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Gender Pay Gap Report 2024

Goodlord Gender Pay Gap - 2023 Overview

This Gender Pay Gap Report reflects our Values. Being an Open Book has been one of our core values since the early days of our company; our commitment to transparency and accountability is a key part of how we operate. We acknowledge the gaps that currently exist as we focus on our ongoing efforts to close the gap.

Our Mean Ordinary Pay Gap has decreased by 15% from 33% to 18% since last year's 2022 report and our Median Bonus Gap has decreased 12% in the same period from 63% to 51%.

We know that there is further progress to be made in closing our gap, which is not indicative of inequity but rather an underrepresentation of women in senior, higher-paying roles. Across Goodlord and Vouch we continue to be committed to providing an equitable working culture through recruitment, development and retention efforts that promote diversity and inclusion.

We are proud of the progress we've made in achieving gender balance within our teams. In the past 18 months our new hires into mid and senior positions have been women, and 57% of our internal promotions have gone to women. This now means that women constitute 51% of our total workforce, and 43% of our top quartile (up from 33% last year).

This report will:

- Outline our gender pay gap figures from the snapshot date of 5 April 2023
- Provide background detail about our numbers and the initiatives underway to address the gap
- Provide opportunities that enable women across Goodlord to thrive and grow

We verify that the information in this disclosure is accurate.

Jo Harman
People Director

What is it all about?

What is the gender pay gap?
A gender pay gap is the difference between the average hourly pay of men and women across a company, expressed as a percentage.

What's included in the calculations?
Pay is reported as a **mean (average)** and **median (midpoint)** average figure and is based on pay data from <u>April 2023,</u> known as the snapshot date. Calculations include basic pay and bonus pay, and include all employees on the Goodlord payroll at the snapshot date.

Is this the same as equal pay?
No. The calculation doesn't directly compare men and women doing the same job (this is equal pay) but it does measure whether both are equally distributed across levels of seniority.

What are pay quartiles?
Pay quartiles are created by sorting the rate of pay for each Goodlordian, then dividing into four equal size groups. We then calculate the percentage of women and men in each group.

Why are we doing this now?
All companies with over 250 employees have to report their results. A gender pay gap exists in most organisations. This statutory requirement is part of a drive to reduce the ongoing pay gap between men and women by encouraging companies to analyse pay within their workforce, understand the underlying causes for their gender pay gap - and take steps to address it.

Our 2023 reported figures (April 2023 dataset, submitted in 2024)

Gender Bonus Pay Gap

51%   49%

Proportion Receiving a Bonus

74%

82%

Gender Pay Gap

| Mean | 18% (PY 33%) |
| Median | 10% (PY 20%) |

Gender Bonus Pay Gap

| Mean | 51% (PY 63%) |
| Median | 11% (PY 39%) |

Proportion of Male & Female by Pay Quartile

Upper quartile
43% / 57%

Upper middle quartile
51% / 49%

Lower middle quartile
53% / 47%

Lower quartile
58% / 42%

Female   Male
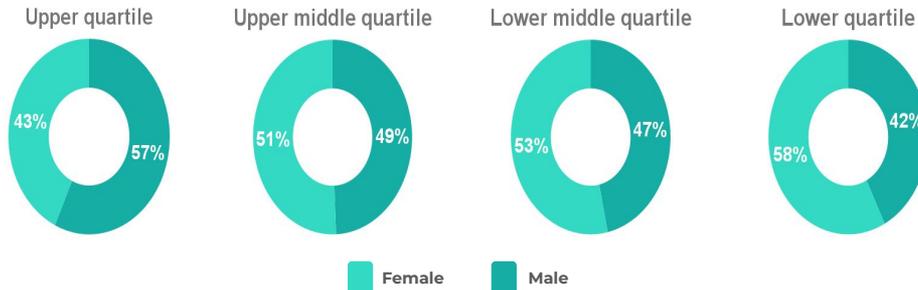
Definitions

Pay Gap
This is the percentage difference between the mean and median earnings for men and women; this is expressed relative to men's earnings.

Mean
The difference in the average hourly pay for women compared to men.

Median
The midpoint of all hourly earnings of men and women. Lining up all women and men across our company, the median pay gap is the difference between the hourly pay rate for the middle woman versus the middle man.

Pay Quartiles
All employees as a group, running from highest hourly salary to lowest, divided into four equal quartiles

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What does the data tell us?

After analysing our data, below is a brief summary outlining what the data tells us.

Men and women in each pay quartile

The data shows more women than men in the lower middle and lower quartiles, reflecting a higher proportion of women at Goodlord. The upper middle quartile shows more women than men because Goodlord has higher number of women in middle management roles.

Compared to the previous year, we have seen the female population slowing moving up the quartiles, with the biggest change in the Upper quartile where the proportion of women increased to 43% compared to last year at 33%, and previously before that 25%, indicating steps taken to address gender inequality at the leadership level. We intend to monitor this trend over time alongside ensuring that we have women represented at all salary levels within this broad band.

Mean gender pay gap using hourly pay

The mean (average) gender pay gap figure uses the hourly pay of all employees to calculate the difference between the mean hourly pay of men, and the mean hourly pay of women.

Our mean gender pay gap of 18% (PY: 33%) shows that when looking at hourly pay men at Goodlord are receiving 18% higher pay than women, on average. This doesn't mean they are paid more for the same roles but on average their total pay is 18% higher.

What does the data tell us?

Median gender pay gap using hourly pay

This is the difference between the hourly pay of the median man and the hourly pay of the median woman. The median for each is the man or woman who is in the middle point of a list of hourly pay ordered from highest to lowest paid.

Our median gender pay gap of **10%** (previous year 20%) shows that, when using the median (mid-point), figures show men are paid 10% more (hourly) than women. Again, this doesn't mean they are paid more for the same role but when looking at the mid-point of hourly pay, the mid-point figure is 10% more than women's mid-point.

In the distribution of men and women we see the largest proportion of men in the upper quartile, while the largest proportion of females in the lower quartile. This has resulted in the median for men being skewed towards the upper middle quartile, while the pay rate for women in the middle was more like the lower middle, creating the median gender pay gap for hourly pay.

Upper quartile   *Upper middle quartile*   *Lower middle quartile*   *Lower quartile*
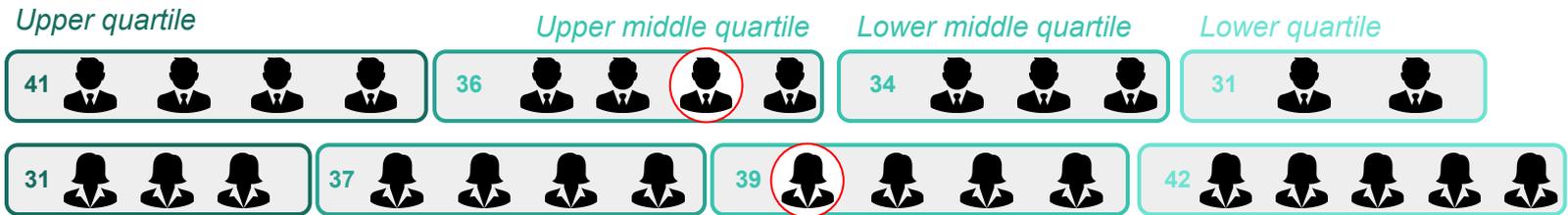
What does the data tell us?

Percentage of men and women receiving bonus pay

The data shows that **82%** of men at Goodlord receive elements of bonus pay whereas **74%** of women at Goodlord receive elements of bonus pay.

Bonus pay consists of all variable pay types as at April 2023. When looking at bonus pay, we look at discretionary bonus and commission but also PRP (Performance Related Pay), specifically the uplifted PRP that is paid for exceeding quarterly goals (i.e. receiving >100%).

Mean gender pay gap using bonus pay

Our mean (average) gender pay gap using bonus pay is **51%** (PY: 63%). This means that the men at Goodlord that receive bonuses are receiving 51% more in bonus pay than women. We feel that this is a reflection of our disproportionate range of men and women in higher paying and higher earning potential roles across the business.

What does the data tell us?

Median gender pay gap using bonus pay

Our median (mid-point) gender pay gap using bonus pay is **11%** (PY: 39%). This means that, when using the median (mid-point) figure of bonus pay received, the men at Goodlord that receive bonuses are receiving 11% more in bonus pay than women.

Again, we feel that this is a reflection of our disproportionate range of men and women in roles where the remuneration mix of fixed base pay to variable commission pay is more heavily skewed towards the latter. Our teams where there are higher earning potential opportunities through variable pay have a higher ratio of men to women.

Key Takeaways

1. Male and female balance at upper and upper middle levels

Our gender pay gap shows that we have a higher proportion of men than women in the highest paid roles, his trend is seen in most organisations and this shows we need to do more to create opportunities for women to progress to more senior roles, while ensuring our upper middle pay quartiles remain balanced.

2. Male and female variations by function

Whilst we're confident that Goodlordians are paid equally for equal roles, our pay rates vary by function. Some functions i.e. Marketing and People are generally more female-dominated sectors and may naturally attract a higher number of female applicants. Though at Goodlord, certain roles within each function have higher base earnings i.e. Engineering and higher earning potential i.e. Sales. This means the uneven gender split across departments has an impact on our gap.

For example:

- 91% of female Goodlordians in Marketing
- 21% of female Goodlordians in Technology
- 33% of female Goodlordians in Sales

Key Takeaways

3. Balancing the percentage of men and women receiving bonus pay

Included in our bonus calculations is the uplifted element of our Performance Related Pay approach, to which all Goodlordians, post probation, are entitled. We're conscious that these figures may vary year on year depending on employee performance and the proportion of men and women in each quartile. Going forward, as part of our quarterly process, we will continue to review and calibrate any disproportion between men and women receiving PRP driven bonus pay and ensure any differential is fair and representative of individual performance. In addition efforts need to be taken to increase the number of women in sales related roles where they have the opportunity to earn higher amounts of variable pay.

Gender Pay Gap 2023 - Narrowing the gap

We're committed to making a positive change, underpinned by...

A working culture that is supportive, flexible, and inclusive, enabling all genders to thrive and succeed

←———— ...and by focusing on these four key areas ————→

| Developing our women: Supporting them on their journey to achieving higher paying roles | Retaining our women: Enabling them to stay and progress by providing policies that support advancement and combining a career with life outside work | Ensuring our recruitment and promotion processes are fair and free of barriers that could impinge on successful progression | Ensuring our men are aware of their impact and the role they can play in creating an inclusive workplace that is supportive and welcoming to women | Reviewing all pay decisions against fair compensation principles with calibrated decision making so all Goodlordians, regardless of gender, are paid in line with their performance and contribution |

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