



# Gender Pay Gap Report

Exploring our statutory reporting

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# A commitment from the Leadership Team



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“Continued growth brings us to new milestones and we welcome gender pay gap reporting and other professional standards, which are reflective of APEM’s long-held quality mindset.

Our growth will not change our core values. Integrity, fairness and people remain at the heart of our organisation and of our leadership decisions.

We are committed to exploring the detail behind our gender pay gap, both the data and the experiences of our people, setting positive actions to support the people who make us who we are and whose expertise and passion lead our growth and lay the path for generations to follow.”

# What is the Gender Pay Gap?

The Gender Pay Gap is often confused with unequal pay. Equal Pay legislation ensures that men and women are paid the same to perform the same role... but even when this is the case there are deep-rooted, even societal, dynamics at play which lead to fewer women holding higher paid jobs than men. This is the Gender Pay Gap.

Let's look at a couple of examples within an organisation with a 50:50 gender split...

- If there are 10 Senior Managers all paid the same, but only three of those Senior Managers are women, this drives a Gender Pay Gap.
- If Engineering jobs pay more than Account Management jobs and Engineers are more likely to be men, this drives a Gender Pay Gap.

This is why the Gender Pay Gap reporting framework zeros in on representation in pay quartiles.

Making the gap visible is a valuable activity in understanding and pursuing those root causes which are within our influence.

Career dynamics play out over a lifetime, and societal change is slow; much like environmental challenges this isn't something that can be solved quickly or even by one organisation in isolation, but that doesn't stop us taking action to play our part in a more equitable future.



# What is the APEM Ltd Gender Pay Gap?

APEM Ltd as at April 2021

The frame of reference for this report is all employees of APEM Ltd in the UK in April 2022. A year on, we are a group of companies and have welcomed nearly 200 new faces across the UK, Ireland and beyond. We will continue to explore the evolving picture of the data across the group and share findings and progress.

We are proud to have a gender pay gap which is lower than the 2022 UK Gender Pay Gap reported as 14.9% (the 8.3%, which is sometimes reported, relates to full-time employees only). This is the Median average which is preferred because it is more reflective of outliers and therefore the highest earning potential, although looking at the median and the mean together gives the fullest picture.



**Our Median Gender Pay Gap 12%**



Total £  ÷  headcount

**Our Mean Gender Pay Gap 15%**

Total £  ÷  headcount

Over the following pages we set out how this number breaks down and our position on a number of critical contributing issues.

# What is the APEM Ltd Gender Pay Gap?

APEM Ltd as at April 2021

## Bonus pay

Based on statutory reporting guidelines the measures must reflect and draw out all bonuses paid in the year up to April 2022, irrespective of eligibility. However, our scale of growth means that eligibility has a significant impact on our figures.

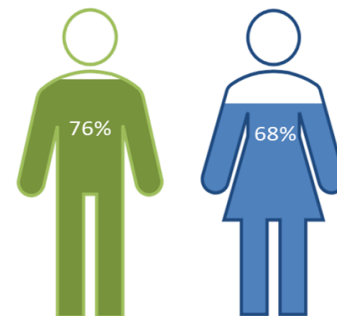
Our bonus payments relate to the prior financial year (Jan-Dec) and are pro-rated based on the portion of that year an individual was with the company, contributing to that performance.

Due to our rate of growth, in April 2022 our employee population was built up as follows:

- Only 37% were employed throughout 2021 and received a full bonus
- 36% joined within 2021 and received a bonus pro-rated according to their length of service
- 26% joined in 2022 and did not receive a bonus relating to 2021
- Across these groups, 3% were resigned employees

Because of the scale of this segmentation, when we adjust for pro-ration to see a truer picture of gender balance the figures change dramatically...

## The statutory report

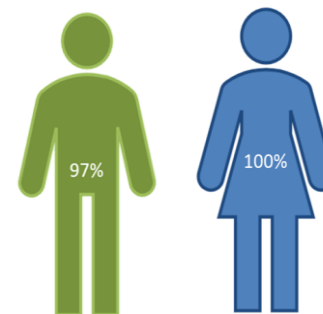


Proportion of employees paid a bonus

**Median Bonus Gap 24%**

Mean Bonus Gap 24%

## Position reflecting start dates



Proportion of employees paid a bonus

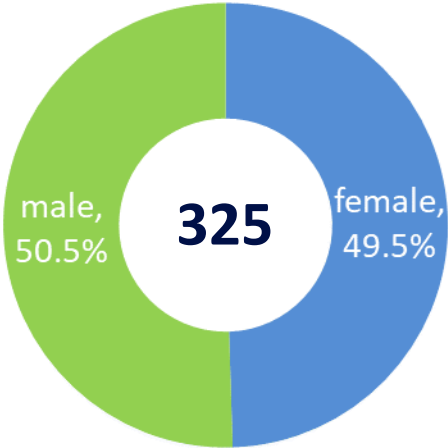
**Median Bonus Gap 13%**

Mean Bonus Gap 8%

# What is the APEM Ltd Gender Pay Gap?

APEM Ltd as at April 2022

## Gender split



Pay figures used to calculate a gender pay gap include bonus so these figures are also influenced by the bonus dynamics set out previously.

While our grades don't sit neatly in quartiles, this distribution broadly represents that across our grades.

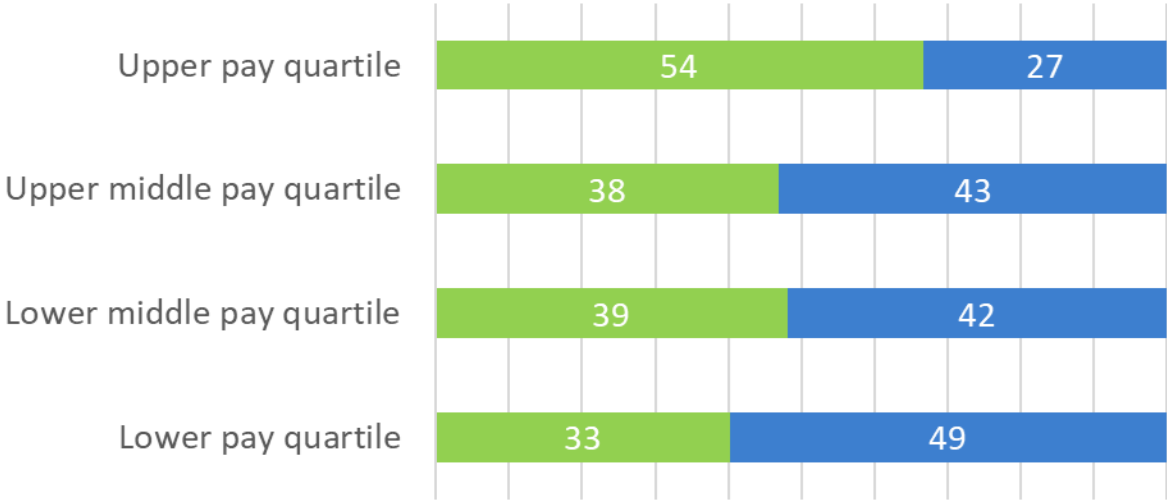
The upper pay quartile contains our most senior population (i.e. Principal to Director grades), which has a gender split of 42 males and 23 females.

When trying to understand the higher level of females in the lower pay quartile, the data show

- 56% of our Graduate grade population were female
- 56% of our Scientist grade population with less than one year's experience were female

These combine to create a greater female proportion (60%) of our most junior cohort, and therefore our lower pay quartile.

## Pay quartiles



■ number of males in the quartile ■ number of females in the quartile

# Addressing the Gender Pay Gap

In order to structure and focus our thinking we have grouped the macro trends into six categories

## The caring trade-off



### The challenge

Women are more likely than men to trade working time for caring responsibilities.

### Our approach

Since launching our WOW factor during the pandemic, we have normalised flexible ways of working in many teams across the business.

As at 1<sup>st</sup> April 2023, more than 10% of our workforce is on a formal flexible working pattern. This group is comprised of 80% women and 20% men. Many more of our people adopt informal flexible working patterns.

## Diverted careers



### The challenge

Women who don't feel supported are more likely to divert their careers toward more flexible or supportive options.

### Our approach

Our engagement survey (Jan 2023) showed little gender gap in key themes that commonly drive gender disengagement:

- Work-life perception - gap of 3 points
- Reward perception - gap of 6 points

Although there was no gap at all when men and women were asked whether they feel valued by their manager and colleagues, the greatest gap, of 16 points, related to broader recognition.

Following this finding recognition became a core area of focus for our 2023 People Plan.

## Part-time progression



### The challenge

Progression is less frequent in part-time roles (more often occupied by women).

### Our approach

As at 1<sup>st</sup> April 2023, we have individuals working reduced hours up to and including at Director level.

Divisional Director	14%
Associate Director	17%
Principal	22%
Tech Specialist	13%
Senior	14%

We recently launched our on-demand learning platform giving flexible access to fundamental business skills.

# Addressing the Gender Pay Gap

In order to structure and focus our thinking we have grouped the macro trends into six categories

## Talent assessment



### The challenge

Performance and appointment are often assessed through a male-centric lens.

### Our approach

We have introduced a talent audit framework, with unconscious bias call outs embedded in the tool and all people management workshops.

All vacancies are transparently shared and no promotions awarded without an objective assessment process.

As at 1<sup>st</sup> April 2023, all our leadership teams have a gender representation gap of 1 or less. Our governing Group board, including investors, has a 50:50 gender split.

## Levelling pay



### The challenge

Low pay trends are perpetuated through incremental pay awards.

### Our approach

We introduced broad salary ranges from April 2022 and developed this further in 2023.

Our aim is to ensure we always reward in relation to the value of the role rather than the history of the individual.

We will continue to develop our benchmarking capability by codifying the fairly complex architecture of roles we have and by seeking representative external data.

## Career paths



### The challenge

Career paths are strongly influenced by social norms.

### Our approach

We have a number of senior female leaders who role-model the development opportunities for others to follow in their footsteps.

We amplify this impact through partnerships with higher education providers, and by spotlighting our female talent across social media.

# Investing in an equitable future

Our current priorities over the next 12 months are to...

1. Review and spotlight our family and caring policies with the objective to encourage gender balance.
2. Establish an inclusivity group to guide and support relevant initiatives.
3. Develop a competency framework linked to on-demand learning to support career progression.
4. Build unconscious bias management as a fundamental component of our career tools and people leader capability.
5. Continue to develop our reward decision-making framework.
6. Extend our careers advocacy to reach more cohorts in early education.

With the support of our teams we will continue to challenge, learn and evolve to ensure that APEM embodies the nurturing environment we believe should be universal.

