

Colleagues

The skills, expertise and commitment of our colleagues have always been fundamental to the achievement of the Group's strategic goals. In 2022, we continued to invest in training, development and employee engagement activities to ensure that the Group provides a compelling and attractive employee proposition both for our existing employees and for candidates considering joining the Group.

Group vacancies filled by the Talent Acquisition team

908

2021: 626

Employee promotions across UK and India

318

2021: 176

2022 saw the conclusion of restructuring following the combination with CCFS and the deployment of an enhanced HR & Payroll system for all UK employees. We also finalised our key employee-related harmonisation activities.

Other areas of focus related to the ongoing organisational growth and recruitment of a significant number of new employees.

The Group's approach to hybrid working was further embedded and expanded to appropriate roles at OSB India, providing flexibility for an increased number of employees.

Recruitment

Our Talent Acquisition teams ensure that, across all locations, internal recruitment specialists provide bespoke support in attracting high quality candidates for vacant positions and, through robust interview and selection processes, assist in making strong recruitment decisions.

The Group's recruitment demands increased significantly during 2022 as a result of departmental restructuring, organisational growth and higher levels of regretted attrition.

During the year, the Talent Acquisition team filled 515 UK vacancies and 393 in OSB India, significantly exceeding the number of vacancies filled in 2021 (387 in the UK and 239 in OSB India).

A key focus for our Talent Acquisition team was again placed on proactively identifying potential candidates directly and through improved use of our website and external job boards. In 2022, they filled almost 30% of UK vacancies on a direct recruitment basis, resulting in a saving in excess of £1m on agency recruitment fees. At OSB India (OSBI), almost half of all the vacancies which closed in 2022 were as a result of direct recruitment activity.

Our recruitment procedures are fair and inclusive, with shortlisting, interviewing and selection always undertaken without regard to gender, gender reassignment, sexual orientation, marital or civil partnership status, colour, race, caste, nationality, ethnic or national origin, religion or belief, age, pregnancy or maternity leave or trade union membership. In addition, Executive sign off is required for senior vacancies where it has not been possible to identify or progress a female candidate through to the interview process.

In 2022, The Group welcomed 386 new UK employees, with a further 297 at OSBI. Our Group-wide employee base at the end of 2022 totalled 2,021, representing an increase of over 13% on prior year.

Training and development

The People Development team, based in both the UK and India, concentrate on providing learning and development opportunities for all employees, using a mix of internal and externally-sourced content, which are delivered through a range of media, including workshop and digital formats.

Throughout 2022, over 1,300 separate internal workshops were delivered by the People Development team and the recorded number of training hours averaged over 3,500 hours per month. It was a significant improvement on the amount of internal training delivered during the previous year and it represented over 10 workshop training hours per UK employee and around 47 hours per OSBI employee.

A lot of focus was applied to the Group's Fit to Practice Scheme, which saw the in-scope number of employees significantly increase following the extension of the scheme to CCFS employees. The scheme requires line managers to undertake regular activities in terms of one to one, performance observations and quality assessments, and play a proactive role in identifying development needs and providing developmental feedback to continually progress the competence levels of their direct reports. The average activity completion rate for over 1,800 in-scope employees exceeded 91%.

Social matters continued

Colleagues continued

In 2022, the Group became an accredited Living Wage employer

Group-wide, monthly mandatory regulatory training requirements were completed robustly with only 6 instances of an employee being more than one month late in completing their training, demonstrating the importance we place on ensuring that our employees are suitably aware of key requirements.

The Group is also committed to supporting employees undertaking professional development; 27 UK employees received financial support to pursue their professional qualifications.

Retention and progression

The Group has a genuine desire to retain, support and develop its employees. Over 240 UK employees were formally promoted to a more senior grade along with 75 employees at OSBI.

We advertise vacancies internally in order to provide career development opportunities for existing employees. Nearly 27% of UK vacancies and nearly 6% at OSBI were filled by way of internal appointments.

At 13.0%, the UK regretted attrition rate improved slightly from the rate seen in 2021. At OSBI, the 2022 rate increased to 23.8%, which was higher than c. 17% in 2021, predominantly due to 'the Great Resignation' and an extremely buoyant external recruitment market. Despite this increase, OSBI's regretted attrition rate compares favourably with rates in the local sector.

2022 saw a continued focus on leadership development and our People Development team delivered three bespoke programmes for different levels of existing leadership and management experience. Throughout the year, we saw 32 employees join our Future Supervisors and Managers Programme, 60 current managers commenced the Essential Managers Programme and among our more senior managers, 23 individuals joined our Stellar Leadership Programme.

A comprehensive approach to succession planning was undertaken to ensure that a proactive focus was applied to identifying individuals who, over a period of up to five years, had the potential to step up into our most senior positions beneath Group Executive level.

Remuneration and benefits

The Group believes in rewarding its employees fairly and transparently, enabling them to share in the success of the business. Details of the Group's remuneration policies can be found in the Remuneration Report on pages 142-163.

In 2022, the Group became an accredited Living Wage employer and further sought to support UK employees by making a one-off £1,200 cost of living payment in August to all staff beneath senior management level. This payment was made to around 80% of the employee base and was not pro-rated to reflect either tenure or contractual working hours.

Our approach to benefits also provides UK employees with an element of choice, enabling them to determine their preference for a higher employee pension contribution and a slightly lower discretionary bonus opportunity or vice versa. In addition, employees had an opportunity to select from two separate health and insurance packages. Our third annual benefit choices window opened in November 2022, with new selections becoming effective from 1 January 2023.

We also encouraged our employees to hold shares in the Group for the long term, via our Sharesave Scheme, which is offered annually to all UK employees. The Sharesave Scheme allows employees to save a fixed amount of between £10 and £500 per month over a three year period in order to use these savings at the end of the qualifying period to buy shares at a fixed option price. Nearly 500 employees joined the 2022 Sharesave scheme and, taking into account the schemes launched in previous years, 738 (around 54%) UK employees were Sharesave Scheme members as at the end of 2022.

Employee engagement and culture

The 2023 Best Companies to Work For survey was undertaken in December 2022 and saw an impressive 82.5% of UK employees submit responses. Our overall result was over 5% higher than the previous year and saw the Group achieve an overall '2 Star' rating, with Best Companies defining this as an outstanding level of employee engagement.

OSBI participates in a separate employee engagement survey, run by the Great Place to Work Institute. It was officially certified as a 'Great Place to Work' for the sixth consecutive

year in December, with the overall survey score increasing by 1% from 2021 and strong results in all five survey categories (credibility of management, respect for people, fairness at the workplace, pride and camaraderie between people). It reflects the strong brand and culture that exists throughout our teams in Bangalore and Hyderabad.

Throughout the Group, our values (Stronger Together, Take Ownership, Aim High, Respect and Stewardship) and the related behavioural expectations provide an opportunity for Line Managers to assess and provide behavioural feedback within appraisal processes and consider related learning development activities. The values are also aligned to established award programmes and a range of ongoing communications.

The Group's Workforce Advisory Forum (OurVoice) continued to meet regularly in 2022, including employee representatives from all core geographical locations, including OSBI. The aim of the forum is to further enhance the level of engagement that the Group Executive Committee and the Board have with the wider workforce. To achieve this, in addition to employee representatives, the forum is attended by rotating Non-Executive Directors and Group Executive Committee members to ensure that they can hear directly from the employees and share feedback (positive or negative) on important matters.

The Group operates a Whistleblowing Policy, championed by the Chair of the Group Audit Committee. We encourage employees to feel confident in raising serious concerns at the earliest opportunity and we provide multiple channels to do so confidentially, protected from possible reprisals. Regular reports were provided to the Group Audit Committee, including an annual report, which was also presented to the Board.

Employee recognition and awards

In 2022, the Group recognised the significant tenure of 183 UK employees who reached a 5, 10, 15, 20, 25 or 35 year milestone of employment via our Long Service Award programme. There were three employees who reached 20 years' service, another who reached 25 years with our longest-serving employee reaching the significant milestone of 35 years' service with the Group.

Each quarter, all employees within the Group, are invited to nominate their colleagues as part of our Galaxy Award Scheme. Nominations are sought for five separate categories, linking directly to each of our Values with individual winners and runners-up for each category determined by a detailed process. For 2022, over 300 nominations were submitted, with the details of all nominees published on the Group's intranet along with details of the quarterly award winners and their nomination rationale.

Additionally, the Group's 'Thank You' facility provided an opportunity for employees to publicly recognise the contributions of their colleagues and during 2022, there were nearly 1,800 thank you messages posted on the intranet.

Diversity and inclusion

We recognise the benefits that diversity brings to the business and we actively promote and encourage a culture and environment that values and celebrates our differences. In 2022, we continued our journey to become a truly diverse and inclusive organisation that

is committed to providing equal opportunities through the recruitment, training and development for all employees.

2022 saw a continued focus on supporting mental health and well-being via the provision of advice, workshops for employees and Line Managers and we are pleased to have trained a network of over 30 UK employees as Mental Health First Aiders.

The Group published its 2022 Gender Pay Gap Report in line with legislation that applies to all UK companies with more than 250 employees. The full publication is available on the Group's website (www.osb.co.uk) and shows that OSB's mean gender pay gap as at the snapshot date of 5 April 2022 was 42.6%, reducing from the 2021 reported figure of 45.7%. The CCFS mean gender pay gap at the same snapshot date was significantly lower at 24.5% reducing from 31.0% as reported in the previous year.

Whilst it is pleasing to see continued progress across the Group, we are committed to reducing these gaps further. Fundamentally,

for both OSB and CCFS, the gaps relate to the structure of our workforce and reflect the fact that we have more men than women in senior roles and more female employees undertaking clerical roles rather than any difference between male and female employees undertaking similar roles.

We recognise that we need to focus on improving our gender balance and we made solid progress towards meeting the commitment the Group made as a signatory of HM Treasury's Women in Finance Charter that, by the end of 2023, 33% of senior management positions within the UK would be undertaken by female employees. Having ended 2022 at 31.4%, gender diversity will remain an area of enhanced focus throughout 2023.

2022 saw the Group apply an enhanced level of focus on ethnicity diversity, particularly in respect of the senior management population. As at the end of 2022, just over 10% of senior managers did not identify as white and increasing this percentage will be an area of ongoing consideration.



Social matters continued

Colleagues continued

Our Diversity and Inclusion (D&I) Working Group ensures an employee led focus on a wide range of D&I matters, with their core purpose being to raise awareness, celebrate our differences and ensure that all employees feel genuinely included and that they are treated equally and fairly.

The launch of the Group's UK HR System in April provided the facility to collate comprehensive diversity data. By the end of 2022, over 70% of employees had provided data spanning a broad range of diversity categories enabling us to build an increasingly clear picture of the diverse nature of our UK workforce and areas which are underrepresented.

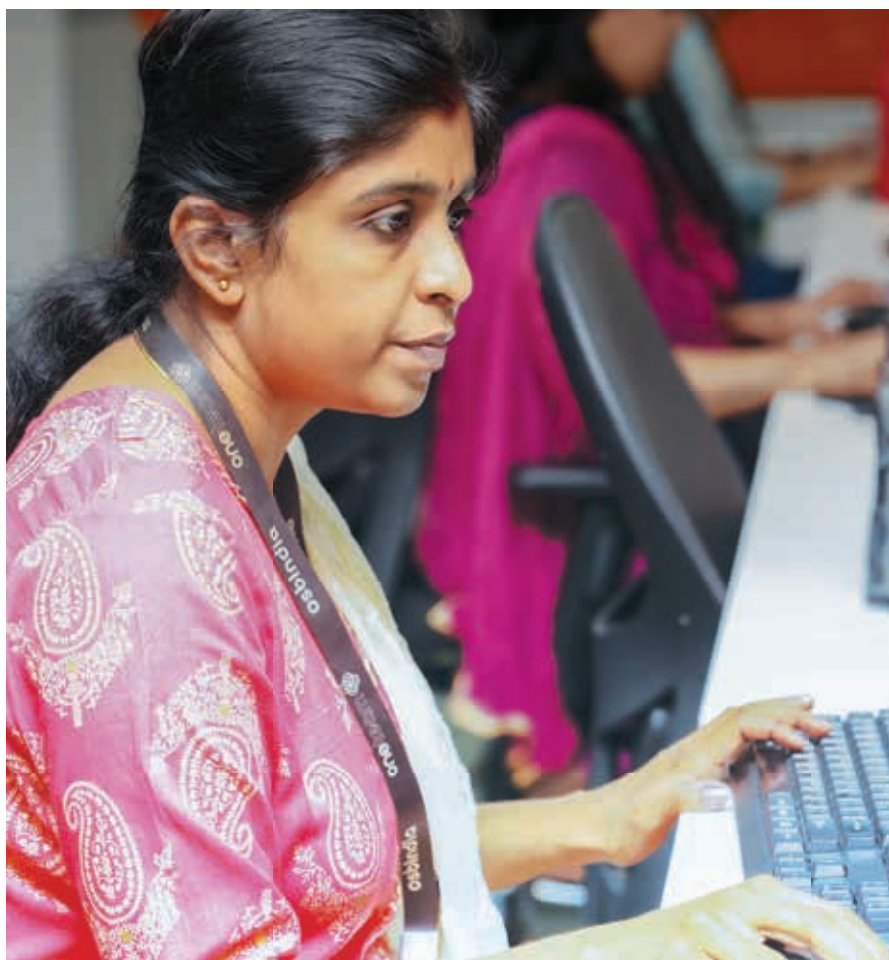
Establishing initiatives to further broaden our diversity and inclusivity will be an area of ongoing focus and in order to ensure an appropriate level of focus and dedicated resource, the Group recruited a Diversity, Equity & Inclusion Specialist who joined in November and will be leading our initiatives in the future.

Just under 10% of our UK employees work under a formal flexible working arrangement relating to part time hours and nearly 70 additional employees compress their full time working hours into less than five full days each week.

At the end of 2022, around 57% of our UK workforce was female, as were 52% of employees who joined in 2022. At OSBI, females constituted just over 40% of all employees, with around 41% of new starters being female. The Group Executive Committee had 25% of members who were females and Board women constituted 44%.

	Male	Female
Number of Board Directors (OSB Group)	5	4
Number of Directors of subsidiaries	14	1
Number of senior managers (not Directors) ¹	127	60
All other employees ¹	848	972

1. Includes OSB, OSB India and CCFS. Senior managers are employees within the Grade A to E population.



OSB India

OSBI, a wholly-owned subsidiary of the Group, is based in Bangalore and, as at the end of 2022 had 663 employees. OSBI supports the Group across various functions including Support Services, Operations, IT, Finance and Human Resources. OSBI is a holder of ISO 27001: 2013 certification, demonstrating high standards of information security.

OSBI's business continuity site in Hyderabad was converted to a fully-fledged operational site in late 2021 in order to accommodate both organisational growth and further enhance operational resilience. By the end of 2022, around 140 employees from a range of functions were operating permanently from the Hyderabad office, representing a significant increase from 61 at the end of 2021 and the Hyderabad employee base is expected to further increase during 2023.

In compliance with the Modern Slavery Act, OSBI does not support excessive overtime and all employees in India are encouraged to work in accordance with local legislation. Employees are provided with a range of benefits which include 22 days of annual leave, 12 days' sick leave and cafeteria services.