

Gender Pay Gap Report

Which? Group



What is the Gender Pay Gap?

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

- **Mean Pay Gap:** This is the difference in the average hourly rate of pay between men and women.
- **Median Pay Gap:** The median is the middle point between the highest and lowest hourly rate of pay. The gap is calculated by comparing the hourly wage mid-point of all male employees with that of female.

From April 2017 all UK companies with 250 employees or more have to report their Gender Pay Gap. This gap is reported at the snapshot date of 5th April 2017.

What's included in our calculation?

To calculate the hourly rate of pay we include an employees' normal

salary along with any additional payments earned for that period, such as sales bonuses, on call payments or acting up allowances plus any monies paid for car allowance. It will not include, overtime, any one off payments such as time off in lieu or redundancy; it also excludes any employees who had reduced pay through family leave, such as maternity leave, or sick leave.

Our approach

Which? will be reporting our gender pay gap in line with other UK organisations. We are committed not only to reporting on time, but also to the principles and aims of reporting and addressing gender pay gap issues as they arise.

At Which? we are dedicated to ensuring we have a robust remuneration approach and principles where we externally benchmark all roles against the relevant job and market to ensure all our employees are being paid fairly for the work that they do.

1 Results from the Which? Group

As a social enterprise we have a complex governance structure. The Which? Group is made up of three separate entities, the Consumers Association, Which? Limited and Which? Financial Services Ltd.

The Consumers Association is our charity and the over-arching governance body. Everyone across the Group aims to ensure their activities support the objectives of the charity that tackles consumer detriment and strives to make individuals as powerful as the organisations they deal with in their daily lives. However, due to this organisational structure, employees are allocated to the three entities dependent on where the majority of their work is undertaken.

For those who have the Consumers Association as their employing entity their activities include: our free advice services, campaign teams and our internal functions that support the entire group, such as the Finance, People and Group Legal teams.

Which? Limited is our non-regulated commercial entity. All employees allocated to Which? Ltd work within the commercial areas of our business. They support the whole of the Group to generate income to be able to fund our charitable goals. This includes employees who work in, for example, Which? Legal Services and Which? Trusted Trader.

Which? Financial Services Ltd is our financial regulated business. This includes our independent services of Which? Mortgage Advisors and Which? Insurance Advisors.

Although we are three separate entities we are very much one organisation with one strategy, one leadership team and a collective mission to make consumers as powerful as the organisations they deal with in their daily lives. Therefore we think it's important that we report our Gender Pay Gap figure for our total group as this most represents our organisation today. The total group figures can be found below;

a Hourly pay gap

	Which? Group		National Average*
	Mean	Median	Mean
Hourly pay	7.21%	4.63%	18.4%

*Source ONS Annual Survey of Hours and Earnings 2017 based on both full time and part time employees. 9.1% is the GAP if we look at full time only employees.



Our group gender pay gap shows on average for the total population, men are paid 7.21% more than women. This is significantly below the national average although there is still room for improvement. We are confident that we have robust policies in place that reward equal pay for equal work and that it is not inequality that is driving this figure. We will focus on what is causing the median gap as this gives the best reflection of the whole population, this is because it will look at the true middle point mitigating the impact seen from one male in the most senior role (i.e. the CEO).

Overall we have a higher proportion of women working in our organisation, 52.7% female vs 47.3% male. However, the median

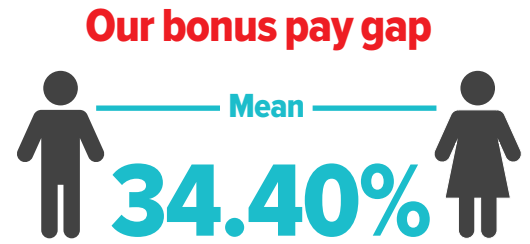
gap figure is driven by the fact some specific departments at the snapshot date, had a greater proportion of men. This includes, for example, our Digital team and Which? Financial Services Ltd entity. These industries are traditionally both very male dominated and more highly paid than other markets. Any women who work in these teams are paid equally versus their male counterparts

Conversely we had a higher proportion of women working within customer service roles. This is again in line with traditional trends where women have been more likely to be in roles where there is more flexibility in working hours. As these roles tend to be lower paid, this will drive a lower average hourly rate of pay.

b Bonus Pay Gap

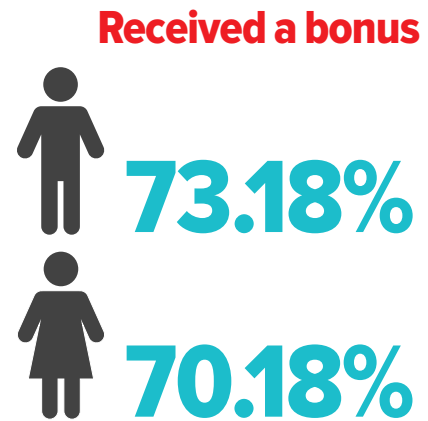
	Which? Group	
	Mean	Median
Bonus Gap	34.40%	0.00%

Our bonus pay gap is 34.40%, which means the average bonus payment was 34.4% higher for men. It is worth noting that at the snapshot date this would relate to bonus payments made for 2016 and so will include payments relating to the now closed Long-Term-Incentive-Plan (LTIP). This was a legacy scheme that had a higher number of male participants which drives a significant proportion of this gap. Although this plan has now been closed, due to the terms of its closure we expect this to affect our bonus gap reporting figures into 2019.



	Which? Group	
	Men	Women
Received a bonus	73.18%	70.18%

73.18% of men and 70.18% of women who worked for the Which? group received a bonus during the year preceding 5th April 2017. This included any annual personal or group related bonus payments and specific job related bonuses paid where applicable.



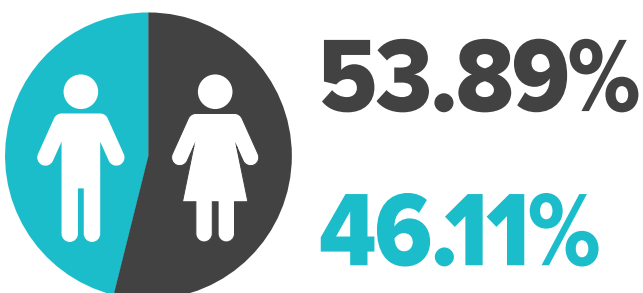
c Distribution of employees

Distribution of employees 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

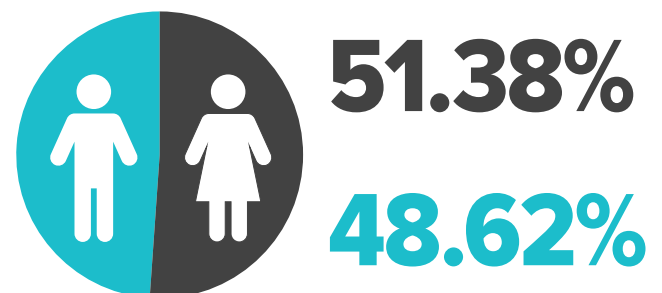
	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	53.89%	56.91%	48.62%	51.38%
% Male	46.11%	43.09%	51.38%	48.62%

Women make up 52.7% of the overall population of employees at Which?. This is generally reflected in the upper and lower quartiles. The middle two quartiles are not as representative; this is due to the lower representation of women in digital and financial services roles as discussed earlier. Due to the higher nature of wages within these markets across the UK more of these roles are found within the middle quartiles.

Distribution of employees: Q1



Distribution of employees: Q4



2 Results from our entities

Despite functioning internally as a one organisation, we are required to report our gap against each separate entity. The results for each of these entities is set out below: (a negative number means a pay gap in favour of women)

a Consumers Association

	Mean	Median		Men	Women
Hourly Pay Gap	-11.73%	-3.29%	Receiving a bonus	83.64%	73.29%
Bonus Pay Gap	-53.29%	0.00%			

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	53.23%	58.06%	55.56%	64.52%
% Male	46.77%	41.94%	44.44%	35.48%

In April 2017 there were eleven members who made up the corporate leadership team (C.L.T) of the Which? Group, four of these sat within the Consumers Association entity and all four were women. This is a significant factor in driving the favourable gap in both hourly and bonus pay towards women.

The overall proportion of women in the Consumers Association at that time was 57.8%. The biggest variation away from this is in the upper quartile, which is to be expected given the unequal representation of our group leadership structure within our single entities.

b Which? Limited

	Mean	Median		Men	Women
Hourly Pay Gap	22.87%	15.01%	Receiving a bonus	71.78%	72.73%
Bonus Pay Gap	42.93%	0.00%			

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	61.36%	52.87%	49.43%	44.83%
% Male	38.64%	47.13%	50.57%	55.17%

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 six C.L.T members employed by Which? Limited. Four of these, including our Chief Executive, were men. Two of the managing directors of our commercial businesses, who do not sit on the leadership team were also men. Both of these factors, had the opposite effect to the greater proportion of women leaders seen in Consumer Association. This is a significant factor driving the bonus and hourly pay gap for Which? Limited in favour of men.

The proportion of women employed by Which? Limited was 55.01% at the snapshot date. The furthest deviation away from this is seen in Quartile 1. A contributing factor driving this was the higher proportion of women at that time working within our customer service roles. The deviation being seen in quartile 4 is again being driven but the unequal representation of our senior leaders in a single entity.

C Which? Financial Services

	Mean	Median		Men	Women
Hourly Pay Gap	21.46%	15.07%	Receiving a bonus	62.35%	48.89%
Bonus Pay Gap	37.59%	25.58%			

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	61.29%	45.16%	19.35%	18.75%
% Male	38.71%	54.84%	80.65%	81.25%

Which? Financial Services Ltd is the newest of our entities and was formed in 2010. In April 2017 one of the corporate leadership team was employed under the W? Financial Services Ltd entity.

Our focus at this time was on independent mortgage advice, an industry that has been traditionally dominated by men. Only 36% of our employees at the time were women. As this business has grown we have been working hard to attract the best people to Which? Financial Services including through the development of our successful apprentice program, and by focusing on attracting more women into the industry. We are hopeful that as this business expands in line with our growth plans more opportunities will open up and we will have more representation of women in the upper quartiles. Given the nature of the market and talent available we realise that this may take some time.

Future Plans

Diversity, inclusion and equality at Which? means respecting and celebrating difference and encouraging a culture and environment where everyone can thrive. This is so important for the Which? Way of Life because if we enable diversity and inclusion within our organisation, we can enable it for consumers.

In late 2016 we moved to a matrix structure, enabling us to achieve our future ambitions. Our organisation is led by our corporate leadership team, eight of whom are women and five are men. This is an increase of three women when compared with the leadership team at the snapshot date. This means that women are very well represented at the highest levels within our organisation and we are continuing to work hard with our managers and recruitment team to ensure this is reflected across all levels of our business.

We have a range of initiatives underway that will help us to support this strategy.

We are currently in the process of conducting a companywide remuneration review. This means that from 2018/19 all employees will be eligible to take part in a bonus scheme. Our aim is to ensure everyone is rewarded for both company and personal performance at all levels. There will be a consistent and fair approach that goes hand in hand with our robust benchmarking practices which focus on total remuneration. The ability to participate in a bonus plan will be open to all with the considerations against payments in most cases being group performance against company-wide targets and individual contributions based on individual performance.

We have a clear diversity and inclusion strategy and a complete review of our internal family friendly policies is underway. We are

aware that traditionally women have been more likely to take a break to support their family which can have a negative impact on their career and future earnings. We want to make sure that both the men and women who work for Which? have the same choices available to them to support their families when needed. Therefore, in 2017 we harmonised our Shared Parental Leave Policy with our Maternity Policy to ensure both parents now have the same opportunity, should they qualify, to have enhanced shared parental pay or maternity pay whichever is applicable. Take up of these policies across both male and female employees has increased since launch.

