

# Narrowing the gender pay gap

## Octopus Group Gender Pay Gap 2018

### Overview: publishing our gender pay data

In April 2017, Octopus published its first gender pay gap data, as part of our commitment to following best practice for gender pay reporting. The gender pay gap shows the differences in the average pay between men and women. We're required to publish statutory calculations every year showing how large the pay gap is between our male and female employees. Our analysis is based on data compiled for the 12-month period ending on 4 April 2018.



### Updated pay gap data to 4 April 2018

	2017 data	2018 data	Reduction
<b>Pay gap mean*</b>	38%	24%	14%
<b>Pay gap median*</b>	40%	29%	11%

\* The mean is the average of a list of numbers. The median is the middle value in all of the numbers listed in numerical order.

### What the data tells us: our gender pay gap is shrinking

We're pleased to report a significant reduction in the gender pay gap, with the pay gap mean lowered from 38% to 24%. This reduction has been driven largely by more women working at Octopus progressing in their careers to more senior and higher-paid roles, with fewer women employed in more junior roles in the lowest paid quartile.

### Recruiting higher-paid women remains a priority

Octopus is one of the UK's fastest-growing companies and we have continued to expand our workforce to support this. An increase (7%) in the number of women in the highest pay quartile is driven by recruiting women to lead some of our business functions over the period. During the same period, the number of women in the lowest paid quartile reduced from over 60% to under 50%.

However, our 2018 data highlights a disparity stemming from the uneven distribution of women across each quartile of the business. In other words, to reduce our gender pay gap further, we need to have more women in senior and more highly-paid positions. The table on the next page shows the gender split across four equally sized quartiles of the business, dividing our colleagues into four groupings, from the lowest to the highest paid.

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## Pay distribution by gender: year-on-year comparison

	2017		2018		Reduction
	Men	Women	Men	Women	
Highest pay quartile	82%	18%	75%	25%	+7%
Second-highest pay quartile	59%	41%	61%	39%	-2%
Third-highest pay quartile	46%	54%	47%	53%	-1%
Lowest pay quartile	39%	61%	54%	46%	-15%

## Updated bonus gap data to 4 April 2018

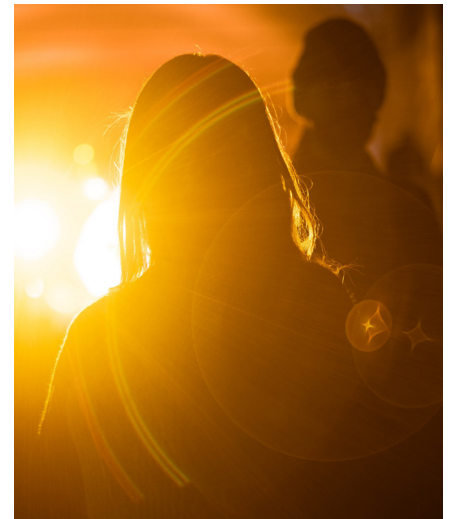
	2017 data	2018 data	Reduction
Bonus pay gap mean*	76%	70%	6%
Bonus pay gap median*	72%	47%	25%

\* The mean is the average of a list of numbers. The median is the middle value in all of the numbers listed in numerical order.

## What the data tells us: reducing our bonus pay gap is taking longer

Our latest bonus data is available for permanent employees who joined Octopus before 1 March and were awarded a bonus in May 2018. It shows that across Octopus employees, 60% of women and 59% of men received a bonus in the period to April 2018. This is in part due to a number of leavers during the period who consequently did not receive a bonus.

We recognise that we have much more work to do to reduce our bonus pay gap. While we know this is in part reflective of the industry, with fewer women working in the most senior roles, we believe the data reflects in part the 'time lag' between recruiting more women to senior roles and them becoming eligible for performance-related bonus payments.



	Received bonus payment in 2018
Men	59%
Women	60%

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## Looking to the future: building a platform to create lasting change

Octopus is determined to work towards reducing our gender pay and bonus gaps, and to continue to encourage, develop and retain a diverse pipeline of talent to reach the top level. To achieve this, we're implementing an action programme covering three specific areas. Here's a broad outline of the improvements we're currently making:

### 1 Recruitment

- We're using standardised skills-based assessments across several business areas, requesting candidates answer questions or perform tasks they would be expected to carry out in the role they are applying for.
- We're working hard to ensure that all recruitment partners offer a diverse and inclusive shortlist of candidates for each advertised vacancy.
- We're including, where possible, multiple women in recruitment and promotions shortlists.
- We've also introduced a new recruitment system ('Smartrecruiter') to provide us with better data and insight into our hiring practices.

### 2 Training and education

- We've recruited two people in the Learning & Development team who are responsible for training our manager community, as well as revising diversity and inclusivity training as part of our broader programme.
- 'Careers week', held in May every year, gives all Octopus employees the chance to learn about career mobility and progression.
- We're continuing to hold unconscious bias and diversity training for senior managers.
- We're encouraging more Octopus staff and senior managers to participate in diversity initiatives.

### 3 Retaining talent

- We're introducing greater transparency to promotion, pay and reward processes.
- We're actively supporting existing Octopus employees to succeed and grow into more senior positions.
- We're creating new online communities (e.g. Parents' Slack channel) aimed at bringing groups of Octopus people together.
- We're doing more to actively promote existing policies – including flexible working and shared parental leave – as well as offering a specific maternity and paternity mentoring scheme to all staff.
- We're reviewing key retention and reward initiatives, such as our Share Incentive Plan, with the aim of offering employees a more generous package that encourages them to participate in the long-term growth of Octopus.



“ We want to create and foster a supportive work environment built on diversity, inclusivity and wellbeing, where everyone feels proud of who they are and what they do. We haven't got it right yet, but we're committed to making sure that what we do now gives us a platform for meaningful long-term progress. ”

**Simon Rogerson, CEO, Octopus Group**  
May 2019

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