



Gender pay gap

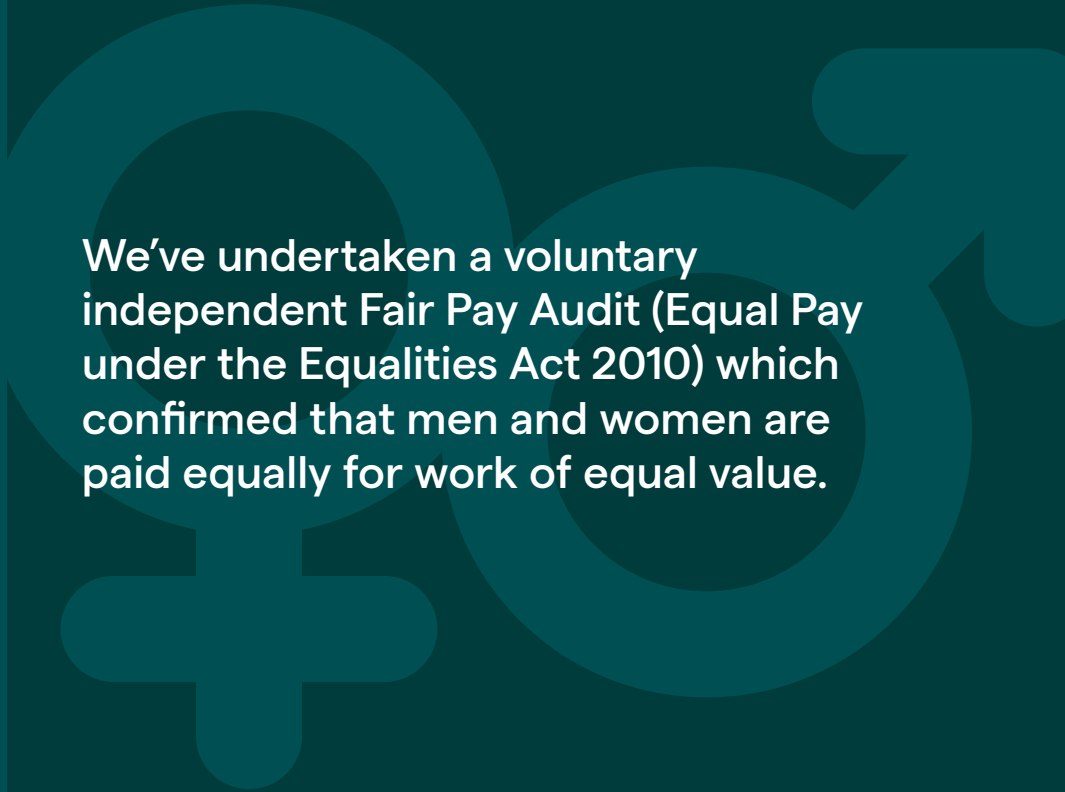
Report 2023





Background

The **gender pay gap** is the percentage difference between the average hourly earnings of men and women in a workforce.



We've undertaken a voluntary independent Fair Pay Audit (Equal Pay under the Equalities Act 2010) which confirmed that men and women are paid equally for work of equal value.

Sage Homes' gender pay gap

Reporting and progress

At Sage Homes, our number of employees exceeded 250 for the first time in 2023. By 5 April 2023, we had 303 employees. As a result, this is our first gender pay gap report. This report is a snapshot based on that data, at 5 April 2023.

Sage Homes' Board and leadership team take fairness to all employees seriously. We consider pay fairness from a number of perspectives, one of which is the gender pay gap.

Our data shows that the extent of our gender pay gap, for both ordinary pay and bonus pay, is driven by the lower proportion of women in the upper quartile (30%) and the higher proportion of women in the lower quartile (70%).

TAKING ACTION

We're fully committed to improving the gender diversity of our business and are taking steps to address our gender pay gap.

In addition to monitoring and acting on the gender pay gap, we've undertaken more extensive reviews of pay fairness. As a result, we've introduced a grading structure based on defined salary bands for each grade, with salary levels being determined by role, rather than characteristics of the job holder or their previous salary.

A voluntary, independent, fair pay assessment (Equal Pay) review concluded that there were no systematic or structural concerns. There is therefore evidence that the legal obligation, under the Equalities Act 2010 is being met and there is equality between men and women in the same job. As part of these reviews, individual anomalies have been addressed.

LAYING THE FOUNDATIONS FOR CHANGE

In addition to the introduction of the new pay and grading structure, we're focused on ensuring consistency in terms and conditions, flexible working policies, development opportunities, benefits and recruitment. For example, clear career paths have been created to support all employees with progression, all recruiting managers have been trained in unconscious bias to minimise the potential for bias in recruitment decisions, and all vacancies are advertised so there is the opportunity for all employees to apply for roles.

Targeted actions have also been taken such as:

- an inclusive approach to supporting the development of senior managers. For example, 10 emerging leaders received bespoke executive coaching in 2023, of which 8 were women
- a study support policy
- the creation of a formal Senior Management Team, comprising of 31% of women at Director level
- in 2023, 56% of all internal promotions and transfers at Sage were for women. This will further support the succession of senior women at Sage.

With these actions, we're laying foundations for change and we're also looking at where else we can implement measures to reduce the gender pay gap. We're confident that all of this will have long-term, sustained and material impact in the future, addressing the representation of women in senior roles.

What do we report?

The main measure reported is the gender pay gap for the **median hourly pay**. We also present similar figures for the **mean hourly pay**, a comparison of bonus payments (both median and mean) and a breakdown of the proportion of men and women in each quartile of our pay range.

The main measure is the **median hourly pay**. This is calculated by taking the hourly rate of all the men, from lowest to highest and selecting the middle point. We do the same with all the women's hourly rates. The **median gender pay gap** is the difference between these two middle points.

We're also required to publish the difference in **mean hourly pay**. This is a good indication of how salaries of men and women are spread throughout an organisation. This is calculated by adding all the men's hourly rates together

and dividing it by the number of men at Sage Homes. We do the same for all the women's hourly rates. The **mean gender pay gap** is the difference between these two numbers.

We've also published the percentage of men and women who were paid a bonus (in the 12 months prior to 5 April 2023) and the difference between their median and mean figures too.

This report excludes colleagues who've identified as gender neutral.

Median

The **median** is the number in the middle



The median of this set of numbers is **3** because:
it's the middle number in the set



Mean

The **mean** is the sum of the numbers, divided by the total amount of numbers



The mean of the same set of numbers is **4** because:

- the sum of the numbers (1+3+3+3+4+5+9) is **28**
- the total amount of numbers is **7**
- and $28 / 7 = 4$



Hourly gender pay gap

The **hourly gender pay gap** illustrates the difference between the average (or median) pay for all male employees and the average (or median) hourly pay for all female employees, regardless of role.

Hourly pay comprises salary and allowances paid in April 2023. Our 2023 median hourly pay gap shows a 1.1% decrease compared to the previous year*.

Median

Our median gender pay gap is 37%.



Mean

Our mean gender pay gap is 33%.



* We calculated our gender pay gap figures for 2022 for comparative purposes, although we weren't required to report them.

Further insight

Gender distribution by quartile

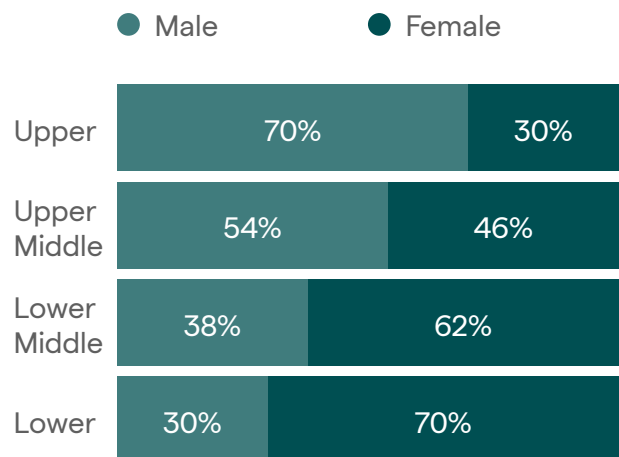
On 5 April 2023 (the snapshot date), Sage Homes’ overall gender representation was relatively balanced, at 48% male and 52% female.

When analysing this within the four quartiles seen below, it’s within the upper quartile that a more challenging gender representation (30% female) can be seen.

Although this has increased by 2% since April 2022, it is the main contributing factor of Sage’s current gender pay gap results.

PROPORTION OF MEN AND WOMEN IN EACH HOURLY PAY QUARTILE

This is calculated by sorting the hourly pay for all employees from lowest to highest. The list is then divided into four equal groups (quartiles), and the percentage of males and females in each quartile is shown.



Gender pay gap and equal pay

It’s worth noting that **gender pay gap** and **equal pay** are not the same thing:

- **Gender pay gap** is the percentage difference between the average hourly earnings of men and women in a workforce
- **Equal pay** is covered by the Equality Act 2010, and is the legal requirement for men and women doing the same job to be paid the same.

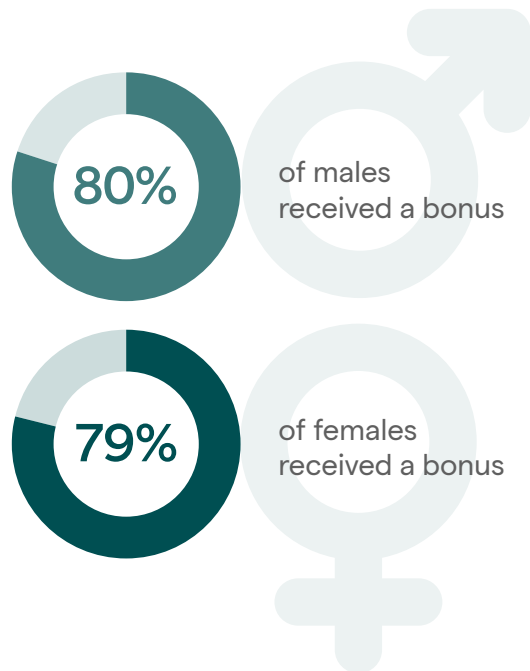
Bonus gender pay gap

Who received a bonus?

Our discretionary annual bonus scheme is based on both company and individual performance measures. The distribution of the March 2023 bonus was well balanced across Sage.

Employees in post by 1 October 2022 were eligible for a bonus payment, payable in March 2023 (the reference period for reporting). Our rigorous moderation process includes gender monitoring of the performance management system.

For the 2022 performance year, 57% of females were awarded an 'exceed' rating. As with ordinary pay, the extent of the bonus gap is driven by a low proportion of women in the upper quartile (30%).



Median

Our median gender bonus gap is 50%.



Mean

Our mean gender bonus gap is 66%.





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