

Gender Pay Gap Report

2023

Message from our CEO



Aldermore Group is firmly committed to fostering a diverse and inclusive environment where everyone feels valued and empowered.

We have made significant progress in increasing female representation at senior levels, reaching 39% in December 2023. We remain committed to the Women in Finance Charter and actively invest in gender balanced development programmes to provide equitable career advancement opportunities, as we acknowledge that there is still further work to be done.

Whilst we feel positive about the improved bonus gap, addressing the overall gender pay gap remains a top priority. We recognise that recent competitive hiring practices have impacted the pay gap in the short term. However, we are dedicated to ensuring fair and transparent compensation practices through data driven decisions and equipping managers with relevant benchmark.

We are delighted to have welcomed Michelle Mott as Chief Risk Officer, further increasing female representation and strengthening our Executive Committee. We remain dedicated in ensuring continued progress in this area.

The 2023 gender pay gap report serves as a valuable tool for identifying areas for improvement and implementing executive strategies. We are committed to using these insights to close the remaining gap and create a truly equitable and inclusive workplace for everyone.

A handwritten signature in black ink, appearing to read 'Steven Cooper'.

Steven Cooper CBE, CEO

Gender Pay Reporting 2023

Mean & median pay and bonus gaps

Our mean and median pay gaps have both widened since our last report. The mean has increased to 28.4% and the median has increased to 33.1%. Whilst the widening of this gap is not our intended direction, the increase is predominantly due to the structural makeup of our business, which whilst improving year on year, currently sees female employees making up less than 50% of senior roles.

The recent hire of our new Chief Risk Officer has made strides to closing this imbalance. We continue to deliver initiatives throughout Aldermore and MotoNovo to address the underrepresentation of females and ensure that the pay and treatment of all employees is fair and equal.

→ UK growth in employees' average regular pay (excluding bonuses) was 7.2% in the 12-month period leading up to April 2023 (source: Office of National Statistics). This was the largest growth rate seen outside of the COVID-19 pandemic with the finance and business services sector seeing the largest growth at 9.2%. Our recruitment approach during this period reflected the challenging external macroeconomic conditions!

→ From employees included in this Gender Pay Report, 35 of them were hired at a senior level during the 12-month period up to 5 April 2023. 65.8% of these hires, which by seniority come with the highest salaries in the business, were male. Although the 34.2% of female senior hires shows an improvement against previous ratios, the proportion of men in this group negatively impacted our gender pay gap.

We saw an improvement in the mean bonus gap (reduced to 70.3%), whilst the median has increased. Our bonus gap is predominantly driven by the makeup of senior roles. As female employees account for less than 50% of these roles, the average bonus is weighted towards male employees. Bonus gaps by internal job grade are much smaller, with a mean bonus gap as small as 1.7% amongst our ExCo minus one population.

We continue to implement targeted initiatives aimed at promoting gender diversity, fostering inclusive leadership, and ensuring fair compensation practices across the organisation. By leveraging these efforts and remaining responsive to external dynamics, we are confident in our ability to create a workplace where all employees are valued, respected, and rewarded equitably.

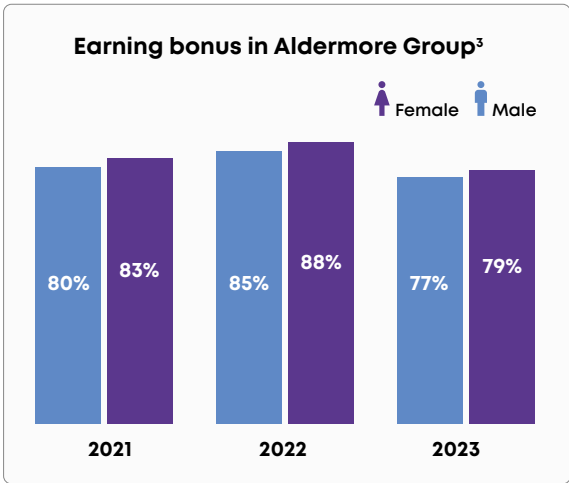
¹ www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/june2023

| Pay Gap - Aldermore Group | | 2021 | 2022 | 2023 ² | +/- ² |
|-----------------------------|--------|-------|-------|-------------------|------------------|
| Pay | Mean | 23.7% | 19.1% | 28.4% | 9.4% |
| | Median | 29.9% | 22.0% | 33.1% | 11.1% |
| Bonus Gap - Aldermore Group | | 2021 | 2022 | 2023 ² | +/- ² |
| Bonus | Mean | 31.1% | 86.7% | 70.3% | -16.4% |
| | Median | - | 48.0% | 66.7% | 18.6% |

² Year-on-year changes are reported in percentage points

Bonus eligibility

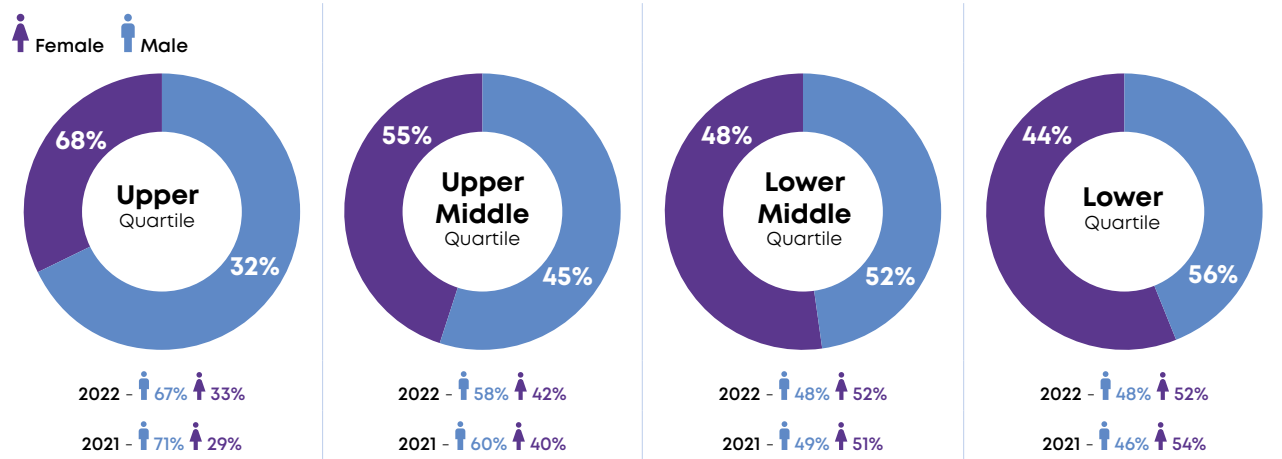
All employees at Aldermore are eligible for bonuses, dependent on the employee being employed by 1 April of each performance year and still being employed on the bonus payment date in August. This means there are no differences in eligibility by gender or other social categorisation. Any differences below are driven by performance rating outcomes or date of hire.



³ Year-on-year changes are reported in percentage points

Gender by Quartile in 2023

Continued focus through recruitment and internal initiatives to support and develop our female talent have resulted in an improvement in the number of females in the Upper Middle Quartile (42% to 45%). Senior leadership changes have seen a slight decrease in the number of females in the Upper Quartile (33% to 32%).



Case studies

Danielle Soto

Managing Director - Savings and Commercial Shared Services, and ExCo sponsor of the Women's Network



I'm privileged to be a sponsor of our Women's Network at Aldermore, whose purpose is to inspire and empower women and enable opportunities and success through a community promoting gender equality.

Over the past 20 years, I have represented women at events such as International Women's Day and in accredited learning programmes, because I deeply believe in the importance of increasing female representation in forums historically led by men.

This year, I have been incredibly proud of the work our Women's Network has done to inspire and enable women. We became the headline sponsor for the Women of the Year Awards and launched our own internal awards scheme, promoting strong, high-achieving, influential women and their important allies.

We were also delighted to host a fertility webinar, where courageous colleagues shared their own fertility journeys, fostering an open and respectful culture. This webinar led to the development of a new

fertility policy, which offers time off for appointments and wellbeing advice. I am proud to work for an organisation that is striving to become a more inclusive and diverse workplace for all colleagues.



Case studies

Debbie McKay

Commercial Director - Sales, and co-founder of the Grow Network



There are three key reasons why increasing female representation is important to me: greater equality, the diverse perspectives and experiences women bring to the workplace, and providing role models.

At MotoNovo Finance, we have developed several avenues to address barriers and increase female representation. We launched the Generating Real Opportunities for Women (GROW) network in April 2022, which has since grown to over 150 members. GROW aims to be a catalyst for change within our industry and has shared insights through a series of virtual events exploring and shaping future conversations. We aim to continue covering relevant and engaging topics that contribute to creating a gender-balanced environment.

We also have a number of other initiatives, including mentoring networks where experienced professionals help women navigate their careers and the ongoing promotion of our work-life balance policies.

My overall goal is to have diverse leadership models and styles that are equally celebrated, regardless of gender. This

includes ensuring inclusivity in policy-making and strategy development that reflect the needs of women within the business, eliminating glass ceilings, and advocating for equal progression opportunities unhindered by gender-based discrimination or systemic bias.



Ben Winton and Emily Birkinshaw
GROW Network Co-Chairs

Case studies

Vicki Wharton

Operational Excellence Director and participant of Executive Leadership Programme 'Advancing Aldermore'



I joined Aldermore Bank in 2022. The opportunity resonated deeply with me due to its strategic direction and purpose, and I was excited by the prospect of making a tangible difference for both colleagues and customers.

With over 23 years of experience in financial services, I particularly enjoy driving significant transformation programmes through collaborative efforts with my colleagues. I have built a strong and diverse team that is currently delivering a customer experience strategy focused on onboarding new leaders to further strengthen our key capabilities. I have also played a key role in championing the development of female talent within the workplace. This includes establishing several key female exchange forums at Aldermore, which have garnered enthusiastic participation from colleagues.

Recently, I participated in the Advancing Aldermore Programme. This proved to be a valuable learning experience, fostering

strong, collaborative working relationships with my peers. I am proud of the senior team we have built together.

The inclusive culture demonstrated in the behaviours of our Executive Committee and leadership team consistently inspire me. This allows for a shared approach and commitment to delivering an exceptional experience for both our customers and colleagues.



How we are actively championing women at Aldermore

As part of our commitment to the Women in Finance Charter, Aldermore set ambitious targets of increasing female representation in senior management roles to 30% by FY23 and 50% by 2025. We are pleased to report that as of 31 December 2023, we have achieved 39% female representation in these roles.

We remain committed to this goal by ensuring a deliberate focus on female representation at all levels of our organisation through our talent and development strategy, achieved through a range of initiatives:

- **Committing to gender-balanced shortlists** for senior executive roles within the organisation through a robust end to end recruitment process, continued in our approach to succession planning for executive roles.
- **Advancing Aldermore**, our gender-balanced executive programme with 20 senior leaders aims to develop leadership capabilities and readiness for future executive positions. This six-month programme focuses on leadership-awareness, impactful communication, board-level responsibility, and action learning through a real-world business project.

- **The 'Women in Leadership Programme'** offers two distinct cohorts. Cohort One equips aspiring and new leaders with theoretical and practical knowledge, while Cohort Two strengthens the knowledge and skills of more experienced female managers and leaders.
- **The gender-balanced 'Leading the Way' talent development programme** prepares both male and female colleagues for senior leadership roles and offers them the opportunity to complete a Level 7 Chartered Management Institute Certificate in Management & Strategic Leadership.
- **Our apprenticeship scheme** has seen 46% female completions (24 out of 52) since launching, and currently has 58% female participants (49 out of 84) actively enrolled.
- **Our partnership with Moving Ahead's 30% mentoring programme** features 40 mentors and 40 mentees participating in a scheme focused on racial and gender equality.
- **Our Women and Family and Carers Networks** actively advocate for women through initiatives such as:
 - The Women of the Year Awards
 - Awareness sessions on topics like menopause and fertility
 - Quarterly in-person events for parental leavers



Summary

Aldermore Group is committed to providing a fair, inclusive, and diverse workforce for all its employees. As the findings of report attest to, we know that a pay gap still exists and has slightly grown in FY23 mainly due to women being underrepresented in the higher-paid senior roles across our organisation. This is an area of focus we are consciously working hard to change, yet recognise it will take both time and a concerted effort to successfully address.



Already, we are pleased to see that we are recruiting a higher proportion of women to senior roles compared to previous years and that our organisation is investing in a number of gender-balanced development programmes. These are important steps in the right direction. Therefore, it is paramount that we continue to improve and champion female representation across all levels of our organisation.



Appendix

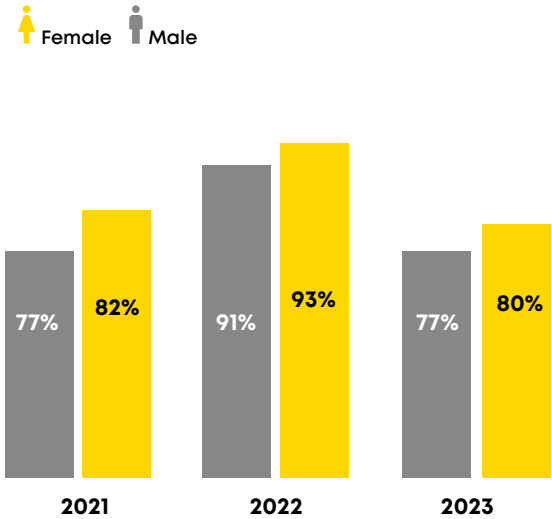
Aldermore specific numbers

Pay and Bonus Gap

| | | Pay Gap - Aldermore Bank | | | |
|--|--------|----------------------------|-------|-------|--------|
| | | 2021 | 2022 | 2023* | +/-* |
|  Pay | Mean | 25.5% | 21.8% | 33.4% | 11.6% |
| | Median | 30.5% | 22.8% | 32.5% | 9.7% |
| | | Bonus Gap - Aldermore Bank | | | |
| | | 2021 | 2022 | 2023* | +/-* |
|  Bonus | Mean | -0.3% | 92.3% | 69.6% | -22.6% |
| | Median | - | 44.2% | 60.5% | 16.3% |

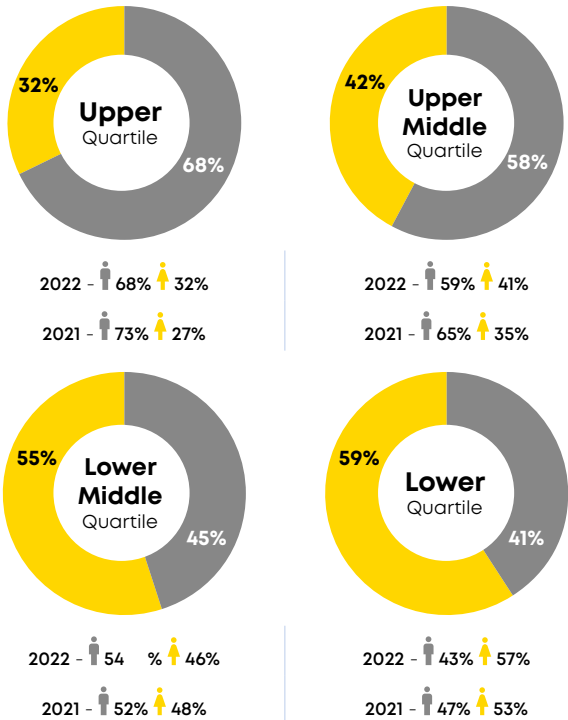
* Year-on-year changes are reported in percentage points

Bonus earning ratio*





* Year-on-year changes are reported in percentage points

Gender by Quartile in 2023



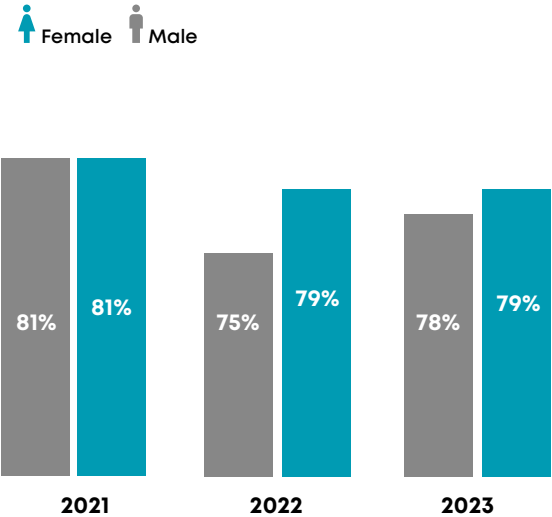
MotoNovo Finance Ltd specific numbers

Pay and Bonus Gap

| | | Pay Gap - MotoNovo Finance Ltd | | | |
|--|--------|----------------------------------|-------|-------|-------|
| | | 2021 | 2022 | 2023* | +/-* |
|  Pay | Mean | 20.2% | 15.6% | 19.2% | 3.6% |
| | Median | 13.7% | 9.9% | 14.5% | 4.5% |
| | | Bonus Gap - MotoNovo Finance Ltd | | | |
| | | 2021 | 2022 | 2023* | +/-* |
|  Bonus | Mean | 43.4% | 72.2% | 75.1% | 2.9% |
| | Median | 15.4% | 39.1% | 49.3% | 10.1% |

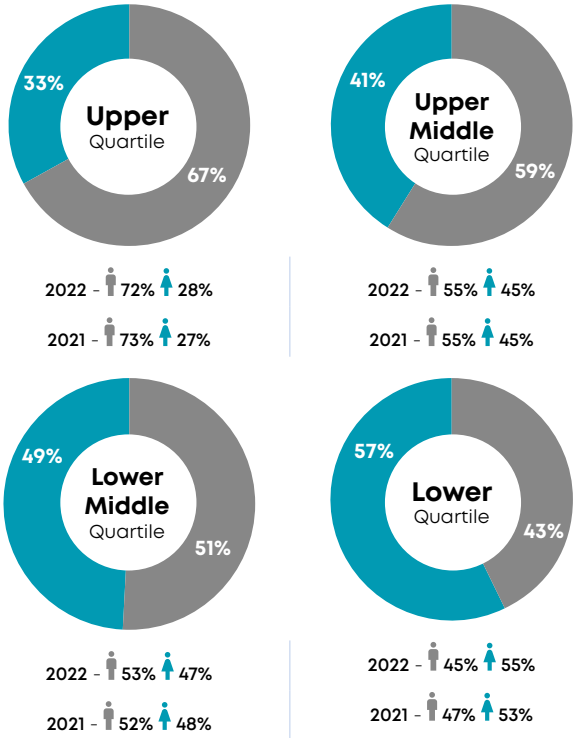
* Year-on-year changes are reported in percentage points

Bonus earning ratio*



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Gender by Quartile in 2023



Aldermore