

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

Gender pay report 2020

SMBC NIKKO



Diversity & Inclusion

Foreword by the CEO

Hello,

SMBC Group is committed to diversity and inclusion and it is integral to both our business strategy and our internal culture statements, which set out the standards and expectations for our employees, at all levels of the organisation. Whilst this report focuses on gender, we are committed to all areas of diversity and intersectionality and further initiatives have been implemented during the year.

As CEO and an avid supporter of this key initiative, I am responsible for signing the external SMBC Nikko Capital Markets Ltd (SMBC Nikko) gender pay report.

This is our second year of publication and I am pleased to report that our gender pay gap continues to decrease. This year the decrease is both in mean (-4.4%) and median (-3.6%) terms, demonstrating the focus we have continued to place on gender diversity.

SMBC Group is also a proud signatory of the Women in Finance Charter. In 2020, to reflect organisational changes and our desire to maintain ambitious targets with respect to gender diversity progression, we have moved our seniority target up to a higher level. Our aim now is to have 30% of all senior roles (director and above) filled by female leaders by 2023. Our current Women in Finance Charter achievement against this new target is 25.7% (as of July 2020).

The extraordinary events of this year have shown us more than ever the importance of creating an agile and flexible environment in which everybody can thrive. We have made good progress but recognise there is much more to be done to reduce our existing pay and bonus gaps further.

In this report, I will share some of the strategies we have put in place to continue to reduce these gaps and you can also learn about:

- Our 2020 gender pay gap report data
- Key diversity and inclusion initiatives that will further support gender diversity at SMBC.

Antony Yates

CEO, SMBC Nikko Capital Markets Ltd

2020 Data

Mean and median gender pay gap

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

	2020	2019
Gender pay gap		
mean	↓ 28.4%	32.8%
median	↓ 12.7%	16.3%
Gender bonus gap		
mean	↓ 51.4%	57.6%
median	↓ 38.5%	46.3%

Data summary

In accordance with the regulations, the data contained in this report is for all UK based SMBC Nikko employees as at 5 April 2020

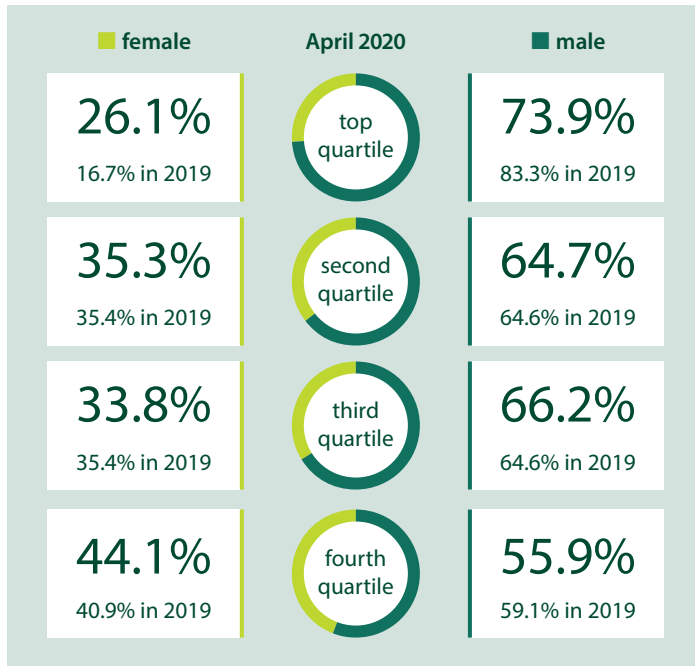
Key points

- The SMBC Nikko 2020 gender pay gap has decreased in both mean (↓ 4.4%) and median (↓ 3.6%) calculations.
- The gender bonus gap has decreased in both mean (↓ 6.2%) and median (↓ 7.8%) by significant amounts.
- The proportion of senior female employees has increased significantly by 9.4% in the top pay quartile between 2019 (16.7%) and 2020 (26.1%) due to female promotions and senior hires.
- The proportion of female employees who received a bonus has increased by 11.3% in the fiscal year 2019.

2020 Data

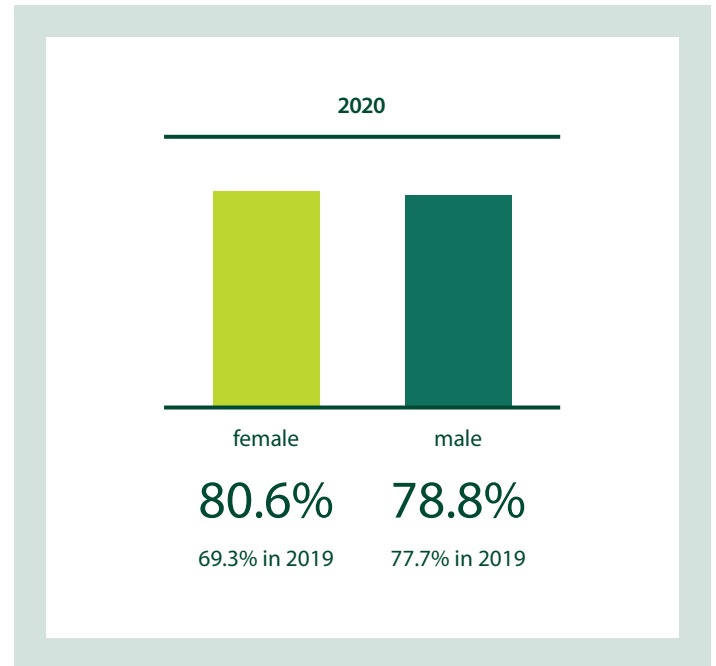
Proportion of employees in each pay quartile

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



Proportion of employees receiving a bonus

The data shows the proportion of employees that received a bonus during the relevant period between 6 April 2019 to 5 April 2020.



Signature Actions

Committed to the Women in Finance Charter

SMBC Group is a proud signatory of the Women in Finance Charter.

In 2020, to reflect organisational changes and our desire to continue to hold an ambitious target to support gender diversity progression, we have moved our target up to a more senior level. We recognise that this upgraded focus will further support us in reducing our gender pay gap.

We now aim to have 30% of all senior roles (director and above) filled by female leaders by 2023.

Our current Women in Finance Charter position against this new target is 25.7% (as of July 2020).

Building a diverse and inclusive workplace

To continue to attract, develop and retain diverse talent, we have focused on a number of areas, including:

- Enhancing our family friendly policies with the launch of two new policies on surrogacy and transitioning at work
- Increasing our gender focus in our promotion process, leading to 58% of 2020 promotion nominations being female
- Calling for at least 40% female representation across our external candidate shortlists to increase accountability through our recruitment process
- Developing senior talent, with 50% female participation in Mirai, our senior leadership development programme for executive directors and above and above
- Supporting colleagues' mental wellbeing through several learning and wellbeing initiatives, including weekly 1-hour mindfulness sessions



Signature Actions

Collaboration with our employee networks

SMBC Group's employee-led networks, operating under the umbrella of DRIVE (which stands for diversity, respect, inclusion, value and equality) continue to thrive. In addition to Balance and Niji, this year has seen the establishment of our new Black Employees & Allies Network.

DRIVE also launched the third round of Collaborate, our inter-company networking initiative, with 252 registrations across EMEA geographies and entities.



An expanded diversity and inclusion strategy

To foster an inclusive working environment in which everybody can thrive, we have:

- Supported the launch of our new Black Employees & Allies network, and facilitated externally-led anonymous 'listening groups' to gather employee feedback
- Continued to enhance our recruitment process by tracking the progress of candidates to ensure our assessment and selection approach attracts diverse talent across our markets
- Completed our first year as a Stonewall Global Diversity Champion, led by our Niji network
- Partnered with Purple Space to launch learning workshops for employees as part of our action to become disability confident
- Worked collaboratively with our newly established country D&I councils across five countries to further embed our D&I strategy across the EMEA region.

