

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

Gender pay report 2021

United Kingdom



Diversity and inclusion

Hello,

As the recently appointed Chair of our EMEA Diversity & Inclusion Steering Committee I am privileged to work with many of my colleagues on numerous diversity and inclusion (D&I) initiatives. In my new capacity I have responsibility for signing the SMBC Group Gender Pay Report for 2021.

At SMBC Group, we understand the correlation between D&I and positive outcomes in risk management, good conduct and healthy working cultures. Our EMEA Culture Statement sets out the expectations for our employees at all levels of the organisation.

I am pleased to report that our momentum on D&I continues to accelerate, and we have made good progress over the past year. In SMBC BI, our UK reporting entity, we have seen a decrease in our mean gender pay gap (-7.4%) and in our median bonus gap (-9.6%).

We are pleased with this improvement, which reflects the strong and consistent focus we place on gender diversity, but we acknowledge that partly this is due to organisational change involving a transfer of employees from one legal entity to another. Therefore, we believe it is right to introduce UK consolidated figures into our reporting. These can be found in the report, and we think they more accurately represent our gender pay figures in the UK.

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.



Ian Jameson

Chair, EMEA Diversity & Inclusion Steering Committee
General Counsel and Chief Legal Officer, EMEA





In this report, you can learn about:

- 2021 gender pay report data
- Key diversity and inclusion initiatives that will further support gender diversity at SMBC.

2021 data

Mean and median gender pay gap

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

	2021	2020
Gender pay gap		
mean	 26.0%	33.4%
median	 22.8%	32.4%
Gender bonus gap		
mean	 37.8%	47.9%
median	 45.8%	61.7%

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 2021.

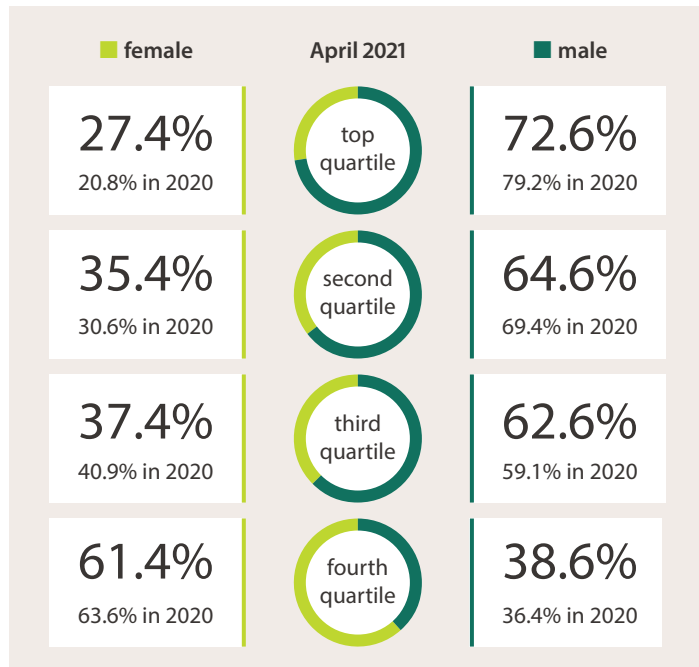
Key points

- The SMBC BI 2021 gender pay gap has decreased in the mean calculation (↓ 7.4%) and in the median calculation (↓ 9.6%).
- The gender bonus gap has also decreased in the mean calculation (↓ 10.1%) and in the median calculation (↓ 15.9%).
- The reduction in the gender pay figures is significantly attributable to the increased proportion of female employees in both the top and the second quartiles.
- Whilst there has been a consistent focus on gender diversity through recruitment and promotion, it must be acknowledged that part of the increase has been the result of an organisational transfer of employees from one entity to another. That is why we have also introduced a UK consolidated figure to our reporting. Whilst not a legal entity, this figure more accurately represents our gender pay figures in the UK.

2021 data

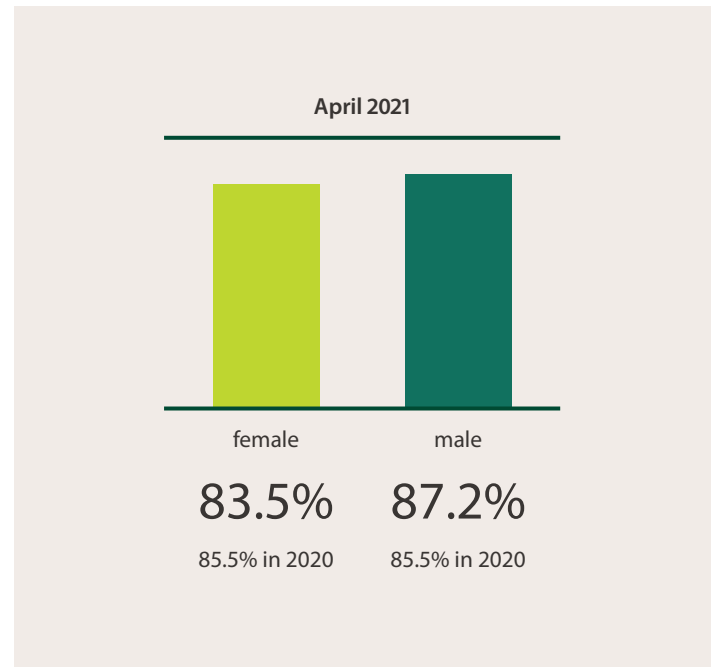
Proportion of employees in each pay quartile

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 2020 to 5 April 2021.



Signature actions

Our external commitments

SMBC is a proud 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 one year to go, our current Women in Finance Charter position against this new target is 29.5% (as of December 2021).

This year we have also become a 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

Leading with respect

We have supported the continuous growth and development of our senior leaders with the launch of a reverse mentoring programme, led by our Black Employees & Allies network.

We developed a new diversity and inclusion hub, to provide all employees with the right tools, resources and contacts to help them build their knowledge and skills on important D&I topics.

In 2021, we launched EMEA Voices to celebrate and raise awareness of the diversity of our people, creating a sense of psychological safety by providing a forum to learn about other colleagues' experiences and to share our own.

Active allyship and advocacy

SMBC'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.

Our newest network, UNIQUE, was officially launched in 2021 and supports SMBC Group in promoting a greater understanding of mental health challenges, neurodiversity, and visible and invisible disability. To support this we will be increasing the number of mental health first aiders we have across the EMEA region.

Our people have shown incredible resilience during the past two years, and we are committed to creating an inclusive environment in which everybody can thrive. To support colleagues, we have delivered virtual mindfulness training, open discussion sessions and regular pulse surveys, as well as training for line managers and employees on managing mental health.

Our DRIVE networks

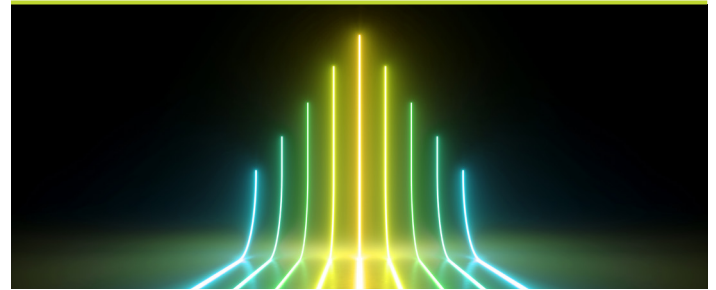
The logo for 'balance' features the word in a lowercase, sans-serif font. The 'a' is green, 'l' is yellow, 'a' is green, 'n' is yellow, 'c' is green, and 'e' is yellow. A small green female symbol is positioned below the 'a'.The logo consists of a stylized graphic of three interlocking shapes in green and yellow on the left, followed by the text 'THE Black EMPLOYEES & Allies NETWORK' in a bold, sans-serif font.The logo features a stylized tree with green leaves and a yellow trunk, with a small yellow circle at the top. Below the tree is the word 'Collaborate' in a bold, sans-serif font.The logo features a stylized graphic of three interlocking shapes in red, blue, and green on the left, followed by the text 'NIJI EMEA' in a bold, sans-serif font, with 'LGBT+ INCLUSION NETWORK' in a smaller font below it.The logo features the word 'UNIQUE' in a bold, sans-serif font, with the 'i' in blue and the 'U' in yellow.

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	28.9%	24.4%	60.2%	39.8%	38.7%	61.3%	33.8%	66.2%	25.2%	74.8%	41.2%	47.4%	83.6%	86.4%
SMBC BI London	26.0%	22.8%	61.4%	38.6%	37.4%	62.6%	35.4%	64.6%	27.4%	72.6%	37.8%	45.8%	83.5%	87.2%

2021 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 2021, 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.