

Gender Pay Gap Report

Report period: 2022
Data snapshot: 05/04/2022
Date produced: March 2023
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Equity at Zuto

Zuto is committed to nurturing a fair, equitable and inclusive environment. Our people goals are centred around enabling our Zutonites to build a business we can be proud of, and we consciously foster a culture of diversity. Alongside retaining strategic focus on the core themes around inclusivity, we have developed frameworks to allow our people to drive action from within via our internal Impact groups.

It is our aim to achieve equilibrium across our workforce through progressive action, whilst we continue to harbour a diverse and inclusive workplace.

Our 2022 report shares the data set from the snapshot date of 05/04/2022, alongside commentary on the drivers for YoY changes, and an insight into our plans to drive improvements to our Gender Pay Gap in the future.

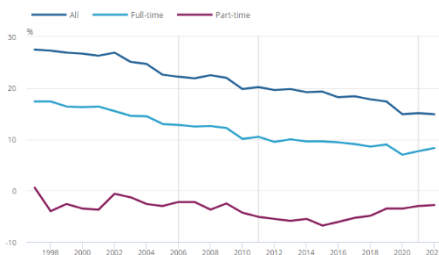
What is the Gender Pay Gap, and why do we report on it?

The Gender Pay Gap (GPG) is the measure of the difference between pay for all women within the business compared to all men. All UK businesses with 250 or more employees are required to calculate and publish data relating to their gender pay and bonus gaps on an annual basis, using defined rules and calculations set out by the Government.

GPG reports show the average difference across pay and bonus levels for all employees across the business, regardless of job role.

UK Statistics

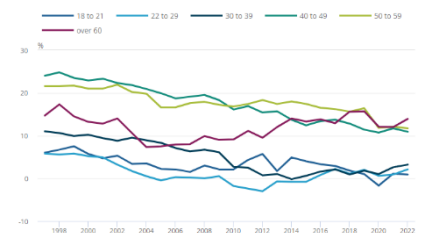
The Office of National Statistics publishes UK GPG data, including provisional estimates for 2022's figures. These show that the overall gender pay gap has been declining slowly over time; over the last decade it has fallen by approximately a quarter amongst employees.



During the coronavirus pandemic period, earnings estimates were affected by changes in the composition of the UK workforce and the impact of the Coronavirus Job Retention Scheme (furlough), making interpretation difficult. As a result, data submissions for 2020 and 2021 were subject to some uncertainty, with businesses encouraged to focus on long-term trends rather than year-on-year changes.

The ONS also tells us that the overall GPG is higher for employees over 40 years old, than for employees aged below 40 years. However, there is a more positive story to tell in groups aged under 40 years, where the full time GPG has been 3.2% or below since 2017.

We have taken the broader market data into account when reviewing our own Gender Pay Gap analysis.

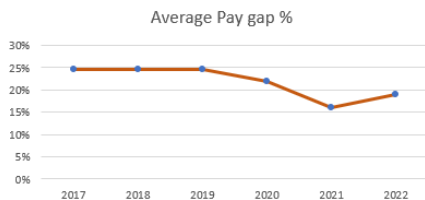


Findings of Gender Pay Gap Data 2022

Pay & Bonus Gap

Our data shows the overall mean and median pay gap. It also captures the mean and median difference between bonuses paid to men and women.

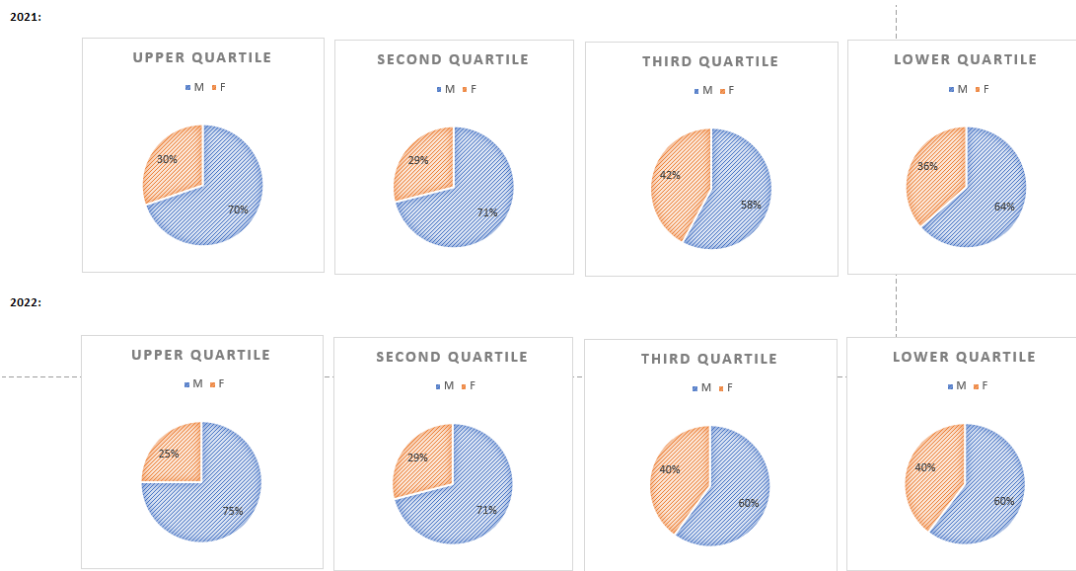
At the time of the data snapshot, our overall workforce composition was weighted towards males, with 67% of male employees vs 33% female, which we believe is a key contributing factor to our overall GPG output.



From the 2022 data, we can see that our overall Gender Pay Gap had increased year-on-year by 3 percentage points to 19% vs 16% in 2021.

Our male median hourly rate was calculated at 9% in 2022, which was also a 3 percentage point increase on 2021's figures. Our male bonus mean pay was 20%, with 79% of males receiving a bonus vs 73% of females.

We have compared the 2021 vs 2022 distribution of males and females within our pay quartiles, and have reported an increase of males in both our upper and third quartiles, no change within our second quartile, and an increase of females within our lower quartile.



We are disappointed to report a year-on-year increase in our Gender Pay Gap overall, and have continual focus and urgency around understanding the drivers of our GPG, alongside identifying solutions to resolve.

We already know that:

- GPG reporting doesn't highlight differences in rates of pay for comparable jobs. However, there are no inequalities of pay for comparable roles at Zuto; men and women receive the same remuneration for performing the same role
- Our interview-to-offer ratios are broadly comparable between male and female candidates for both external hires and internal promotions. We record a 30% ratio for men, vs a 27% ratio for women
- Our attrition rates since January 2022 are weighted more heavily towards males at 76% vs 24% female, which is disproportionate to our overall workforce composition

Action Plan for Equity

Zuto has firm strategic focus on fostering a diverse and inclusive culture, and we are taking deliberate steps to understand the more immediate challenges driving our Gender Pay Gap. Clear decision points are being identified and actioned in order to improve our position. Whilst urgency is being applied to the actions required, we acknowledge that resolving our GPG challenge is not an overnight fix.

Progress Made

Over the last 12 months, we are proud to have established a number of internal working "Impact" groups, designed to amplify our "Voice of Zuto", and inform positive action to improve on our approaches around diversity and inclusivity.

Initiatives informed by these groups include significant improvements to our suite of **family friendly** and **inclusive benefits** including:

- Enhancements to both our **primary and secondary caregiver**, and **shared parental pay** tiers, providing up to 6 months at full pay to either eligible caregiver, followed by 6 months at 50% salary
- Introduction of **menopause, miscarriage, fertility** and **transition** policies and support networks, including paid leave to provide support across all of these life events
- Formation of **working parents group**, providing a network for our Zutonites to share advice, experience and connections

Through better promotion of these benefits alongside policies already in place, we are pleased to have observed an increase in uptake and engagement, particularly around volumes of **flexible working** requests received and supported.

We have also established our internal **Women's Network** at Zuto, and are using this group as a platform to engage female members of our workforce across themes including development and wellbeing. We will continue to support this group to present further opportunities to fast-track progression, as well as providing access to ongoing mentoring and coaching.

Through our impact groups, we have showcased a number of **role models** in the technology space via the Manchester Digital #DigitalHer network, demonstrating the success of women developing their careers at Zuto, as well as actively growing our networks and engaging in external meet-ups, working groups, roundtables and events focussed on DEI.

Our CEO James Wilkinson has joined the **Automotive 30% Club**, which has provided the business with access to invaluable resource, networks and shared best practice to drive better gender balance across the automotive industry.

Future Themes of Focus

In addition to our Impact groups, and to fully embed the focus around diversity and inclusivity at Zuto, we have developed an additional working group at senior Leadership level, solely focussed on the longer-term strategic initiatives required to drive gender balance across our gender pay gap.

Workstreams identified include:

- **Talent Attraction & Selection**
Showcasing our inclusive culture, benefits and authentic stories of our successful women at Zuto to attract a diverse candidate pool across all roles. Coupling this with positive action across our hiring practices, and complimenting the entire process with in-depth training around unconscious bias for our hiring managers

- **Future Leaders & Early Talent**
Harnessing the potential of our female talent, and presenting clear opportunities for personal and professional development. Building a strong female talent pipeline internally, and providing clear frameworks and fast-track opportunities across career pathways
- **Ways of working**
Understanding operational challenges that may deter female candidates from applying to work at Zuto, including working hours and patterns, levels of flexibility and job sharing opportunities
- **Inclusive benefits**
Further developing our suite of benefits to provide equitable opportunities for our female workforce
- **Data & Insight**
Developing our dashboards to give visibility of tangible targets for improvement, and listening to our Voice of Zuto to understand and meet the motivating factors of our female workforce

Summary

We are confident that the current gender pay gap at Zuto is not a pay issue. We know this because our approach to pay is gender-neutral by design, and our analysis shows that our pay gap is driven by the composition of our workforce. Our reward framework is built from external market data and benchmarked frequently.

We continue to look at ways to proactively address structural gaps and increase under-represented business areas, both male and female biased. Whilst we will always continue to improve, our talent acquisition activities are designed to address unconscious bias and attract diverse talent across the full recruitment cycle.

We are pleased to have accelerated our work around diversity and inclusion, and our values provide the guiding principles around our approach to equity. We will continue to develop and embed the frameworks required to amplify our Voice of Zuto, unlock conversations and drive action around themes such as gender equity and discrimination.

Zuto will remain committed to providing a safe and inclusive environment where diversity is celebrated.

Whilst we are disappointed that the overall direction of our pay gap is not trending in a positive direction during this reporting period, we look forward to progressing and readdressing gender imbalance to ensure our workplace continues to operate as a fair, equal and inclusive environment within which all of our Zutonites can thrive.