

Premium Credit Limited Gender Gap Report

Issued 5th April 2023

Introduction

Premium Credit Limited (PCL) employs approx. 500 colleagues across the whole of the UK and Ireland and has a hybrid working model consisting of remote working and onsite collaboration with offices based in Leatherhead, Surrey and London in the UK and Dublin in Ireland. This flexibility allows our colleagues to balance work with family commitments.

Our guiding principles are to create an environment where people are treated fairly and have access to equal opportunities. We are constantly working to create a culture where people are encouraged to have diversity of thought where viewpoints, regardless of background, are considered.

In our engagement survey 90% of colleagues stated that they were treated fairly and 85% stated that PCL promotes employee diversity & inclusion. We have continued our focus on Equality, Diversity & Inclusion over the last 12 months. This has included:

- Celebrating events for example International Women's Day, Mental Health Awareness week, Pride Month, Black History Month and Diwali.
- Educating colleagues on topics like menopause, managing your own mental health and health screening.
- Training additional Mental Health First Aiders to ensure a more diverse team
- Championing diversity of thought through our 4 Employee Resource Groups including the Menopause, Asian and Middle Eastern, Black Minority & LGBTQ+ networks.
- Reviewing our recruitment processes to ensure that we are attracting more diverse candidates and training managers on how to ensure that recruitment is free of unconscious bias.
- Running events for the sector to champion Women in Leadership and working with other insurers to promote diversity across the insurance sector.

We have links with a range of external organisations including Tech She Can, Women in Banking and Finance, This Can Happen and the Insurance Cultural Awareness Network. We continue to be signed up to the ABI Flexible Working Charter where all our roles are advertised as open to part-time and job share, promoting inclusiveness and our flexible working policy is shared on our internet to provide transparency.

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 2023, calculated as per the regulations, at the snapshot date of **5 April 2023**.

As part of our Equality, Diversity & Inclusion strategy and in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we publish an annual gender pay gap report.

Key Statistics

We are pleased to have our workforce comparatively represented between males and females, with females representing 55% of our workforce.

As at 5th April 2023 we have seen improvement in female representation across all levels of the organisation, with our outlook also looking promising as per our current snapshot data.

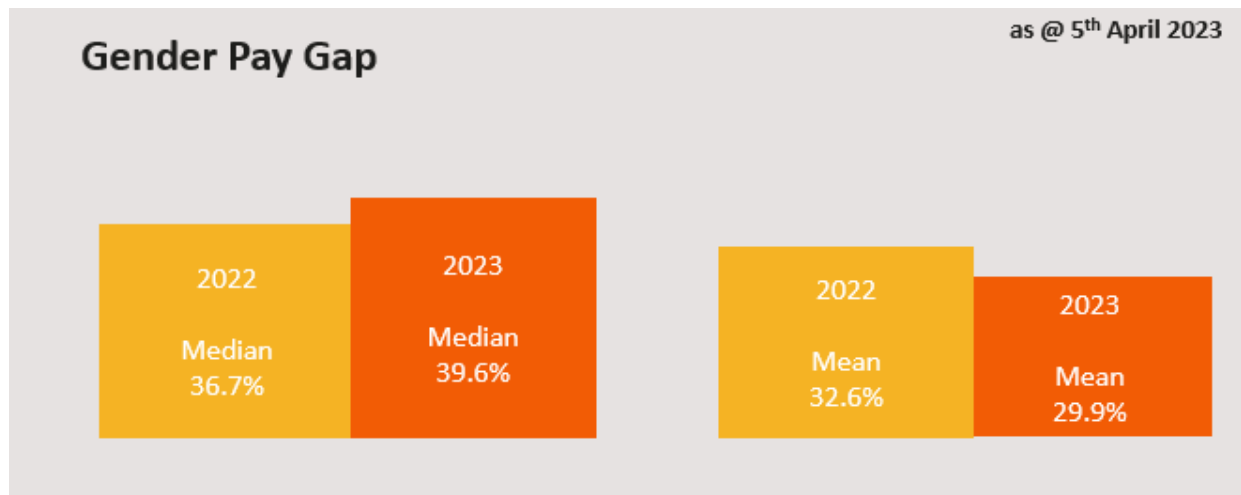
Whilst we are pleased to see a decrease in our Mean Gender Pay gap of 2.7 percentage points from 2022, we saw a slight increase of 2.9% for the median gender pay gap at 39.6%.

This means that the median hourly earnings (excluding overtime) is 39.6% higher for males than it is for

females across the organisation, or in other words the average female employee would earn 60.4p for every £1 earned by a male employee.

The slight increase in the median gender pay gap can be attributed to a greater number of females joining the organisation in entry level roles in the Contact Centre due to the growth of the business. We aim to increase female representation and reduce this gap through the implementation of clear career pathways within this area.

We remain confident in the Company paying equal pay for equal work and we continue our efforts in reducing the gender pay gap by increasing the proportion of women in more highly paid roles and in technical areas such as IT. We have started this journey by increasing our percentage of women on the Executive Team and Senior Leadership Team.



As @ 5 th April 2023	Female representation			Current outlook (as @ 1 st Jan 24)
	2022	2023		
Total Workforce	51%	55%	↑	56%
Total Managers	36%	47%	↑	49%
Executive Team	29%	33%	↑	42%
Board	13%	29%	↑	29%

Gender Split

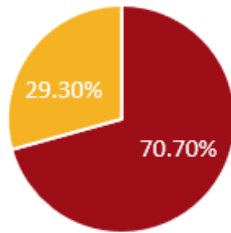
The charts show the gender split within four equal quartiles, produced when hourly rate of pay is placed from lowest to highest. The charts also provide the median gender pay gap within each quartile.

1. Lower quartile: Female representation increased from 65% to 70.7% and a small movement in the Median Gap from -2.7% to -2.0%
2. Lower Middle quartile: Gender split remains the same as last year however the Median pay gap closed from 1.4% last year to -2.7% this year
3. Upper Middle Quartile: A slight improvement in the female representation to 51.5% from 47% last year, but a small widening of the Median pay Gap of 0.4 percentage points from last year's data (18.6% vs 18.2% in 2022)
4. Upper Quartile: Female representation of 32.3% is an uplift from 27% last year and Median pay gap increased from 1.3% to 5.3% this year. However, this remains significantly improved from 17.2% in 2021.

In summary, whilst female representation is higher in the lower 3 quartiles, it is pleasing to see the increase in representation of 5% in the upper middle quartile.

Whilst females earn more than males in the lower two quartiles, the pay gap of males versus females in the two upper quartiles remains higher. Supporting females to develop their careers within the company will continue be a focus.

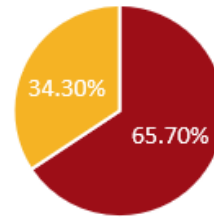
1. Lower Quartile



■ Female ■ Male

Median Pay Gap -2%

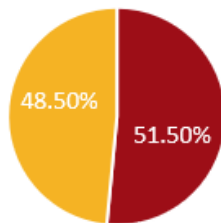
2. Lower Middle Quartile



■ Female ■ Male

Median Pay Gap -2.7%

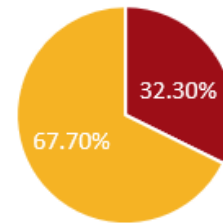
3. Upper Middle Quartile



■ Female ■ Male

Median Pay Gap 18.6%

4. Upper Quartile



■ Female ■ Male

Median Pay Gap 5.3%

Gender Bonus Gap

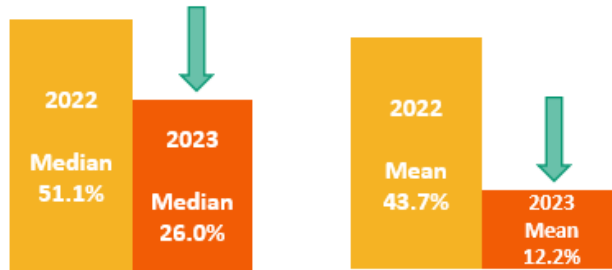
The gender bonus gap is an equality measure that shows the difference between the average annual bonus that colleagues receive.

We are pleased to see that based on all bonuses paid within the reporting year, the mean and median gap have improved significantly. The median gap has improved by 25.1 percentage points and the mean gap by 31.5%. However, this reduction is influenced by some exceptional factors that took place through the reporting year.

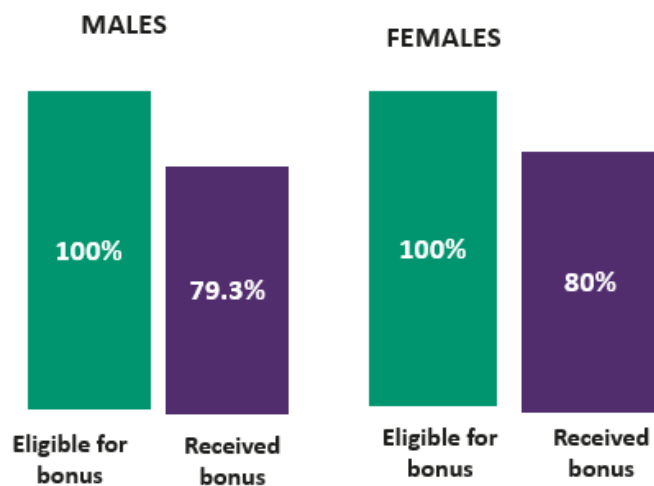
In late 2022, a one-off cost-of-living payment was awarded to colleagues in the lower quartile, where there are a greater number of females occupying these entry level roles. Within the same reporting year, the business went through a sale process whereby several bonuses were awarded to colleagues in the upper quartile in recognition of their efforts through the transaction. These one-off bonus payments have heavily influenced the gap reduction and we do not expect to see this trend continue in the next reporting year.

We recognise there is still work to do to ensure that we maintain a low gender bonus gap and we will continue our focus to develop females for more senior roles.

An all-company bonus scheme is in place where eligibility is open to all colleagues regardless of grading or position, however there are certain circumstances where bonus is not paid based on short tenure, salary-sacrifice, performance or non-compliance.



Proportion of employees awarded a bonus in 2023



An all-company bonus scheme is in place where eligibility is open to all colleagues regardless of grading or position, however there are certain circumstances where colleagues will not be eligible or where a bonus is not paid:

- Individuals who commence >=9-months into the financial year will not be eligible for a bonus
- Individuals who opt to salary-sacrifice a bonus into a pension
- Unsatisfactory performance will not receive a bonus
- Non-completion of regulatory based training or non-compliance with any regulatory concern will have any eligible bonus withdrawn

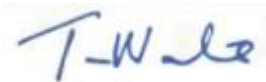
2024 - Key Actions

Reducing the gender pay gap continues to be a focus for the organisation and the Equality, Diversity & Inclusion Council has a clear roadmap of initiatives being rolled out in 2024 to further reduce the gap. Our Hybrid Work model continues to support flexible working where employees can feel enabled to balance work and home lives.

Key actions in 2024 will be to:

- Create career pathways and opportunities for entry level roles, that will retain talent and support individuals to move to the next level of management.
- Support roles as part-time/job share where possible and ensure that our recruitment & selection, pay and bonus practices remain free of unconscious bias.
- Continue to support colleagues in improving and maintaining physical and mental wellbeing in the workplace.
- Implement a mentoring programme to develop talent.
- Introduce reverse mentoring so that colleagues gain a greater understanding of perspectives from individuals from different demographic backgrounds.
- Encourage and support our Employee Resource Group who promote and advocate for Women's Health, such as our Menopause and family planning groups.
- Use AI in adverts and job descriptions to identify any unconscious bias and create greater diversity on recruitment panels.
- Sign up to the Women in Finance Charter

- Create career pathways and opportunities that will retain talent and support individuals to move to the next level of management
- Tailor our benefits to different demographic groups to maximise the attraction and retention of individuals from a wide range of backgrounds
- Support roles as part-time/job share where possible and ensure that our recruitment & selection, pay and bonus practices remain free of unconscious biases
- Continue to support colleagues in improving and maintaining physical and mental wellbeing in the workplace, including new information sessions on health screening and financial health.



Tara Waite

CEO, Premium Credit Limited

30 March 2023