

Gender Pay Gap Report



Gender pay gap explained

In January 2022, we passed the important milestone of having 250 permanent colleagues employed at Methods. One of the effects of this landmark moment was the need for us to report our *Gender Pay Gap*, in line with current Government guidelines and regulations applicable to companies with more than 250 employees.

Once the requirement to report is reached, eligible private sector companies are required to report their gender pay gaps on what is known as the Snapshot Date, namely 5th April. This is therefore our first annual *Gender Pay Gap* report and analyses and reflects the position on 5th April 2022.

There are 4 categories which required companies must report their gender pay gap on:

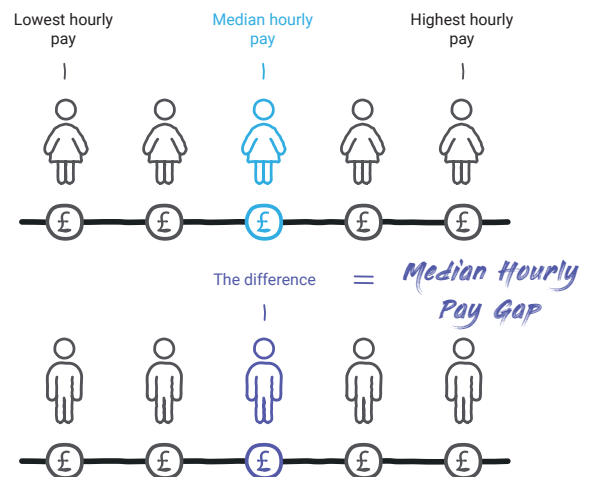
- 1 Mean and median gender pay gap for hourly pay
- 2 Mean and median gender pay gap for bonus pay
- 3 Proportion of men and women receiving a bonus payment
- 4 Proportion of women and men in each pay quartile

The requirement to report this data is there to assist companies in understanding any gaps which are present and encourages them to take action to close these over time. It is important to remember that this is different to equal pay, which relates to the pay that women and men receive for the same role or comparable work.

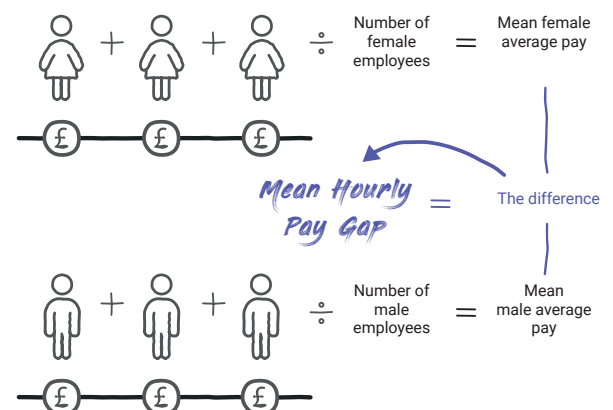
Under current guidelines, the gender pay gap for hourly pay calculations should only take into account "full pay relevant employees" at the date of reporting. This means that any colleague who was paid less than their usual rate, due to long term leave or other absence (such as maternity leave), is not included in this data.

On 5th April 2022, we had 278 colleagues, of whom 3 were away from the business and not receiving their ordinary pay. This report therefore takes into account 275 full pay relevant colleagues for *gender pay gap for hourly pay* purposes, the breakdown of which was **60% men and 40% women**.

How we calculate the median gap



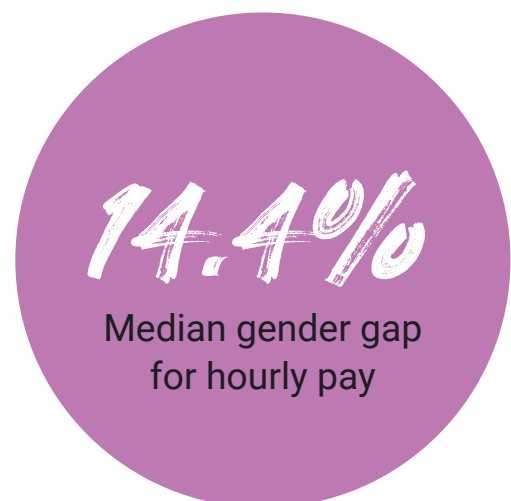
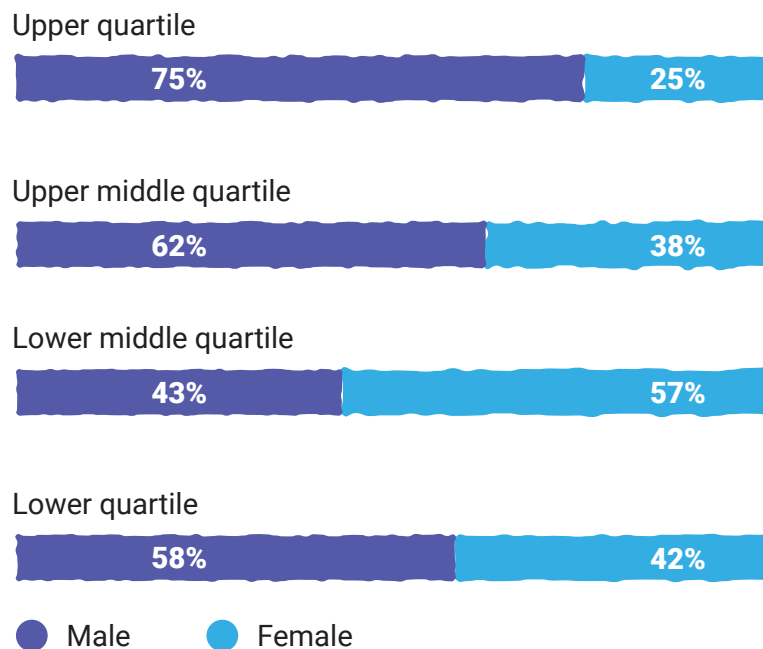
How we calculate the mean gap



Our gender pay gap for hourly pay

As of 5th April 2022, the **mean gender pay gap** was 16.8% at Methods. The **median gender pay gap** was 14.4%.

In relation to our overall 60:40 split between men and women, as can be seen in the illustration below, 75% of our upper pay quartile consisted of men, and only in the lower middle quartile was the number of women higher than men.



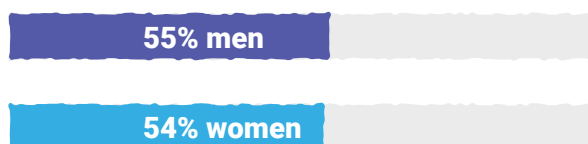
Our gender pay gap for bonus pay

Unlike the *gender pay gap for hourly pay*, which looks at the position on the Snapshot Day, the **gender pay gap for bonus pay** considers various payments made over the course of the 12 months to 5th April 2022. These include any payments related to profit share; commission; bonuses; and incentives. On this basis, 55% of men and 54% of women employed at 5th April 2022 received payment of this type in the preceding 12 months.

The **mean gender pay gap for bonus pay** was -3.5%, showing that the average bonus paid to women was slightly higher than men, and the **median gender pay gap for bonus pay** was 9.1%.



Percentage of colleagues receiving a bonus



Explaining our pay gap

Our gender pay gap does not mean that women are paid less for doing comparable work, but rather mainly reflects the impact of the distribution of men and women across our colleague base, with an under-representation of women at senior levels.

Indeed, the Upper Quartile has a disproportionate effect on the overall *mean gender pay gap for hourly pay* for 2 reasons:

- First, there is a split of 75% men to 25% women in the quartile, and though this is in line the average for the UK tech industry (according to the latest available analysis), it has a distorting effect on the overall calculation.
- Secondly, as the Upper Quartile includes the majority of directors; heads of departments; and lead senior technical roles in the company, the salaries in this quartile are notably higher than the remaining 3 quartiles. This has a material effect on the overall *mean gender pay gap for hourly pay* calculation, with the *mean gender pay gap for hourly pay* for the Upper Quartile at the lower figure of 10.3%, being the highest of any of the pay quartiles.

A minor additional contributory factor, in the *mean gender pay gap for hourly pay* analysis, is that under current guidelines, where there are two colleagues on identical salaries, but one has decided to invest in their pension through the company's salary sacrifice scheme (thereby increasing their actual take home pay), the calculation uses a different base salary number for each, with the net salary after the salary sacrifice being used for the latter. Under the guidelines this then results in a higher salary for the colleague not contributing to their pension via salary sacrifice, which in practical terms is not the case.

- This is important because in the top 2 pay quartiles, where salaries are higher, of the 17.5% of colleagues who do not participate in the Company's salary sacrifice scheme for pension contributions, 75% were men, thereby affecting the mathematical calculation of the gap.



The proportion of both men and women showing as receiving bonus in the *gender pay gap for bonus pay* calculation is lower than we would want. The majority of colleagues participate in a profit-sharing scheme. Payment, which is made during the relevant period however, is based on the previous year's performance and with a significant movement and increase in colleague numbers during the period, a material number of people were therefore not eligible to receive a payment in the 12 months to 5th April 2022, under the profit sharing scheme's guidelines.

Addressing our gender pay gap

Mindful that the most significant factor in our gender pay gap is the under representation of women, particularly in senior roles, we have a number of initiatives in train aimed at re-balancing this split:

1 As part of our efforts to attract more women to consider applying for roles with us, our new Family Friendly policies were launched during the year and were contributed to directly by our Colleague Forum, which has a predominance of women. We believe that these policies now offer industry leading levels of financial support to colleagues at important moments in their lives when they are looking to start or grow their family, whilst working at Methods.

2 We actively promote ourselves as a career destination for women, running content-related outreach initiatives, including both written and audio content as well as external events, that actively encourage and promote the work of female colleagues. Additionally, in both our website and social media content we look to break the mould by including female images in what can be traditionally seen as male dominated tech roles. We are proud that our female colleagues support these efforts and volunteer as spokespeople; create thought leadership pieces; speak at events; and feature on our podcasts, which are mostly female led.



3 Mindful that we will not be able to resolve the lack of women in senior roles through recruitment alone, and keen to grow and develop our internal talent, we are focusing on improving communications around internal opportunities to ensure that female colleagues are aware of all opportunities for promotion and feel empowered to apply for more senior roles. Additionally, we are looking to ensure that our interview panels and processes are sufficiently gender diverse, particularly for such senior roles.

4 In relation to outreach, we continue to work with educational institutions offering sessions on career planning, CV writing, and interview techniques, looking to attract women into STEM roles and actively recruiting from more disadvantaged backgrounds.

5 We promote flexible working through our adoption of a hybrid working model. This has better balanced home/office working, benefitting everyone across the company and we believe removes a potential impediment to female applicants and those looking to return to work after a career break.

Finally, in order to confirm we have no inadvertent gaps in salaries paid to men and women in similar roles, we are undertaking a comprehensive skills matrix project. This captures, reviews, and calibrates the professional skills of all colleagues in the company to enable corrective action to be taken in relation to salary levels, if required, once completed. Once this is confirmed, this will underpin our main driver to balance our gender pay gap being the focus on equalising the male to female ratios throughout all levels of the company.

Declaration

The information in this report relates to the colleagues of Methods Business and Digital Technology Limited as at the government Snapshot Date of 5th April 2022. The gender pay gap relates to pay received in April 2022. The gender bonus pay gap relates to variable payments made in the 12 months to 5th April 2022. I confirm that the gender pay gap data in this report is accurate.

Mark Hewitt, Chief Operating Officer.

