

# Gender pay gap reporting

## Nurturing a workforce built on equality, diversity and inclusion

We have a diverse workforce across our business and we want to ensure that all of our employees' voices are heard and that their aspirations are nurtured, no matter their age, gender, disability, ethnicity, sexuality or religion. We are committed to continually strive to create a diverse and inclusive environment that recognises and rewards our employees' achievements.

We aim to ensure that everybody has the opportunity to reach their full potential and we are passionate about providing our people with the opportunities and support they need to develop their careers and grow professionally as part of our company.

We want Arvato to be a place where people can bring their whole selves to work and that means making a consistent effort to attract an increasingly diverse candidate base. Alongside this, it means ensuring that we are creating opportunities for our employees to shape their career in a way that works for them.

We acknowledge that we are on a journey. We are committed to reducing our gender pay gap year-on-year and we are working on a number of initiatives, set out in this report, that aim to improve the development pathways for women in our business and boost gender diversity across the recruitment process. Despite the challenges of the rising cost of business operations, in relation to utilities and minimum wage increases and costs being passed on from suppliers, we have achieved positive outcomes in terms of our gender pay gap.

### Overview

Our business is fluid with contracts coming to an end and new contracts being won in both the public and private sectors. The profile of our workforce changes to meet these needs.

On the snapshot date, our workforce has increased by 5% as a result of contracts that have been transferred in via TUPE into both the private and public sector business areas and also as a result of winning additional new business.

Our mean gender pay gap in the 12-months ending 5th April 2022 was 10% and this has stayed the same.

Our median pay gap has moved from 3% in 2022 to 1% in 2023.

2022	2023	
3%	1%	Median
10%	10%	Mean

Women represent 54% of our total workforce and the percentage of women in the Upper Quartile is 47%

### Understanding our gap

This report includes the gender pay gap and bonus pay gap data for our business as a whole.

Our business now consists of our corporate departments, our central government contracts, government services contact centres and our private sector customer service business.

Mean gender pay gap **10%**

Stayed the same

Median gender pay gap **1%**

Reduced by 2%

Mean bonus pay gap **40.2%**

Reduced by 2.8%

Median bonus pay gap **14.8%**

Reduced by 0.8%

Proportion of males with a bonus **27%**

Increased by 0.4%

Proportion of females with a bonus **28.8%**

Reduced by 0.9%

Our median gender pay gap has reduced from 3% in 2022 to 1% in 2023. Our mean gender pay gap has stayed at the same level.

Many of our job roles pay a rate for the job, so the same rate is paid for males and females. Females still make up the larger percentage of our workforce (54% of the employees), although this has changed slightly (55% in 2022) and so even though many of the different job roles pay the same rate for both male and female colleagues, having more females in the organisation means that the median hourly rate falls in a slightly different place for the female group.

The mean pay gap is as a result of having a higher proportion of males in senior level positions such as the Board and the Senior Team and across highly specialised professions such as ICT. Of our top 5% of earners, 62% are male and we are working hard to attract more diverse talent in order to address this and create more balance.

## Our bonus gap

The bonus gender pay gap is as a result of having a higher proportion of males in senior level positions and across highly specialist roles, and also as a result of offering part-time working to all of our colleagues.

Some roles in Arvato attract a discretionary bonus payment of 5% of salary. However, some senior and specialist roles attract a higher percentage bonus, and the occupancy of the roles that attract a higher percentage bonus is predominantly male (53%). Within this group, there are some senior roles that attract a higher level of bonus and the occupancy of those roles is also predominantly male (78%). We have implemented a range of initiatives and policies detailed below which aim to attract more female talent into these roles to help us to close this gap over time.

Across the company, 76% of our colleagues who work part-time are female. As bonus is paid as a percentage of salary and the majority of part time colleagues are female, bonus payments to females are generally of lower value due to being calculated as a percentage of annual salary.

The proportion of women who received a bonus (28.8%) is slightly higher than the proportion of men who received a bonus (27%)

## ArvatoConnect quartile distribution

Quartiles	Male	Female
Upper	53%	47%
Upper middle	42.8%	57.2%
Lower middle	52%	48%
Lower	41.1%	58.9%

## Closing our gap

### Building on our progress

Our mean gender pay gap has remained the same and we have implemented a range of initiatives, detailed below, to encourage female talent into our senior and specialist roles so that we can reduce this gap over time. The median gender pay gap has reduced by 2%.

We recognise that there is still plenty of work to do, particularly with the bonus gender pay gap and our ability to attract diverse talent into senior and specialist roles. Tackling the gender pay gap is a long-term challenge and while it will take several years before our actions are truly reflected in the data, we are working hard to identify and implement ways to attract and retain more women into our business, particularly at a senior level.

Our focus is not solely on gender pay but ensuring that all of our people are able to thrive in an environment that fosters inclusion and creates opportunities for our employees to move through their career in a way that works for them, enabling them to thrive in an environment that fosters inclusion at all levels and provides them with the flexibility they need to succeed.

### What do we already do?

We have introduced a range of policies and initiatives in recent years to continue to develop a supportive, diverse, and inclusive environment for our people:

- We operate family friendly policies, such as enhanced maternity and paternity policies and shared parental leave. Historically, we have not been able to implement enhanced policies across the whole of the organisation, but we are rolling this out in January 2024. Our hope is that this will encourage more female talent to stay and progress within our organisation.
- We now have at least 60% of our employees working from home at least one day a week and saying that they enjoy the reduction of travel costs/time to work and flexibility around personal commitments. We have supplied equipment and put engagement initiatives in place to provide a continued sense of belonging, together with mental health and wellbeing support. 93% of employees surveyed said our communications help them feel connected no matter where they work.
- We have set up business for new clients on a 'work from home' basis to provide flexibility for colleagues and will continue to support home working via a hybrid working model. Colleagues have the right to request flexible working options, which include home working, working from different locations, a compressed week and reduced hours.
- We've trained over 50 colleagues to be Mental Health First Aiders to help direct colleagues to the correct professional support. We also offer free confidential guidance via our Wellbeing Hub and Employee Assistance Programme. We also provide a forum where our Mental Health First Aiders can meet for mutual support.
- We offer flexible working and a holiday purchase scheme, with over 50 employees using this last year, demonstrating our commitment to enhancing work/life balance for our colleagues.

- We have a Menopause Policy with additional initiatives such as line manager training on the subject, live chats with the CEO and also with Menopause Specialists. We raise awareness of key topics such as International Women's Day and Menopause Month. We have also introduced an online support forum as a way to support our female colleagues to discuss their menopause journey and to help them to remain and to thrive in their role, and to stay and progress within the organisation as a whole.
- 85% of our employees surveyed think that Arvato is a great place to work, with 91% saying that they think our workplace culture is accepting of diversity
- In reviewing our succession planning, our aim is to increase diversity in terms of gender, ethnicity and sexuality across all job roles within the business. Our resourcing team are ensuring that we attract the most talented employees who can deliver success for our clients. Our inclusive recruitment approach will also continue to ensure we're attracting women and talent from groups that are less well represented within our business.
- It's our differences that makes our organisation stronger, and we work to ensure that all our colleagues' voices are heard and that their aspirations are nurtured in a culture where people can grow and be 100% themselves every day, no matter their age, sex, gender, disability, ethnicity, sexuality, neurodiversity, or religion. Not only are we a Disability Confident Committed Employer, but we also believe in continuously strengthening our female talent, standing with the LGBTQI+ community and celebrating our multicultural workforce. Our commitment to inclusion means that everyone is welcome at Arvato.
- We want to reward and recognise the great work our colleagues do for our business, while celebrating their success. Our '100% You' Initiative runs throughout the year with nominations for awards with a different focus each month. We recognise over 250 employees through our Be 100% You awards, with 2,000 peer votes annually.
- Our award-winning Big Debate forum gives employees a voice at the highest level. It's held with employee representatives, our CEO, HR Director and Marketing & Communications team every two months. We have also launched our CEO Club. CEO stands for Coaching, Empowerment and Opportunity and is a chance for entry level employees to be part of a programme designed to coach and empower colleagues to become more confident and in control of their own development. Importantly, it also gives them the opportunity to increase their visibility within Arvato. There is also a focus on where participants want to be in their career in years to come and support for them to create an action plan on how they can get there.

## New Initiatives

### MyCreationStation

MyCreationStation is our new ideas platform to help gather innovative suggestions and improvements from our colleagues. This is part of our commitment to foster a culture of 'intrapreneurship' - a system which gives everyone the opportunity to be entrepreneurs within our own business. Submissions are reviewed under four categories – future shapers, experience makers, proud / passionate / pioneering and 100% you / 100% green, with rewards being provided for ideas that are taken forward and also for those nominating.

### Employee Survey

Our annual employee survey goes out to all colleagues and they have an opportunity to respond and provide feedback (anonymously if they wish). Questions cover a wide range of topics such as the recruitment experience, company communications, Health and Safety, terms and conditions, benefits, and line manager feedback.

### Creating a resilient workforce

It is important to us that we continue to support and develop our existing and future workforce. We want to help individuals achieve their goals and broaden their skillset, so they're desirable to both hire and retain, not just for our own business but for the wider UK jobs market.

We've enrolled over 66 employees onto our development programmes in the last two years, including the CEO Club, Higher Level Apprenticeships, Bertelsmann University and PRINCE2.

### Early careers talent development

Developing our early careers strategy continues to be a key focus for our business. Since 2012, we have recruited and supported 195 apprentices nationally, with a distinction rate of 57% and retention rate of 81%. Along with continuing to strengthen our established apprenticeship programme, we have introduced a 24-month graduate programme to develop future leaders. We are focused on being a socially conscious employer and as a result are introducing initiatives to ensure development opportunities have the widest reach possible – particularly for those who face barriers to employment. We will continue to partner with local schools, colleges and communities to encourage females and applicants from under-represented groups for our apprenticeship schemes, particularly in areas such as IT, where women represent a small proportion of our workforce.

### A culture of diversity and inclusion

The key driver for us is to ensure we attract a diverse applicant pool, while developing and promoting our existing talent and encouraging female talent into our senior and specialist roles. This is essential for the future success of the business and for ensuring our employees feel they have adequate support to grow and develop within our company. We believe that over time, our commitment to fostering inclusion, fairness and flexibility will be reflected in our gender pay gap figures.

Our ongoing areas of focus for diversity and inclusion are:

- Professional development and mentoring opportunities
- Anonymous employee surveys to gauge health and wellbeing and feedback on our culture
- Inclusive policies
- Flexible working arrangements
- Positive action to ensure our employee forums reflect and represent our diverse communities and keep the topic of diversity and inclusion on the agenda

- Recruitment, promotion and retention guidelines
- Equal access to benefits
- MyVoice Teams channel and intranet page to encourage employees to post articles and share their stories and experiences.

It's not just about closing the pay gap; it's about building a strong foundation for individual and organisational growth by ensuring that the people who work for us feel a sense of belonging and that we value everyone for the differences they bring. To progress in the right direction requires a concerted effort at every level of our business and at every point in the employee lifecycle, from recruitment through to progression opportunities and how we retain our people by keeping them engaged.

We are developing a new Diversity, Equity, Inclusion and Belonging Strategy with policies to support this and a completely new Learning and Development Programme to ensure all of our colleagues are on board and engaged with the new strategy.

### Final quote from Debra

We are making strong steps forward in improving diversity, equity, inclusion and belonging across our business and our median gender pay gap has reduced. But we know that we must continue to do more to deliver our objectives.

Diversity and inclusion is, and always has been, extremely important to us. We believe that it's our differences that make our organisation stronger and create an environment that fosters innovation and collaboration – helping us to confidently embrace the future. We have a long-term strategy to meet this challenge, which is focused on actively engaging with our people to ensure we attract, develop and retain a diverse and talented workforce in a culture where they can grow and be themselves.

Signed by:

A handwritten signature in black ink, appearing to read 'Debra Maxwell', with a long horizontal stroke extending to the right.

Debra Maxwell

Position: CEO

Date: 16.02.2024

Review Date: 16.02.2025