

Alfa[^]

**Committed to
creating a fair
and inclusive
Alfa Team**

Gender Pay Gap Report 2018

“I am pleased to report Alfa’s gender pay gap data for 2018. On joining Alfa at the beginning of 2019, I have been pleased to see how focussed the team are on promoting diversity, both in relation to gender but also in celebrating differences at all levels of the Alfa team. I am fully committed to having a balanced team and I feel there is more that we can achieve in 2019”

Cambell Fitch, Global Director of People

Our pay, diversity and inclusion strategy

While it is positive that our gender pay gap is lower than the UK average, the issues at play are complicated and we believe it is much more important to focus on the actions we can take to continue to drive equality and inclusivity across our entire team rather than focus just on the results of the gender pay calculations.

We want to increase the diversity of our entire population, including more equal representation of women, as we believe this leads to a better engaged, more effective team which will assist us in delivering on our strategy. Our aim is to create a supportive, inclusive environment where all team members are able to discuss challenges and achieve our goals in a respectful manner.

By embracing our differences, we will be able to attract, retain and ultimately inspire an engaged workforce and provide a better service to our customers.

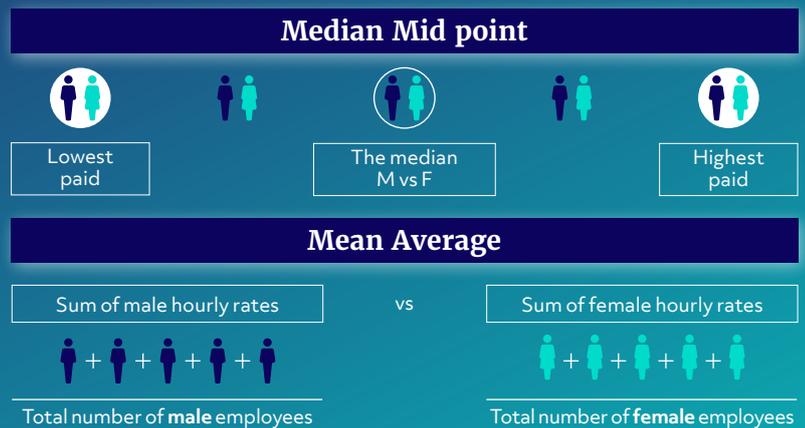
How we calculate

All UK organisations with over 250 employees are required to share details of their Gender Pay and Bonus Gaps, the percentage of men and women receiving a bonus and the proportion of men and women in each pay quartile of our Alfa team, irrespective of their role or seniority.

The analysis is based on data as at 5th April of each year and this report reflects the data collected and analysed as of 5 April 2018.

The gender pay gap shows the differences in the average pay between men and women – which is different to the concept of equal pay. Equal pay requires that women and men are paid the same for doing the same job and it is unlawful to pay people unequally on the basis of whether they are a man or a woman.

The gender pay gap is reported as a mean average and median average (midpoint) figure.



The current national average is 18.4% as reported from the Office of National Statistics Annual Survey of Hours and Earnings survey 2018.

In 2017 we included the remuneration and benefits paid to our team members on secondment. Where team members have been localised or have legally transferred we have therefore excluded them from the results in 2018. In order to show the results on a like-for-like basis we have adjusted the 2017 metric accordingly.

We have less than 250 employees in our largest trading subsidiary, Alfa Financial Software Limited, but we are publishing voluntarily to continue our commitment to diversity across our Alfa team.

1. Our results



a) Gender Pay Gap

Gender Pay Gap	2018	2017	2018	2017
Statutory	Median Pay Gap	Median Pay Gap	Mean Pay Gap	Mean Pay Gap
Alfa	14.6%	15.0%	13.1%	19.3%
UK	11.8%	9.1%	14.3%	14.1%
Tech sector	14.8%	18.4%	18.5%	17.4%

Gender Pay Gap	2018	2017	2018	2017
Adjusted ⁽¹⁾	Median Pay Gap	Median Pay Gap	Mean Pay Gap	Mean Pay Gap
Alfa	14.6%	15.8%	13.1%	15.7%
UK	11.8%	9.1%	14.3%	14.1%
Tech sector	14.8%	18.4%	18.5%	17.4%

(1) 2017 pay gap data adjusted to reflect like for like data by adjusting out remuneration and benefits of secondees transferred to overseas entities.

(2) 2017 UK and sector data from ONS and PwC. 2018 data from EY.

Median Pay Gap

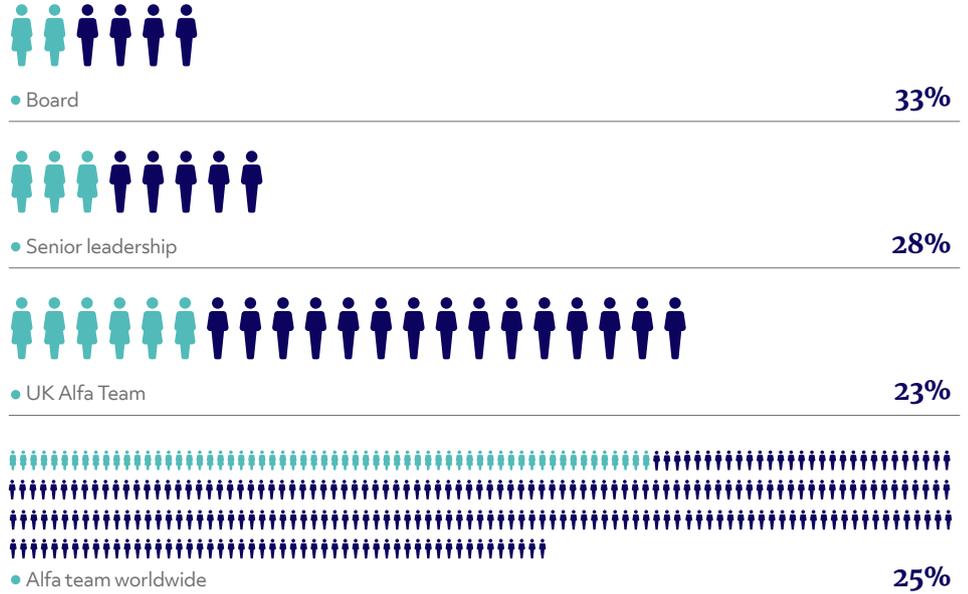
14.6%

Mean Pay Gap

13.1%

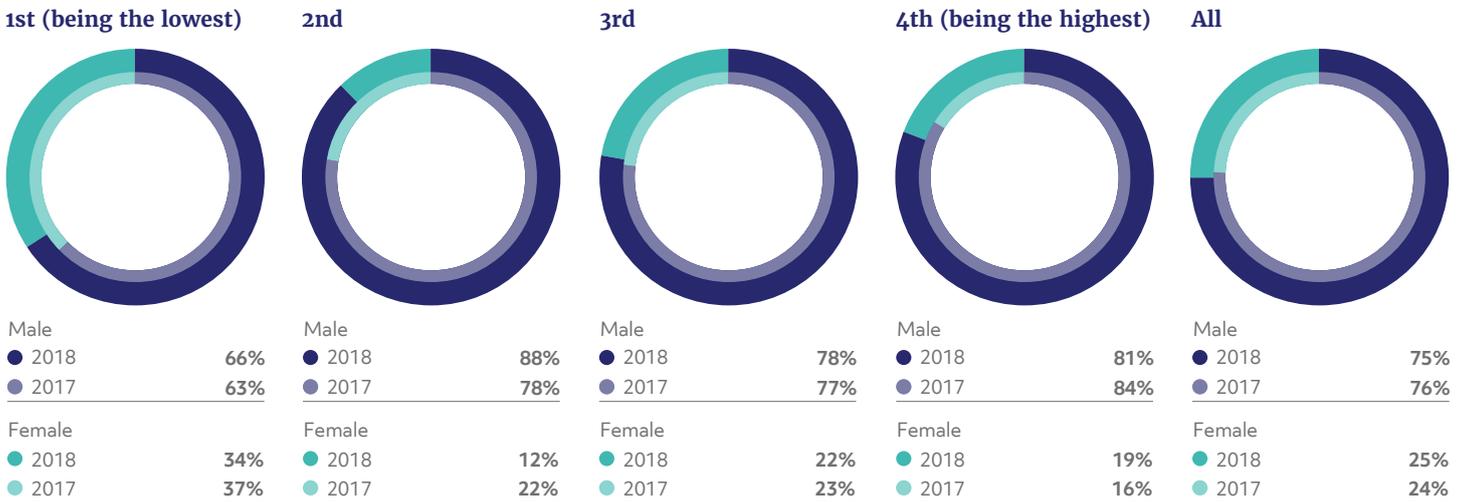
b) Gender Distribution

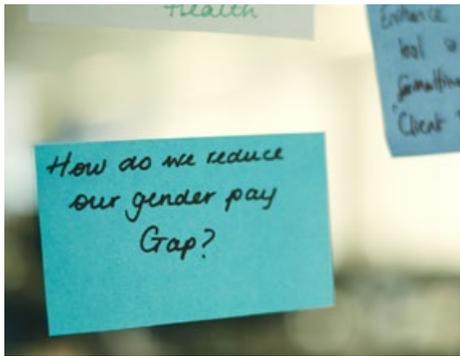
Our female representation at various levels of the Alfa Group is as follows:



as at 5 April 2018

Pay quartiles – proportion of men and women in each pay quartile





Bonus Gap

Understanding some of the reported reasons for the Pay Gap

- Gender imbalance at the junior roles as fewer women work in STEM sectors such as tech, engineering and mathematics which leads to fewer women in higher-paid specialist roles
- Fewer women in senior leadership and associated higher levels of pay – only 28% of our senior leadership positions are held by women at 5 April 2018 – as women are more likely to take time out to start a family or have carer responsibilities
- Gender imbalance in relation to office or support roles which are generally lower paid

The shape of Alfa at each grade significantly influences the median and mean gender pay gap.

Mean bonus pay gap

19.9%

(2017: 22.3%)

Median bonus pay gap

5.8%

(2017: 16.3%)

Proportion of men receiving a bonus

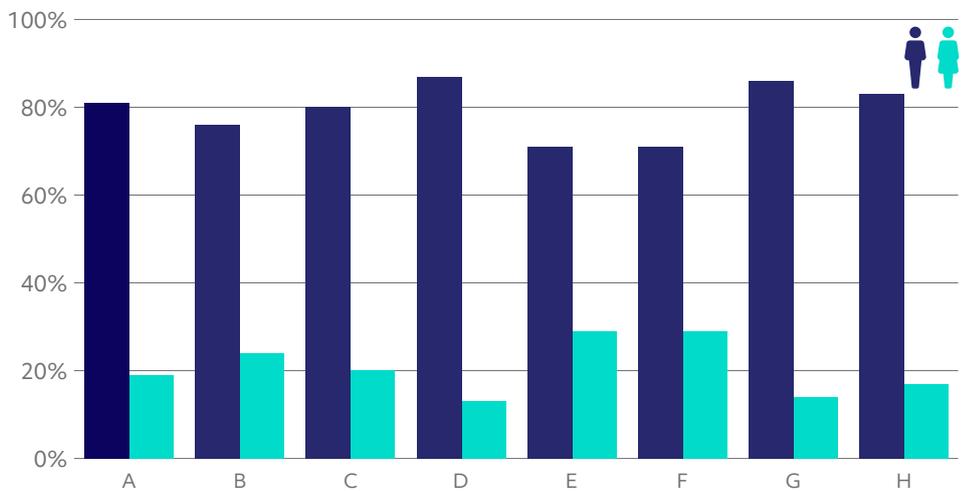
68.0%

(2017: 62.3%)

Proportion of women receiving a bonus

73.5%

(2017: 46.0%)



Understanding some of the reported reasons for the Bonus Gap

A number of factors are relevant in understanding the Bonus Gap and include:

- Relative percentage of women in the upper quartile - The weighting of women in senior roles significantly influences the mean bonus gap
- Timing of bonuses – as at 5 April 2018 we did not pay bonuses to those on maternity leave until they returned to work. This has now changed during 2018
- Timing of entry to the bonus scheme - Two years of employment is required before a team member is eligible for a bonus therefore this difference is linked to the number of women in the lower quartile, being graduates, who do not have two years of service

When assessing eligible employees, nearly all men and women received a bonus and where they did not, the reason was either a bonus was payable on return to work after sabbatical, maternity or paternity leave or the bonus payment had been accelerated prior to a secondment.

2. What we did this year



- Continued to encourage more woman into the tech industry through the organisation and sponsorship of women specific events, support of STEM students at university level and also women looking for a career change;
- Further developed and promoted family friendly policies such as flexible working and shared parental leave;
- Encouraged more staff to take part in our inclusion and diversity initiative and communicate events and topics;
- Held unconscious bias training for senior management and those in the recruitment process;
- Benchmarking of pay by grade against sector or industry;
- Set out documented career paths for engineers and implementers;
- Maternity leave extension – increase in maternity pay; and
- Continued our formal mentoring scheme and employee network for high performing women in the middle of the company in order to develop and hone their leadership skills, enabling them to move more quickly into senior roles.

3. There is more that we can do

“While the overall gap has decreased and it remains under the industry average, we are excited that there is more that we can do to support the creation of diverse and balanced teams throughout the Alfa organisation.”

Gillian Bray, Head of HR

There are a number of specific steps which could improve our gender balance which we expect will positively impact the gender pay gap over time, including:

- 1 Driving better gender balance and diversity at all levels in the organisation – tone at the top
- 2 Developing female talent to strengthen the leadership pipeline
- 3 Supporting families, flexibility and retaining female talent
- 4 Continuing to support women entering the tech industry through our participation in STEM etc.
- 5 Increasing diversity and inclusion content in induction training
- 6 Weaving unconscious bias and inclusive leadership through our development at all levels
- 7 Extending support for people taking family leave through mentoring
- 8 Encouraging an environment where everyone has the opportunity to work flexibly (not just women)

I confirm that the data and information presented in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Andrew Denton

Chief Executive Officer
19 March 2019



Moor Place
1 Fore Street Avenue
London EC2Y 9DT
UK

+44 (0)20 7588 1800