Which?

Gender Pay Gap Report 2023Which? Group

What is the Gender Pay Gap?

The gender pay gap is the difference in the pay between men and women across all colleagues. Unlike equal pay, which is equal pay for equal work, this looks at all our colleagues and takes an average result regardless of important factors such as job role or location.

- **Mean Pay Gap**: The mean gap is the difference in the simple average hourly pay for women compared to men, within Which?
- **Median Pay Gap**: The median is the middle point of our population, between the highest and lowest hourly rate of pay. The gap is calculated by comparing the hourly wage midpoint of all male colleagues with that of females.

From April 2017 all UK companies with 250 colleagues or more have to report their Gender Pay Gap. This report covers the snapshot date of 5 April 2023.

We also voluntarily report on our ethnicity and disability pay gap. Although this is not a legal requirement to report, we believe this is important to ensure we are living up to our reward principles of being open, transparent and free from bias.

What's included in our calculation?

To calculate the hourly rate of pay we include colleagues:

- Base salary
- Any additional payments earned for that period, such as sales incentives, car allowance, on-call payments or acting-up allowances.

It will not include overtime or any one-off payments such as redundancy. It also excludes any colleagues who had reduced pay through family leave, such as maternity leave or sick leave.

The calculation has been conducted against the statutory requirements meaning a colleague's gender identity has not been taken into account. Gender for the purpose of the calculation is reflected in a binary way and is reported based on what would be stated on legal documents such as a passport or birth certificate. We understand that gender identity can be much more nuanced than this and our colleagues may not always identify with the gender that they were assigned at birth. We think it's important to recognise this, and although our gender pay gap calculations are not able to reflect gender identity under the current regulation, all our colleagues are able to identify their own gender within our "What makes you, you?" survey.

Our approach

Which? will be reporting our gender pay gap for the snapshot date of 5 April 2023 in line with other UK organisations.

At Which? we have robust remuneration principles, policy and procedures in place. We externally benchmark salaries against the relevant job and market to ensure our colleagues are being paid appropriately for the work that they do and in line with our reward principals. More information on these principles can be found <u>on our website</u>.

1 Results from the Which? Group

The Consumers' Association is the parent of the Which? Group. It is established as a company limited by guarantee and a registered charity, and wholly owns the trading company Which? Limited. Which? Limited generates the income for the Group to enable it to provide its many products and services to, and deliver impact for and with, UK consumers.

Which? as an organisation consists of a charity – the Consumers' Association - and a commercial company owned by the charity - Which? Limited. Everything we do comes under the one trading name Which?, and everything Which? does delivers our group-wide purpose: to tackle consumer harm by making life simpler, fairer and safer for everyone.

Due to this organisational structure, colleagues are employed by either the Consumers' Association or Which? Limited dependent on where the majority of their work is undertaken. For those who have the Consumers Association as their employing entity, their roles include our free advice services, campaign teams and also our internal functions that support the entire group, such as the Finance, People and Group Legal teams.

Which? Limited is our commercial entity and all colleagues allocated here work within the commercial areas of our business. They support the whole Group to generate income to be able to fund our charitable purpose. This includes colleagues who work in, for example, Which? Legal Services and Which? Trusted Traders.

Although we are two separate employing entities we are very much one organisation with one strategy and one leadership team. To our members, supporters and the general public, Which? is the UK's consumer champion. Therefore we believe it is important that we report our gender pay gap figure for the group as a whole.

A Hourly Pay Gap

Our group gender pay gap shows on average men are paid 9.92% more than women. Whilst this has increased from 4.87% as reported in April 2022 it remains below the national average of 14.43% for full-time workers. The median pay gap also increased from 3.15% to 9.46% when compared to April 2022.

_	Which? Group		National average*
	Mean	Median	Mean
Hourly pay	9.92%	9.46%	14.43%

^{*}Source ONS gender pay gap in the UK: 2023 based on both full-time and part-time employees.

At Which? we are confident that we have robust policies and procedures in place to ensure pay equity throughout our reward processes. Our gender pay gap is being significantly influenced by hires within our Technology and Product divisions. When we excluded these teams from the data we have a very small negative pay gap of -0.6%. Capability within the Technology sector is key for the Which? future success. However, the industry as a whole is male-dominated and salaries within the sector carry higher earning potential due to the high demand for these skills.

A diverse workforce and leadership are fundamental to our future equity, diversity and inclusion roadmap. We now have a gender balance within our Leadership Team members of a 5 /4 ratio in favour of women, which includes our female CEO, which will assist us in closing the gender pay gap.

B Bonus Pay Gap

Our bonus pay gap is 8.95%, which means the average bonus payment was 8.95% higher for men. At the snapshot date this would relate to bonus payments made for the 2022 financial year.

Which? Group				
Mean	Median			

	Mean	Median
Bonus gap	8.95%	11.40%

The bonus gap has increased significantly when compared to no median pay gap reported in April 2022. This has been driven by the comparison to a previously flat rate bonus structure in 2021 to a performance-driven variable rate scheme based on a percentage of pay for 2022 performance. It should be noted that although it has increased the bonus pay gap, the introduction of the annual award provides all colleagues below the senior leader level with a higher level of remuneration than previous schemes and ensures variable pay is more evenly distributed to lower-paid colleagues.

_	Which? Group		
	Men	Women	
Received a bonus	83.3%	85.79%	

In line with our 2022 submission slightly more women received a bonus than men, the rates have also increased due to the introduction of the new performance-related scheme, from 74.46% of men and 81.35% of women. This included any annual personal or group-related bonus payments and specific job-related bonuses paid where applicable.

C Distribution of colleagues

The distribution of colleagues is calculated in quartiles, where each employee is ranked based on the hourly rate of pay and then they are split into four equally sized bands. The percentage of men vs women as a total of each band is then calculated.

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	40.12%	55.42%	58.14%	52.33%
% Male	59.88%	44.58%	41.86%	47.67%

Women make up 51.3% of the overall population of colleagues at Which?. The biggest deviation away from this is seen in the upper quartile. This is due to the lower representation of women in roles that attract higher salaries due to external market conditions such as in the technology sector or commercial senior management roles.

2 Results from our entities

Although we operate as one organisation, we are required to report our gap against each separate entity. The results for both entities are set out below:

A Consumers' Association

	Mean	Median		Men	Women
Hourly pay gap	-5.73%	4.46%	Receiving a bonus	68.33%	74.71%
Bonus pay gap	-38.44%	6.72%			

(A negative number means a pay gap in favour of women)

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	63.38%	52.17 %	64.79%	54.93%
% Male	36.62%	47.83%	35.21%	45.07%

In April 2023 there were 10 members who made up the leadership team of Which?. Five of these sat within the Consumers' Association entity and four of them were women. This is a significant factor in driving the favourable gap in both hourly and bonus pay towards women and the unequal representation of women in the upper quartile.

B Which? Limited

	Mean	Median		Men	Women
Hourly pay gap	21.05%	13.47%	Receiving a bonus	83.80%	85.79%
Bonus pay gap	19.04%	15.29%			

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	23.96%	57.29 %	54.64%	51.00%
% Male	76.04%	42.71%	45.36%	49.00%

As with the Consumers' Association, the representation of the senior leaders is having an impact on our reported figures for Which? Limited. At the snapshot date there were significantly more men in leadership positions and this has therefore been a significant factor driving the bonus and hourly pay gap for Which? Limited in favour of men.

The majority of our employees who work within traditionally male-dominated sectors such as commercial and technology are employed by Which? Limited.

3 Ethnicity Pay Gap Results from Which? Group

Our ethnicity pay gap calculation used the same methodology as the gender pay gap and used the results from our "What makes you, you?" survey to understand our employee population from underrepresented ethnicities. The survey is not compulsory and the response rate at the snapshot date was 88%.

Employees are able to select variations of the following options to represent their ethnic group:

- Black (underrepresented ethnicity)
- Asian (underrepresented ethnicity)
- Mixed (underrepresented ethnicity)
- Another (underrepresented ethnicity)
- White (overrepresented ethnicity)
- Prefer not

Our ethnicity pay gap compares the hourly wage of employees from an underrepresented ethnic group against colleagues who have selected an overrepresented ethnicity group at the snapshot date of 5 April 2023.

A Hourly pay gap

At the snapshot date our ethnicity pay gap was -4.24%, meaning those from underrepresented ethnicities were paid 4.24% more than colleagues who reported as being from an overrepresented ethnicity.

	Mean	Median	National Average
Hourly pay gap	-4.24%	-9.40%	12.7%

The gap is being driven by the proportionally higher number of colleagues from an underrepresented ethnicity working in our technology and product teams. These markets are traditionally higher-paying sectors.

B Distribution of colleagues

	5 April 2023				
Which? Group	Q1 (upper)	Q2	Q3	Q4 (lower)	
Underrepresented	16.20%	13.20%	10.20%	10.20%	
Not Specified	6.00%	8.40%	12.60%	21.00%	
Prefer Not to Say	4.80%	3.60%	4.20%	1.20%	
Overrepresented	73.10%	74.90%	73.10%	67.70%	

At the snapshot date the 12.4% of employees reported as being in an underrepresented ethnic group. The biggest proportion of colleagues from an underrepresented ethnic background is in the top quartile at 16.20%. This is reflective of the number of colleagues from an underrepresented ethnicity who work in our technology and product teams, which as noted previously are markets that traditionally attract higher salaries and is the biggest driver of our positive pay gap.

4 Disability Pay Gap

For the first time we are publishing our disability pay gap, which is the difference in pay between employees who have reported having a disability versus employees who have reported as having no disability. For Which? disability includes physical disability, mental disability and long-term conditions such as neurodivergence (e.g. ADHD, autism, dyslexia or dyspraxia).

A Mean and Median Pay Gaps

At the snapshot date our ethnicity pay gap was -4.24%, meaning those from underrepresented ethnicities were paid 4.24% more than colleagues who reported as being from an overrepresented ethnicity.

Which? Group	Mean	Median	National Average (median)
Hourly pay	12.50%	22.20%	14.30%

B Distribution of Colleagues within quartiles

Which? Group	5 April 2023			
	Q1 (upper)	Q2	Q3	Q4 (lower)
Disability Reported	17.37%	15.57%	25.15%	24.55%
Not Specified	16.17%	27.54%	28.74%	35.93%
Prefer not to say	5.39%	6.59%	2.99%	3.59%
No Disability	60.48%	50.30%	43.11%	35.93%

Our disability pay gap shows on average colleagues with a disability or who are neurodiverse earn less than colleagues who report as having no disability.

The main driver of the disability pay gap is representation within Quartiles 1 and 2, simply we have a significantly higher representation for colleagues who reported having a disability in the lower quartiles than in the upper quartiles.

C Considerations when reviewing EDI pay gap data

When reviewing the analysis for pay gaps based on EDI data it is important to consider the following:

- We do not have a high proportion of employees who report as having an underrepresented ethnicity or as having a disability; therefore the number of employees within these groups is significantly less than the number of employees in overrepresented categories.
- We are comparing data only where employee information is known. At the snapshot date, 27% of employees had not responded to the WMYY survey question on disability and 12% on the question regarding ethnicity. In both cases the biggest impact is seen in the lowest quartile (Q4).

5 Where we are ... and our future journey

As we continue on our EDI journey as an organisation we will monitor and where appropriate expand our pay gap reporting. For example, we will continue to review the representation of employees across different ethnic groups and disability groups and once representation reaches levels sufficient enough to have a robust data set, we will publish a more detailed breakdown.

We provide support to managers to debias decision-making; host development workshops for members of our employee network groups and conduct regular data monitoring across all aspects of an employee's career journey with Which? to reduce bias and track our progress against our ambitions.

We have reviewed all our people policies and procedures to ensure that the language is inclusive and free from bias, we will continue to do this and expand our data collection to capture any points of unintentional bias in the operation of our processes and procedures.

Our Networks

We operate active employee networks to ensure we hear all employee voices, this includes:

- our Mosaic Network, which provides a supportive social space for ethnic minority colleagues
- our Neurodiversity Network, which provides a space for our neurodiverse colleagues and those who share their lives with neurodiverse/ Autistic Spectrum Condition (ASC) family and friends
- our Disability Network who provide a supportive space for our colleagues with disabilities and aim to provide a better and positive understanding of disability in the workplace
- our LGBTQ+ Network, a space for all LGBTQ+ colleagues and allies of the community to come together and support each other
- our Parents Network, a key support group for colleagues with families where they can share concerns, resources and seek advice from each other.

Which? Ethnicity Diversity

We recognise that there is still room for improvement to increase overall representation of underrepresented ethnic groups within our organisation and are actively taking steps to address this over the short, medium and long term.

Our Apprentice Scheme

We have an established apprenticeship programme which aims to increase the opportunities for all backgrounds to pursue a career at Which?. Through our continued involvement with the 10,000 Black Interns Programme in 2022 & 2023, we plan to welcome a further 3 interns on a six week apprenticeship in 2024. We expect that as we increase representation in more junior and lower paid roles, these activities will likely increase our ethnicity pay gap.

Which? Gender

We recognise that we do have a gender imbalance in some areas, which has previously been recognised when developing team-specific EDI action plans and therefore we already have several initiatives in place to support the attraction and retention of women in Technology roles. We review job descriptions and associated adverts to ensure gender-neutral terminology is used. We utilise job boards that are frequently used amongst women in tech to ensure we're reaching a wide range of talent. One of our resourcing partners has been recognised for his work in this area and was named in the Top 20 Leaders in Gender Diversity Sourcing in 2023 by cord.

Which? Disability

We are now a Disability Confident Leader, which will enable us to draw from the widest possible pool of talent, and are securing, retaining and developing disabled staff. By committing to this benchmark we can show disabled people that we are committed to:

- ensuring our recruitment process is inclusive and barrier-free;
- · communicating and promoting vacancies;
- offering an interview to disabled people who meet the minimum criteria for the role;
- providing reasonable adjustments;
- supporting any existing employee who acquires a disability or long-term health condition, enabling them to stay in work;
- reporting on disability, mental health and wellbeing data.

Increasing the WMYY completion rates is key to increasing the accuracy of this data.

Future Plans

Equity, diversity and inclusion remain high on the agenda for Which? We champion all UK consumers. That means understanding, representing and reaching consumers from all walks of life. Our values support our commitment to what it means to work for Which?, and how we can become more inclusive as an organisation.

During 2023 we launched our Ethnicity Equity Action Plan, bringing together thinking on equity and the barriers that racism creates, enabling us to create the conditions required to increase representation, retention and support internal growth.

We will continue with our annual equal pay audits, which focus on all diversity characteristics including gender, ethnicity, disability, sexual orientation, gender identity and social mobility. We will focus on resolving any equal pay disparities, to ensure that individuals receive equitable compensation for the same or similar work.

Through our pay gap analysing, we disclose the differences in average earnings between different groups within our organisation, with the primary goal of bringing transparency to workforce pay disparities, indicating to us where to address and rectify any imbalances in pay among different demographic groups.

- We care about creating a positive and inclusive environment.
- We will be rigorous to challenge assumptions and seek out different perspectives.
- We will be brave to honest feedback and challenge the status quo.
- We will make it happen to deliver on our EDI strategy.
- We will be connected to gain insight and build knowledge to increase diversity.

As an organisation we are committed to:

- support overrepresented groups to address underrepresentation;
- make vacancies accessible to a wider population;
- build EDI confidence;
- have consciously inclusive people policies and processes; ensure our pay and benefits are free from bias and provide buildings that work for everyone.





