

Premium Credit Limited Gender Gap Report

Issued 5th April 2022

Introduction

Premium Credit Limited (PCL) employs approx. 400 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 & London in the UK and Dublin in Ireland. Our guiding principles are to create an environment where people are treated fairly and have access to equal opportunities and 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 recent engagement survey 90% of colleagues stated that they were treated fairly and 85% said that PCL promotes diversity & inclusion. This is an increase of 5% from last year's survey.

Over the last 12-months we have continued to celebrate a range of events including:

- International Women's Day, Mental Health Awareness week, Pride Month and Black History Month. This has included external speakers, panel discussions and newsletters amongst other things

We have also continued in our training for managers and colleagues on Equality, Diversity & Inclusion and supported our colleagues through physical and mental wellbeing with further trained Mental Health First Aiders and speakers in subjects like the menopause and managing your own mental health.

We have set up links with a range of external organisations including Tech She Can and Women in Banking and Finance.

- 9 colleagues have become members of Women in Banking & Finance and have access to a range of external resources and mentoring

Additionally, PCL have 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 2022, calculated as per the regulations, at the snapshot date of 5 April 2022.

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 just over 50%.

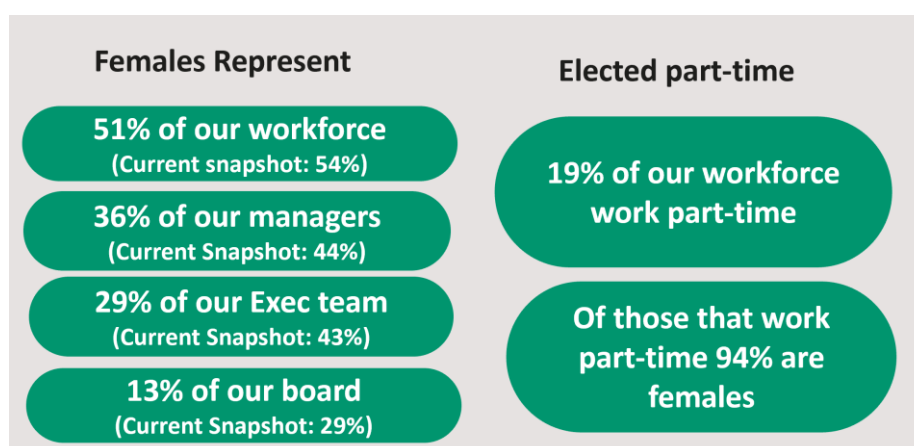
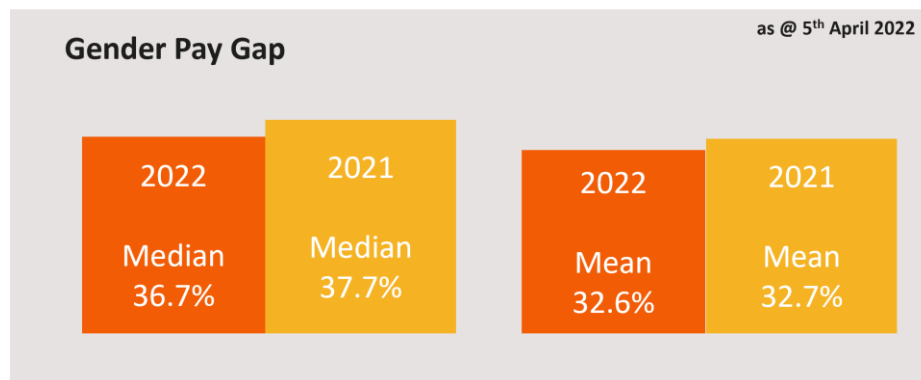
Our reportable data shows 36% of our managers are female, which is comparable to the same time last year, improvements have been made in advancing leadership representation in more senior roles in the current reporting year, with current snapshot data showing 43% female representation in the Executive Team and 29% at Board.

We saw a slight decrease of 1% for the median gender pay gap at 36.7%. The median gender pay gap means that females earn an average of 36.7% less per hour (excluding overtime) than men, or in other words the average female employee would earn 63.3p for every £1 earned by a male employee.

There is also a slight decrease of 0.1% in the mean gender pay at 32.6% in 2022.

The underlying reason behind our gender pay gap is predominantly due to the lower representation of women in Senior Leadership positions and IT. 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 and in technical areas such as IT.



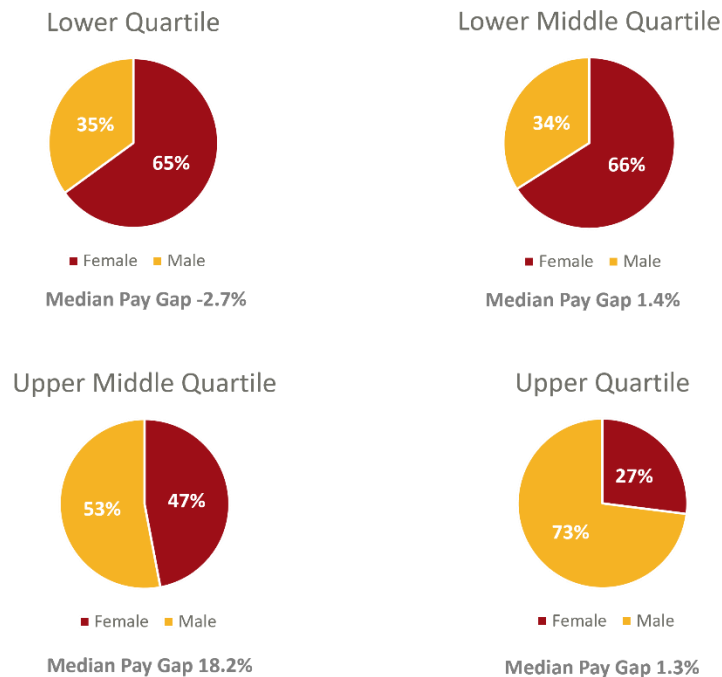
Gender Split

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.

Female representation is higher in both quartiles 1 and 2 and these converse as we move into the upper middle quartile and upper quartile.

However, we are pleased to see an improvement of female representation of 11% in the upper middle quartile and 2% in the upper quartile compared with 2021.

Whilst females earn more than males in the lower quartile, the pay gap of males versus females in the other three quartiles is higher, with the highest gap represented in the upper middle quartile, at 18.2%. The pay gap in the upper quartile has reduced significantly from 17.2% in 2021, to only 1.3% in 2022. This is predominately driven by the increase in female representation at the Executive leadership level within the reporting year.



Gender Bonus Gap

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

We are pleased to see that based on all bonuses paid within the reporting year, the mean gap in 2022 was 43.7% which is an improvement of 7.4% compared with 2021 and 16.4% compared with 2020. However, the median Bonus gap saw a 11.9% increase from 2021 data, to 51.1%.

As 19% of females elect to work part-time, their bonus pay will be pro-rated, thus impacting the median bonus gap overall. Additionally, lower representation of women in the Insurance Premium Finance Sales roles at only 15% and the higher number of male representations in roles that sit in the upper middle and upper quartile, are also likely to impact this metric.

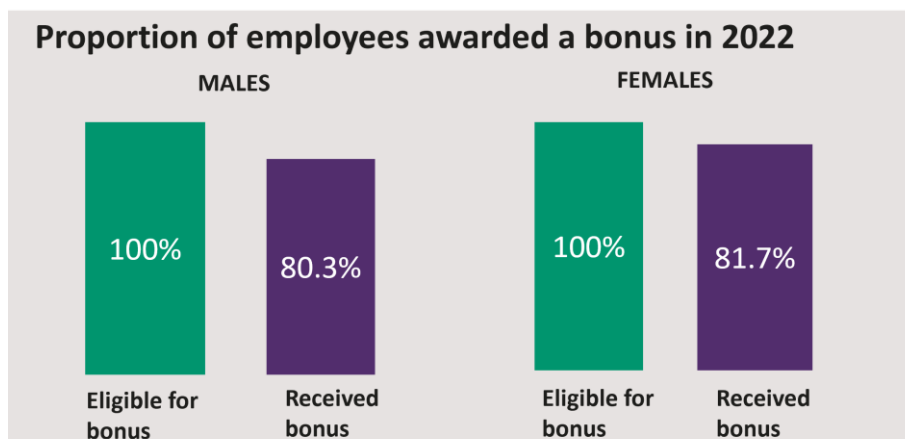
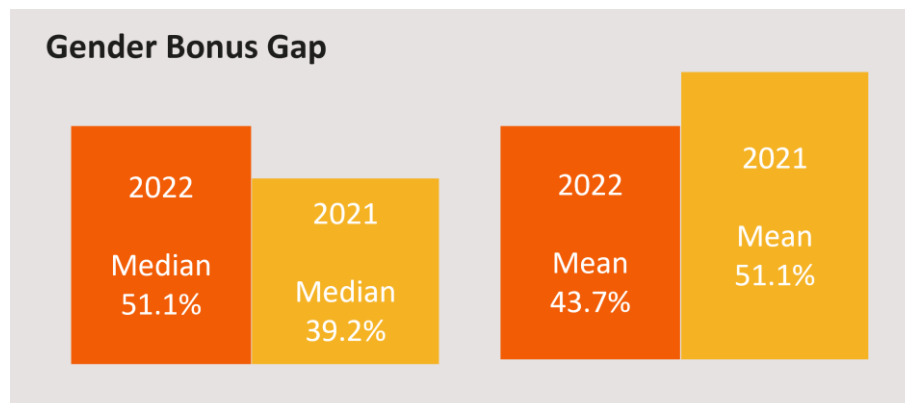
The number of females awarded a bonus in the reporting year was 81.7% as opposed to 80.3% of males.

All employees are eligible to receive a bonus and there are only certain circumstances where bonus is not paid or where the bonus amount payable may be reduced:

- Individuals who commence employment during the annual review cycle, will only be eligible for a prorated bonus amount

- Unsatisfactory performance will see a reduction in the % of bonus payable
- Non-completion of regulatory based training or non-compliance with any regulatory concern will have any eligible bonus withdrawn

Our bonus gap is due to the fact that we have fewer women in senior positions, and bonus payments are proportionate to individuals' salaries.



2023 - Key Actions

Reducing the gender pay gap continues to be a focus of the organisation and the Equality, Diversity & Inclusion Council has a clear roadmap of initiatives being rolled out in 2023 to further reduce the gap. The introduction of a Hybrid Work model will continue to support flexible working where employees can feel enabled to balance work and home lives.

Key actions in 2023 will be to:

- Continue to work with Women in Banking and Finance to support individuals to further develop their career with support and best practice from outside the organisation

- 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