions and the significance of our role in contributing to a healthy credit ecosystem. With this in mind, we created, along with our parent company Encore Capital Group, an MVV that reflects and strengthens the culture we have within our company. Our culture is reflected in our Mission to 'create pathways to economic freedom' through our interactions with consumers.

Our colleagues are committed to supporting consumers to achieve economic freedom through addressing their financial challenges and work in partnership with them to make a positive difference to their lives. We understand that no two consumers are the same, and through our interactions with consumers we can help them to find a better way to restore their financial health. Our Vision, to help make credit accessible by partnering with consumers to restore their financial health, reflects this approach.



We have created our Values – We Care, We Find a Better Way and We are Inclusive and Collaborative - to help guide our actions and behaviours. They represent what we have heard from colleagues; namely who they are, how they work, what they value, and the sort of environment they want to work in.

Our Values create an environment that encourages a sense of belonging and celebrates diversity and each individual's uniqueness. This was demonstrated in the past year when colleagues from Encore Capital Group, CCM and MCM contributed to a company-wide fundraiser to help source a critically needed oxygen generation and refilling plant for a community health centre in the Haryana state in India (where our MCM offices are located).

# Gender Pay Gap

## THE GAP

A Gender Pay Gap (GPG) is a measure of the difference in the average pay of men and women across an entire organisation, regardless of the nature or level of their work. It highlights the different number of men and women across all roles. It is different from an equal pay comparison, which involves a direct comparison of two people or groups of people carrying out the same work or work of equal value.

## THE DIFFERENCE BETWEEN **MEDIAN** AND **MEAN**

### MEDIAN PAY GAP

Imagine if all our female colleagues stood next to each other in one line in order of lowest hourly pay to highest and then our male colleagues did the same. The Median GPG is the difference in pay between the female colleague in the middle of their line and the male colleague in the middle of their line.

### MEAN PAY GAP

The Mean GPG shows the difference in average hourly rate of pay between men and women. This is also affected by the different numbers of men and women in different roles.

 = **MEDIAN**

 / 5 = **MEAN**



Paul Jenkins  
Managing Director

## A message from our Managing Director, Paul Jenkins

"I became Managing Director of Cabot Financial in January 2021 and have always believed a diverse, inclusive and happy culture are essential ingredients to any successful business. We have been through substantial change over the past 23 years and our culture is constantly evolving as we strive to create a more diverse, caring and gender balanced company year on year. We are making strides to reduce our current gaps by taking a holistic approach so we can make some significant improvements to our figures in the years ahead."

### This is what our statistics tell us this year:

The largest contributor of our GPG continues to be gender imbalance at senior levels – we have more females in the lower graded roles that sit in the lower pay quartile, whereas we have more males in the higher paid, senior management roles which sit in the higher pay quartile (64% male and 36% female in the highest paid quartile).

This results in our Median GPG being 22% (mean 34%).

Positively, the Mean Pay Gap decreased from 37% in 2020, with the Mean Bonus Gap decreasing from 80% to 76% in 2021. However, the Median Pay Gap increased from 16% to 22% over the same period.

## UPDATE TO GENDER PAY GAP 2020

The 2020 GPG has been restated from 73% to 37%.

To align the pay gap calculation methodologies across the group, the CFE basis of calculation has been amended and now accurately reflect government calculation guidelines and align with our group company's GPG calculations.

# Gender Pay Gap

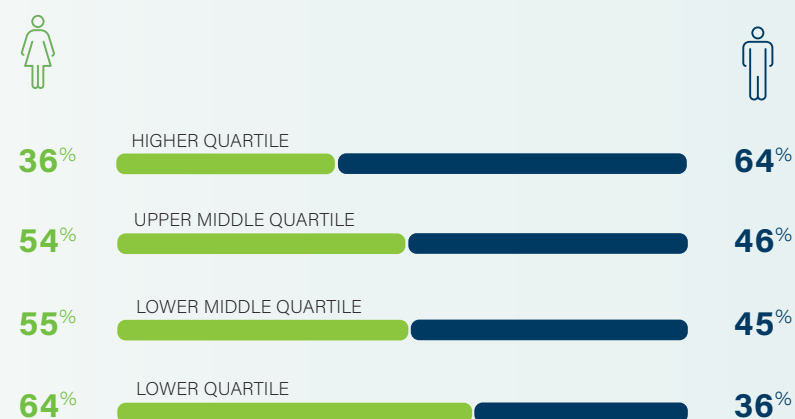
	2020 GPG	2021 GPG
Mean Gender Pay Gap	37%	34%
Median Gender Pay Gap	16%	22%

## 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.

## GENDER MIX EACH PAY QUARTILE 2021

The proportion of male and female colleagues according to quartile pay bands



**One of the key drivers of our GPG is the gender split at senior levels** – we have more females in the lower graded, lower paying roles, whereas we have more males in the higher paid, senior management roles. We have 36% female vs 64% male in our highest pay quartile, compared to 64% female and 36% male in our lowest pay quartile.

## GENDER MIX

Whilst the overall gender mix is 52% females and 48% males, there are more males in the higher pay quartile and more females in the lower pay quartiles.



# Bonus Gap

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



The Bonus Gap is the female average bonus, subtracted from the male average bonus, divided by the male average bonus, multiplied by 100.

	2020	2021
Mean Bonus Pay Gap	80%	76%
Median Bonus Pay Gap	39%	34%

## MEDIAN BONUS GAP

Imagine if all our female colleagues who received a bonus stood next to each other in one line in order of lowest bonus received to highest and then our male colleagues who received a bonus did the same. The median bonus gap is the difference in bonus between the female colleague in the middle of their line and the male colleague in the middle of their line.

## MEAN BONUS GAP

The mean bonus gap shows the difference in mean bonus between men and women.

As with the pay gap, one of the key drivers of our bonus GPG is the gender split at senior levels – we have more females in the lower graded, lower paying roles, where lower levels of bonus are paid, whereas we have more males in the higher paid, senior management roles where higher bonus and incentive plans are paid.

## 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 GPG, reflecting that we have more males in senior positions paid higher bonuses.

## RECEIVING A BONUS

The proportion of females and males who received a bonus in CFE is evenly split with **90%** of females and **91%** of males receiving a bonus. This balance of males and females reflects the objectivity we have in eligibility criteria for bonus and performance assessments.

*The measurement period is 12 months ending the 5th April 2021.*



- 'Pay' is base salary and 'Bonus' is any additional bonus payments including Long Term Incentives.
- 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



## Our Aspirations

We aspire to make systemic changes that creates an environment that encourages and values diversity and sets every colleague up to succeed.

Over the next two pages we touch upon some of the changes we have put in place this year to help reduce the gap and get closer to the company we want to be. Amongst these changes you will read about how we have set up a reward architecture across CCM, together with a new process for sizing all roles.

We've initiated discussions on our board succession planning to ensure we encourage more diversity and have started using specialised recruitment agencies to help bring more diverse candidates forward. We have also implemented the requirement for a gender balanced candidate slate in our recruitment process. We have implemented gender balanced interview panels, established new ways of measuring diversity across our workforce, found new ways to help encourage more females into our senior roles, and piloted a programme with our Irish leadership to help broaden their experiences through the experiences of others.

Our aspirations will continue to evolve and grow as we start to see the impact of the changes we have already made on the make up of our organisations.

Here follows a closer look at the changes we have already made in our efforts to address our Gender Pay Gap:



## How are We Reducing the Gap



### CREATING EQUITY

#### Reward

We have established a reward architecture across the CCM group that provides a framework for role comparisons between our business units. That will support our aspirations to enable greater talent mobility.

#### Sizing

We have introduced a formal process for sizing all roles, and benchmarking against the market via the centralised Reward Team. This is helping us to bring objectivity to the evaluation of roles and limiting the impact of unconscious biases on reward decisions.

#### Board succession discussions

We have reviewed our regulated board compositions and have initiated discussions on how our boards will evolve and how we make diversity a key consideration going forward to create opportunities for more diverse candidates to be appointed in the future.

#### Additional GPG analysis

To bring greater visibility to our GPG, we have taken the analysis a step further and completed it for all employing entities at business unit and location level. This information will be shared with business leaders to inform future decisions on remuneration.

### ATTRACTION AND RECRUITMENT

#### New recruitment agencies

We are working with new specialised recruitment agencies for senior recruitment that help bring diverse candidates forward and develop succession pipelines.

#### Process improvement

We are investing time in assessing our advertisement's ability to attract and appeal to a diverse candidate base. We are testing new ways to remove the potential for bias from our candidate assessment processes and we have implemented a requirement for a gender balanced candidate slate and interview panel across CCM. Our aim is to ensure gender balance throughout the whole recruitment process across all roles at all levels across all departments.

#### Measuring diversity

We continue to improve and evolve the way we measure our diversity from the recruitment stage to selection and onboarding. This enables us to assess and improve the diversity of our future workforce and to make changes that support our desire for more diversity in senior roles.

This information is reported quarterly to our Executive Team keeping our performance visible and our leaders accountable.



# How are We **Reducing the Gap**

## CAREER PROGRESSION

### DEVELOPING TALENT

#### Investment in senior management

We have introduced regular talent reviews focused on identifying investment activities which provide greater development opportunities for our current and future senior females. Additionally, we are identifying opportunities for greater connectivity at all levels into our parent company, Encore Capital Group, providing more global experiences for our local colleagues.

### EDUCATION

#### Empathetic Partnerships

This year we have piloted a programme with our Irish leadership team that connected individuals from across the business from different backgrounds, ethnicities, and perspectives. These partnerships explored various topics that enabled each participant to expand their world view through the experiences of their partner. We continue to explore how this pilot could be scaled to benefit all our colleagues.



#### Insight from our Head of Talent and Development

"It's an exciting phase in the development of our talent management strategy as we face into new challenges with the external market continuing to evolve post COVID. Managing talent continues to be a high priority across our business with a greater focus on creating meaningful growth opportunities for individuals and teams.

The purpose of our talent management strategy is 'to deliver a seamless candidate to colleague experience' with the intention of positively influencing organisational and individual performance, increasing diversity and enabling our desired culture."



Mike Rustill  
*Head of Talent and Development*

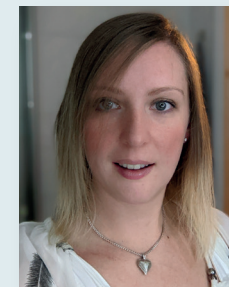
# Hear First Hand from Our **Colleagues**

## JOB SHARE

Lauren George and Sarah Robinson are the first two employees to share a senior role at Cabot Financial on a part time basis. They share the role of **Financial Controller** and both work three days crossing over on Wednesdays. Both of them have worked for Cabot in excess of eight years in various roles and they jumped at the chance to take on this part time senior role following their maternity leaves.



**Lauren George** "I love working part time as it gives me a chance to spend time with my child whilst they are still young. It was a neat fit sharing the role with Sarah as we had worked together before. This was a great comfort factor as I knew how she worked and it has meant the job share is quite seamless. It has been great to be able to still maintain a senior role whilst spending quality time with my child"



**Sarah Robinson** "It is amazing to be able to retain a senior role within the company, but also have that quality time with my children. The business has been very supportive to both of us and has enabled me to progress my career alongside raising my children."



## GROUP PROMOTION



Grace Museka  
*Interim Head of Internal Audit*

Grace joined Cabot Financial in 2017. It came at the right time as she not only wanted a new challenge, but also to work closer to home. Since joining, the company has grown and evolved and provided many opportunities for Grace to challenge herself.

She said: "I have found everyone I have worked with at Cabot Financial to be quite open minded, helpful and really cooperative. The people I get to work with want to do the right thing. What I also love about my job are the different internal processes that I get to learn about and the different people I get to engage with across the businesses in Europe and the U.S. I also feel great knowing I'm part of a team that provides assurance on the company's governance, risk management, and control processes to support the company in achieving its objectives. Cabot Financial has given me the confidence to take on new opportunities and I am so excited at what lies ahead."

During her time with Cabot Financial, Grace mentioned how she has seen a lot of positive change particularly with our culture and our values, and how this has evolved alongside the company's leadership.

# Hear First Hand from our Colleagues

## SENIOR LEAD



Clare French  
Head of Customer Care

Clare French has worked at Cabot Financial for seven years since July 2014 and joined as a Senior Leader of Operations. She has managed many of the teams within the business before she was promoted to **Head of Customer Care** in February 2019.

"The best thing that has happened to me since joining Cabot Financial is being recognised as an equal to my male peers, by being promoted to a Head of and being recognised as such. In the 7 years I have worked at Cabot Financial. I have seen a massive change in the way males and females are treated and in the last couple of years we have seen more female senior leaders than ever."

She feels another positive change is the way the company looks at flexible working and works with female senior leaders.

"We are able to retain experienced colleagues in the business whilst supporting their work life balance. This creates increased loyalty and we have seen the benefits of this in retention and in their performance."

## NEW STARTER



Suky Aujila  
IT Project Manager

Suky joined Cabot Financial in October 2021. Her role as an IT Project Manager involves leading and delivering multiple projects, forming project teams to accomplish project goals and to coordinate management of change to all end users. She said: "I have found everyone really supportive and friendly to date and I enjoy working with colleagues across the business and learning new things along the way. I am also enjoying the benefits at Cabot Financial, in particular the health schemes and enjoying the total flexibility with my role which was a huge selling point. There are advantages to working from home as it provides a great work life balance.

As a results driven Project Manager with over 13 years' experience in this industry, I feel having the flexibility encourages growth and success.

I am able to create successful outcomes by building confidence with stakeholders through positive communications based on mutual understanding, trust and respect."

Suky entered this year's company raffle and was lucky enough to win a crate of Prosecco. She said: "I don't normally win anything, so this was a great start to the year even if it is dry January!"

# Hear First Hand from our Colleagues

## PROMOTION ON MATERNITY

Nina has worked at Cabot Financial for 22 years and has seen the company evolve and change first-hand. She started her role in November 1999 as a Customer Consultant in the call centre. Over the years she has been promoted to various roles including a Team Leader, a Learning and Development Manager and an Operations Manager. During her time at Cabot Financial Nina has started a family and is the proud mum of three children.



Nina Shaw  
Head of Business Change

"I was delighted to have been promoted during my recent maternity leave to my role as **Head of Business Change**. I am excited about the future and think Cabot Financial is on the right path to creating a balanced workplace both from a gender and work/lifestyle perspective."



## FLEXIBLE WORKING



Jessica Massey  
Head of IT Programme Delivery

Jessica's day to day role is in a traditionally male dominated part of the business – IT. She began working for Cabot Financial in 2012 as a Project Manager in the Change Management department. Since then, she has been promoted to a Senior IT Project Manager before her promotion to **Head of IT Programme Delivery** in August 2021. She has seen a huge cultural shift in the time she has been at Cabot Financial around flexible working and also in the number of females working in her department.

"When I asked to work four days in my senior role there was no push back. There has been an increase in females within IT since I started and we now have a female Chief Information Officer for the first time."

Jessica has two children so balancing home and work life is key for her.

"I like the fact we put consumers first and we are ethical in the way we operate. I couldn't work here otherwise. I also like the fact the company invests in the local community and the environment. To me it really matters what we do and the way we do it."



## Life at Cabot

### CELEBRATING CULTURAL EVENTS

#### INTERNATIONAL WOMEN'S DAY

**Celebrated on 8 March**, International Women's Day is a focal point in the movement for Women's rights. As part of CCM's #IWD2021 celebrations, colleagues were invited to attend our 'Women in Leadership' panel to get to know senior females within the business, their stories, challenges and passions. It also provided an opportunity for colleagues to pose questions to those on the panel in leadership positions, to better understand their role in building an inclusive environment across our respective businesses in Europe.

#### LGBTQ+ PRIDE MONTH

**Celebrated in June**, Pride is an important event on the CCM calendar and in 2021, members of the Executive Team participated in a Q&A panel session open to all colleagues, answering queries regarding inclusion and what PRIDE means to them. This was supplemented by additional articles and information shared throughout the month, focussing on allyship.

#### BLACK HISTORY MONTH

Black History Month is celebrated during the month of **October** in the UK. The aim is to help broaden our colleagues' cultural knowledge and therefore deepen their working relationships. This year throughout the month, we partnered with Blueprint for All and encouraged colleagues to share stories relating to this year's Black History theme 'Proud to Be'. We posted these on social media together with our colleagues' global stories shared by our parent company, Encore Capital Group. We also encouraged our colleagues to find and support black owned local businesses and attend virtual educational events including webinars about Black History Month.

#### INTERNATIONAL MEN'S DAY

International Men's Day 2021 is observed globally on **November 19th** to promote basic humanitarian values, and to acknowledge awareness towards issues men can face. This year we raised awareness of ways to fundraise for Movember, which is the leading charity changing the face of men's health on a global scale, focusing on mental health and suicide prevention, prostate cancer, and testicular cancer.



Kalisha McKenzie  
Senior HR Business Partner

**"I am proud to be a black woman because black symbolises resilience, versatility, and strength and what makes me most proud, is our culture, it is so unique and shapes the world."**

I believe that our black culture and history should be celebrated every single day. Although that doesn't really happen in the world we are living in today, Black History Month makes us intentionally teach ourselves and others about the talented and gifted contributions that black people have made in the past and present times. CCM's values guide our behaviours, our decision making, and our organisational culture which supports inclusiveness amongst all colleagues where differences are welcomed, recognised, and valued. We provide equal opportunity for everyone no matter their background or characteristics, everyone is treated fairly and with respect."

## Looking Forward and Conclusion

Gender equity continues to be an important priority in our business. We are constantly looking at how we can continue to evolve to create an environment that rewards our colleagues fairly, enables and celebrates diversity at all levels and enables our colleagues to thrive.

2022 will continue to see us making strides to address barriers in our environment that impact an individual's ability to succeed. We are striving to create an empathetic and empowering environment that enables every individual to be set up for success.

As you have seen throughout this report our intention is to make systemic changes within our organisation that impacts positively the experiences of our colleagues and how we do business. This is not an overnight fix, we are confident that our holistic and systemic approach will continue to have a positive and sustainable effect on our business and the broader communities we work in going forward.



In 2022, to support our efforts to deliver the systemic change we desire, we are planning to conduct a full review of our people policies auditing them for inclusivity and the potential for unfair outcomes.

To help encourage new talent into the business, we will also be extending our apprenticeship scheme to other functions across CCM to encourage more diversity across the organisation.

We are excited about the partnerships we have established with charitable organisations like Blueprint for All, formerly the Stephen Lawrence Charitable Trust, as they help us to further understand how we can create an environment where everyone can thrive. This wonderful organisation works with young people and communities to create an inclusive society in which everyone regardless of race, ethnicity, gender or background can thrive. Blueprint for All's ethos fits well with our company's MVV. They and we believe in a future where talent is respected and nurtured, irrespective of where it comes from. A future which recognises and realises the benefits of a diverse workforce and where our communities can come together and succeed. This is the blueprint that sets the foundation for a more inclusive society and that is what we are striving to achieve at Cabot Financial.

This is a journey that will require constant review and adaptation. We will continue to share the efforts that we are making and the impact these efforts are having in these reports.

I, Craig Buick, can confirm the data published in this report is accurate.

Craig Buick,  
Group Chief Executive Officer  
Cabot Credit Management