



Gender Pay Gap Report 2023





Introduction

As a Society that's committed to fostering an inclusive work environment, we want all colleagues to be confident their contributions are equally valued and we're passionate about developing a culture where everyone can thrive.

Reporting on and closing the Gender Pay Gap (GPG) is an important part of this.

We're proud to continue developing a culture where anyone can carry out any role - regardless of gender, ethnicity, sexual orientation, disability or any other characteristic - and have the opportunity to thrive.

What we've done so far

As part of our updated People Strategy, we've committed to improving gender balance across the Society through our wider equality, diversity and inclusion (EDI) work.

Even though this is our first formal report, we started to consider ways to improve our gender balance some time ago.

We've been analysing colleague data to identify where, and understand why, our pay gap exists.

This is helping us identify potential barriers for female colleagues progressing their career, gives us an indication of how well our current strategy is performing and tells us how and where we need to improve.

About this report

The Gender Pay Gap is the difference between the average salary of men and women irrespective of their role.

In line with reporting requirements, we've focused on tracking our performance against the mean and median gender pay gap, the mean and median gender bonus gap and the distribution of pay by quartiles.

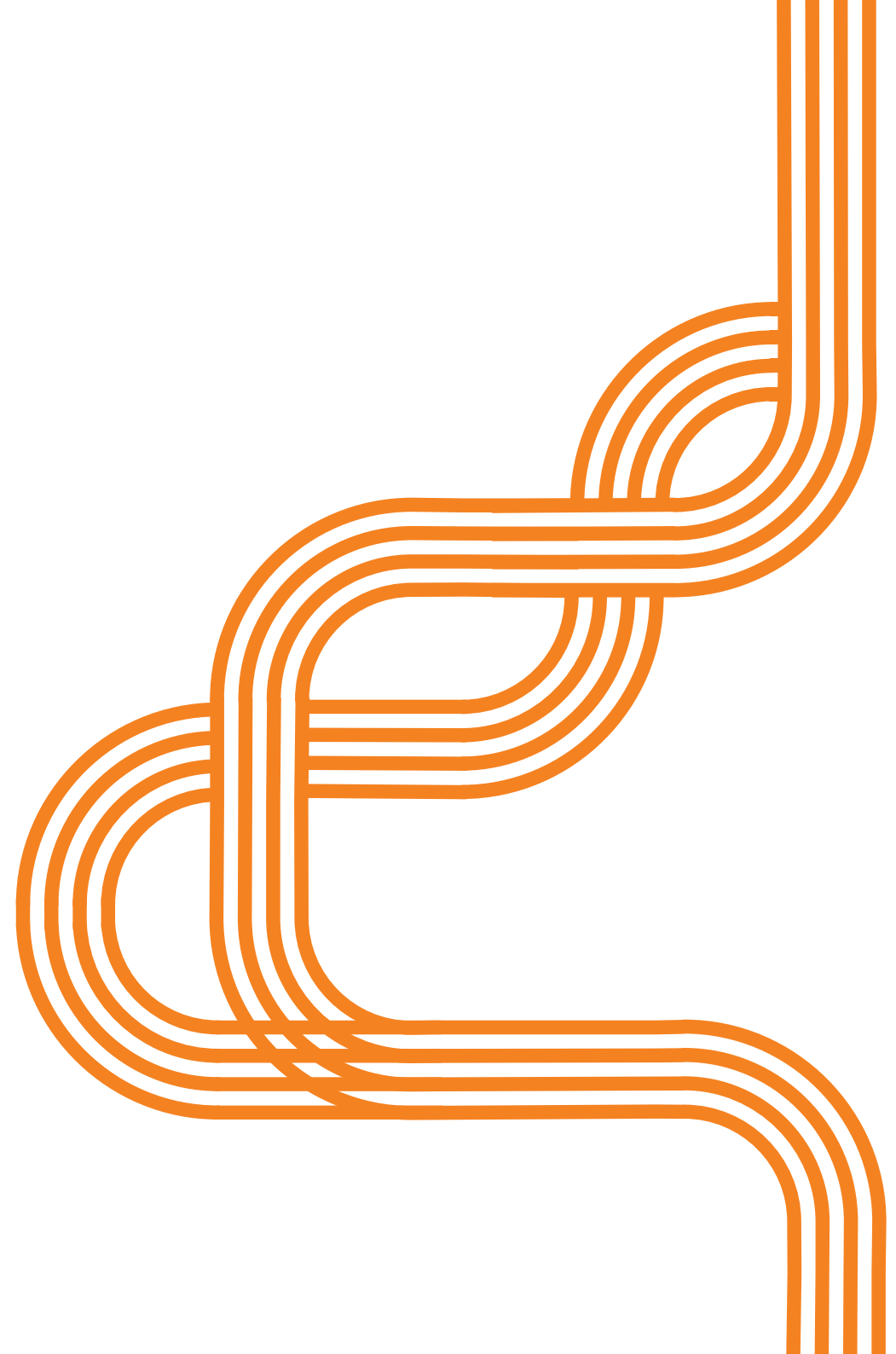
For this report, we have defined the mean and median Gender Pay Gap and Gender Bonus Gap regardless of role or seniority.

We did this by measuring the mean and the median hourly rates for colleagues across the Society and compared the results for men and women.

The data was taken on 5 April 2023.

The Gender Pay Gap is different to equal pay. Equal pay compares pay for doing the same role. We're confident our approach to pay is fair and gender neutral.

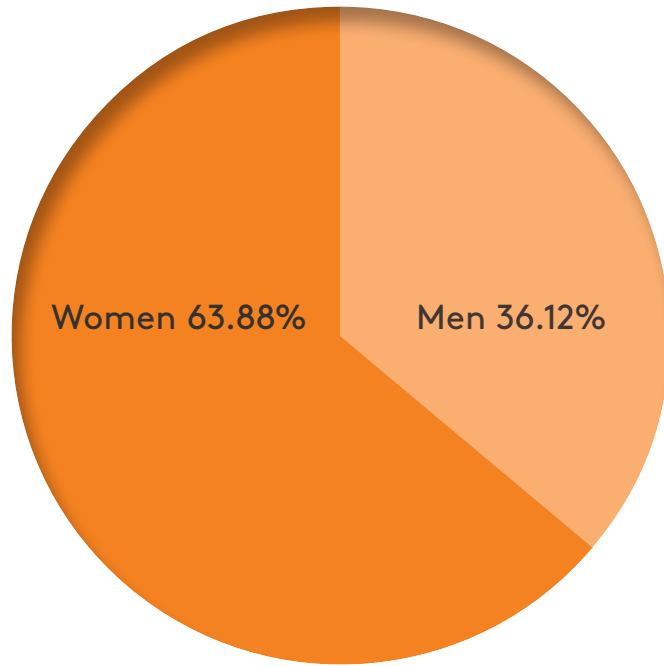
We pay men and women equal pay for performing equal work.



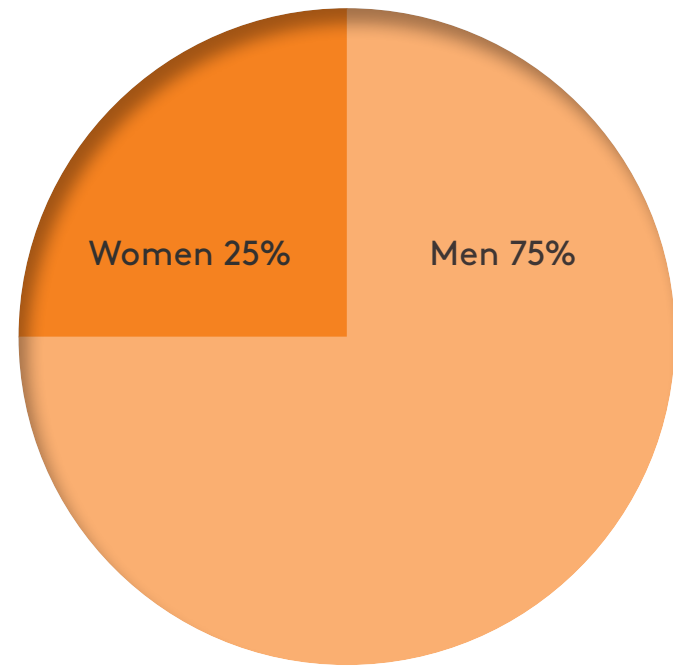
Our colleague profile

Females make up over **63%** of our workforce but they are not evenly spread across roles in the Society as demonstrated on pages 5-6.

As at 5 April 2023, the MBS colleague statistics were:



Workforce



Executive Directors

Our gender pay gap results

As at 5 April 2023, the MBS gender pay gap statistics were:

31.78%

Mean Pay Gap

34.72%

Median Pay Gap

Definitions

Gender pay gap

The difference between the average hourly rate of pay for men and women irrespective of their role. This difference is expressed as a percentage.

Mean

The mean hourly rate is the average hourly wage of colleagues across the Society.

Median

The median hourly rate is the midpoint hourly range of colleagues across the Society.

Why is there a gender pay gap?

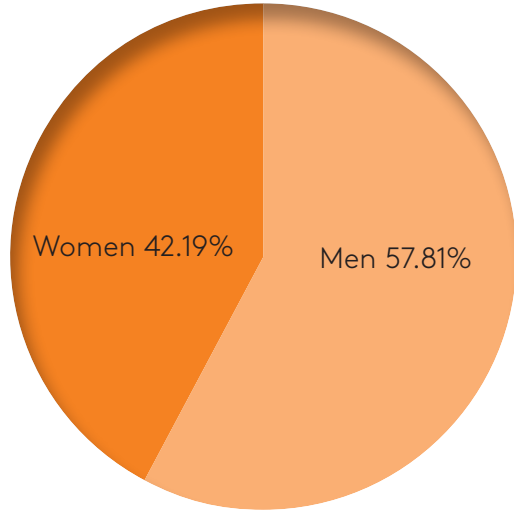
Our gender pay gap is driven by how men and women are distributed across our workforce.

Put simply, this means that, on 5 April 2023, we had more women in the lower pay bands and more men in the higher pay band.

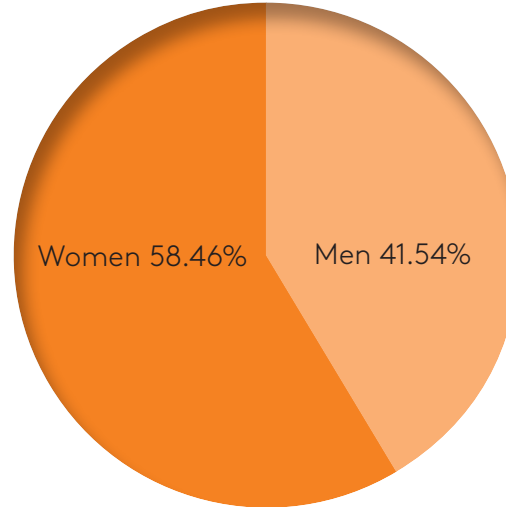
Our gender pay gap results continued

Proportion of men and women in each quartile (band) of pay

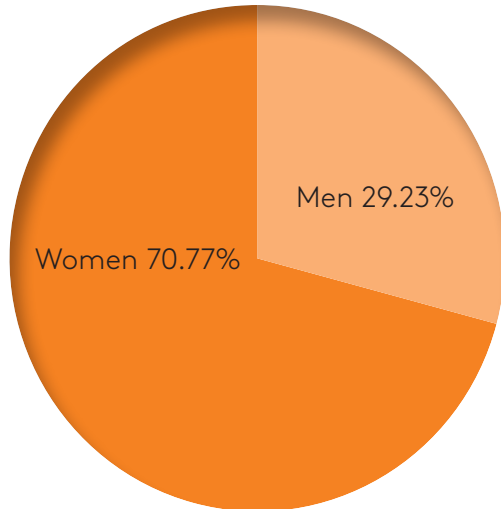
Upper



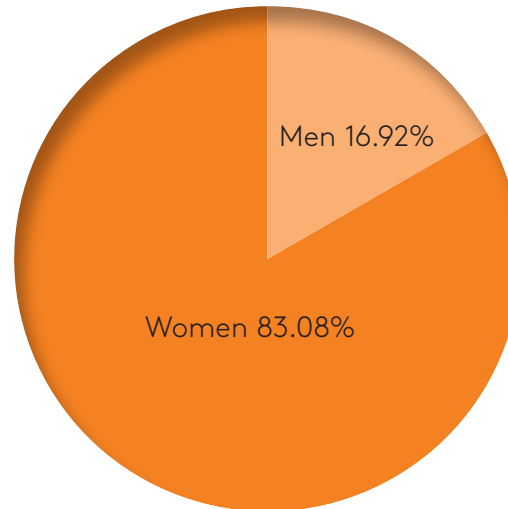
Upper Middle



Lower Middle



Lower



Definitions

Quartile

Our workforce is sorted from lowest rate of pay to highest and then split into four equal bands. These bands are called quartiles. Doing this shows us the proportion of males and females in each pay quartile.

Our bonus scheme

Our bonus scheme is designed to incentivise and motivate colleagues to deliver exceptional performance.

We use the same criteria to award variable bonus payments to all colleagues regardless of gender or any other characteristic.

Our bonus pay gap

As at 5 April 2023, the MBS colleague statistics were:

49.08%

Mean Bonus Gap

44.21%

Proportion of men receiving a bonus

23.98%

Median Bonus Gap

63.10%

Proportion of women receiving a bonus

Definitions

Mean Bonus

The average bonus awarded to colleagues.

Median Bonus

The mid-point of bonuses paid to colleagues.

Bonus Pay Gap

The difference in bonuses paid to men and women expressed as a percentage.

Our bonus pay gap continued

Why is there a bonus pay gap?

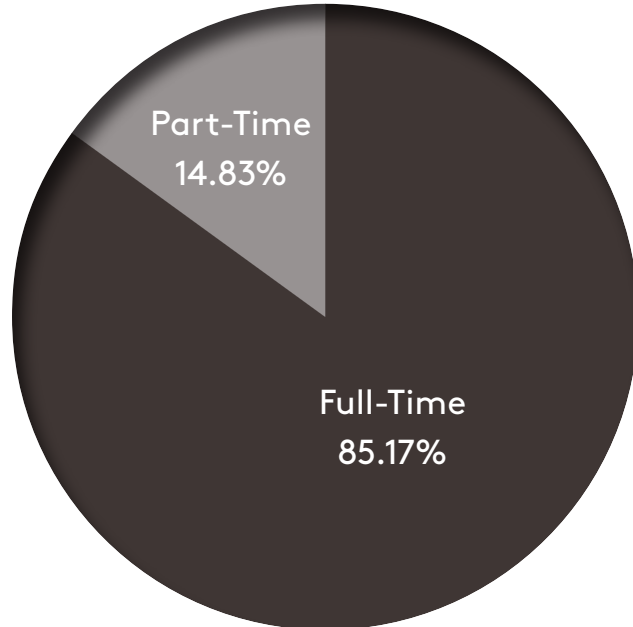
Even though a higher proportion of women received a bonus, the mean bonus pay for men is almost double the mean bonus pay for women.

There are two main reasons for this difference.

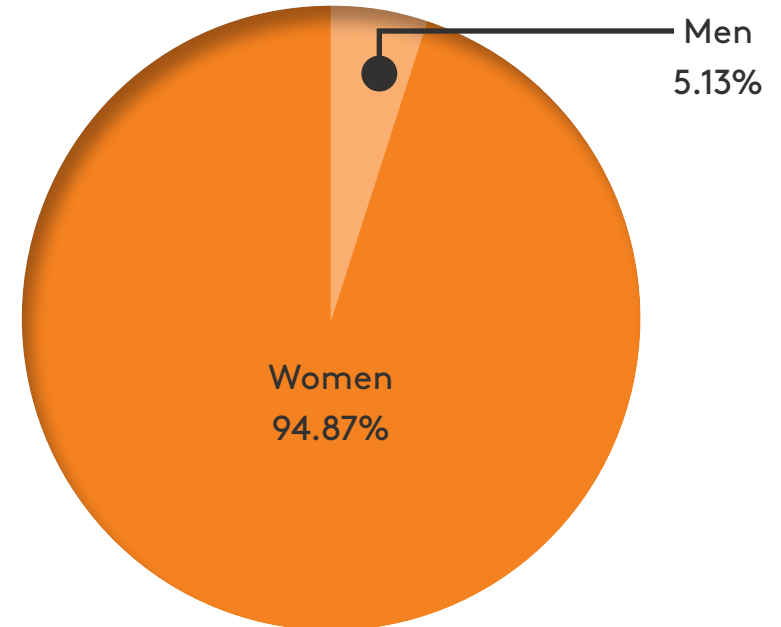
Unlike gender pay gap, the bonus pay gap is calculated using the number of colleagues in the Society and doesn't take part-time colleagues' reduced (or pro-rated) bonuses into account. This widens our bonus pay gap because, currently, the majority of our part-time colleagues are female.

Another factor is, we pay our bonuses as a percentage of salary, so colleagues in the upper quartiles are awarded a higher bonus because their salaries are higher. As the chart on page 6 shows, there are more male colleagues in the highest quartile which further widens the gap.

Our colleagues



Our part-time colleagues



Our next steps

At the date of publishing this report, we were updating our People Strategy. One of the key workstreams in this strategy is Equality, Diversity and Inclusion which includes gender equality.

We know there is no quick fix to deliver meaningful and sustainable change. That's why we're developing an evidence-based plan which focuses on activity and support for women to develop and thrive at Monmouthshire Building Society. In turn, this will contribute to meeting our long-term aim of reducing and eliminating the gender pay gap.

We're confident that the work we're doing to attract, retain, and develop female colleagues will bring long-term improvements in gender pay here at Monmouthshire Building Society.

Declaration



I confirm that the information contained in Monmouthshire Building Society's Gender Pay Report is accurate.

A handwritten signature in black ink that reads "D Gunter".

Dawn Gunter
Chief Operating Officer



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