

Gender Pay Gap Report 2024



Breaking down barriers to gender equality in a changing work landscape

At MHCUK, we are committed to ensuring that all our people can fulfil their true potential. This is fundamental to consistently providing exceptional customer experiences and achieving a strong financial performance year after year.

Promoting greater gender balance is a key aspect of our people strategy, ensuring there are no barriers to career progression for women throughout our organisation.

Our most recent gender pay gap report, based on data as at 5 April 2024, reveals a slight reduction in both the mean and median gender pay gaps, decreasing by **0.3%** and **0.2% respectively**.

In line with the broader financial services sector, we remain confident that our gender pay gap reflects the demographics of our workforce, which has traditionally seen a higher proportion of men in senior roles and more women in lower-level positions.

As a proud signatory to the HM Treasury Women in Finance Charter, we are aiming to achieve **35% female representation** in leadership roles across MHCUK by end of FY2025/26. I am pleased we have made progress towards our target over the past three years in accelerating female advancement and building a more inclusive talent pipeline.

We are focusing on internal mobility and sustaining our progress toward a more gender balanced workforce by fostering inclusive leadership. As the 'big stay' trend continues, low employee attrition rates increase the responsibility on the Company to ensure that our efforts lead to sustainable improvements.

For a fifth consecutive year, we were delighted to feature in the Inclusive Top 50 Employers index as MHCUK which reflects our sustained commitment to deliver long lasting change, but we know there is more work to do to support our progress.

I confirm that our data has been calculated according



to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'R Gordon', written in a cursive style.

Robert Gordon
Mitsubishi HC Capital UK PLC
Chief Executive Officer



Analysing our gender pay gap

The data for our report was collected for the year ending 5 April 2024, taking into account all roles at all levels of Mitsubishi HC Capital UK PLC (MHCUK).

“We continue to focus on bringing greater gender balance to our organisation and we want to do this in a sustainable way.”

During this period, we've recorded a small decrease in both our mean pay gap and our median pay gap. With more females at the lower salary grades and more males at the higher salary grades, we remain confident that the demographics of the company continue to be the main underlying factor in the presence of a gender pay gap.

We continue to focus on bringing greater gender balance to our organisation and we want to do this in a sustainable way through a series of measures, related to progression, development, engagement, talent acquisition and gender focused pay reviews where appropriate.

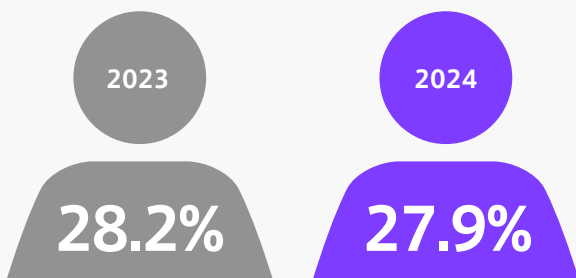
Pay

MHCUK has seen a **0.3% decrease** in the mean gender pay gap to **27.9%**, compared to **28.2%** last year in addition to a **0.2% decrease** in the median gender pay gap in hourly pay of **32.8%** compared to **33.0%** last year.



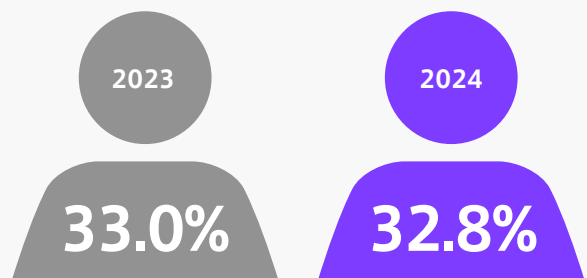
Mean Pay Gap

Difference between men and women across the group



Median Pay Gap

Difference between men and women across the group



Changes to our demographics in 2024 across different salary grades impacted the mean pay gap. An increase in the female population at management level grades was a primary factor contributing to the marginal reduction in the mean pay gap, despite being slightly offset by an increase in senior leadership grade males.

Progress in recording a slight decrease in the mean and median pay gap was also offset by an increase in headcount of females at lower grades, compared to a reduction in headcount of males, and the ongoing

disparity in the number of males at higher grades compared to females.

MHCUK continues to have a higher proportion of women than men at lower salary grades despite a decrease in females from **68.3% to 67.0%** and an increase of males from **31.7% to 33.0%**.

There has also been a slight increase in the proportion of females in the upper middle quartile, up from **43.4% to 47.7%** which contributed to our overall pay gap decrease.

Female/Male split by quartile



Bonus



As bonus payments are a percentage of salary, the continued predominance of men in senior positions and part time females impacts our comparison figures for bonus payments.

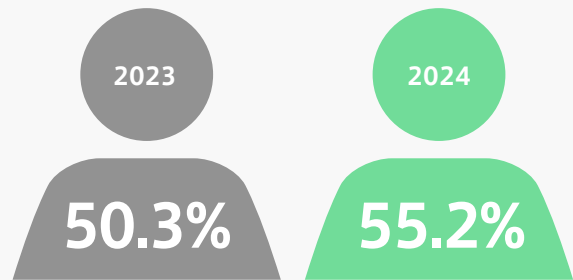
The Senior Managers Long Term Incentive Plan scheme, paid out for the first time in June 2023, was a primary driver in the Bonus pay gaps between females and males.

We recently increased base pay and reduced bonuses for entry level and operational grades which impacts the Bonus Pay gap for the first time this year.

The proportion of females who received a bonus is 94.7% and the proportion of males that received a bonus is 93.5%.

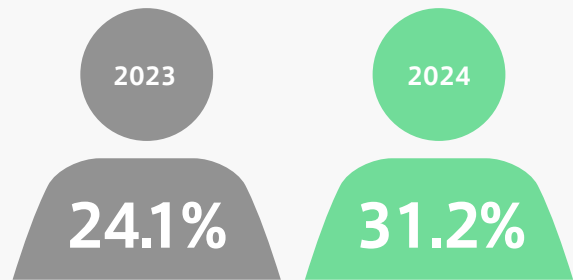
Mean Bonus Gap

Difference between men and women across the group



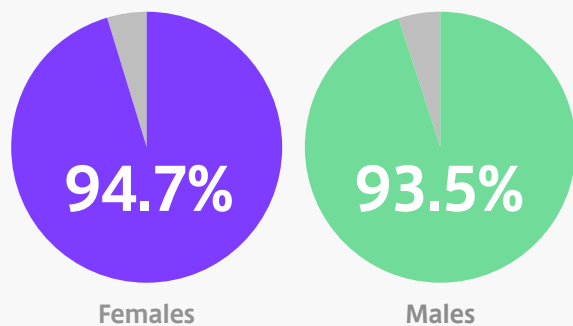
Median Bonus Gap

Difference between men and women across the group



Females/Males receiving a bonus

Difference between men and women across the group



Our plans to reduce our gender pay gap

The demographics within the business continue to be the single biggest factor influencing the pay gap which exists at MHCUK and it will take time for our past and future actions to significantly close the gap.

However, by regularly monitoring gender and diversity focused metrics and implementing targeted initiatives focused on proactively supporting gender diversity to enable us to attract, develop and retain female talent, we are focused on achieving better gender balance at all levels which in turn supports our continued sustainable growth.



Inclusive recruitment

We are continuing to implement enhanced practices focused on gender balance throughout the talent acquisition cycle to create an inclusive recruitment experience at MHCUK and address our gender pay gap.

To support hiring managers achieve an equal gender split of suitable candidates at the vacancy shortlisting stage, diversity considerations are front and centre from the outset of the recruitment process to ensure fairness.

We are ensuring job descriptions place emphasis on skills and knowledge rather than industry experience and we are also scoring all our job adverts on gender balanced language to identify any instances of gender bias.

Wherever possible, we also routinely ensure that interview panels are diverse by gender to encourage diversity of thought at critical decision-making points in the hiring process.



Career progression

We are prioritising internal mobility and support the professional and personal development of all our colleagues, including supporting female progression into senior positions. The aim of our succession and talent planning initiatives is to facilitate lateral, diagonal and vertical movement opportunities and increase the number of internal promotions.

In total, **341 employees** were promoted in the last two years, with a **47% male versus 53% female split** of colleagues moving to a higher salary grade. We have recorded 55 management grade promotions over the same period with a male versus female split of **53% vs 47%**, which represents a **3% increase** of females from the previous 2-year period. Our pipeline of females appearing in the 'one to three years' category on top-level senior management succession plans has increased year-on-year up by **20% from 39 in 2023 to 47 in 2024**.

Our Aspire leadership programme, now in its sixth year, is endorsed by the Institute of Leadership and Management (ILM) and focuses on training the next generation of people leaders.

300 colleagues have participated in the programme, with a 47% representation of women taking part. Increasing the population of female colleagues in leadership positions in the future is a key component of the programme.

“As a signatory to the Women in Finance Charter, we are committed to setting targets for gender diversity.”

Through our commitment to provide continuous learning and development at MHCUK and foster an inclusive and diverse workplace, we have launched the LEAP Leadership Development programme to equip colleagues with the knowledge and skills needed to support them on their path to be an exemplary leader.

LEAP workshops, tailored to meet the training needs of individuals based on their role and grade, will provide our colleagues with the tools and strategies required to lead with confidence, empathy and purpose to enable a stronger sense of belonging for everyone at MHCUK.



As a signatory to HM Treasury's Women in Finance Charter, which is a blueprint for gender equality across financial services, we are committed to setting targets for gender diversity in senior management. In order to ensure we are actively supporting female progression into senior positions, we have set a target for **35% of leadership roles** to be held by women by end of FY2025/26. As of April 2024, we had **33.89% women in senior management positions**, up from a representation figure of 32.5% in 2023.

Support and development

We recognise the importance of a positive work-life balance and promote a range of working options. Hybrid working is fully embedded across MHCUK, and we have adopted a pragmatic approach based on the needs of the company to stay connected and work together to meet the demands of our customers.

Through our updated Ways of Working framework, we provide greater agile and flexible working opportunities as well as part-time and job share arrangements to enable our colleagues to balance their personal circumstances. We will be undertaking a further review of our family friendly policies by April 2025.

Following a comprehensive review of all our family friendly policies to improve all aspects of the colleague experience, we have started to implement additional support arrangements for maternity, paternity and adoption leave. We completed the rollout in December 2024 to create a more inclusive workforce across MHCUK.



Gender focused pay reviews



Remuneration benchmarking, placing a deliberate focus on gender, is routinely undertaken in order to identify and where appropriate, address inconsistencies between men and women. We continue to monitor for disparities in pay and, from 2025, we will be undertaking an equal pay audit during the salary review process rather than after the event.

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External recognition and accreditations



In recognition of the steps MHCUK is taking to grow an inclusive and diverse workforce that facilitates equality of opportunity, we were named one of the UK's top 50 most inclusive employers for the fifth year running, with an improved ranking from 37 to 14 testament to our continued commitment to workplace diversity.

Through our Women's Inclusion Network, which is committed to increasing women's presence, impact and influence throughout MHCUK, we are ensuring we regularly showcase the strength of our female talent. For example, highlighting the exceptional contribution of women within the credit industry, Rula Samara, Head of Customer Experience in our Consumer Finance division, was named 'Woman of the Year' for second time at the Women in Credit Awards.





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