



NOMURA

Gender Pay Gap

REPORT 2017

Foreword: Nomura recognises the value of an inclusive workforce

At Nomura we value the wide range of clients, people, investors and the societies in which we operate. We wish to become an inclusive financial services organisation by connecting and enhancing the power of diverse people and thought across all aspects of our business.

The Nomura management team has been making a concerted effort to improve diversity and inclusion for some time. Despite this, we know that we need to do more to attract and retain talented women. We realise that we cannot effect change overnight and are committed to taking long-term actions to close the gender pay gap. We are, however, confident that our people are paid equally for the same work, and we therefore have pay parity. This is reinforced by our annual equal pay exercise, which the Board and I, review as part of the annual pay for performance process.

The data and transparency from this disclosure will put us in the best position to start tackling the issues behind the numbers. We recognise our current standing is not good enough and we have taken the opportunity to review our efforts and revise and re-develop an action plan to improve diversity and inclusion across our business.

We are using the data from the report as an important driver to help us on our journey to improve the representation of senior women in our organisation.

I confirm the gender pay gap data contained in this report is accurate.



Jonathan Lewis
CEO, Nomura International plc



"I recognise that a diverse and inclusive workforce is critical to Nomura's future success. I welcome the opportunity to be more transparent about our efforts to drive change for the benefit of the entire organisation, our clients and society at large. Working with my leadership team and managers across the business, I am committed to removing barriers that prevent women getting into leadership positions and to do more to attract and retain talented women across our organisation."

Our gender pay gap results

Understanding the gender pay gap

It is important to share understanding of the difference between the gender pay gap and equal pay as they are very different concepts.

Equal pay is about ensuring men and women are paid the same for work of equal value. The equal pay principle, set out in the Equality Act 2010, says that men and women performing equal work must receive equal pay, unless there is a material reason that justifies a difference.

The **gender pay gap** is a measure of the difference between the average earnings of men and the average earnings of women across an organisation, as a percentage proportion of the average male earnings.

Why do we have a gender pay gap?

Our gender pay gap is the result of an under-representation of women in senior positions. In parts of the organisation where women are better represented, they tend to be in roles that receive lower pay.

There are also proportionally more men in our workforce in the top, upper middle and lower middle pay quartiles which contribute to our overall gender pay gap results.

We are, however, confident that our people are paid the same for the same type of work and we have pay parity. This is reinforced by our annual equal pay exercise, reviewed by our CEO and Board, as part of the annual pay for performance process.

Our workforce



71.2% men

28.8% women

Pay and bonus gap

Our hourly gender pay gap:

36.9% on a median hourly basis

48.8% on a mean hourly basis

The figures show our overall median and mean gender pay gap based on hourly rates of pay as at 5 April 2017.

Our median and mean bonus gap is:

64.6% median

75.3% mean

These figures show the median and mean difference between bonuses paid to men and women in the 12 months to 5 April 2017.

The proportion of men and women receiving a bonus:

86.2% men



80.9% women



Pay quartiles

The proportion of men and women by pay quartile:



Lower quartile



Lower middle quartile



Upper middle quartile



Top quartile

The figures above reflect the percentage of men and women in four quartile pay bands, by dividing our workforce into four equal parts.

Our methodology

The gender pay figures shown and the associated analysis are in respect of Nomura International plc. The reportable figures have been calculated in line with the approach and methodology set out under the gender pay reporting regulations and reflect UK employees only. We have not included Nomura Asset Management, Nomura Alternative Investment Management or Instinet as these companies have less than 250 employees.

Our journey to closing the gap

The actions we have taken to increase the representation of women in recent years have focused on three areas:



Graduates

First, we have been clear that at graduate level, we need to achieve an equal proportion of men and women. Our targeted efforts in the last two years have ensured that we have increased the population of women starting at Nomura. Our female Analyst-level population has risen from 35% to over 43%. More specifically, we have significantly increased the population of graduate women in Global Markets, our sales and trading business to 41%.

30%+ Board

Second, at the very top of the organisation, we set a target to appoint at a minimum two female board members in our European region by the end of 2017. We achieved this by June 2017. We furthered this with another female board hire in early 2018 taking our female representation to 30% overall. We are continuing to take a number of actions to broaden the diversity of Nomura and our boards, and take these learnings into other senior management groups.



Development

Finally, and most crucially, is the work we do to enhance the careers of the women who already work with us. Over the last five years, we have developed three core programmes: our Senior Sponsorship Programme, an 18-month curriculum dedicated to developing our high potential senior women; our Associate Development Programme to support women's progression to the Vice President level; and finally the Technology Peer Coaching Programme to develop and promote women in technology at Nomura.



Benefits

We complement our in-depth development programmes with unconscious bias training for all new joiners, our employee networks and employee benefits programme. We recently changed the focus of our 'Women in Nomura' employee network and redefined it as the 'Gender Balance Network' to encourage more men to be part of gender issues at a grassroots level. We also have the LGBT+ and the Life & Families networks, which, alongside the Gender Balance Network, offer a comprehensive range of initiatives, mentoring, inspiring lectures, workshops and networking opportunities both inside and outside the firm.

From a benefits perspective, the lack of flexible working and enhanced leave entitlements are often raised as a barrier for women, and increasingly men, in a corporate environment. Nomura offers an enhanced parental leave benefit of up to 26 weeks of fully paid leave for new parents, regardless of gender, sexual orientation or gender expression. Flexible working is also widely supported, with over 90% of requests in the last three years implemented successfully.

Life at Nomura

Our employee networks are designed to help build relationships, share ideas, contribute to career development and progression, and foster inclusion and diversity from the ground up.

We also work with a number of external partners to make our workplace as diverse and as open as possible.

Our partners are:



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