

UK
Gender Pay
Gap Report
2021



Welcome to our Gender Pay Report for 2021



At Lowell, we're driving diversity and facilitating inclusion across every area of our business.

I want everyone who works here to feel confident to be whoever they want to be, bring their best selves to work and know they are supported to deliver great results for our Clients and Customers. In our latest Pulse survey, 81% of our UK Colleagues said they felt comfortable being themselves at work and 78% told us that regardless of background, everyone has an equal opportunity to succeed at Lowell, which shows we're making good progress towards achieving this goal.

I'm also really proud of how our Diversity and Inclusion (D&I) Colleague Involve Group has continued to raise important issues and facilitate conversations transcending ethnicity, gender and religion. We're all much more informed and have more empathy and understanding for others because of their work.

Whilst we have made strides forward in many other areas of our D&I programme (which you can read about in the following pages) it is frustrating to report that our 2021 Median Gender Pay Gap has increased slightly to 15.31% and our Mean Gender Pay Gap has widened by 5.3% to 29.5%.

We understand why we have a gender pay gap; caused by lower numbers of women in senior positions and a lower proportion of men in entry level roles. We know we will need to achieve a more balanced distribution of men and women across all levels of Lowell to reduce the gap. We are also pragmatic that making these important changes will take time; I am confident we have the right plans in place to get there.

One of our focus areas for 2022 (and beyond) is to create a truly inclusive culture to become a place where everyone wants to work. A place where all colleagues can achieve their goals and either progress through Lowell or grow in their current role.

Me and my UK Executive team are committed to facilitating inclusion for the long term as we work towards making credit work better for all.

A handwritten signature in black ink that reads "John Pears". The signature is stylized with a large 'J' and 'P'.

John Pears
UK CEO



It takes diversity of spirit, culture,
background, experience and perspective
to make credit
work better for all

We are committed to reducing the Gender Pay Gap at Lowell.




In support of this goal, we have made big strides forward across our Diversity and Inclusion (D&I) programme this year. Including:

Setting standards

Alongside our D&I commitment, we developed specific standards for the business as a whole and are now working to embed them against our 4 year D&I roadmap.

Setting targets

We have set ourselves the following targets:

-  Improve gender balance in senior roles at Lowell. We are aiming for 40% to be female by Dec 2025
-  Ensuring a gender balanced short list for senior roles
-  Have at least one female successor to consider for all senior roles by 2025.

Representation

In 2021, 40% of our UK Board and UK Executive team were women. 52% of our total UK team were female and 48% male.

We are looking to strengthen our succession pipeline to improve the development and support we provide for aspiring leaders from under-represented groups.

Reverse mentoring

All the UK Exec team and a number of our Non-Executive Directors took part in Reverse Mentoring last year.

Part-time and flexibility

We created a number of purely part-time roles in our Customer Engagement Centre, with flexibility in shift patterns, to encourage more women with caring responsibilities to join the team. Our first part-time cohort started in January.

Celebrating Difference

We celebrated International Women's Day in March and our first Diversity and Inclusion Day in May where colleagues from across the business joined together to celebrate each other through a series of virtual events. We have a full programme of D&I activities for colleagues planned in 2022.



“

Caroline Marsh, UK Non-executive Director, said about her reverse mentoring experience:

I was paired with a much younger colleague - a mum in her 20s from a different ethnic background to me. She helped me to understand how working at Lowell looks and feels through her eyes. Our conversations were informal but full of learning for me, especially on ways to improve our colleague experience.

”



Sources of Pride

Becoming a Menopause Friendly Employer

One of the biggest issues impacting all women is the menopause. Recent research by Bupa shows that over 900,000 women have quit work due to the Menopause – we want every woman who works here to feel supported at this potentially difficult time in their lives. So, we're making some big changes...



Fiona Barker, UK Director of Financial Performance and Workplace Menopause Ambassador, said:

“I am really proud to work for an organisation that is happy to talk about menopause, recognising the needs of impacted colleagues and more importantly offering a wide range of support. ”

A clear support programme

We want to be a supportive and understanding place for any colleague going through menopause and are working towards becoming an accredited Menopause Friendly Employer. We hope to achieve this accreditation in 2022.

Over the last year we have developed a comprehensive support programme for all colleagues, which includes:

- Introducing Menopause awareness training for all our people managers (over 50% have now attended)
- Recruiting Menopause Champions across the business for anyone who needs support
- Running Bi-monthly ‘Let’s Talk Menopause’ sessions
- Creating a dedicated intranet site to give access to support materials
- Launching a Social community to share stories and recommendations on how to get through the menopause.
- As well as providing access to medical and talking support through our Employee Assistance and Wellbeing programmes.



We've pledged

We've also signed the Wellbeing of Women Workplace Menopause Pledge to support colleagues through the menopause. Wellbeing of Women, in collaboration with Hello! Magazine, launched the Menopause Workplace Pledge in 2021. By signing the pledge we have committed to:

- Recognise that the menopause can be an issue in the workplace and women need support
- Talk openly, positively, and respectfully about the menopause
- Actively supporting and informing our colleagues affected by the menopause.





Sources of Pride

“ Formed in 2021, our Women in Leadership forum has created a fantastic space for senior women in Lowell to come together to discuss and take action on important issues to them.

Sometimes we've met without an agenda and simply asked each other how are you feeling and what's on your mind right now - they've turned out to be the most productive and heart-warming sessions. With our busy agendas we recognise that we rarely take enough quality time to check-in on ourselves and each other - the forum has created the space for us to do that.

We've also explored the importance of sharing our learnings and journey to where we are today with younger women in the early years of their career and we are working on creative ways to publish our stories both within Lowell and beyond. As a group of women we've found strength and a huge passion to make a positive difference today, tomorrow and beyond. ”

Kathryn Morgan, Managing Director, Lowell Financial Ltd



Our Diversity and Inclusion commitment

We see you... for you

We **believe** it takes diversity of spirit, culture, background, experience and perspective to make credit work better for all.

We **want** Lowell to be a community where everyone is free to be themselves, feels welcome and that they belong.

We are **committed** to raising awareness of the importance of diversity and creating an inclusive culture

We **know** this will drive innovation and improve what we do for our customers, clients and the communities we operate in.

We are **proud** to be building a sense of belonging that goes beyond any role, business unit, country or culture and unifies us as One Lowell.



We are creating
a culture

where everyone is free to
be themselves, feels welcome
and that they belong.

How do we measure up?

Gender Pay Gap or pay equality?

When we talk about gender pay, we mean the difference between the average hourly pay for all the men and women working for the same organisation. It doesn't measure equal pay, which is about a man and woman receiving the same pay for performing the same or a similar job.

We're confident that men and women are paid equally for equivalent roles. Our pay and reward system ensures everyone at Lowell is paid fairly based on their skills, qualifications, experience and performance.

What's the date?

Our figures must be calculated using a specific reference date - this is called the 'snapshot date'. The snapshot date each year is 5 April.

The data includes basic salary and several other elements, including bonus payments and allowances, and is shown pro-rata to hours worked.

The bonus calculation uses details of all bonus payments received in the 12 months up to the 5 April 2021 for all women and men employed at this date.



Reporting on the gender pay gap is vitally important as it allows Lowell to measure and manage this issue, setting clear goals so that we can understand our performance and identify opportunities to improve. In this report we present information about our progress against **five key measurements**:

Mean Gender Pay Gap

This is calculated by adding together all earnings paid to women, taking the average and then doing the same for men's earnings. The difference between the two averages is then shown as a percentage of men's earnings.

Median Gender Pay Gap

This is determined by ranking in order all the earnings paid to women, identifying the amount that is in the middle of the range and then doing the same for men's earnings. The difference between the two is then shown as a percentage of men's earnings.

Median Gender Bonus Gap

This is determined by ranking in order all the bonuses paid to women, identifying the amount that is in the middle of the range and then doing the same for men's bonuses. The difference between the two is then shown as a percentage of men's bonus.

Mean Gender Bonus Gap

This is calculated by adding together all bonuses paid to women, taking the average and then doing the same for bonuses paid to men. The difference between the two averages is then shown as a percentage of the figure for men's bonus.

The proportions of men and women in different pay bands.

This is worked out by looking at all the hourly rates we pay, ranking them, then dividing them equally into four equal sections (highest quartile to lowest quartile) and counting the men and women in each. This gives a view of the spread of hourly pay within our organisation.



We are proud to be building a sense
of belonging that unifies us as

One Lowell



Understanding our 2021 Gender Pay Gap

Lowell UK

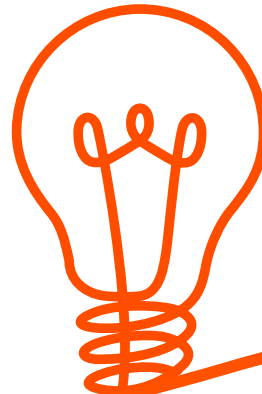
At a UK level, our Median Gender Pay Gap for 2021 increased slightly by 0.8% to 15.3% and our Mean Gender Pay Gap increased by 5.3% to 29.5%.

The reason for our Gender Pay Gap is all about representation. Proportionally we have a favourable gender balance, employing more women than men (52% females and 48% males), though there are more females carrying out entry level roles with lower salaries and more males carrying out senior roles with higher salaries.

The Bonus Pay Gap exists because we have more men in higher paid roles. For more senior roles, the bonus % increases meaning that more men are receiving higher percentage bonuses based on higher salaries while at the opposite end, more women in more junior roles are receiving lower percentage bonuses based on lower salaries.

We remain pragmatic that whilst we aren't able to change this overnight, we have made some progress this year, including an internal female promotion to the UK Exec team, and recruiting more female managers across all levels of the organisation.

During 2021 we simplified our Corporate Structure and this means our employing legal entities have changed. Some colleagues have been TUPE'd across these legal entities which has caused changes to the distribution of the GPG in our companies as follows:



Lowell Financial has seen a significant decrease of the Gender Pay Gap across all four of the main metrics. This is due to the changes in Lowell's corporate structure leading to a reduction in headcount, with many of the highest paid males moving into the UK Shared Service employing entity.

Lowell Solicitors continued to see a reduction in the Mean Bonus Gap where Female bonus payments have increased by more than males in the last 12 months. However, there was a widening of the other three measures (Median and Mean Pay and Median bonus) partly due to a headcount reduction, which drove an increase in average male pay versus a reduction in average female pay.

UK Shared Services became a new legal employing entity in 2021 with colleagues moving under TUPE from Lowell Financial and Lowell Solicitors. The pay and bonus gap is higher because of a greater proportion of higher paid males being employed by the new entity.

Our other UK employing entities, Overdales, and Group Shared Services are under the reporting threshold for 2021 though we have included them for completeness.

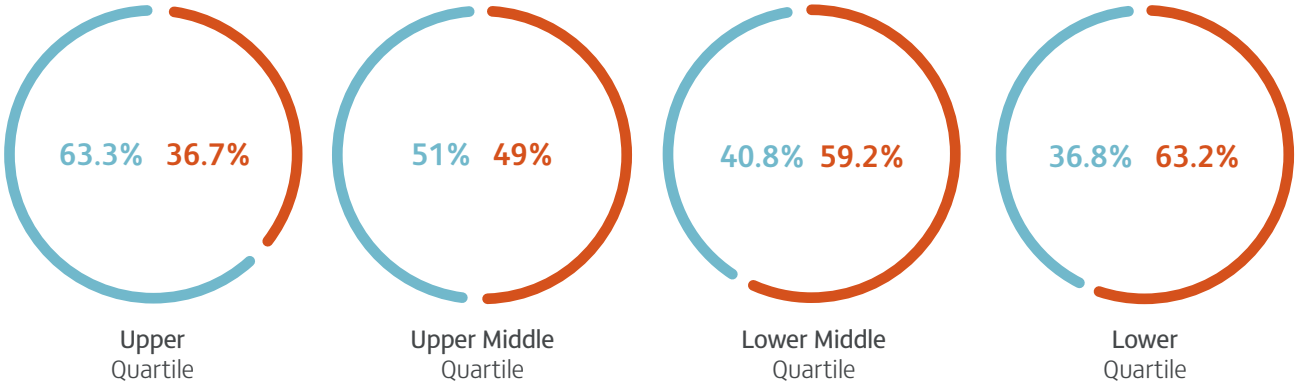


Lowell UK Gender Pay Gap

2021	% Gap	Change from 2020
Median ordinary pay	15.31	0.80
Mean ordinary pay	29.52	5.30
Median bonus pay	17.89	-8.71
Mean bonus pay	50.24	2.96

93.2% of males paid a bonus
96.1% of females paid a bonus

 Male  Female

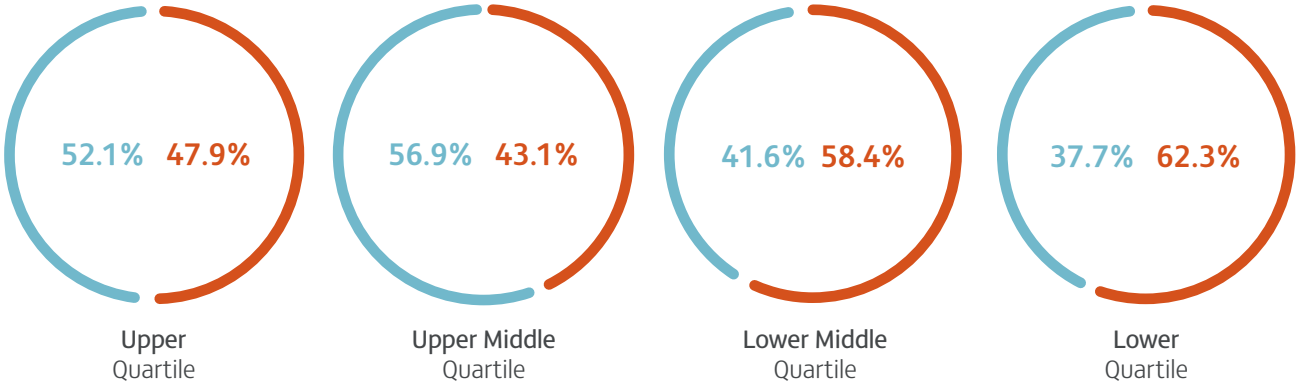


Lowell Financial Ltd Gender Pay Gap

2021	% Gap	Change from 2020
Median ordinary pay	7.37	-6.64
Mean ordinary pay	8.65	-13.01
Median bonus pay	7.12	-21.59
Mean bonus pay	23.32	-27.96

93% of males paid a bonus
95.1% of females paid a bonus

 Male  Female

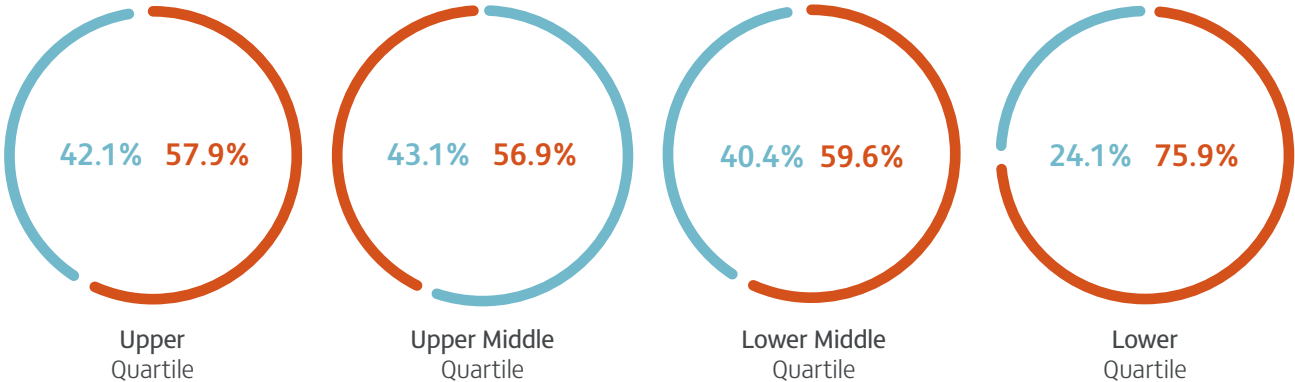


Lowell Solicitors Gender Pay Gap

2021	% Gap	Change from 2020
Median ordinary pay	5.98	1.86
Mean ordinary pay	9.93	2.45
Median bonus pay	16.83	8.13
Mean bonus pay	32.01	-1.87

100% of males paid a bonus
99.4% of females paid a bonus

 Male  Female

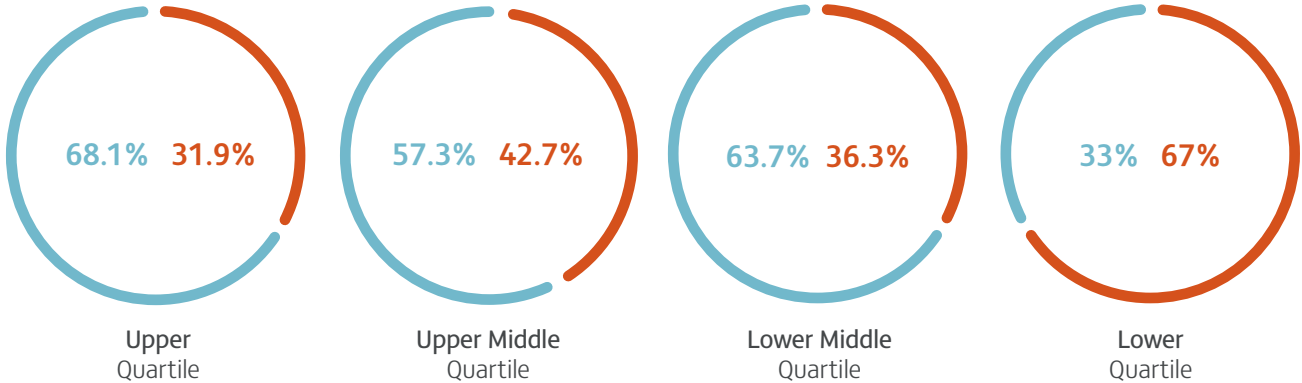


UK Shared Services Gender Pay Gap

2021	% Gap
Median ordinary pay	13.10
Mean ordinary pay	30.85
Median bonus pay	54.29
Mean bonus pay	37.36

90.2% of males paid a bonus
95.2% of females paid a bonus

Male Female

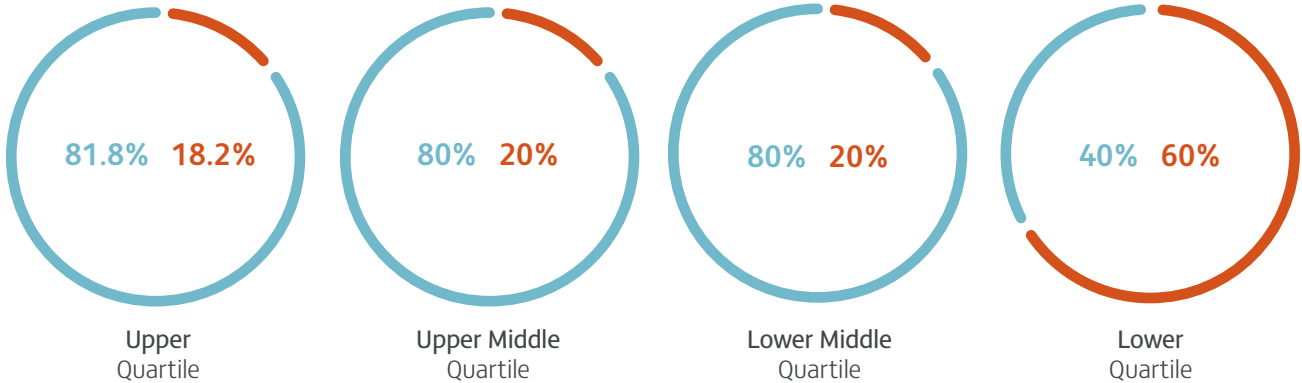


Group Shared Services Gender Pay Gap

2021	% Gap
Median ordinary pay	29.62
Mean ordinary pay	34.40
Median bonus pay	64.70
Mean bonus pay	42.93

93.1% of males paid a bonus
91.7% of females paid a bonus

 Male  Female



Overdales Gender Pay Gap

2021	% Gap
Median ordinary pay	32.22
Mean ordinary pay	44.63
Median bonus pay	32.41
Mean bonus pay	76.32

93.3% of males paid a bonus
100% of females paid a bonus

Male Female



Declaration

I confirm that Lowell's Gender Pay Gap calculations are correct and meet the requirements of the regulations. The details, calculations and data reported here have been reviewed by the Lowell People Team, who have confirmed they comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'John Teary', is written over a faint, light blue rectangular stamp or watermark.

Lowell UK 2021 Gender Pay Gap Report

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