



Wescot Credit Services Gender Pay Gap Report



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 Wescot.

Our colleagues have faced a lot of change over the years at Wescot since its formation in 1973. 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 Wescot.

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 Wescot show how our commitment to one of our core values 'we find a better way' gives individuals a sense of connection and belonging.

We have made steady progress in addressing our gender pay gap since we started reporting in 2017. We are continuing to work hard behind the scenes to create the momentum needed to continue to address the Gender Pay Gap. 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 Wescot, 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

1	Our Current View	7	Our Aspirations
2	Company structure	8	How are We Reducing the Gap
3	Our Principles	9	Career Progression
4-5	Gender Pay Gap	10-11	Hear First Hand from Our Colleagues
6	Bonus Pay Gap	12	Life at Wescot as Part of CCM
		13	Conclusion and Upcoming Plans

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.



Our Principles

MISSION, VISION & 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, a 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.

Our MVV

Mission:

Creating pathways to economic freedom

Vision:

We help make credit accessible by partnering with consumers to restore their financial health

Values:

WE CARE

We put people first and engage with honesty, empathy, and respect

WE FIND A BETTER WAY

We deliver our best in everything we do, find ways to make a positive difference, and achieve impactful results

WE ARE INCLUSIVE AND COLLABORATIVE

We embrace our differences and work together to ensure every individual can thrive

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 gender pay gap 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.

= **MEDIAN**

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.

/ 5 = **MEAN**



Lynn Cruikshanks
Chief Operating Officer

A message from our Chief Operating Officer, **Lynn Cruikshanks**

"I began working for Wescot 18 years ago as an Operational Manager and have moved around the business in various roles before being promoted to Chief Operating Officer in 2013. I am very passionate about tackling the gender pay gap particularly at the grass roots level and would like us to support change in the pipeline of talent. We remain focused on creating a gender balance at all levels across the business. We are confident that the initiatives being targeted by Wescot and the broader CCM group outlined in this report will deliver improvement across the next year."

This is what our statistics tell us this year:

While at senior levels in the highest pay quartile we continue to see a positive gender split overall (53% female vs 47% male), the largest contributor of our GPG is that the majority of our highest paid positions are occupied by males.

We also have a more prominent difference in the gender split in the lower pay quartiles, (57% female in the lower quartile, and 59% female in the lower middle quartile). We have seen a significant increase in the proportion of females in the lower pay quartiles as we expanded the size of our workforce to manage a growth in client demand.

While our mean GPG remained consistent at 10%, positively the Median Pay Gap decreased from 2% in 2020, to 0% in 2021.

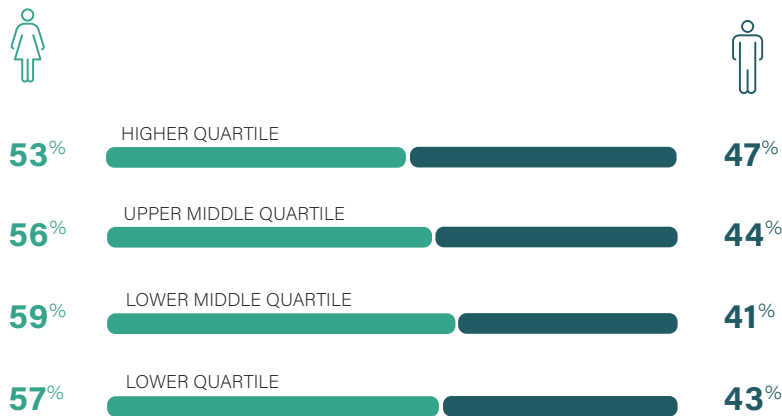
GENDER PAY GAP

	2020 GPG	2021 GPG
Mean Gender Pay Gap	10%	10%
Median Gender Pay Gap	2%	0%

WHY IS THE **MEAN** GENDER GAP HIGHER THAN THE **MEDIAN** GENDER GAP?
The Mean (average) as a calculation is more sensitive to individual pay differences, while the Median (mid-point) is based on a rank of employees by pay. As we pay equitably for similar roles our Median Gender Gap is 0% at the midpoint reflecting this equality in pay.

GENDER MIX EACH PAY QUARTILE 2021

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



In the highest pay quartile, we continue to see a positive gender split (53% female vs 47% male), however in the lower pay quartiles, where our lower graded roles sit, we see a more prominent difference with a higher proportion of females than males,(57% female vs 43% male).

GENDER MIX

Our overall gender mix is **56%** females and **44%** males, with more females than males across all of the 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	47%	53%
Median Bonus Pay Gap	30%	19%

MEAN BONUS GAP

The Mean Bonus Gap shows the difference in mean bonus between men and women.

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.

As with the pay gap, while at senior levels in the highest pay quartile we continue to see a positive gender split overall, the largest contributor of our GPG is that the majority of our highest paid positions are occupied by males.

Why is the Gender Bonus Gap higher than the GPG?

Bonus % increases by seniority of role and therefore the Gender Bonus Gap increases compared to the GPG, reflecting that while we have a positive gender split overall in the highest pay quartile, males occupy some of the highest paid positions.

RECEIVING A BONUS

The proportion of females and males who received a bonus in Wescot is females **42%** and males **38%**. This equality reflects the fairness we have in eligibility for bonus and performance assessment.

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 up every colleague 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 which 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 RETENTION

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.

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.



Mike Rustill
Head of Talent and Development

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."

Hear First Hand from Our Colleagues

COLLEAGUE CAREER PROGRESSION

Sandra has been working at Wescot for seven years. She started off as a Tester, but within a short period of time was promoted to a Team Leader role. She said: "It was an extremely challenging role and a bit daunting at first, but I got some good systems in place and have built up a great team." It has always been a predominantly male dominated environment, but this has never put her off. She said: "I have never found gender to be an issue." The team now is roughly equally split between males and females.

More recently her role has been expanded to include responsibility for testing across all the UK entities. For Sandra, flexible working has always been a big factor in her life, and she has found her line manager and the business to be very supportive of her needs.



Sandra Gordon-Wiles
Team Leader, Quality Assurance



April Lissimore
Team Manager

April Lissimore runs the training department at Wescot, managing the new customer consultants. She joined the company as a Customer Consultant in early 2016 and then re-joined in 2017 after completing her final year at university. She was promoted to Team Leader at the end of 2017 and then more recently in 2019 became a Team Manager.

She said: "I'm a people person and love the people side of my role. I have been really well supported with my progression at Wescot. Earlier this year I embarked on a CIPD course to improve my HR skills, and this has been funded by the business. I study every Wednesday evening and feel really fortunate to have this opportunity to progress with something I am passionate about."



FLEXIBLE SENIOR LEAD

Beth Tonkin has worked for Wescot for eleven years since 2010 and has managed to develop her career alongside her family commitments. She started in the Commercial Team and then moved into an internal audit role before becoming a Conduct Risk Manager. In 2017, she was promoted to Head of Compliance.

"I love the fast pace of my role and how varied it is. I enjoy designing solutions for all the challenges we come across. The company has been so supportive to me over the years allowing me to flex the role around my family commitments. At the moment, I have a full-time role which I carry out over four days - it's the perfect balance for me right now."



Beth Tonkin
Head of Compliance

FAMILY ENVIRONMENT



Nikki Agnew
Customer Consultant

Nikki Agnew joined the company in 2019 and works at the Saltcoats site as part of the Specialist Assistance Team, supporting some of our most vulnerable consumers.

"I really enjoy my role as I am not just supporting consumers with their accounts and providing financial assistance, I am taking time to understand my consumer's individual circumstances which shows the level of support and personal approach we pride ourselves in.

"By having great conversations, we are really showing our consumers that we care and treat them as individuals. I have spoken to many consumers who have commented on this and that are very grateful for the support they receive which makes it all worthwhile."

Prior to starting her employment with Wescot, Nikki had not worked within a Call Centre environment but said "From the moment I started I was made to feel very welcome. There is very much a sense of a united family within the company which makes Wescot a great place to work."

Life at Wescot as Part of CCM

CELEBRATING CULTURAL EVENTS

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 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.

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, and 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 Wescot.

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.



Craig Buick,
Group Chief Executive Officer
Cabot Credit Management

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