

## **Premium Credit Limited Gender Gap Report**

Issued: 05 April 2020

### **Introduction**

Premium Credit Limited employed as at the snapshot date of 5th April 2020 approximately 380 employees and is located in Leatherhead, Surrey, in the UK. In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we publish an annual gender pay gap report.

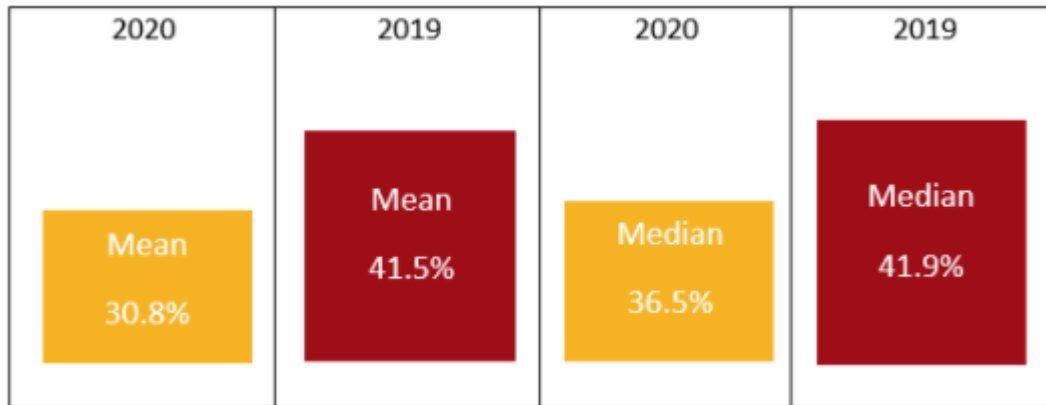
This report shows the difference between the average earnings of male and female employees, regardless of role seniority. The report also reflects differences in the average bonuses earned by such employees, the percentages of male and female employees receiving a bonus, and the proportions of males and females in each pay quartile of our workforce. The report outlines for both earnings and bonus, the mean, and the median gap. The mean is calculated by adding up all the wages of employees in a company and dividing that figure by the number of employees. This means the final figure can be skewed by a small number of highly paid individuals. The median is the number that falls in the middle of a range when everyone's wages are lined up from smallest to largest and is more representative when there is a lot of variation in pay.

It is important to note, the Government Equalities Office define the gender pay gap as the calculated difference between average hourly earnings (excluding overtime) of men and women, as a proportion of average hourly earnings (excluding overtime) of men's earnings. It is a measure across all jobs at Premium Credit Limited, not of the difference in pay between men and women for doing the same job.

The report outlines the gender pay gap for Premium Credit for 2020, calculated as per the regulations, at the snapshot date of 5 April 2020.

Positive progress has been made since our 2019 reporting, with a reduction in the pay gap at both mean and median levels, and an improvement in all other metrics. However, we acknowledge the gap remains large and we are committed to the necessary focus on gender pay gap and continue to promote a culture of diversity and inclusion.

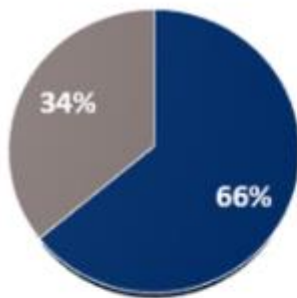
## Our Gender PAY gap



Our median gender pay gap for 2020 is 36.5% which has improved from 41.9% in 2019. The median gender pay gap means that women earn an average of 36.5% less per hour (excluding overtime) than men, or in other words the average female employee would earn 63.5p for every £1 earned by a male employee. The underlying reason behind our gender pay gap as at April 2020 is predominantly due to the lower representation of women in Executive and Senior leadership positions and in IT roles. The Company pays equal pay for equal work and therefore addressing the gender pay gap is about increasing the proportion of women in more highly paid roles.

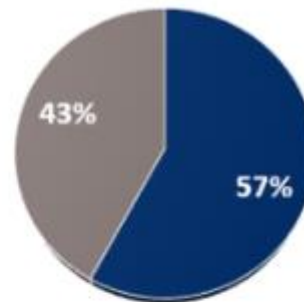
### Understanding our Gender Pay Gap

The charts show the gender split within four equal quartiles, created when we order the hourly rate of pay from lowest to highest. The charts also provide the median gender pay gap within each quartile.

**1. Lower Quartile**


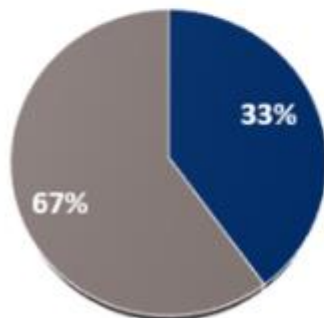
Median pay gap - 2.8%

■ female ■ male

**2. Lower Middle Quartile**


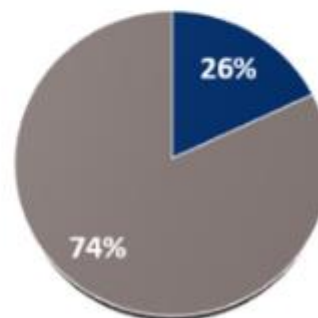
Median pay gap -0.2%

■ female ■ male

**3. Upper Middle Quartile**


Median pay gap 2.6%

■ female ■ male

**4. Upper Quartile**


Median pay gap 6.8%

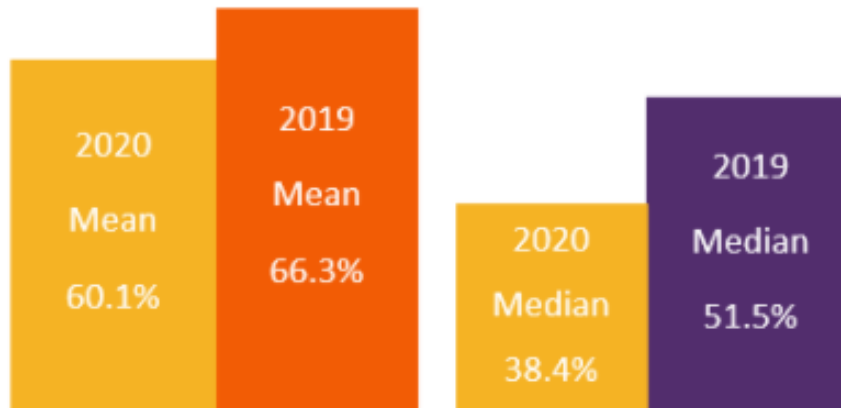
■ female ■ male

Female representation is higher in both quartiles 1 and 2 and these reverse as we move into the upper middle quartile and upper quartile. There has been a positive increase in female representation in the upper quartile from 18% to 26%. Females earn more than males in the lower quartile and marginally more in the lower middle quartile. The pay gap of males versus females in the upper middle quartile and upper quartile is higher, with the highest gap evident in the upper quartile, at 6.8%. There has however been a significant improvement in the median gender pay gap in the upper quartile since 2019 which has reduced from 23% to 6.8%. This is a result of higher representation of women on the Executive Team.

### Gender Bonus Gap

The gender bonus gap is an equality measure that shows the difference between the average annual bonus which colleagues receive. Based on all bonuses paid within the reporting year, the mean gap is 60.1% and median gap is 38.4%.

The Median Gender bonus gap for 2020 has reduced to 38.4% from 51.5% in 2019 and the Mean Gender bonus gap for 2020 has reduced to 60.1% from 66.3%. This is a move in the right direction.



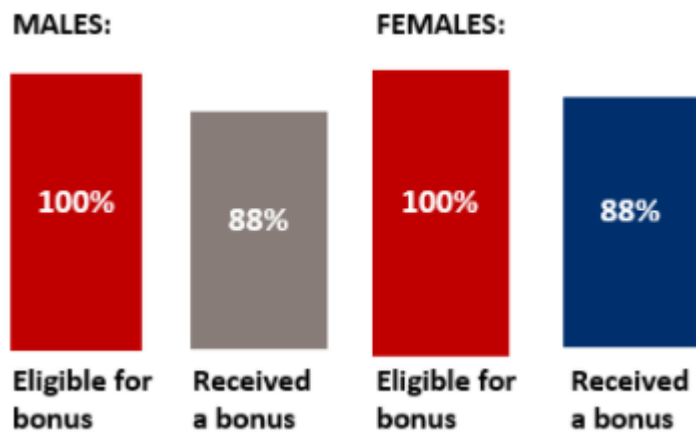
Our bonus pay gap is attributed to the lower representation of women in the UK Insurance Premium Finance Sales roles at only 14%.

### Understanding our Gender BONUS Pay Gap

All employees are eligible to receive a bonus and there are some reasons where bonus is not paid, or where the bonus amount payable may be reduced:

- The individual employee commenced at Premium Credit Limited during the annual review cycle, thus eligible only for a prorated bonus amount
- Unsatisfactory performance will see a reduction in the % of bonus paid
- Non-completion of regulatory based training or non-compliance with any regulatory concern will see either a reduced bonus or full forfeit of bonus payable, depending on the severity.

### Proportion of employees awarded a bonus for 2020:



The proportion of employees awarded a bonus for the 2020 fiscal year, was equally distributed between males and females, both at 88% of eligible employees. We are confident that we do not have any processes or practices which would result in people being paid differently due to their gender.

### Our priorities

Changes at the Executive team and Senior Leadership team have improved our female representation at senior levels and reduced our gender pay gap and gender bonus gap. We continue, however, in our efforts to accelerate gender pay gap improvements. Below are several steps we have taken and will continue to take to promote gender balance at all levels of the organisation:

- Improvement of management information, which include diversity metrics, form part of monthly executive reports, bringing better awareness to the management team and ensuring focus.
- A new Leadership Competency Framework has been launched which will provide a baseline for expected leadership behaviours and will be the basis for recruitment, development, and succession planning. Every employee will have the opportunity to be measured on a prescribed set of behaviours, ensuring a more equitable process.
- An enhanced performance appraisal process, better linking purpose, values and leadership competencies to performance and bonus payments will ensure a more merit-based approach, eliminating any potential for unconscious bias.

- Benefits and flexibility remain a key focus for Premium Credit Limited, offering a range of benefits that promote family friendly initiatives, including extended parental leave and annual leave buy out. Flexible working is embedded across the organisation, with employees feeling enabled to balance work and home lives effectively.
- Development and mentoring forms part of the new leadership framework which is being launched and will provide opportunities for all employees to grow and progress across the organisation. A mentoring programme is being redesigned to include internal and external mentors that help broaden self-awareness and perception, enabling further growth.
- Health and wellbeing will have an increased focus as we remain committed to helping our colleagues improve and maintain their wellbeing, both physical and mental. We have increased the number of Mental Health first aiders across our business, with the aim to increase awareness and develop our managers, enabling more of them to support our colleagues' general wellbeing.
- A Diversity and Inclusion Council has been launched, with representatives from across the business, and the group will be focused on implementing the Diversity and Inclusion strategy over the next year.

### Summary Statement

The results of the Premium Credit gender pay gap results have improved from last year, we recognise that further improvements are required as we continue to reduce the gap and seek to enhance the experience of all our employees in respect of equality, diversity and inclusion.

I confirm that Premium Credit is committed to the principle of gender pay equality and has prepared its 2020 gender pay gap results in line with mandatory requirements. I also confirm that the information contained in this report is accurate at the time of publishing.

Tara Waite



CEO, Premium Credit Limited

30 April 2021