

Gender Pay Gap Report

2019/2020 reporting (data from April 2019)

This year, for the first time, Boundless meets the criteria which require us to conduct a thorough analysis of our gender pay gap and publish a report on the UK government's website. Companies being required to openly publish their gender pay gap is an important step forward because, if companies are transparent about pay and identify the root of any pay gap, they can then find the solutions they need to build a fair and honest business.

People frequently confuse the gender pay gap with the equal pay gap; the two overlap, but they are not the same. Equal pay means that there should be no difference in the contractual terms of a woman and a man who both work for the same employer doing the same work. The gender pay gap is a measure of labour market or workplace disadvantage, expressed in terms of a comparison between men's and women's average hourly rates of pay. So, while it is about pay, it's also about other factors, such as occupational segregation, or the fact that in the main it's women who look after children and other dependants. Gender pay gap reporting doesn't specifically ask who earns what, but what women earn as compared with men. It provides a framework within which gender pay gaps can be surfaced so that, both inside and outside the workplace, we can think constructively about why gender pay gaps exist and what to do about them. The gap can be measured in various ways and it's important to understand how, in any specific context, the gap is being measured. A gender pay gap can be expressed as:

- a positive measure; for example, a gap of 13.9 per cent – this indicates the extent to which women earn, on average, less per hour than their male counterparts
- a negative measure; for example, a gap of -9.2 per cent – this indicates the extent to which women earn, on average, more per hour than their male counterparts. This may happen, for example, if you employ a high proportion of men in low-paid part-time work, and/or your senior and higher-paid employees are women

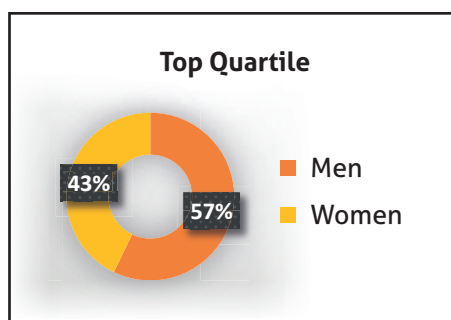
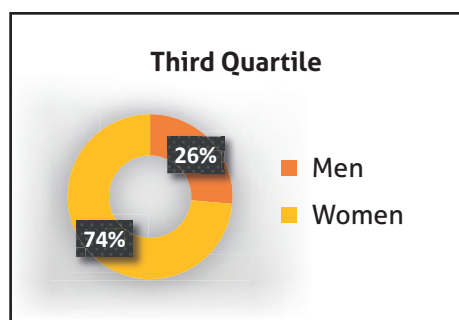
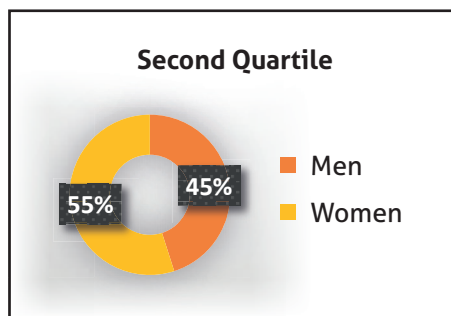
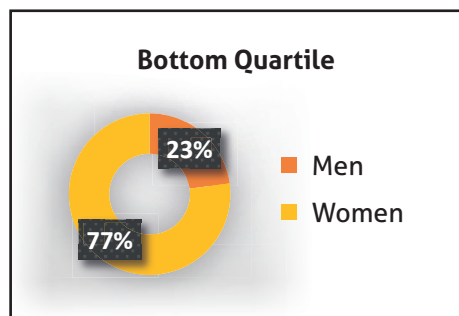
When looking at the gender pay gap, we're analysing the mean and median gaps. The calculations are based on:

- gross ordinary pay (including basic pay, piecework pay, shift premiums, paid leave pay and allowances)
- bonus pay (personal, team bonuses and so on) paid in the relevant pay period (pay period including the snapshot date)
- the snapshot date (31 March for public sector, 5 April for businesses and charities)

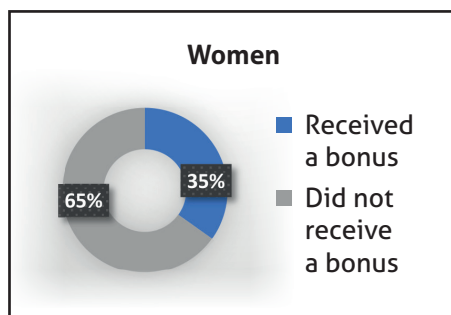
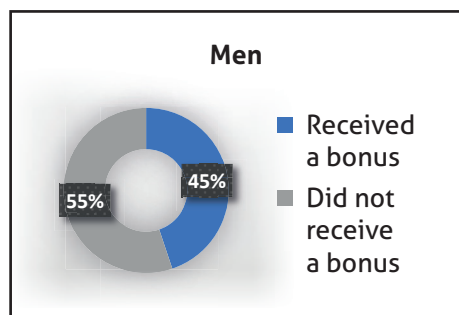
The mean is calculated by adding up all the wages of employees in a company and dividing that figure by the number of employees. This means the final figure can be skewed by a small number of highly paid individuals. The median is the number that falls in the middle of a range when everyone's wages are lined up from smallest to largest (quartiles) and is more representative when there is a lot of variation in pay. We believe the median gap calculation is more representative of the current state of gender pay at Boundless.

Boundless by CSMA Gender Pay Gap

	Difference between men and women	
	Mean	Median
Pay Gap	32%	4.9%
Bonus Gap	86%	37.3%



Proportion of men and women receiving a bonus payment



We're pleased that the median pay gap at Boundless is below the national average¹. However, we recognise that closing the gender pay gap requires collective and persistent action.

In order to take the right actions we, as an organisation, need to understand what drives our gender pay gap.

Following a detailed analysis, we're confident that our gender pay gap is not a pay issue. Indeed, our pay structure is gender neutral by job type and all roles are regularly benchmarked against the market. This figure is the direct result of our workforce structure, ie:

- Boundless has a significantly higher proportion of women than men in our non-senior management roles
- Boundless has a higher number of men than women in senior management roles

¹The Gender Pay Gap, House of Commons Library (March 2020). Gender pay gap averages 11.9 per cent, based on median hourly pay.

Our analysis also shows that our mean gender pay gap can be explained by diverse working patterns (more men than women are working full time and, inevitably, full-time employees on average earn more). In other words, fewer women work in full-time jobs.

Example: By removing the three top male earners from the eligibility list and dividing the total by the same number of women (176 as opposed to 107), the mean hourly pay for men would be £5.76 as opposed to £11. This would bring the mean gender pay gap to -29 per cent.

The structure of our workforce also influences our mean bonus gap, which sits at 86 per cent. Indeed, our yearly bonus is performance-based only and gender neutral by design. And our reward system is free from gender bias.

However, the shape of our workforce and its working patterns drive our mean bonus gap, in the same way it does our gender pay gap.

Example: By removing the five top male bonus earners from the eligibility list, the mean gender bonus gap would be down to 37 per cent, as opposed to 86 per cent. It would still be higher because women are earning smaller bonuses on average because they work fewer hours, part time, and bonuses are paid pro-rata of earnings.

Also, the proportion of men receiving bonuses is 45 per cent, against 35 per cent for women. More women are employed on casual engagement contracts due to the high level of flexibility they provide, which explains the lower proportion who receive bonus payments.

How Boundless is tackling its gender pay gap?

Following detailed analysis, we're confident that our gender pay gap is not driven by unfair or biased means. However, we acknowledge that there are actions we can take to further drive positive changes around diversity, with the aim of closing our gender pay gap over the next two to three years.

Flexible working

Studies show that the gender pay gap widens dramatically after women have children. Boundless actively encourages the uptake of flexible working for men by promoting shared parental leave and offering enhanced shared parental pay at the same level as enhanced maternity pay, so that not only women carry the 'burden' of having to reduce their hours and therefore their pay as a result of starting a family. Our family leave and flexible working arrangements are available to all to enable families to redistribute caring responsibilities.

To check how well our flexible working policies are working for both men and women, we will introduce relevant questions in our exit interviews and employee benefits surveys to gather feedback.

We will continue to monitor the proportions of men and women taking shared parental leave, and the proportion of women who stay at Boundless after more than one instance of maternity leave.

Recruitment and diversity

Our recruitment process contains both structured and unstructured interviews in order to reduce the impact of unconscious bias creeping in and influencing decisions. At Boundless, we use skill-based assessment tasks as part of our recruitment process. Rather than relying only on interviews, we ask candidates to perform tasks they would be expected to perform in the role they are applying for. We use their performance on those tasks to assess their suitability for the position. The task is the same for all applicants, and our standardised scoring process ensures fairness across candidates.

To further promote diversity and reduce the impact of unconscious bias in recruitment, we will be taking the following actions:

- Making sure that all recruitment panels are gender balanced
- Enabling our leadership team to undertake unconscious bias training
- Sharing our Equality, Diversity and Inclusion policy with our recruitment agencies

All our roles are advertised internally, giving an equal opportunity to all to apply. Internal applicants (as with external candidates) are part of a structured interview process that includes a standardised scoring system to ensure fairness across candidates.

We work with several recruitment and search agencies who assist in filling our vacancies. We actively encourage all agencies to provide gender-balanced shortlists. This is of particular importance to us and an essential requirement when recruiting for senior/executive-level roles.

Pay, reward and promotion

We operate a structured gender-neutral pay and reward process. A specialist external agency benchmarks all our roles. Starting salaries are set according to benchmark, level of skill and experience, fairly and consistently.

Other remuneration, including benefits and bonuses, are set in a structured way across the business.

We will be reviewing our remuneration policy to ensure maximum clarity and transparency around how salaries are set, and bonuses and promotions awarded. The company's remuneration policy is available to all staff at all times.
