

Gender and Ethnicity pay gap report

13 August 2025



Introduction

At West Brom Building Society, we are committed to fostering a diverse and inclusive workplace where every colleague is rewarded fairly. As part of this commitment, we have consistently monitored and reported our pay gap statistics to promote transparency and accountability.

This is our ninth Gender Pay Gap report, in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. We also began voluntarily publishing our Ethnicity Pay Gap figures in 2021, and this marks the fifth consecutive year of publishing these figures, highlighting our commitment to addressing representation disparities across various diversity demographics and building a truly equitable workplace.

By sharing this data, we aim to provide transparency of our efforts and ongoing commitment, while acknowledging the work that still needs to be done. Publishing this report also allows us to hold ourselves accountable and demonstrate our continued efforts to reduce both gender and ethnicity pay gaps.

This year's pay gap statistics were compiled with latest disclosed diversity data available, where **87%** of the workforce have disclosed their gender and **86%** disclosed their ethnicity. We are confident that these statistics still show a good reflection of the overall picture at the West Brom, as the disclosure rates represent a majority of our colleague population.

What do pay gap figures tell us (and what they don't)

Pay gap figures illustrate differences between the average pay of all female colleagues and male colleagues; or ethnic minority and white colleagues within the entire workforce. They do not take into account different responsibility levels or skills required of specific roles.

That is why these figures do not represent 'unequal pay', which deals with pay differences between colleagues from different diversity groups and are doing the same job or work of equal value. We know that we do not have any processes or practices which result in colleagues being paid differently because of their gender, ethnicity or any other protected characteristic.

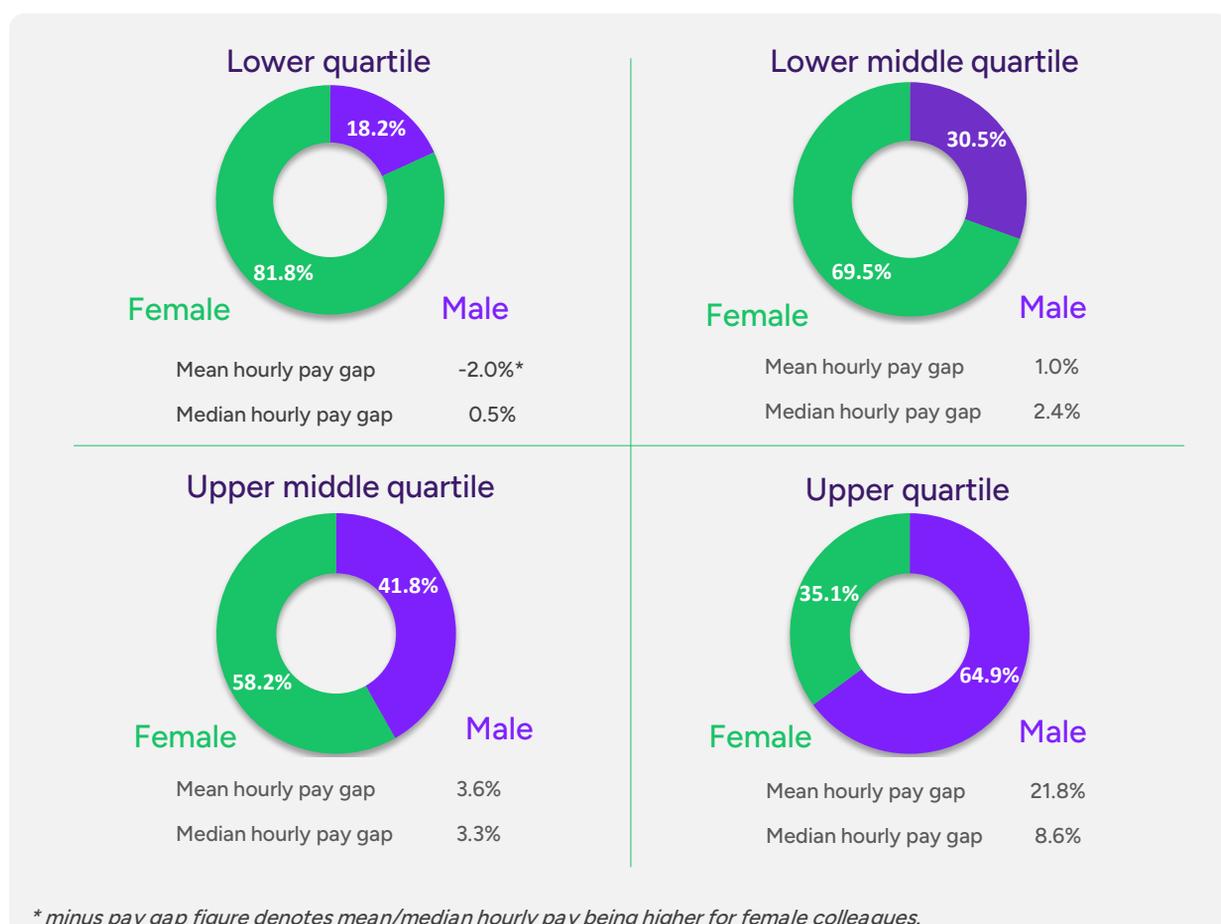


Gender pay gap

The gender pay gap looks at the difference in the average pay and average bonus pay between men and women across the workforce of an organisation. It shows the percentage difference in earnings, calculated by comparing average hourly pay and average bonus pay received by female and male groups. Therefore, the representation (or distribution) of female and male colleagues across all levels of the workforce is an important factor to eradicate gender pay gaps.

Pay quartiles and their impact on our Gender pay gap

The gender pay gap at the West Brom is influenced by the distribution of female and male colleagues across all levels of roles. Pay quartiles are useful indicators of this distribution, as they divide the workforce into four equal parts based on hourly pay. This gives a good insight about the representation of men and women across different levels of pay. The following shows the gender representation within the four pay quartiles at the West Brom.



This imbalance of representation across the pay quartiles, in turn, significantly impacts the overall average earnings of female and male colleague populations, driving the overall pay gap figures at the West Brom.

Within the first three quartiles, both the mean and median pay gaps are either considerably small or, in the case of the lower quartile, do not exist at all (in that female colleagues are, on average, earning more). However, higher proportions of female colleagues within these quartiles affect both the mean and median pay of the overall female colleague group at the Society. The picture is different in the upper quartile, where a larger percentage of male colleagues occupy higher paid positions, causing higher mean and median pay figures for overall male colleague group.

Mean and Median gender hourly pay gaps

The mean hourly pay gap is the difference between average hourly pay of men and women in an organisation. To calculate the mean pay gap, we add up the hourly pay of all male colleagues and divide it by the number of male colleagues, then do the same for all female colleagues. The difference between these two averages, expressed as a percentage of male colleagues' average pay, gives us the mean gender pay gap. While the mean hourly pay gives an overall indication of a population's average, it can easily be skewed by a few very large (or very small) salaries and make it less reflective of the true pay in the middle of the group.

The median hourly pay gap represents the middle point of pay in a group of colleagues, when everyone in the group is listed from the lowest to highest paid. The median pay gap is calculated by comparing the median hourly pay of male colleagues with the median hourly pay of female colleagues, expressed as a percentage of male colleagues' median hourly pay. Median gives a better representation of what a typical colleague in the middle of a group earns. As the mean and median figures provide different insights, both figures in combination provide a good picture of the distribution of male and female colleagues, and their pay across the organisation.

Shown below are our mean and median hourly gender pay gap figures for 2025. As noted before, the primary reason for our mean and median hourly pay gap is the uneven distribution of men and women across different pay levels. The higher number of female colleagues in lower paying roles and male colleagues in senior and higher paying positions continues to be the main factor contributing to these gaps.

The mean gender hourly pay gap

37.3%

The difference in mean hourly pay between male and female colleagues.

The median gender hourly pay gap

33.4%

The difference in median pay between male and female colleagues.



Mean and Median gender bonus pay gaps

The mean and median bonus pay gaps measure the differences in average and the midpoint bonus pay between female and male colleagues at the West Brom. These figures help highlight how bonuses are distributed and whether there are significant differences between the bonuses received by men and women.

The mean gender bonus pay gap **73.6%**

The difference in mean bonus pay between male and female colleagues.

The median gender bonus pay gap **34.7%**

The difference in median bonus pay between male and female colleagues.

In addition to their salary, all colleagues at the West Brom have the opportunity to earn an annual performance related pay (bonus) as a reward for their contribution towards the collective performance of the Society. These payments are paid as a percentage of annual salary, which means that the amount of bonus each colleague receives depends on their salary level. As a result, colleagues with higher salaries have the potential to earn more. On the other hand, colleagues who are on entry level roles with lower salaries or on part time roles with pro rata annual salaries receive relatively smaller bonus payments. These large and small bonus amounts at either end of the pay scale, coupled with the disparity of female and male colleague representation across our workforce, has a significant effect towards the mean bonus pay gap figure.

In contrast, our median bonus pay gap figure is relatively smaller as it shows a clearer picture of the typical bonus pay received at the middle of female and male colleague groups and is not distorted by large or small bonuses. The fact that our median bonus pay gap is reduced by 19 percentile points from 53.7% in 2021 to 34.7% in 2025, shows that the current colleague bonus scheme (first introduced in 2020-21) which awards the same bonus percentage to all eligible colleagues, has helped to bring the middle points of male and female populations somewhat closer to each other, although at 34.7%, there is still progress to be made.

Proportion of female/male colleagues receiving a bonus

These statistics look at any bonus payments made, within the 12-month period up to the 'snapshot date' (5th of April of the reporting year), to all relevant female and male colleagues working at the organisation on the snapshot date.

Proportion of female colleagues receiving a bonus	88.1%
Proportion of male colleagues receiving a bonus	81.7%

Colleagues who were classed as 'not receiving a bonus' comprised the following three categories:

- **New starters:** Annual bonus payments from our performance related pay scheme are made in June, based on the Society's performance of the preceding financial year. Due to this payment timeline, a considerable proportion of our colleagues who were employed on 5th April 2025, were not eligible to receive any bonus payments in June 2024, because they were new starters who joined the Society after the performance year of 2023-24.
- **'Bonus sacrifice':** We offer colleagues the flexibility to transfer their bonus pay into their pension, which is a benefit valued by colleagues. According to Gender Pay Gap Regulations, bonus payments paid into pension through such an arrangement (known as a 'Bonus sacrifice'), must be excluded from bonus pay gap calculations. Accordingly, colleagues who took this option were classed as 'not receiving a bonus' for the purposes of these calculations.
- **Underperformers:** Colleagues who were not performing to the expected standards of their roles were not eligible for a bonus payment.

		Female	Male
Colleagues receiving a bonus		88.1%	81.7%
Colleagues not receiving a reportable bonusdue to being a new starter out of scope for bonus payments in June 2024.	9.2%	11.7%
	...due to taking the 'Bonus sacrifice' option.	2.2%	6.3%
	...due to underperforming in their roles.	0.5%	0.4%
Total		100%	100%

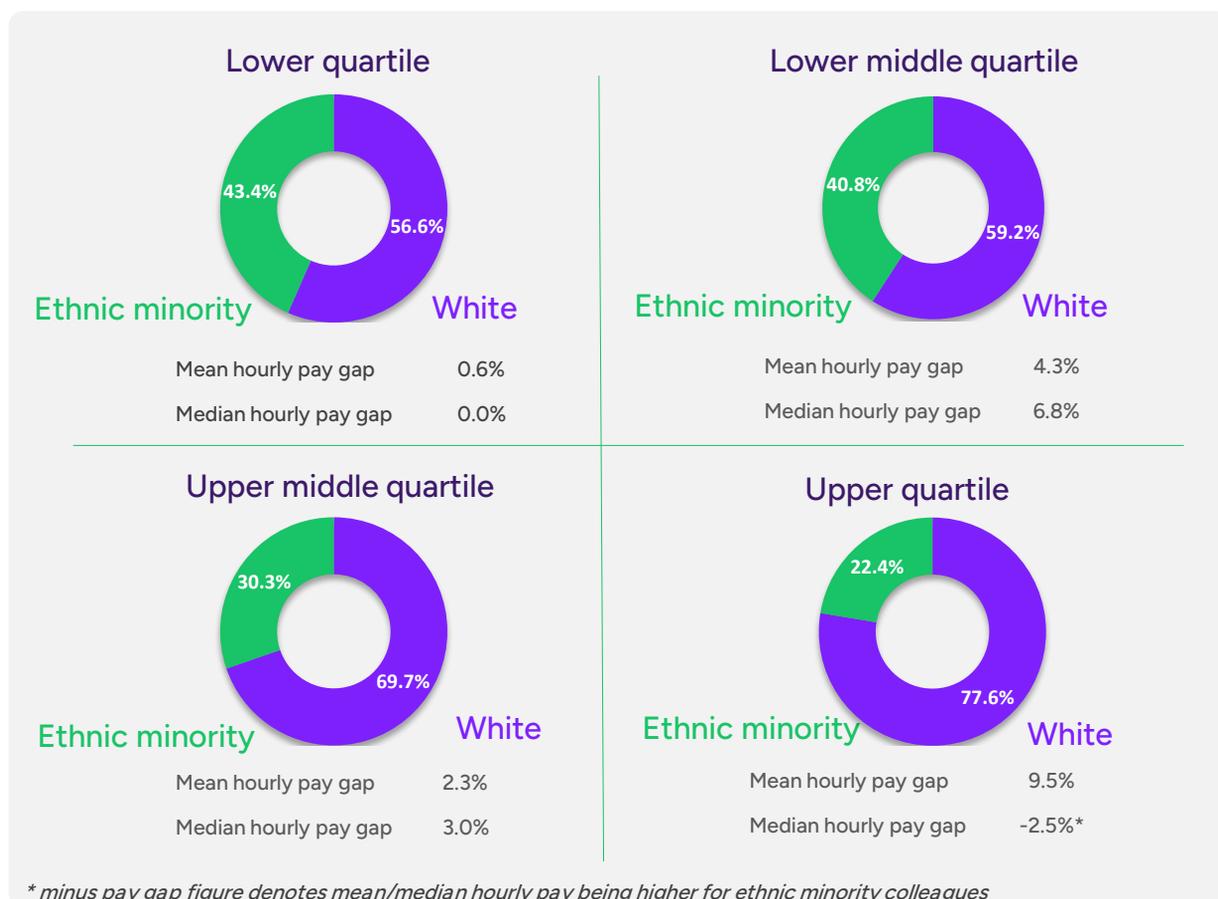
Ethnicity pay gap

The ethnicity pay gap is the difference in the average hourly pay and average bonus pay between ethnic minority and white colleagues across the workforce of an organisation. It shows the percentage difference in earnings, calculated by comparing average hourly pay and bonus pay of ethnic minority and white colleagues.

Since reporting the ethnicity pay gap is not yet mandatory, there is no specific regulatory methodology in place for its calculations. Therefore, we use the same methodology and statistics used in gender pay gap reporting to calculate our ethnicity pay gap figures.

Pay quartiles and their impact on our Ethnicity pay gap

A key factor contributing to our ethnicity pay gap is the imbalance of ethnic minority and white colleagues across the workforce as demonstrated via the pay quartiles. While mean and median hourly pay gap figures are considerably low within each pay quartile, ethnic minority representation is high in the lower pay quartile and notably lower in the upper pay quartile, where higher paying senior positions are concentrated. This results in lower overall mean and median pay figures for the ethnic minority colleague group compared to the white colleague group.



Mean and Median ethnicity hourly pay gaps

The same methodologies, as explained in the Gender pay gap section, are used to calculate the mean and median hourly pay gaps for ethnicity.

The mean ethnicity hourly pay gap **21.5%**

The difference in mean hourly pay between ethnic minority and white colleagues.

The median ethnicity hourly pay gap **19.4%**

The difference in median hourly pay between ethnic minority and white colleagues.

Mean and Median ethnicity bonus pay gaps

As discussed earlier in the report, the imbalance in ethnic distribution across the workforce causes both mean and median bonus pay figures for each ethnicity group to vary. Therefore, achieving a more even ethnicity split across our four different quartiles will help close the bonus pay gap over time.

The mean ethnicity bonus pay gap **40.8%**

The difference in mean bonus pay between ethnic minority and white colleagues.

The median ethnicity bonus pay gap **14.5%**

The difference in median bonus pay between ethnic minority and white colleagues.

While ethnic diversity of our overall workforce is in a stronger position compared to other organisations within the financial services industry, we recognise there is more work to be done to reduce ethnicity pay gaps.

Proportion of Ethnic minority/white colleagues receiving a bonus

Proportion of ethnic minority colleagues receiving a bonus	82.6%
Proportion of white colleagues receiving a bonus	87.7%

As described earlier in the report, the proportion of colleagues not receiving a bonus is largely formed by; new starters out of scope for receiving bonus payments made in June 2024; colleagues who opt for the 'bonus sacrifice' option to pay their bonus pay into their pension; and a small portion of colleagues who were not eligible for bonus due to underperformance.

		Ethnic minority	White
Colleagues receiving a bonus		82.6%	87.7%
Colleagues not receiving a reportable bonusdue to being a new starter out of scope for bonus payments in June 2024.	13.7%	8.2%
	...due to taking the 'Bonus sacrifice' option.	3.2%	3.6%
	...due to underperforming in their roles.	0.5%	0.5%
Total		100%	100%





How we are tackling the gaps

The overarching aim of both Gender and Ethnicity pay gap reporting is to create an environment for a balanced and diverse representation across all levels of the workforce. So, as part of our Equity, Inclusion and Diversity (EI&D) strategy, we established targets and actions that focus on improving gender and ethnicity representation (among other diversity demographics) across all pay quartiles.

After achieving initial targets we set ourselves when we first became a signatory to the Women in Finance Charter, we are currently working towards a stretched target for our senior management population to achieve 40% female representation. We have worked on many initiatives to increase female representation over the years as a signatory; however, we recognise that more emphasis is needed to move towards our goal and therefore have devised a three-year EI&D plan that includes a focus on increasing female representation amongst senior management.

In March 2025, we launched our Women Inclusive Network (WIN), which is made up of female colleagues representing various diversity demographics and business areas. We will continue to listen to their findings and suggestions on how we can improve female representation in senior management.

How we are tackling the gaps (continued)

Our continued work with local schools and colleges, which reflect the same level of diversity in our local communities, help encourage and support a more diverse candidate base for future job opportunities. Our ongoing commitment to provide work experience and apprenticeship opportunities will also enable us to make a difference in this area.

In February 2025, we launched our reverse mentoring programme and currently in the process of creating an Early Careers strategy that aims to attract diverse talent in line with our EI&D agenda.

We continue to anonymise CVs and applications during the recruitment and selection process, which supports to reduce any potential for unconscious bias. This is re-enforced by unconscious bias awareness training, which forms a key section of our Recruitment and Selection course provided to all hiring managers. We regularly monitor our diversity data and them with business leaders to identify areas where we could improve. This often helps to take positive action towards ensuring candidates from all diversity demographics feel equally comfortable in applying for our roles.

Our Black, African - Caribbean focus group continues to share their thoughts and ideas for us to understand potential reasons that may influence their choices in terms of applying for career progression opportunities within the Society. This group is attended by a Board member on a regular basis which helps with communication across all levels and the work will help identify any barriers or challenges that could be having an impact on potential candidates (internal and external).

We are continuing our work with the Race at Work Charter in partnership with Business in the Community. This commitment continues to assess how well we are performing against the 5 principles of the Charter, which are also included in our EI&D action plan.

‘Connect’, the Society’s colleague led EI&D group, continues to play a key role in creating an environment where colleagues across the Society can discuss any issues or concerns, they may have, with a sense of being supported and valued regardless of their background.

Declaration

The West Brom Building Society confirms that the published gender and ethnicity pay gap information is accurate and signed by Sophie Pazzaglia, Chief People Officer & and Group Secretary.