

GENDER PAY GAP 2023

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What is the Gender Pay Gap

The gender pay gap is the difference in pay between all men and women, across all levels within a company. It can be influenced by a range of factors, including the relative seniority of men and women within a company's workforce.

The gender pay gap is different from equal pay, where companies operating in the UK are legally required to pay men and women the same for equal work as outlined in the Equality Act 2010.

Under gender pay gap reporting requirements the hourly rate is taken on a snapshot date of 5th April 2023 for private sector companies and includes any variable compensation earned in the relevant period.

MEAN PAY GAP CALCULATIONS

The mean gender pay gap within a company is the difference in the average hourly pay of men and the average hourly pay of women

MEDIAN PAY GAP

The median represents the middle point of a population. If you lined up all the women in a company and all then lined up all the men from the lowest to the highest pay, the median pay gap is the difference between the hourly pay rate for the middle man compared to the hourly pay rate for the middle woman

When using either calculation if the results show a positive percentage number then this means that men have average higher earnings whilst if the result is a minus then it shows that women have average higher earnings.

The Office for National Statistics (ONS) reports that the average pay gap across the UK for all employees was 14.9% in 2022. The ONS preferred measure for calculating pay gaps is using the median calculation, as it is less affected by extreme outliers.

Our Gender Pay Gap – April 2023

Pay Gap (including base and variable payments)

	Mean	Median
Gender Pay Gap	29.13%	19.86%
Movement from 2022 (ppts)	-2.37	-8.98

We are pleased to see that the percentage point (ppts) movement from 2022 demonstrates a significant reduction in our median gender pay gap.

Within Hanson Wade we operate a number of different variable earnings schemes which pay out at different times across the year. Because some of our schemes pay in April our gender pay gap numbers are impacted as a result. Therefore, we feel it is important to also look at our pay gap when calculated on basic salary.

Pay Gap (excluding variable pay)

	Mean	Median
Gender Pay Gap	19.30%	9.68%
Movement from 2022 (ppts)	+2.82	+3.03

Whilst our overall pay gap is lower, and the median calculation is below the national average for 2022 of 14.9% we do note that we have seen a marginal increase to this pay gap calculation since 2022.

Pay Quartiles

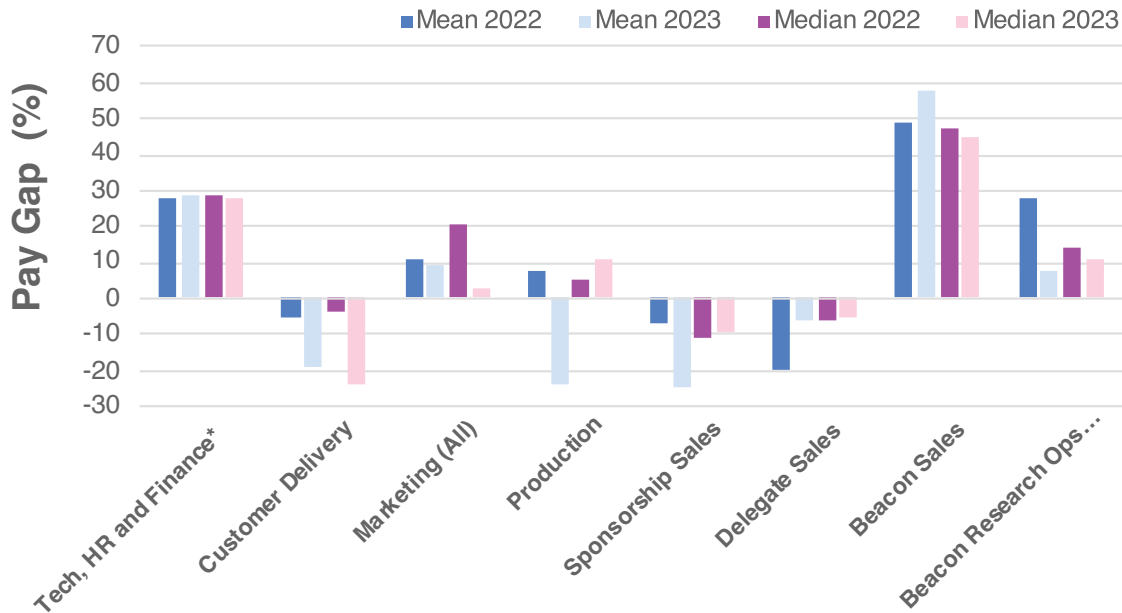
Quartiles	Female	Male
Lower	70.53%	29.47%
Mid Lower	62.11%	37.89%
Mid Upper	60.00%	40.00%
Upper	40.63%	59.38%

These pay quartiles demonstrate the proportion of men and women in four pay bands. The hourly pay for both men and women is arranged from the lowest and the highest and is then divided into four quartiles. Following which the proportion of men and women in each quartile is calculated.

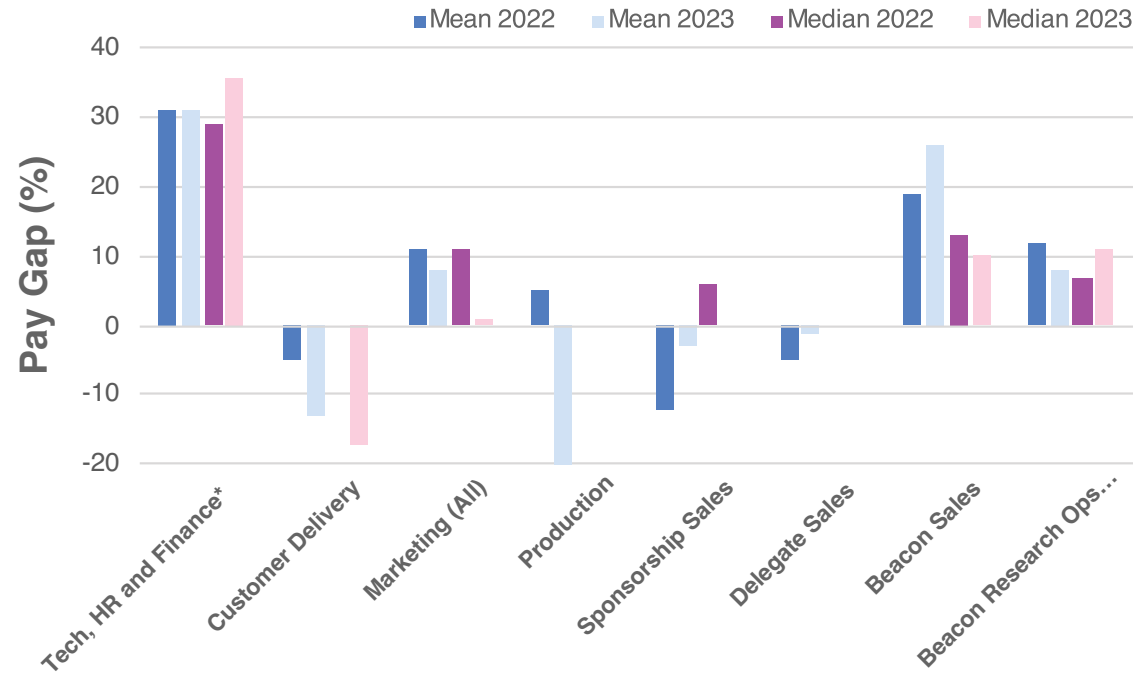
In the twelve months between the snapshot dates, we have seen marginal improvements in reaching gender parity across each of the pay quartiles which is reflected in our overall gender pay gap numbers.

Our Gender Pay Gap – April 2023

Year on Year Pay Gap Comparison



Year on Year Pay Gap - Basic Pay Only



These functional numbers exclude our leadership roles. However, when grouping our functional directors and above, we identify a mean pay gap of 27% and a median pay gap of 29% across these roles, which is reflective of relative seniority, functional expertise along with the size and scope of the individual roles.

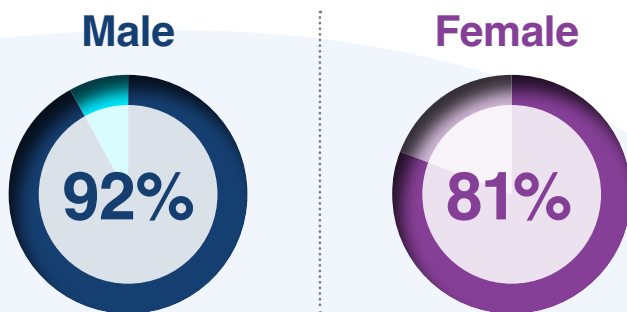
*these smaller functions have been grouped together for the purpose of this report.

Bonus Gap – April 2023

The bonus gap looks at all the variable earnings received by employees in the 12 months to the snapshot date of 5th April 2023.

	Mean	Median
Gender Bonus Gap	45.71%	53.56
Movement from 2022 (ppts)	+0.5	-5.4

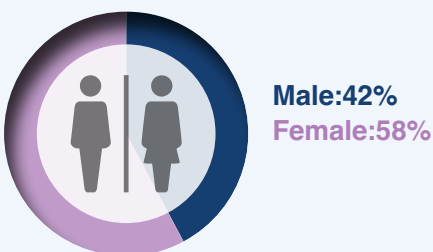
Proportion of Employees that Received a Bonus in a twelve-month period.



One of our remuneration principals is that all roles have the opportunity for variable earnings in addition to basic salary. Depending on the nature of the role, the variable compensation may take the form of commission, profit share, quarterly or annual bonus. However, each scheme has a set of eligibility rules that are consistently applied to avoid bias in decision-making.

The main factor that impacts the percentage of people in receipt of a bonus during the reporting period will be when an individual has joined the company within their compensation cycle. Our overall bonus gap is larger than we would like but we also recognise that we are recruiting more female graduates into our business this will impact our bonus gaps.

Gender Split of All Employees - April 2023



Gender Mix of Hires in the 12 Months to April 2023



New Hires Role Levels

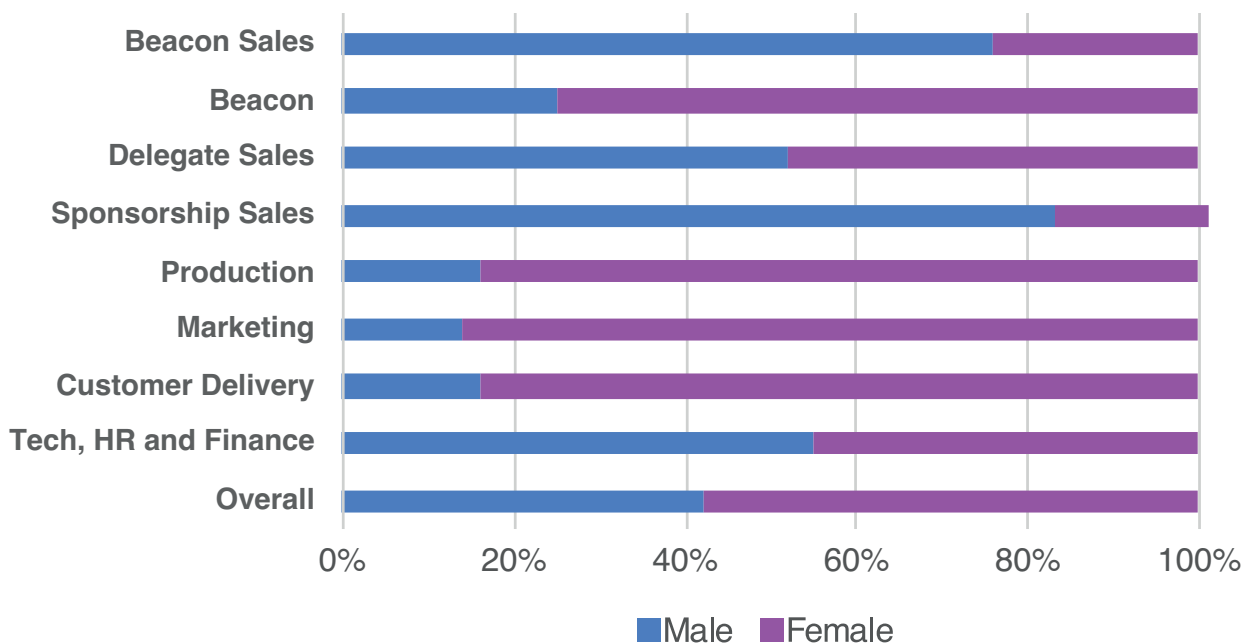


Understanding our numbers

Like many organisations, we have more men in our most senior roles and this plays through to our gender pay gap. If we remove functional leaders from the report our median pay gap reduces to 14.7% (or 6.67% gap on basic salaries only).

Additionally, our compensation structures within our commercially focused sales teams include a significant proportion of variable pay opportunities in the form of monthly commissions and these roles continue to employ more men than women. This gender imbalance within our sales teams, coupled with having more women in functions that typically have lower variable opportunities or have annual incentive schemes, is the main driver that impacts both our gender pay and bonus gaps.

Gender Split by Functions (April 2023)



Nevertheless, we are pleased to see a small increase in the number of women within our sales teams over the twelve months to April 23 and expect this to continue by using our delegate sales teams to feed our other sales teams. However, to see true gender balance and to maximise the benefits of having diverse teams we are also keen to engage more men within some of our functions that traditionally have a high proportion of women.

Our Action Plan

We continue to believe that by being a diverse and inclusive organisation, we will be better able to serve our customers, create better products and attract and retain the best talent in the sector. And we are committed to being an inclusive employer and pride ourselves on offering our employees a value proposition of development and opportunities for all.

In spring of 2023 we partnered with Vercida Consulting, a specialist diversity and inclusion consultancy, who have been working with us to better understand the lived experiences of our diverse employee population. Following this review, we have agreed to focus on the following areas in 2024:

- ✓ Data – we will start measuring our diversity within the group to enable better reporting.
- ✓ Policies – we will revisit our policies, processes and benefits with an inclusion lens.
- ✓ Recruitment – we will challenge ourselves to increase diversity within our shortlists and check for bias in our hiring processes.
- ✓ Training & Development – we will roll out development programmes to promote the understanding of conscious inclusion, hiring and leadership.
- ✓ Inclusion and Wellbeing Group – we invite our employees to join our newly formed Wellness and Inclusion Network, and will provide resources to promote and facilitate dialogue.

We firmly believe that focusing on our culture Hanson Wade Group is an enabler for our continued success. In addition to the work we have begun with Vercida Consulting, 2024 will also see a focus on Company Values.

I confirm that the data contained within this report is accurate.



Phil Clark
CEO



GENDER PAY GAP 2023