

Gender Pay Gap Report 2021

Which? 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:** 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 5 April 2021.

What's included in our calculation?

To calculate the hourly rate of pay we include colleague's base salary along with any additional payments earned for that period, such as sales incentives, on-call payments or acting-up allowances, plus any monies paid for car allowance. It will not include over-time 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.

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 and 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.

In this report we will not only review our Gender Pay Gap figures at the snapshot date of 5 April 2021 but also compare these against the figures reported for April 2020.

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 two commercial companies owned by the charity – Which? Limited and Which? Financial Services 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 allocated to one of the the two entities, 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 Service and Which? Trusted Trader.

Although we are two 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. To our members, supporters and the general public, Which? is seen and understood as one organisation. Therefore we believe it is important that we report our Gender Pay Gap figure for the group as a whole.

A Hourly Pay Gap

	Which? Group		National average*
	Mean	Median	Mean
Hourly pay	3.64%	2.93%	15.4%

*Source ONS Annual Survey of Hours and Earnings 2021 based on both full time and part time employees. 7.9% 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 3.64% more than women. This is significantly below the national average although the mean pay gap has slightly increased from 2.23% as reported in 2020, the median pay gap has reduced from 3.31% to 2.93%, as reported in 2020. Whilst there is still room for improvement we are confident that we have robust policies and procedures in place, such as equal pay audits, to ensure that we reward equal pay for equal work and take decisions which embed our commitment equality at all levels and across the organisation.

Overall we have a higher proportion of women working in our organisation, 51.2% female vs 48.8% male. However, the median pay gap is driven by the fact some specific departments at the snapshot date, had a greater proportion of men. This includes for example, our Technology team and senior colleagues in our Commercial team. These industries are traditionally both male dominated and more highly paid than other markets.

Conversely we had a higher proportion of women working within customer service roles which is in line with traditional trends externally and where there has been more flexibility in working hours. These roles also tend to be lower paid which will drive a lower average hourly rate of pay. Which? is led by a female CEO and this combined with females who make up the leadership team has helped further close the pay gap and is evidence of our commitment to driving equality in the workplace.

B Bonus Pay Gap

	Which? Group	
	Mean	Median
Bonus gap	4.23%	0.00%

Our bonus pay gap is 4.23%, which means the average bonus payment was 4.23% higher for men. It is worth noting that at the snapshot date this would relate to bonus payments made for 2020. The bonus gap as reported in the 2020 snapshot was -21.3% higher for women. The reason for this change is that during the 2020 snapshot, several male members of the leadership team were not eligible for a bonus due to their length of service. The April 2021 snapshot reflects the fact they became eligible for bonus and timing of these bonus payments.

Our median bonus gap remains consistent at 0%.

	Which? Group	
	Men	Women
Received a bonus	83.79%	83.24%

83.79% of men and 83.24% of women who worked for the Which? group received a bonus during the year preceding 5 April 2021. This included any annual personal or group related bonus payments and specific job related bonuses paid where applicable.

C Distribution of employees

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	43.64%	60.84%	53.66%	46.67%
% Male	56.36%	39.16%	46.34%	53.33%

Women make up 51.2% of the overall population of colleagues 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 technology roles as explained earlier. Due to the higher nature of wages within these markets across the UK more of these roles are found within the middle quartiles.

2 Results from our entities

A Consumers' Association

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:

	Mean	Median		Men	Women
Hourly pay gap	-15.38%	-9.07%	Receiving a bonus	77.66%	79.52%
Bonus pay gap	-50.94%	0.00%			

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

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	49.21%	73.02%	61.90%	70.31%
% Male	50.79%	26.98%	38.10%	29.69%

In April 2021 there were nine members who made up the leadership team 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 63.64%. 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	15.38%	12.53%	Receiving a bonus	86.27%	86.56%
Bonus pay gap	17.44%	0.00%			

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	44.55%	49.50%	48.04%	30.69%
% Male	55.45%	50.50%	51.96%	69.31%

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 five leadership team members employed by Which? Limited and four of these were men. This factor had the opposite effect to the greater proportion of women leaders seen in Consumers' Association. This is also 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 43.21% 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 Ethnicity Pay Gap Results from Which? Group

In the 2021 Gender Pay Gap Report, we are pleased to report our Ethnicity Pay Gap Results for the first time. This forms part of our commitment both to Diversity and Inclusion and to transparency. Our Diversity and Inclusion vision is to champion all UK consumers, which means understanding, representing and reaching all kinds of people. Our culture embraces difference and makes everyone feel included, giving us the best chance of coming up with new ideas so we can make the biggest possible impact for everyone. Therefore to support our commitments we are reporting ethnicity pay gap results at the group level:

	Mean	Median
Hourly pay gap	-3.43%	-1.26%

The Ethnicity Pay Gap Results are calculated using the same methodology as the Gender Pay Gap calculations. The ethnicity population at Which? was calculated through colleagues participation in our 'What makes you, you?' survey which was completed in January 2021. 85% of all Which? colleagues participated in the survey.

The survey results showed that 11% of our overall population at the snapshot date reported their ethnicity as one of the following:

- Asian Origin
- Black Origin
- Mixed Origin
- Of Other Ethnic Descent

For the April 2021 snapshot, our group ethnicity pay gap shows on average for the total population, these colleagues are paid 3.43% more than colleagues who reported themselves as White.

Of the total Which? employee population, 22% of colleagues at the snapshot date have been excluded from the calculation as they opted out from participating in the survey, which leaves room for improvement in future years.

The highest proportion of colleagues who reported their Ethnic Group as one of the above categories were in the Technology and Product areas and this is a traditionally higher paying sector.

A very small proportion of colleagues who reported an Ethnicity Origin other than white are in traditionally lower paid roles; for example, administration or customer service. Which? launched its new apprenticeship programme in 2021 aimed at increasing the opportunities for those from all backgrounds to join and pursue a career at Which, however, this may result in our Ethnicity Pay Gap increasing in the short term and over the first few years as we continue to embed the apprenticeship programme.

3 Future plans

Since early 2020 we have had to adapt to the Covid-19 pandemic, both to protect the wellbeing of our colleagues and to ensure we can continue to act as the UK consumer champion. Our internal teams played a critical role to ensure colleagues had the right access to vital equipment to facilitate remote working and colleague wellbeing remains a key focus for us. Despite this major event having a significant impact for everyone at Which?, we remain committed to embedding a remuneration strategy which promotes fair and equal pay for all colleagues and reinforces our commitment to be open, transparent and free from bias in respect of our Reward approach.

Our organisation is led by our leadership team, five of whom are women and four are men. This means that women are very well represented at the highest levels within our organisation in relation to gender. In line with our D&I ambitions we are continuing to work with our managers to ensure representation is more diverse at all levels.

Over the last year we have developed our Diversity and Inclusion vision engaging the Leadership Team, our Diversity and Inclusion Forum and our colleagues more widely. Our vision is: “We champion all UK consumers. That means understanding, representing and reaching consumers from all walks of life. Our culture embraces difference and makes everyone feel included, so that we have the best chance of coming up with new ideas. That means we can achieve the greatest impact for everyone”.

Diversity and Inclusion is very important to Which? and have a range of initiatives underway that will help us to support this vision. We have asked colleagues to make a pledge, big or small, to help us realise our three-year Diversity and Inclusion vision. In March 2021, we completed our first ever Equal Pay Audit that assessed pay through multiple characteristics and we have committed to completing this audit on an annual basis. We also recruited our first apprentices with a clear focus on making our workforce increasingly diverse and providing access to career opportunities for people from a range of backgrounds.

Which? is partnering with #10000BlackInterns to offer internships to two black candidates starting in the summer of 2022. The 10,000 Black Interns Programme aims to transform the horizons and prospects of young Black people in the UK by offering paid work experience across a wide range of industries, as well as world-class training and development. As part of our commitments we have also introduced collaborative mentoring, signed up to the Disability Confident Scheme and are widening our placement of job adverts on specialist boards including Vercida and Stonewall. In addition and as part of our commitment to transparency, we are introducing scorecards in our recruitment processes so we can measure and understand how effectively we are embedding our D&I strategy.

We heard from colleagues that our previous reward approach was not well understood, opaque and wasn't truly aligned to our strategic goals. Over the last year we have commenced a multi-year review of reward. This year we have launched new reward principles with colleagues, and specific changes to elements of our toward reward package are planned to take effect in 2021/22.