

The Gender Pay Gap

Report as at April 2020

As at 5 April 2020, Canaccord Genuity Wealth Limited (CGWL) had 302 employees: 179 men and 123 women. We have analysed our pay by gender, which has revealed gender disparity in the business. In line with the rest of the industry, we have fewer women in more highly paid investment and senior management roles. This has an impact on our overall gender pay gap. Where we have comparative roles employing both genders in the same location, the pay gap drops dramatically.

We do not wish to diminish the societal issue of there being fewer women in front office or senior positions; and we believe it is important that businesses such as ours continue to disclose this information and make inroads to reduce the overall gender pay gap of the industry. To do this we need to proactively encourage more women into Front Office roles and ensure our women have the right environment to become more senior - we want them to see Canaccord Genuity as the place to build their careers and reach their potential.

We acknowledge that our gender pay gap needs to improve and we continue to move forward on positive and inclusive initiatives.

Male and female comparison

As has been debated heavily since the requirement to report the gender pay gap, we recognise that this reporting is not the same concept as equal pay for equal work.

Our pay reflects long-established trends across the whole industry which has a significant portion of the client-facing investment management roles filled by men. According to a report from the FCA, the average number of approved female employees in Financial Services is 17% (as reported in November 2019 under the approved persons regime).

Our data shows that of our certified employees (as reported under the SM&CR regime), **20.1%** of our client-facing investment management employees are women (as at January 2021).

Furthermore, a significant proportion of our male employees are based in the more highly paid central London (69%), who also earn bonuses along with their higher basic salary.

Just under half of our female employees (45%) are in administration roles, primarily based in Blackpool. Further details are provided below when comparing roles.

The following table shows the average gender pay gap in the UK generally, and more specifically for our industry:

	UK (generally)	Financial services and insurance industry
2020	15.5%	29.5%
2019	17.3%	32.6%
2018	17.9%	34.3%

While our gender pay gap is above the industry average, we have seen an improving picture and we are committed to continuing our efforts in the upcoming years.

Comparing roles

Where the firm has comparative roles employing both male and female colleagues in the same location, the pay gap is minimal.

To take administration employees in our Blackpool office as an example, the mean difference between male and female pay is just **1.35%**. Our Blackpool office is our main operations hub of the UK business and is considered a highly regarded employer of choice and is well respected in the local community. Employee surveys reinforce a very high level of employee engagement and colleague wellbeing. Participation in our employee engagement survey is around 70% and our overall engagement in the most recent survey was scored at eight on a ten-point scale.

Even if we were to look exclusively at our client-facing investment management

employees, the gender pay gap for Investment Managers and Wealth Advisers in the business sits at **10.2%**. Not only is this quite a low percentage, but it doesn't consider the length of service of employees, and the impact of us offering these positions to new female employees who may not have had the equivalent time to build their book of business as long serving male employees. Looking forward, we continue to aim for parity with efforts and initiatives across the whole business.

Diversity

There are many well documented reasons as to why diversity matters in a social and business context, thus leading to better business performance. Diversity can help avoid innate behavioural decisions and offer greater variation in thoughts and practices. Without a wide range of experience, ideas and opinions, we would be at risk of being left behind and stagnating in a world which is moving forward.

What does the future hold for CGWL?

There are some factors within our control that we are currently working hard to improve including:

Culture, values and diversity

We continue to move forward on promoting the right cultural values, putting clients at the centre of our business. We have:

- A diversity committee that has achieved several awards relating to diversity and inclusion
- Joined the 1,000 Black Interns programme, giving racially diverse candidates the opportunity to take internships across the City and we hope that this will feed into our early careers/graduate programme that we are looking to launch later this year

- Partnered with another UK group company, Canaccord Genuity Limited, to launch the Women's Entrepreneur programme, which gives female entrepreneurs the opportunity for mentorship and networking with people across our business and our network
- Female representation on all of our strategic business committees although we will continue to strive for a gender balance, including:
 - Senior executive team - one third of our executive committee membership is female
 - Remuneration committee – one third are female
 - Our audit and risk committees also have a ratio of one third female representation.

Flexible working and working from home

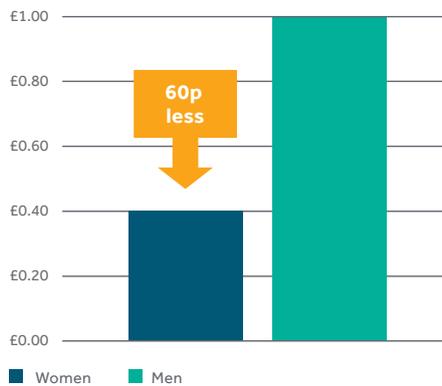
During 2020 and early 2021 we have, like all other City institutions, managed our business remotely and we have proved that this can be done very successfully. As we look to a world beyond COVID-19, we will reflect on how we incorporate flexible working into our business-as-usual model. This will ensure that the work/life balance will reach a point of equilibrium whilst maintaining the CGWL culture that is so important to our business. This model maybe a combination of home and office working for most roles. These flexible working programmes have been shown to benefit female employees more significantly, ultimately creating balance between work and life particularly where people have caring responsibilities.

Recruitment

We have worked hard to ensure that our teams are equipped to hire the best talent in the market. We train all our hiring managers and individuals involved in recruitment in how to select the right people focusing on competency and skills, taking out the risk of unconscious bias through awareness training and open dialogue. We continue to move our efforts forward both internally and with our external recruitment partners, articulating our unique employee value proposition and stating clearly why CGWL is a great place to work irrespective of gender or other factors, such as ethnicity or gender identity.

Hourly wages gap

In this organisation, women earn **40p** for every **£1** that men earn when comparing **median** hourly wages. Their median hourly wage is **59.7%** lower than men's. When comparing **mean** hourly wages, women's mean hourly wage is **53.3%** lower than men's.



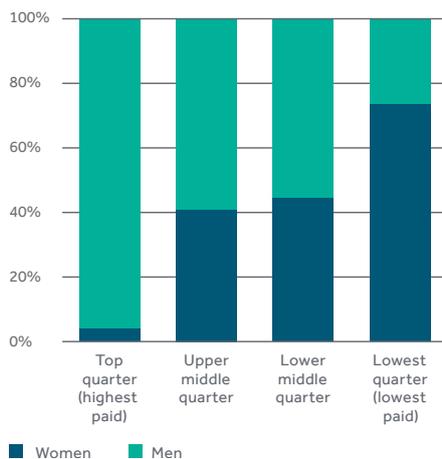
About mean and median:

The mean hourly rate is the average hourly wage across the entire organisation, so the mean gender pay gap is a measure of the difference between women's mean hourly wage and men's mean hourly wage.

The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man).

Proportion of women in each pay quarter

In this organisation, women occupy **3.9%** of the highest paid jobs and **73.7%** of the lowest paid jobs.

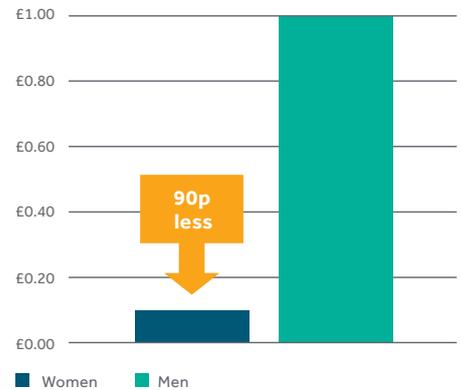


About pay quarters:

Pay quarters are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of women in each quarter gives an indication of women's representation at different levels of the organisation.

Bonus pay gap

In this organisation, women earn **10p** for every **£1** that men earn when comparing **median** bonus pay. Their median bonus pay is **90%** lower than men's. When comparing **mean** bonus pay, women's mean bonus pay is **90.5%** lower than men's.



Who received bonus pay:

- 93%** of women
- 96%** of men.

Conclusion

The gender pay gap analysis continues to be a valuable and important exercise to consider and it is important that we also work hard to address the disparities that are apparent in our industry.

As a fair and equal opportunities employer, we enjoy an engaged and loyal employee base. Nearly **10%** of employees have been with us for **over 20 years**, with the average length of service being seven years; and we have high engagement turnout and scores through our staff surveys.

We are committed to continuing to build a strong culture and brand, which people will know and trust and want to become a part of. Unfortunately, the gender pay gap will be with us for some time, although we will continue to work towards reducing it and increasing the diversity of our workforce to ensure our continued business success.

We still see this as an opportunity to encourage more women to join a profession that will welcome anyone who wishes to have a fulfilling and successful career. We believe this is something which we, the entire industry, need to come together on and address as a whole. It is imperative that we do, otherwise changing the industry for the better will take longer and be more difficult than it should be if we want to ensure women have the equal opportunity for a rewarding career.

We believe that a diverse workforce enhances our overall business performance and makes both employees and clients happier. We will continue with our pursuit to embrace and bring about gender parity.