



Gender pay gap

Report 2024



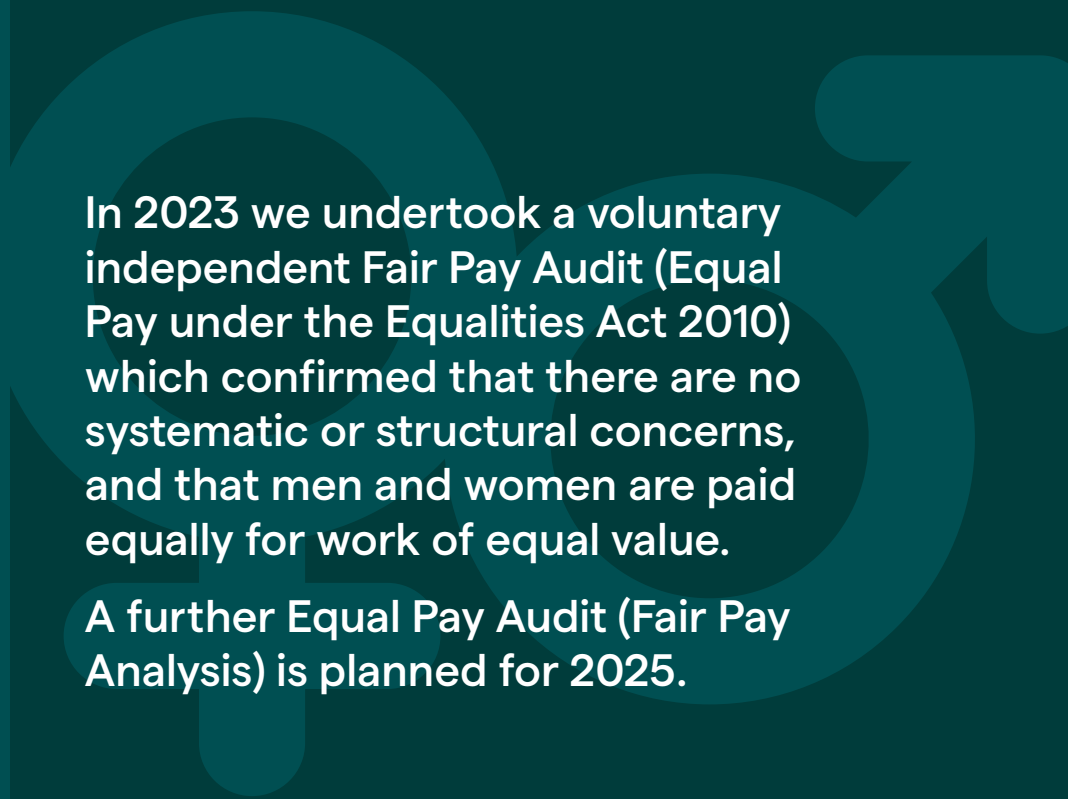


Background

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

In 2023 we undertook a voluntary independent Fair Pay Audit (Equal Pay under the Equalities Act 2010) which confirmed that there are no systematic or structural concerns, and that men and women are paid equally for work of equal value.

A further Equal Pay Audit (Fair Pay Analysis) is planned for 2025.



Sage Homes' gender pay gap

Reporting and progress

This is our second gender pay gap report (GPG) and is a snapshot based on data from 5 April 2024, when Sage Homes' employee headcount was 344.

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 median gender pay gap is 31%, an improvement (decrease) of 6% from last year. We're pleased to see a reduction but are determined to continue our work in closing this gap.

Our data shows that, once again, 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, eg leadership roles (30%, the same as in 2023) and the higher proportion of women in the lower quartile (66%, a decrease of 4% since 2023).

NEW HIRES AND PROMOTIONS

In relation to new hires, while the average male starting salary (£52,901) is a drop of 11.5% from 2023, the average female starting salary (£43,838) has stayed roughly the same, with just a 0.9% decrease. 54% of all new hires over the past year were female, compared to 47% in 2023, however, only 27% of hires to senior roles were female.

Similarly, female employees took the majority (80%) of internal promotions in the lower to lower-middle quartiles.

CONTINUING TO DRIVE CHANGE

In 2023 we introduced a new pay and 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. We continued this approach in 2024 and also focused on ensuring consistency in terms and conditions, flexible working policies, development opportunities, benefits and recruitment.

We've seen a 30% increase in flexible working applications (17), 14 of which were from females. We also saw female employees making up 55% of all 'exceed' ratings for the 2023 performance year, resulting in a 5% uplift to the value of their individual bonus percentage.

We're confident that our focus on increasing female representation among more senior roles and recruiting carefully as each senior vacancy arises, will have a long term, sustained and material impact on our GPG in the future. We acknowledge that it will take a few years to close this gap as recruiting at a senior level is dependent on labour turnover, with turnover being historically low amongst our senior team. However, Sage management will take actions that could have an indirect impact, such as investing in senior leadership development and succession planning.

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 2024) 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 2024. Our 2024 median hourly pay gap shows an improvement (a reduction) of 6% compared to the previous year.

Median

Our median gender pay gap is 31%.



Mean

Our mean gender pay gap is 31%.



Further insight

Gender distribution by quartile

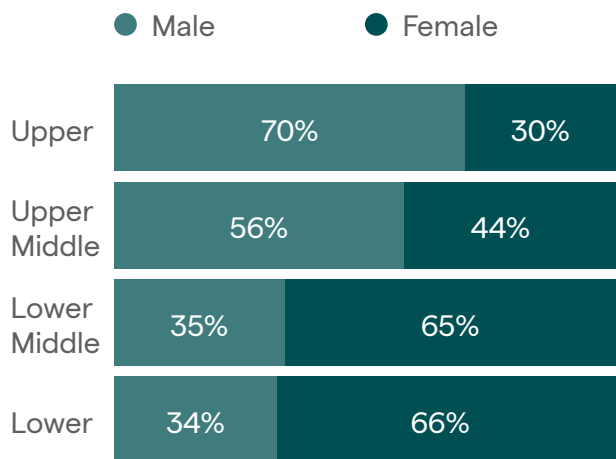
On 5 April 2024 (the snapshot date), Sage Homes’ overall gender representation was relatively balanced, at 48% male and 52% female. The median gender pay gap is 31% and we’re pleased to see an improvement since 2023 with a decrease by 6%.

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

This has remained the same as in 2023 and continues to be the main contributing factor towards 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.

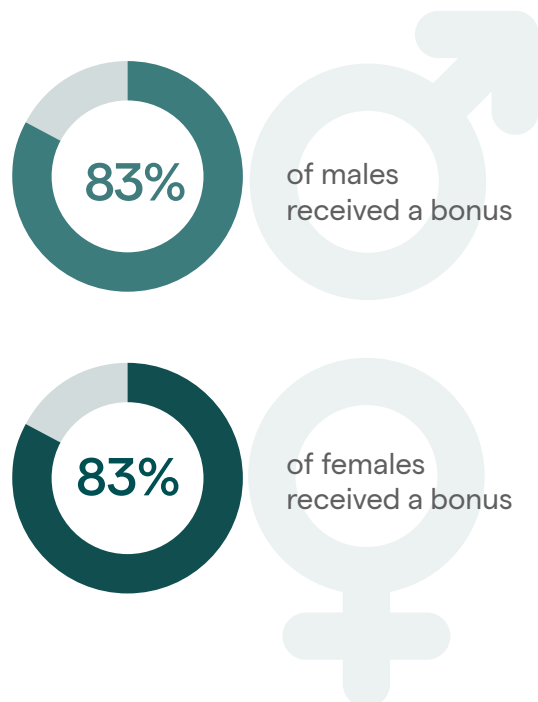
Bonus gender pay gap

Who received a bonus?

Our discretionary annual bonus scheme is based on both company and individual performance measures. The distribution of the March 2024 bonus was identical across Sage.

Employees in post by 1 October 2023 were eligible for a bonus payment, payable in March 2024 (the reference period for reporting). Our rigorous moderation process includes gender monitoring of the performance management system.

Of the employees who 'exceeded' their objectives, 55% were female. This resulted in an additional 5% uplift to their individual bonus. For example, an employee with the opportunity to receive a bonus of up to 10% would instead have had the opportunity to receive a bonus of up to 15% for the 2023 performance year.



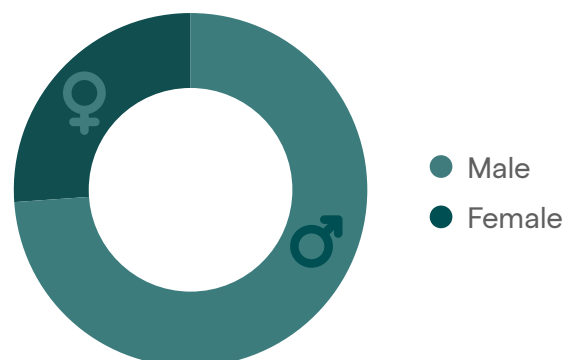
Median

Our median gender bonus gap is 55%.



Mean

Our mean gender bonus gap is 65%.





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