

Narrowing the gender pay gap

Octopus Group Gender Pay Gap 2019

Overview

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. This year the government has relaxed the requirements to publish this given companies are dealing with the COVID-19 crisis. However we think its important to stay transparent and we have therefore submitted our disclosures. Our analysis is based on data compiled for the 12-month period ending on 4 April 2019.

Updated pay gap data to 4 April 2019

	2017	2018	2019	Change
Pay gap mean*	38%	24%	22%	-2%
Pay gap median*	40%	29%	26%	-3%

What the data tells us

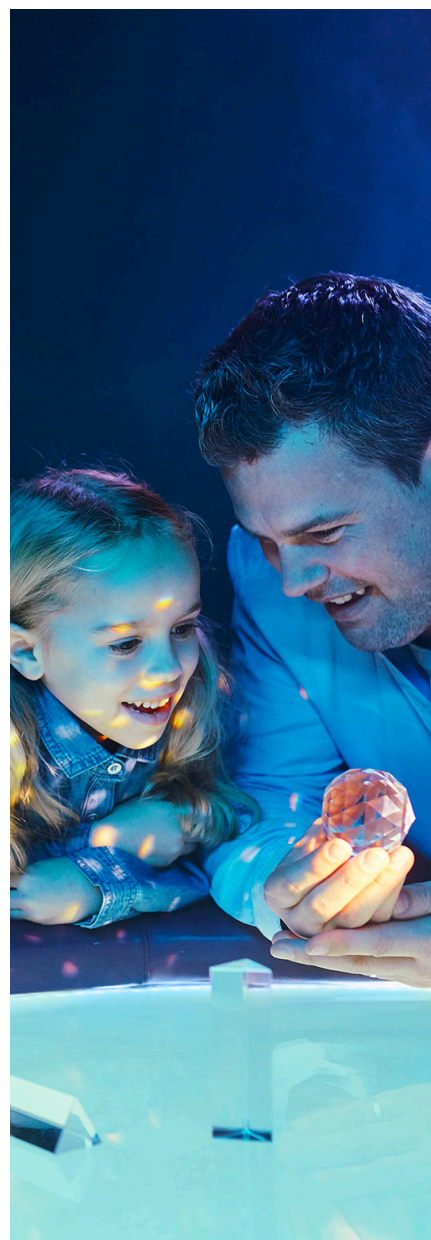
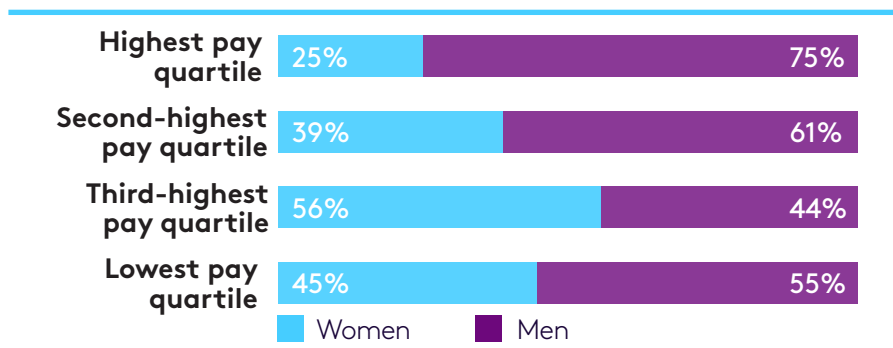
1. Falling gap

a. The gender pay gap has been reducing year on year. While we made significant improvements in 2018 driven largely by a spike in women promoted to senior and higher-paid roles, the progress in 2019 has been modest. This is expected as turnover in senior roles is gradual rather than constant each year.

2. Senior women

a. 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. This remains nearly unchanged from 2018.

Distribution Quartile (2019)



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3. Bonuses

a. We continue to have a large gender gap in bonuses. This is in part reflective of the industry with fewer women working in senior roles. But it also represents the fact that those in the highest pay quartile also receive a higher % bonuses so any pay gap is magnified in the bonus data.

Updated bonus gap data to 4 April 2019

	2017	2018	2019	Change
Bonus pay gap mean*	76%	70%	71%	1%
Bonus pay gap median*	72%	47%	49%	2%

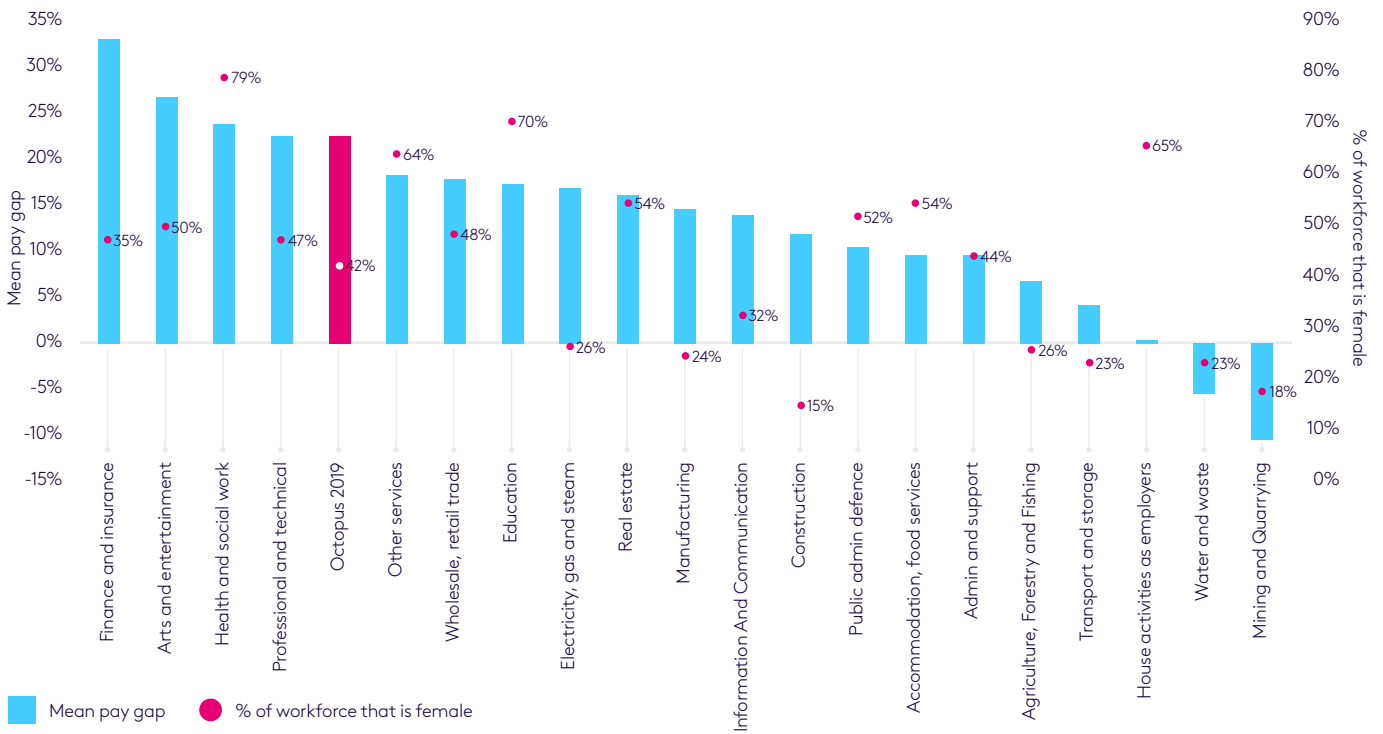
Received bonus payment

	2018	2019
Men	59%	66%
Women	60%	64%

* 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.

How do we compare

While our pay gap is at the higher end vs other industries, it is better than financial and insurance industry as a whole which has the largest gap in the UK.



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What are we doing next

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. Here are some of the measures we are working on to improve this:

1 Retaining talent

- Shared parental leave: A lot of research emphasises that the single biggest determinant of the gender pay gap is the unequal burden women face at the point they have children. Our shared parental leave policy gives both parents the flexibility to share childcare responsibilities as it suits them.
- Flexible working: We encourage managers to accommodate flexible working requests depending on what works for that part of the business. In particular after lockdown, we have seen evidence that we can work well together even remotely.
- Mentorship programme: Some research suggests women are 24% less likely than men to get advice from senior leaders. We have a formal mentorship programme in place to try and address this. We have 50/50 split across the genders in the mentors as well as mentees. Ruth and Jonathan also regularly host career surgeries to give equal access to their time across the organisation.

2 Recruitment

- Diverse incoming talent: We ask agencies we work with to give us diverse and inclusive candidate pool to make sure we are considering talent across genders. We recently completed a review of our recruitment advertising partners/strategy to create a more bespoke approach that allows us flexibility to advertise on a broader platform to specifically target populations where we need to focus on.

- Structured recruitment: Bias in recruitment is more likely in unstructured interview formats and we are increasingly using tests and skill-based assessments that are more objective and test for the role we are recruiting for.
- Blind recruitment: Some of our teams tested out 'blind' recruitment last year by only assessing answers to a list of questions and hiding factors such as gender, university, previous role titles. We will consider this for other roles in the future.

3 Training and education

- Careers week: We hosted a careers week last year to give people opportunities to understand career pathways and options open to them.
- Diversity and inclusion working group: We have a working group that meets regularly to brainstorm and execute activities that make the workplace more inclusive for diverse groups of people.



“ 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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