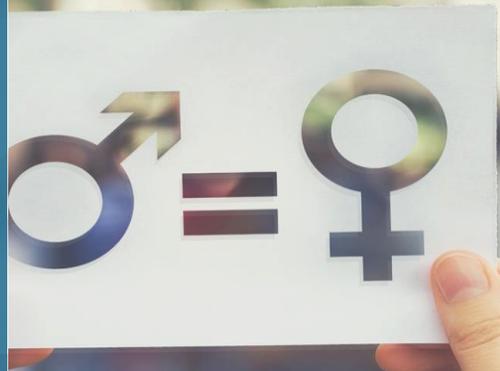


Gender Pay Gap Report 2024

Cabot
FINANCIAL



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Our Current View

At Cabot Financial, we are striving to be an inclusive and progressive organisation where everyone feels comfortable and enabled to be themselves at work. We value the diversity of thought that different backgrounds and cultures can bring as it makes us stronger.

The more we understand each other, the easier it is to deliver the right outcomes for our consumers and to support each other. Prioritising inclusion and belonging improves collaboration and enhances people’s wellbeing; both of which are essential parts of supporting our colleagues, and in turn our business, to succeed.

We are committed to a culture where we live our values: We Care, We Find a Better Way and We are Inclusive and Collaborative every day. Our goal is to build inclusion at every level of our business, making Cabot Financial a great place to work for everyone and facilitating equitable access to colleague opportunities. Closing our gender pay gap is a key part of this. The actions we’ve taken in 2024 continue to make steps in the right direction toward Gender Equity.

We will walk you through our detailed figures but before we do, we want to give an insight into what’s behind them.

Our gender pay gap for Cabot Financial isn’t where we want it to be. Some of the movement we’ve seen in 2024 is down to one-off circumstances, however, what we can say with certainty is that this isn’t a pay equity challenge, it remains female representation within our senior leadership and STEM-based technical roles (roles based on knowledge of Science, Technology, Engineering, or Maths) which is creating gender pay differences and is the challenge we must solve.

However, we continue to take numerous steps to address this, and we head into 2025, knowing that we are committed to moving the dial and that we are challenging ourselves in positive ways to make sure everyone across Cabot Credit Management is given the best possible opportunity to thrive:

Our Commitment to Pay Equity

We complete an annual review across our business to ensure our colleagues are paid fairly and equitably for equivalent roles. These reviews continue to demonstrate we have broad alignment in pay at each level (taking into account tenure and skills), which tells us that our policies and controls are working.

Our challenge remains that for certain roles our gender balance is not where we would like it to be, and we remain committed to working to change that.



We care

We put people first and engage with honesty, empathy, and respect

We find a better way

We deliver our best in everything we do, find ways to make a positive difference, and achieve impactful results

We are inclusive and collaborative

We embrace our differences and work together to ensure every individual can thrive





Our Current View

Growing our Female Representation:

Women in Finance Charter:

As we stated in our last report, we decided to challenge ourselves by signing up to the HM Treasury Women in Finance Charter. The Charter's purpose is to enable financial services organisations to work together to build a more balanced and fair industry. The Charter reflects the government's aspiration to see gender balance at all levels across financial services firms and we believe it will help positively challenge us in ways which will narrow our pay gap and hold us to account through the targets we agree.

Talent:

DEI and inclusive hiring processes are embedded within our Talent Attraction and Talent Management frameworks, with focus upon understanding and developing the diversity of our talent pools.

Women's Health & Family Friendly policies:

We continue to develop and evolve our family friendly policies to support women throughout every stage of life. In 2024, we launched our new Menopause policy and now have a network of Menopause Champions raising awareness and working with leaders and colleagues throughout our UK locations.



Our DEI Counsel & Working Groups:

Our DEI Counsel and Working Groups focus on "Embracing Diversity". By that we mean actively seeking, welcoming, and celebrating a wide range of backgrounds, perspectives, experiences, and identities within our organisation. Their work involves recognising and valuing individual differences, including but not limited to gender, race, ethnicity, age, sexual orientation, disability, religion, socioeconomic status, and cultural background.

Embracing diversity goes beyond just acknowledging differences; it involves creating an inclusive environment where all individuals feel respected, supported, and empowered to contribute the unique strengths and ideas which their perspective brings. It means fostering a culture that recognises diversity as a source of innovation, creativity, and competitive advantage.

What's being done?

- Continuous improvement of inclusive hiring practices to attract and retain a diverse talent pool.
- Developing partnerships with organisations supporting underrepresented communities to ensure equitable employment opportunities.
- Encouraging diversity in leadership positions by providing mentorship and advancement programs.
- Fostering a culture that celebrates and respects individual differences and perspectives



John Yung

President of International and Cabot Credit Management



Jaime Nuwar-Graham

Chief Operating Officer - Cabot Financial



Paul Jenkins

Managing Director of Cabot UK



Julie Williams

HR Director of Cabot UK





Our Current View

Our Employee Resource Groups:

Our aim is to make Cabot Financial and Cabot Credit Management, a place where everyone can thrive whilst being themselves. We see ERGs playing a huge role in achieving that vision by providing support to our diverse team members and promoting inclusive practices.

Women at Encore and Allies is our resource group for female colleagues and their allies across Encore. The group serves as a support system providing education, personal growth, information, and idea sharing. We have four pillars that all Women at Encore and Allies activities anchor back to:

Foster Fellowship: Foster a sense of community among female colleagues, with a specific focus on establishing networking among women outside of their day-to-day functions. This pillar will also facilitate best practice sharing and the establishment of peer support groups where colleagues can support each other on specific topics such as caregiving, single parenting, and others.

Enable Talent Development: Focus on developing women and preparing them for the future, offering mentoring, creating visibility and opportunity, and emphasizing skill building, risk taking, and self-advocacy.

Create Opportunity to Connect: Create visibility for women within the broader organisation through networking opportunities, promoting understanding of different perspectives, and creating opportunities for conversation, idea sharing, and connection.

Visibly Support Women in our Community: Support women and children in our communities through outreach or volunteer activities consistent with our mission, vision, and values.

We also introduced a new employee resource group in 2024, The UK Chapter of our Pride Network. Just like Women at Encore and Allies and our existing Black Employee Network, this group is led by our colleagues, for our colleagues, and receives support and sponsorship from our business leaders. We hope to continue to introduce new ERGs in the future, but for now we will focus on enabling these three forums to make a difference. The programs are making an impact, with the number of members and allies continuing to build. The education and awareness they are providing will prove invaluable.



Final Thought

Everything we've spoken about here is a constant cycle which we will continue to update you about in our future reports. We're taking many positive steps, but we recognise that change takes time. The actions we've spoken about show we are committed to making tangible changes which move us in the right direction towards our goal of closing the Pay Gap. Our Board of Directors and Executive Committee regularly discuss our DEI strategy and roadmap, and this ensures we remain focused on, and accountable for ensuring equity and fairness.

We can confirm the data printed in this report is accurate.

Signed by John Yung



John Yung

President of International and Cabot Credit Management



Jaime Nuwar-Graham

Chief Operating Officer - Cabot Financial



Paul Jenkins

Managing Director of Cabot UK



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HR Director of Cabot UK



Our Structure

Who we are | Encore Capital Group | European businesses

If you are not already aware of our set up here at Cabot Financial, here's a bit of background. Encore Capital Group has three primary business units - Cabot Credit Management (CCM), Midland Credit Management (MCM) and Latin America Asia Pacific (LAAP).

Headquartered in London, CCM, is one of the largest credit management service providers in Europe and a market leader in the UK and Ireland.

CCM consists of ten different businesses who provide a range of credit management services to a broad client base including some of Europe's largest credit providers. Our debt servicing offerings include early-stage collections, business process outsourcing, contingent collections, trace services and litigation. CCM currently employs around 3,000 people across its 16 offices in the UK and mainland Europe. Wescot forms part of CCM.



Our MVV

What we stand for

At CCM, we understand the power our actions can have on our consumers and the significance of our role in contributing to a healthy credit ecosystem. With this in mind, along with our parent company Encore Capital Group, we created an Mission, Vision and Values (MVV) that reflects and strengthens our culture we have at CCM.

Our culture is reflected in our Mission which is to 'create pathways to economic freedom' through our interactions with consumers. Our colleagues are committed to supporting consumers to achieve economic freedom by working in partnership with them to understand their challenges, find good outcomes to what they owe and make a positive difference to their lives. We understand that no two people are the same, and through our interactions with consumers we can help them to find a better way to restore their financial health.

Our Vision, to 'help make credit accessible by partnering with consumers to restore their financial health' continues this intent to make everything about freeing people from what they owe.

We have created our Values - We Care, We Find a Better Way and We are Inclusive and Collaborative - to help guide our actions and behaviours. They represent what we have heard from colleagues; namely who they are, how they work, what they value, and the sort of environment they want to work in. Our Values create an environment that give a sense of belonging and celebrates diversity in the way we think.



Mission:

Creating pathways to economic freedom



Vision:

We help make credit accessible by partnering with consumers to restore their financial health



Values:



We care:

We put people first and engage with honesty, empathy, and respect



We find a better way:

We deliver our best in everything we do, find ways to make a positive difference, and achieve impactful results



We are inclusive and collaborative:

We embrace our differences and work together to ensure every individual can thrive

Understanding the Gender Pay Gap

What's a Gender Pay Gap show?

A Gender Pay Gap (GPG) is a measure of the difference in the average pay of men and women across an entire organisation, regardless of the nature or level of their work. It highlights the different number of men and women across all roles.

It is different from an equal pay comparison, which involves a direct comparison of two people or groups of people carrying out the same work or work of equal value.

What's the difference between median and mean pay gap?

Median pay gap

Imagine if all our female colleagues stood next to each other in a line. They order themselves from the lowest hourly pay to highest and then our male colleagues did the same. The Median GPG is the difference in pay between the female colleague in the middle of their line and the male colleague in the middle of their line as a percentage.

Mean pay gap

The Mean GPG shows the difference in average hourly rate of pay between men and women. This is also affected by the different numbers of men and women in different roles. This number is calculated by adding up all of the people in the lines rate of pay and dividing it by the number of people in the line.



Why is the Mean Gender Gap higher than the Median Gender Gap?

The Mean (average) as a calculation is more sensitive to having more of a particular gender in senior positions, which leads to a higher result. Where the Median (mid-point) being based on a rank of employees, leads to a lower result.

Gender Pay Gap

Reporting Requirement	2022 %	2023 %	2024 %
Mean gender pay gap	29%	31%	32%
Median gender pay gap	6%	22%	17%

All of our numbers remain relatively static. A lack of any major turnover in roles at a senior level means the chance to see a change in representation is yet to be recognised but our summary shows we are taking the right actions to achieve that over time.

Gender Mix and each pay quartile

The proportion of male and female colleagues according to quartile pay bands is:

Our proportion of males and females in each quartile band		Lower Q M	Lower Q F	Lower Middle Q M	Lower Middle Q F	Upper Middle Q M	Upper Middle Q F	Top Q M	Top Q F
	2024	38%	62%	41%	59%	51%	49%	67%	33%
	2023	34%	66%	42%	58%	51%	49%	66%	34%

The overall gender mix is **51%** females and **49%** males.



All of our numbers remain relatively static. A lack of any major turnover in roles at a senior level means the chance to see a change in representation is yet to be recognised but our summary shows we are taking the right actions to achieve that over time.

Bonus Gap



$$((\text{£XX} - \text{£XX}) \div \text{£XX}) \times 100 = \text{XX}\%$$

The Bonus Gap is the female average bonus, subtracted from the male average bonus, divided by the male average bonus, multiplied by 100.

The Bonus Gap is the female average bonus, subtracted from the male average bonus, divided by the male average bonus, multiplied by 100. The gap in bonus has fallen over the three-year period and will see more positive trends if our actions described in this report are successful.

Reporting Requirement	2022 %	2023 %	2024 %
Mean bonus gender pay gap	75%	63%	59%
Median bonus gender pay gap	27%	16%	28%

Median Bonus gap

Imagine if all our female colleagues who received a bonus stood next to each other in a line. They order themselves from the lowest bonus received to highest and then our male colleagues who received a bonus did the same. The median bonus gap is the difference in bonus between the female colleague in the middle of their line and the male colleague in the middle of their line as a percentage.

Mean Bonus gap

The mean bonus gap shows the difference in mean bonus between men and women. This number is calculated by adding up all of the bonuses awarded and dividing it by the number of people who received one.

Receiving a bonus

The proportion of females and males who received a bonus is evenly split with 89% of females and 85% of males receiving a bonus. This balance of males and females reflects the objectivity we have in eligibility criteria for bonus and performance assessments.

The proportion of males / females receiving a bonus payment has dropped this year and is more in line with 2022 levels. This is due to the one-off bonus and incentive payments that fed into our 2023 figures. Those bonuses were received by all colleagues and drove an increased number of colleagues receiving a bonus in our last report.

Our proportion of males and females receiving a bonus payment



The measurement period is 12 months ending the 5th April 2024.

Helpful understanding

- 'Pay' is base salary and 'Bonus' is any additional bonus payments including Long Term Incentives.
- For Pay the 'measurement period' means the pay period in which the 5th April falls.
- For Bonus the 'measurement period' means the 12 months prior to pay period in which the 5th April falls

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