

We encourage our people to bring their authentic selves to work every day

# Gender pay report 2022

United Kingdom



# Diversity and inclusion



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General Counsel and Chief Legal Officer, EMEA

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Hello,

As chair of our EMEA diversity and inclusion (D&I) steering committee, I am pleased to disclose our gender pay gap data for 2022.

Equity, fairness, and transparency are key to enabling our colleagues to be their most authentic selves at work. At SMBC Group, we understand that pay gap reporting helps us learn more about the key drivers for gaps and enables us to think of interventions we can put in place to ensure we reach our goal of creating a workforce that enables everyone to thrive.

Our momentum on D&I continues to accelerate, and we have made good progress over the past year. For our consolidated entities our mean gender pay gap has improved from 28.9% to 27.1% and for SMBC BI from 26.0% to 24.1%, mostly due to a greater proportion of females at senior levels. Our median pay gap has increased from 24.4% to 25.6% for our consolidated entities, and from 22.8% to 24.1%

for SMBC BI, mostly due to the greater proportion of females at lower corporate grades. In the longer term this is positive, as the increase in the number of females in more junior roles is critical for developing a more gender balanced pipeline for the future of the bank.

Our bonus pay gap has increased. This was anticipated and is due to the adjustments made following the Covid-19 pandemic. Since bonuses were higher for more senior employees than for more junior employees, and we have fewer female than male employees at senior levels, this impacted the bonus pay gap. However over a two-year period, SMBC BI is showing improvements at both mean and median bonus.

We recognise that there is still more to do in this space, and we are truly committed to ensuring progress is at the forefront of our agenda. This year, we have set out several priorities for promoting gender balance. These include: holding our most senior leaders accountable by linking their compensation with performance on key representation goals; emphasising the importance of female talent development in our Early Careers programmes; and enhancing our 'family friendly' employee benefits. You can find out more about these initiatives in this report.

This report focuses on a comparison of female and male pay (as required by UK legislation), but we recognise that many gender identities and expressions exist and we respect all areas of diversity and intersectionality.





In this report, you can learn about:

- 2022 gender pay report data
- Key diversity and inclusion initiatives that will further support gender diversity at SMBC.

# 2022 data

## Mean and median gender pay gap

These figures show the difference between the hourly rate of pay of female and male employees at SMBC BI, reported on both a mean (average) and median (mid-point on a distribution) basis.

	2022	2021
<b>Gender pay gap</b>		
mean	 24.1%	26.0%
median	 24.1%	22.8%
<b>Gender bonus gap</b>		
mean	 44.7%	37.8%
median	 54.3%	45.8%

## Data summary

In accordance with the regulations, the data contained in this report is for all UK based SMBC BI employees as at 5 April 2022.

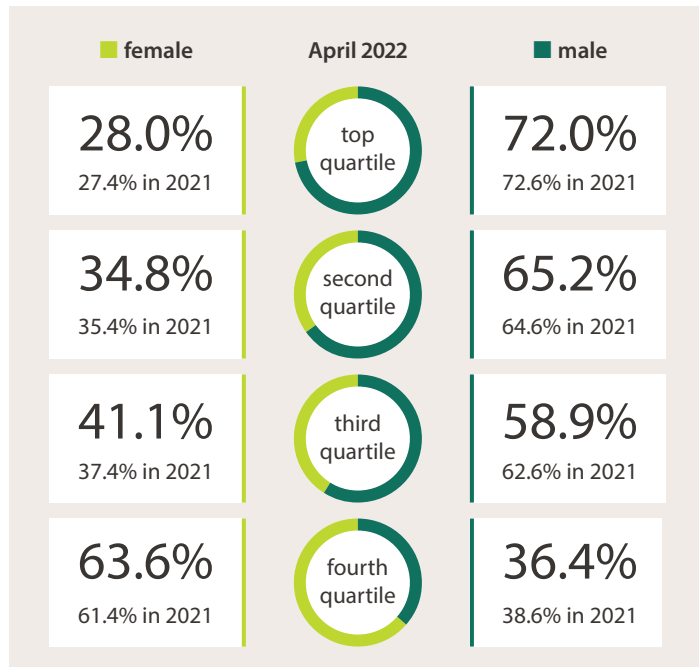
### Key points

- The SMBC BI 2022 gender pay gap has decreased in the mean calculation (↓ 1.9%) and increased in the median calculation (↑ 1.3%).
- The gender bonus gap has increased in the mean calculation (↑ 6.9%) and in the median calculation (↑ 8.5%).
- We are pleased that the mean gender pay gap has improved mostly due to an increase of females in the top and bottom quartiles in line with our recruitment and promotion strategy for talented females.
- The increase in the median is due to a consistent focus on building a pipeline of female talent resulting in a greater proportion of females in junior roles.
- The increase in our bonus gap was expected this year due to a delayed bonus payout in FY19 during the Covid pandemic. Over two years, SMBC BI is showing improvements at both mean and median bonus.

# 2022 data

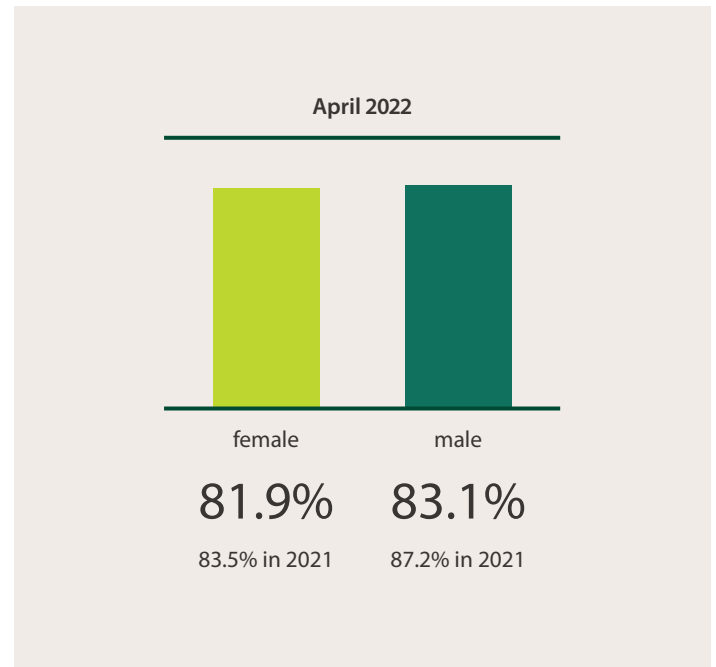
## Proportion of employees in each pay quartile

These charts show the gender split for each pay quartile of the SMBC BI population, if all employees were ranked from highest to lowest hourly pay.



## Proportion of employees receiving a bonus

The data above shows the proportion of employees that received a bonus during the relevant period between 6 April 2021 to 5 April 2022.



# Signature actions

## Our external commitments

SMBC is a signatory of the Women in Finance Charter. By improving representation in senior roles, we will positively impact our gender pay gap. We are close to achieving our ambition to have 30% of all senior roles (Director and above) filled by female leaders by 2023. With just under a year to go, our current Women in Finance Charter position against this target is 29.3% (as of July 2022).

SMBC is also a proud signatory to the UK's Race at Work Charter and to the Valuable 500 initiative, an international initiative aimed at promoting disability inclusion in business.



## Building a diverse and inclusive workplace

This year we have:

- Focused consistently on gender diversity in recruitment and promotion and achieved a positive uplift in female representation at senior levels.
- Continued to call for at least 40% female representation across our external candidate shortlists to increase accountability through our recruitment process.
- Created equitable opportunities for individuals from different socio-economic backgrounds with the launch of a new early talent programme called Kaika, meaning 'blooming' in Japanese, open to both graduates and non-graduates.
- Supported the development of diverse talent through our senior leadership programme called Mirai, meaning 'the future' in Japanese, which had 45% female representation this year.
- Extended our industry leading policies to include menopause and baby loss, and enhanced support for colleagues on gender dysmorphia, fertility and the menopause.
- Launched our new hybrid working policy.
- Conducted an equal pay review with an independent third party.

# Signature actions

## An inclusive culture where everyone can thrive

Our ambition is to create an environment in which everyone can be their authentic self at work. This year saw our offices reopen after the pandemic and we are proud to have co-created a hybrid working policy with our employees.

- We have increased the accountability for inclusion by senior management by introducing a D&I metric into their performance evaluation. This will account for approximately 10% of variable remuneration and serves to increase their ownership of our firmwide diversity targets.
- We have continued to build inclusive recruitment practices to accelerate our progress towards our commitment to gender parity. This targeted focus has led to an uplift in our female senior management representation for 2022. We have also taken the proactive step to remove a candidate's obligation to disclose salary history during the interview process, which has been proven to exacerbate the gender pay gap.
- We have listened to our female talent pipeline who asked for greater access to senior female role models. As a result we launched a series of career networking events called 'InspiHer!'. These events provide junior female employees the opportunity to connect with senior female colleagues across the bank, gaining insights and guidance on how to navigate their careers, take ownership for their own development and progress into senior roles.
- At entry level, our Early Careers programmes have a strong emphasis on gender diversity. This year we achieved 58% female representation in our Industrial Placement programme. We also proudly launched our first student outreach programme BOOST (Bank of Opportunities for Students) in partnership with Career Ready, a national social mobility charity. In just one year, the programme has already impacted almost 200 students from 30 schools and colleges in and around London, via a range of initiatives including a mentoring programme, skills masterclasses and internships within the bank.
- We constantly review and enhance our employee benefits to ensure they continue to support our employees' needs. This year we have reduced the qualifying period for enhanced maternity, adoption, fostering and surrogacy pay from 52 weeks to 26 weeks, and have increased paternity leave to four weeks.
- Our SMBC's employee-led networks, operating under the umbrella of DRIVE (diversity, respect, inclusion, value and equity), continue to raise awareness and inspire inclusive behaviours. During our 2nd annual EMEA Inclusion Week Conference in September, our DRIVE networks helped promote active allyship and advocacy by hosting events across the EMEA region, in which more than 800 colleagues participated.

# Driving advocacy

## Our DRIVE networks

SMBC Group's employee-led networks, operating under the umbrella of DRIVE, which stands for diversity, respect, inclusion, value and equity, continue to raise awareness and inspire inclusive behaviours. This is a great opportunity to focus on intersectionality where individuals are celebrated for every part of who they are.

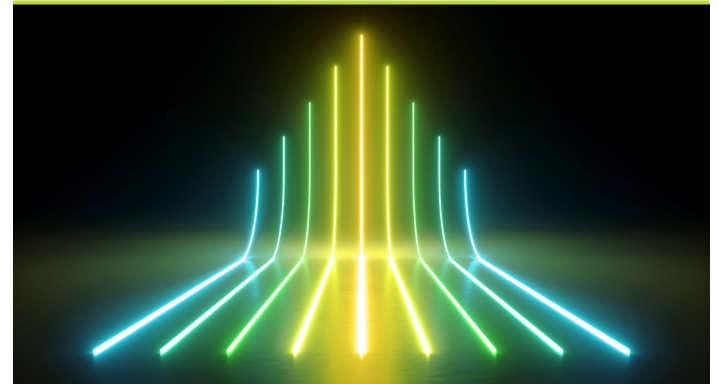


# Statutory gender pay gap disclosure

	Pay										Bonus			
	Gender pay gap		Proportion of employees in each pay quartile								Gender pay gap		Proportion of employees receiving a bonus	
	Hourly rate		Lower		Lower middle		Upper middle		Upper		Bonus amounts			
	Mean	Median	Female	Male	Female	Male	Female	Male	Female	Male	Mean	Median	Female	Male
SMBC UK consolidated entities	27.1%	25.6%	62.9%	37.1%	40.2%	59.8%	33.1%	66.9%	26.6%	73.4%	47.6%	57.9%	79.4%	82.1%
SMBC BI London	24.1%	24.1%	63.6%	36.4%	41.1%	58.9%	34.8%	65.2%	28.0%	72.0%	44.7%	54.3%	81.9%	83.1%

## 2022 data

Under UK regulation, organisations are required to publish gender pay gap information for any legal entity that employs more than 250 people. As at 5 April 2022, SMBC Group has one entity with more than 250 employees: SMBC BI. However, we have chosen to voluntarily disclose our UK consolidated figures\* to provide a more accurate reflection of the gender diversity of SMBC Group in the UK.



\* UK consolidated figures include SMBC BI London and SMBC Nikko Capital Markets Ltd only.