



WHAT IS GENDER PAY GAP REPORTING?

Gender pay gap reporting allows us to measure the difference in average pay between men and women, across our organisation.

Gender pay gap reporting differs from an equal pay comparison as we are measuring the difference across our organisation, therefore incorporating different roles and grades. Equal pay comparisons will involve the comparison of two or more people carrying out the same or equivalent work.

Gender pay gaps can be driven by the different number of men and women across roles and is often driven by our society, with men being more likely to hold senior roles.

Changes to the Equality Act, made it compulsory for companies with over 250 employees to publish their gender pay gap data and also submit it to the government portal.

PSA Finance fell below this threshold, at 242 full time employees in April 2019, but chose to submit and publish their results.

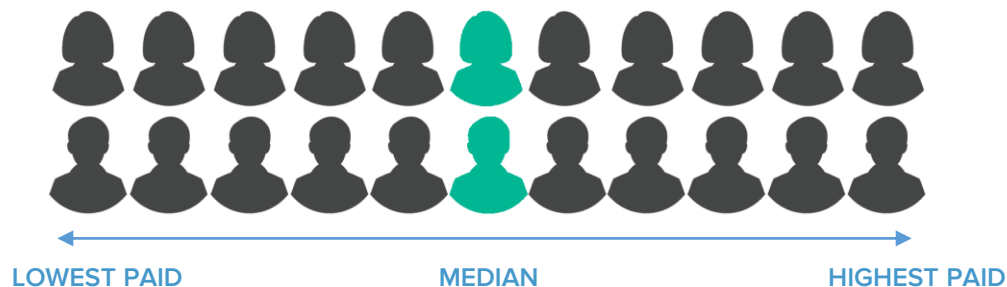


WHAT IS THE DIFFERENCE BETWEEN MEAN AND MEDIAN GENDER PAY GAPS?

Within this report we will refer to mean and median gender pay gaps, which are set out by the gender pay gap reporting regulations.

The mean is calculated by adding together all of the wages and dividing it by the number of employees. This means that a few highly paid individuals could skew the result.

The median is used as a more representative figure. This figure selects the number in the middle of all of the wages, if they were all lined up from lowest paid to the highest paid. As represented below.



WHAT IS A QUARTILE AND HOW IS IT CALCULATED?

It was also set out by the regulation that we need report on our gender split by quartile. This is referred to overleaf in the data snapshots.

To calculate the quartiles all relevant employees were listed by hourly wage and then split into four groups ensuring that there were an equal number of employees in each of the groups.

From the highest paid to lowest paid, these quartiles are then known as:

- > Upper quartile
- > Upper middle quartile
- > Lower middle quartile
- > Lower quartile

GENDER PAY GAP RESULTS

We have collated the data based on the PSAF UK workforce as at 5th April 2019. The total number of employees included in this reporting was 242, with a 51.3/48.7 split of males to females.

Results have improved year-on-year in 7 out of the 10 tracked indicators:

Employer	Difference in hourly rate (Mean)	Difference in hourly rate (Medium)	Women in lower pay quartile	Women in lower middle pay quartile	Women in upper pay quartile	Women in top pay quartile	Who received bonus pay (Women)	Who received bonus pay (Men)	Difference in bonus pay (Mean)	Difference in bonus pay (Median)
Current year snapshot at April 2019	23.30%	32.50%	60.00%	61.80%	35.20%	31.50%	89.60%	95.00%	51.80%	67.30%
Baseline Data - Snapshot at April 2018	28.70%	35.60%	64.70%	59.80%	39.00%	26.10%	89.80%	91.60%	68.90%	82.10%

National average gender pay gap currently sits at 17.3% and the average financial services gender pay gap sits at 33%.

■	Positive trend – Change > 1%
■	Change +/- 1%
■	Negative trend – Change > 1%

ANALYSING OUR GENDER PAY & BONUS PAY GAP

Our gender pay gap reports shows that there is a gap between female and male workers. Analysis of the data that sits behind our mean pay gap of 23.3% highlights some key factors.

Firstly, that there are more men in senior roles which typically attract higher salaries. Currently there is a female to male split in management of 26/74 which increases to 60/40 when we look at remaining staff. This, alongside our quartile breakdown, highlights a lack of representation at higher levels of management (board level).

When looking at the data we see that there is no gender pay gap until age 32.

When breaking down our data by age, we see that there is no gender bonus pay gap until age 28.

When we consider part time workers included within the data we see that there are 23 female part time workers versus only 3 male part time workers. This naturally impacts the data as these roles are attributed with lower wages.

We also see that our data represents some high bonus earners. When these are removed the mean bonus gap reduces by 25%.

Within our data there is a Collective Local Performance Incentive included within the bonus pay calculations. With this removed we see that our gender bonus pay gap reduces by 17%.

OUR COMMITMENTS

PSA Finance is committed to addressing the current gender pay gap in order to create a diverse and inclusive culture across the organisation. We recognise the benefit that this has to our business, our employees and our customers.

INCREASE AWARENESS OF DIVERSITY

We are ensuring a long term commitment to increasing the awareness of diversity and inclusion across the PSA Group, in addition to actively promoting opportunities for all employees.

JOINING THE EMPLOYERS NETWORK FOR EQUALITY AND INCLUSION (ENEI)

To ensure that we increase awareness of diversity and inclusion we joined ENEI in 2019 which gives us access to a range of resources and best practice documentation. Our participation continues in 2020 with workshops and training planned.

ACTIVELY SEEK OPPORTUNITIES FOR FEMALE EMPLOYEES

We continue to look for opportunities to implement initiatives that encourage and support female leadership at PSA Finance.

STAFF TRAINING ON UNCONSCIOUS BIAS

We have trained all staff on unconscious bias. This allows them to learn what unconscious bias is and the impact that it can have at work and what should be done to manage unconscious bias to ensure that our organisation is the best it can be.

SENIOR MANAGEMENT TEAM TRAINING

We have already delivered training for PSA Finance senior management team and we are developing a three to five year road map to improving diversity and inclusion in the company.