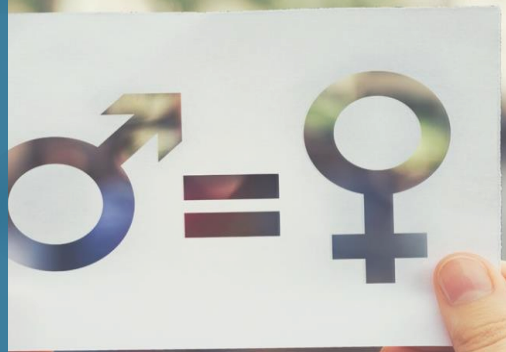


Gender Pay Gap Report 2022

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Our Current View

Our 2022 statistics show that we are continuing to take steps in the right direction toward Gender Equity. Whilst you will always encounter some natural volatility in some figures year on year, the overall three-to-five-year trends point to our business doing the right things. We will walk you through the detailed figures in this report but before we do, we wanted to provide a summary of what's behind the numbers.

In our 2021 Gender Pay Gap reports we spoke about the actions we were taking to ensure Gender Equity at Cabot Financial Europe. We will continue with our benchmarking activity across our business, using the frameworks we put in place last year to provide continued role comparisons which support correct sizing and overall remuneration packages. We continue to challenge our recruiters to have a gender balanced interview panel and set of candidates in any recruitment process we conduct. This is part of our commitment to continue to limit and challenge any opportunity for unconscious bias in our recruitment and reward processes. We evaluate why they were not possible, whenever they can't be achieved.

The Cabot Credit Management Group executive, continue to receive quarterly reports on the diversity of our businesses. This visibility continues to ensure we as leaders remain focused on and accountable for ensuring balance and equity. It also means we can quickly identify if any of our actions have an unintended negative consequence on that goal.

We were pleased to conclude a full review of our group policies in 2022, using external experts from organisations such as the charity BluePrint for All. The purpose was to look for inclusivity, equity and any potential for unfair outcomes. We head in 2023, confident we are challenging ourselves in the right ways to make sure everyone at Cabot Credit Management is given the best possible chance to succeed and that our policies do not create any blockers for people to achieve that.

We have seen improvement in almost every quartile on the number of males and females at each level. This is further evidence that the actions we've taken are starting to provide a better balance. Knowing that our frameworks and role levelling apply across the board means if these quartiles are well balanced, the remuneration for equivalent roles will continue to narrow any gap over time, with tenure or experience in role the only differentiator.

Our proportion of males and females in each quartile band		Lower Q M	Lower Q F	Lower Middle Q M	Lower Middle Q F	Upper Middle Q M	Upper Middle Q F	Top Q M	Top Q F
	2022	49%	51%	45%	55%	49%	51%	55%	45%
2021	36%	64%	45%	55%	46%	54%	64%	36%	

This process is a constant cycle which we will continue to update you on in our reports over the coming years. We believe we are focused on the right areas and the data shows those focuses are creating positive outcomes. We are doing many things right, but we have to accept that we are not where we want to be. We remain committed to achieving our goals. How we pick up pace and achieve those goals in the future needs to be more heavily influenced and led by our female colleagues. To that end, a very healthy and honest debate has already commenced with our senior female leadership team which will drive our next steps.

We can confirm the data printed in this report is accurate.

Signed by Craig Buick



Craig Buick
CCM Group Chief Executive Officer



Jaime Nuwar-Graham
COO Cabot Financial



Paul Jenkins
Managing Director of Cabot UK



Our Structure

Who we are | Encore Capital Group | European businesses

If you are not already aware of our set up here at Cabot Financial, here's a bit of background. Encore Capital Group has three primary business units – Cabot Credit Management (CCM), Midland Credit Management (MCM) and Latin America Asia Pacific (LAAP).

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 ten different businesses who provide a range of credit management services to a broad client base including some of Europe's largest credit providers. Our debt servicing offerings include early-stage collections, business process outsourcing, contingent collections, trace services and litigation. CCM currently employs around 3,000 people across its 18 offices in the UK and mainland Europe.



Our MVV

What we stand for

At CCM, we understand the power our actions can have on our consumers and the significance of our role in contributing to a healthy credit ecosystem. With this in mind, along with our parent company Encore Capital Group, we created an Mission, Vision and Values (MVV) that reflects and strengthens our culture we have at CCM.

Our culture is reflected in our Mission which is to 'create pathways to economic freedom' through our interactions with consumers. Our colleagues are committed to supporting consumers to achieve economic freedom by working in partnership with them to understand their challenges, find good outcomes to what they owe and make a positive difference to their lives. We understand that no two people 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' continues this intent to make everything about freeing people from what they owe.

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 give a sense of belonging and celebrates diversity in the way we think.



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

Understanding the Gender Pay Gap

What does a Gender Pay Gap show?

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.

What's the difference between median and mean pay gap?

Median pay gap

Imagine if all our female colleagues stood next to each other in a line. They order themselves from the 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 as a percentage.

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. This number is calculated by adding up all of the people in the lines rate of pay and dividing it by the number of people in the line.



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

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

Gender Pay Gap

Reporting Requirement	2020 %	2021 %	2022 %
Mean gender pay gap	37%	34%	29%
Median gender pay gap	16%	22%	6%

Our overall gender pay gap has continued to trend down. The three-year trend is significant on both Mean and Median calculations.

Gender Mix and each pay quartile

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

Our proportion of males and females in each quartile band		Lower Q M	Lower Q F	Lower Middle Q M	Lower Middle Q F	Upper Middle Q M	Upper Middle Q F	Top Q M	Top Q F
	2022	49%	51%	45%	55%	49%	51%	55%	45%
2021	36%	64%	45%	55%	46%	54%	64%	36%	

The overall gender mix is 50% females and 50% males.



We have seen movement to a relatively even split across all quartiles. The biggest distance from an even split in any quartile being 5%.

3 of the 4 quartiles have moved nearer to a 50% split with the Lower Middle Quartile remaining static and more heavily female.

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.

Reporting Requirement	2020 %	2021 %	2022 %
Mean bonus gender pay gap	80%	76%	75%
Median bonus gender pay gap	39%	34%	27%

Median Bonus gap

Imagine if all our female colleagues who received a bonus stood next to each other in a line. They order themselves from the 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 a percentage.

Mean Bonus gap

The mean bonus gap shows the difference in mean bonus between men and women. This number is calculated by adding up all of the bonuses awarded and dividing it by the number of people who received one.

Receiving a bonus

The proportion of females and males who received a bonus is evenly split with 88% of females and 85% of males receiving a bonus. This balance of males and females reflects the objectivity we have in eligibility criteria for bonus and performance assessments.

It is bonuses at senior level which continue to impact our bonus pay gap. We will continue to take steps towards even representation at the senior level (9% improvement in 2022) and this will in turn start to reduce the bonus gap. The year-on-year trend is downwards but we appreciate we still have work to do.

Our proportion of males and females receiving a bonus payment



The measurement period is 12 months ending the 5th April 2022.

Helpful understanding

- '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.

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