

# Equity: UK gender pay gap report

We prioritise transparency and accountability in our efforts to reduce the pay gap. One way we do so is by analysing and publishing gender pay gap data from our global business every six months. This commitment focuses our efforts and helps us understand our progress, and we have seen improvements since we started internally reporting in 2019.

From 2022 to 2023, we saw a significant improvement in our gender pay gap, with a global decrease from 18% to 9%, surpassing our target by seven percentage points. This achievement reflects the quality of our employee experience capability across our regions, from talent attraction to continuous engagement and talent retention. This year, we are pleased to mark the first time we're publicly publishing our UK gender pay gap report.

**While we are proud of the progress we have made, we see the need to be more ambitious in attracting and progressing women into more senior roles within the business. It remains our biggest challenge for tackling gender pay equality and is a focus area for 2024 and beyond.**



**David Tuck**  
CEO Kin + Carta Europe  
Edinburgh, Scotland

Under legislation from April 2017, employers with UK legal entities employing more than 250 employees are required to publish their gender pay gap, including data points such as:

- Mean gender pay gap
- Median gender pay gap
- Headcount: percentage of males and females in each quartile of the data
- Mean gender bonus pay gap
- Median gender bonus pay gap

## What is the gender pay gap?



The gender pay gap refers to the difference in the average pay between men and women in the workforce. This differs from equal pay, which is the pay difference between men and women who carry out the same jobs, similar jobs, or work of equal value. Unequal pay is unlawful, an adverse gender pay gap does not imply unequal pay for men and women in such circumstances.

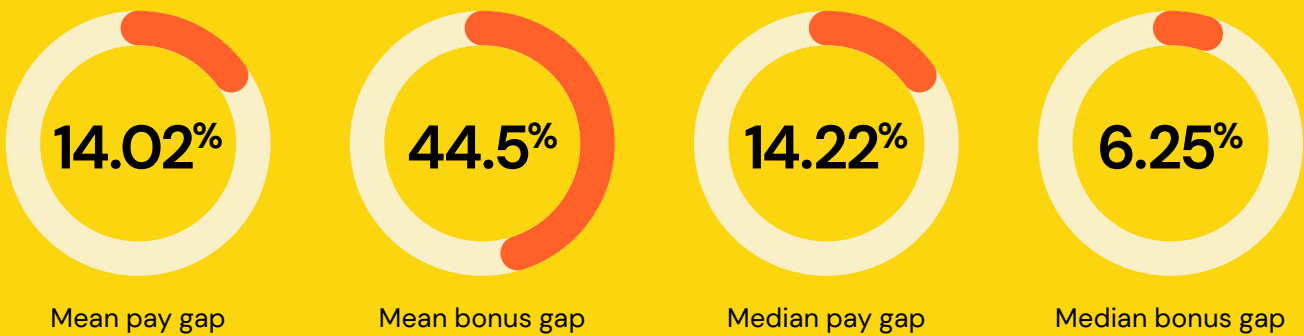
The gender pay gap is commonly reported using two measures: the mean and the median. The mean (or average) number is the sum of the salaries by gender divided by the total number of employees. The median is the middle value in a list of salaries. While the mean is traditionally used to measure a midpoint in a data set, it can be skewed by significant outliers.

# Our UK gender pay gap 2023

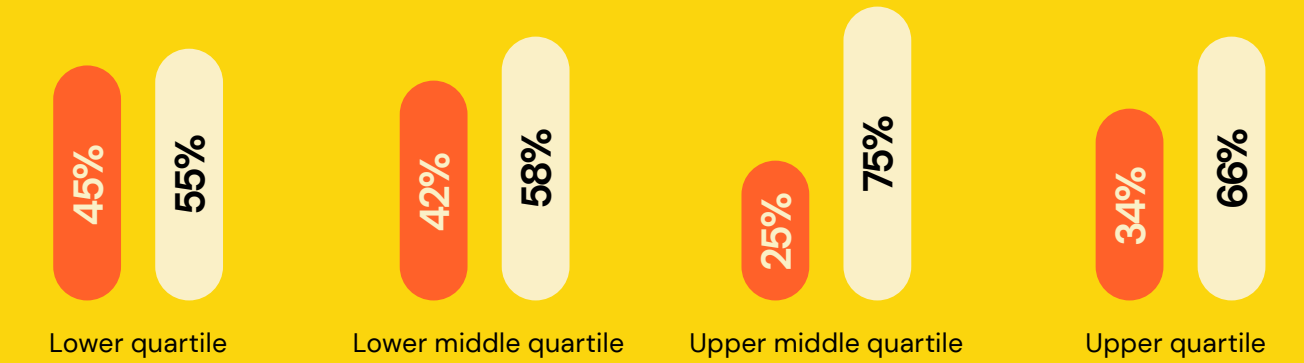
Total number of UK FTE employees at snapshot date:  **375**

Data is reported as of our snapshot date on 5 April 2023 as per UK Government gender pay gap reporting criteria.

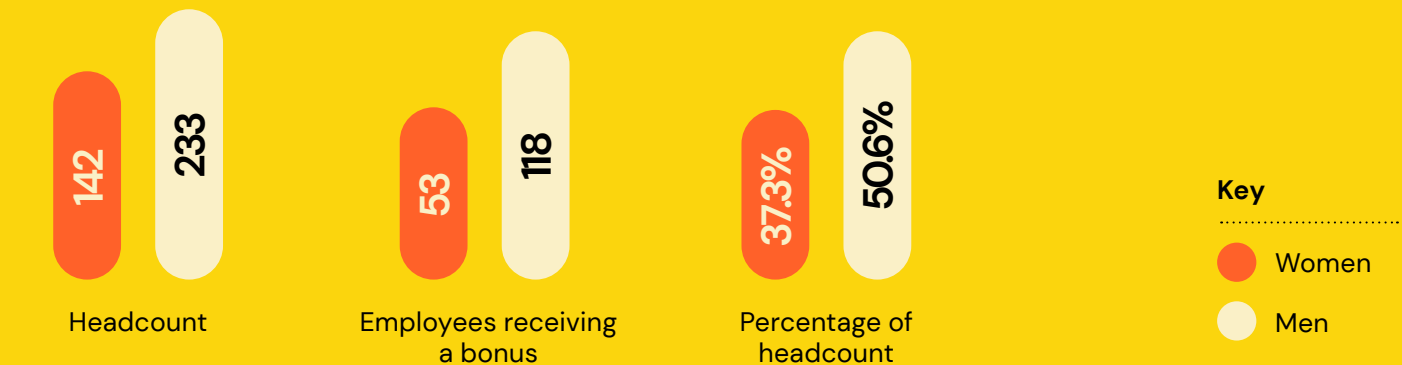
## Mean & median base & bonus pay gap



## Headcount: % of males and females in each quartile of the data

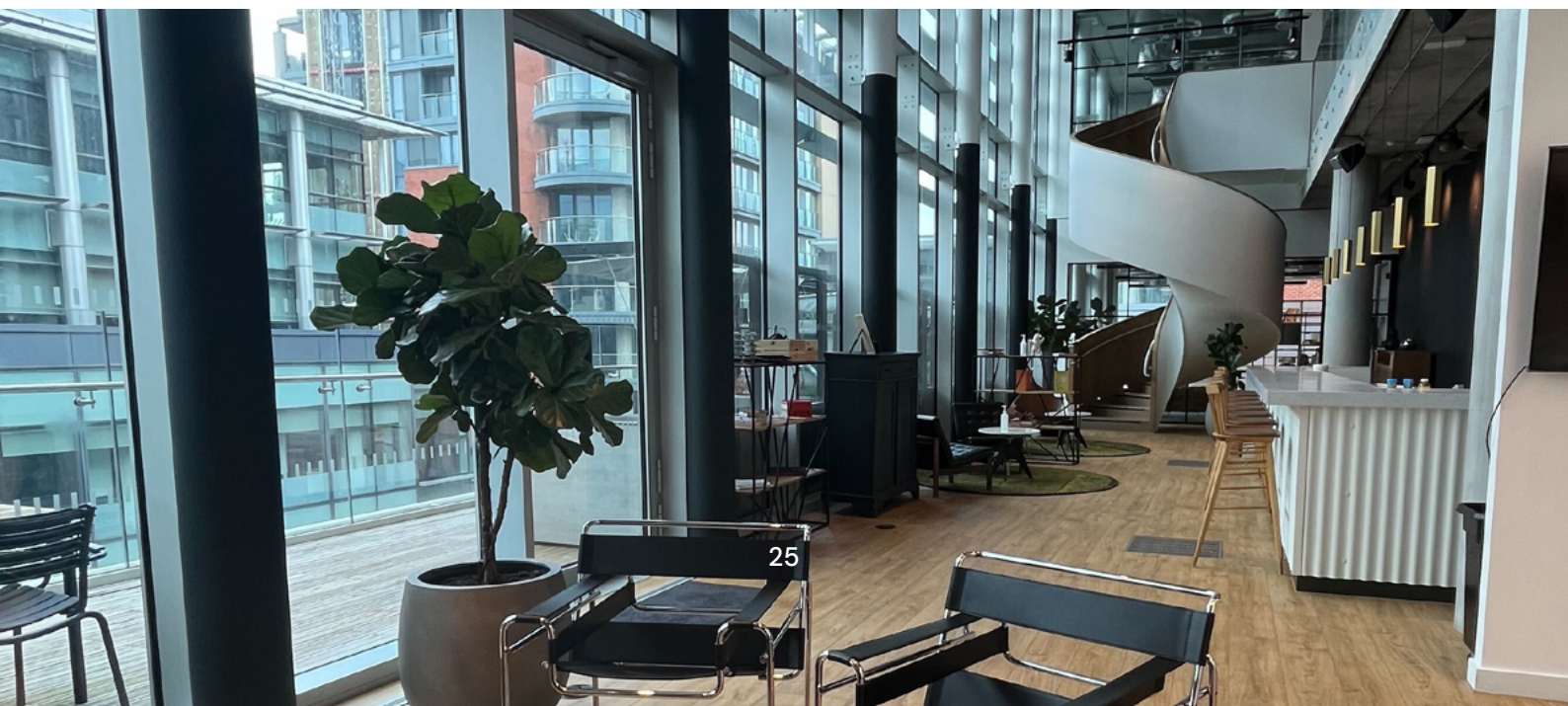


## Headcount: % of males and females receiving bonus payments



## Commentary and notes

- The salary data for UK Government reporting includes monetary payments in the form of basic pay, allowances, pay for piecework (if applicable), and pay for leave. Anything that is not money, such as benefits in kind, is excluded. Also excluded is pay related to overtime, redundancy or termination of employment, or pay in lieu of annual leave.
- The data is based on full-time equivalent earnings, meaning it takes into account part-time hours and salary. Salary is reported after salary sacrifice, so the amount UK employees contribute to their pension schemes influences the data.
- Bonus pay includes rewards paid as cash, vouchers, securities, securities options, and interests in securities. Only items that incur an income tax charge within our snapshot period are included. We only considered past securities and securities options that fully vested (those made in 2018 or earlier) and were exercised in the snapshot period, which is when they accrued an income tax charge.
- As a result, the data can be impacted by whether or not individuals decided to exercise their securities or securities options in the period we're analysing. Our UK mean bonus pay gap is adverse due to a small number of individuals taking these actions.
- The UK gender pay gap regulations do not define the terms male and female. HR records were used for the purposes of externally publishing our UK gender pay gap.



## What the data tells us

The analysis of our UK gender pay gap shows a significant underrepresentation of women in the Upper quartile (more senior roles) and a higher representation of women in the Lower quartile. The gender imbalance that we see in more senior roles means we have less women in the higher pay quartiles.

The eligibility for a bonus is standardised and based on our internal job level framework. The mean bonus pay gap is large because we have a higher proportion of men who are eligible. The mean bonus pay gap is also adversely impacted as a result of a small number of men exercising vesting options in the snapshot period.

With the UK Government's mandate to track the gender pay gap, we face the challenge of reconciling our chosen internal measurement with the Government's methodology. While we calculate and publish our global internal pay gap figure, the UK Government's approach differs, resulting in two distinct numbers that can confuse stakeholders.

The UK Government pay gap figure stands at 14%, while our internal pay gap figure is 9%. The UK Government figure is calculated based on salary after salary sacrifice schemes, whereas Kin + Carta determines the amount before salary sacrifice. Therefore, the data is impacted by the amounts individuals choose to pay personally for their pension or for other salary sacrifices, such as the Cycle to Work scheme. They also require data is omitted for anyone not receiving normal full time pay, such as those receiving maternity, paternity, or sick pay.

Our growth-by-acquisition strategy presents a challenge in setting and achieving pay gap-related targets year on year. With each acquisition, the benchmark for our pay gap changes, and there is a lag between acquisition and integration into our systems to understand any pay gap in the acquired business. The acquisition process varies with country, and each business has a unique performance history, making it difficult to set unified pay gap targets.

## What are we doing to address the gap?

- After every performance management cycle, we report on and **monitor the progression of women** throughout the UK business. In the last 12 months, 38% of promotions were for female employees. This is proportional to our overall headcount for male and female employees.
- We have also increased **representation of women in our executive leadership team** from 30% to 43% in the last 12 months.
- We have **improved accessibility** to increase the diversity of our talent pools and candidates by including **name pronunciation and pronouns** as standard across all applications and introducing **inclusive interview guidelines**. We have also added more detailed rejection reasoning to effectively **monitor bias**.
- We have begun to collect **diversity demographic data** at the candidate application stage (including proactive sourcing) in the UK. We know that in the last 12 months 38.5% of applications identified as male and 24.3% identified as female. We will continue our focus to attract more female applicants and monitor progress now that our baseline is understood.
- We have made improvements to our **enhanced maternity leave**, offering 20 weeks fully paid leave for employees with more than two years service.
- We have partnered with **Leaders Plus**, a social enterprise who work with individuals during parental leave and beyond to progress in their careers whilst enjoying their young families.
- Our **IDEA steering committee** helps to inform and steer our efforts and is made up of leaders and colleagues from across the business. 80% of the members are women spanning different roles, tenures, and seniority to ensure the work we do is valuable and has a high impact for all women.

We will continue to delve into why women might want to leave Kin + Carta and understand their motivations for staying to better influence our approach alongside continuing top-of-funnel hiring efforts.

*David Tuck*

CEO, Kin + Carta Europe