

## Citation Limited Gender Pay Gap Reporting Statement

*Based upon the April 2017 snap shot period and published in April 2018*

Citation is a leading provider of HR, Employment Law and Health & Safety services to over 20,000 SME's in the UK. We've been delivering our services for over 20 years and are proud of our industry leading colleague engagement and client retention levels. We have more females than men in our most senior roles and we will continuously look for ways to develop and attract the best people, regardless of background, sex, race or any other such factors. Gender is not part of the equation when deciding how to remunerate colleagues.

Whilst the below shows a gender pay gap in line with the way we need to report the information (i.e. including non-contractual bonus/commission payments into pay quartiles and mean/median hourly pay), the high number of sales based roles with a non-contractual bonus/commission scheme in place within the business does skew the below because more males than females work within our sales roles. Had we excluded non-contractual bonus and commission from the below reporting and had just calculated pay based upon contractual pay (known as 'Ordinary Pay') the gap would of course be reduced.

		Male	Female
Pay quartiles	Band A (Lower)	40%	60%
	Band B	33%	67%
	Band C	58%	42%
	Band D (Upper)	63%	37%
Mean hourly gender pay gap	28%		
Median hourly gender pay gap	10%		
Mean gender bonus gap	70%		
Median gender bonus gap	34%		
Percentage paid bonus		43%	32%

### Explanatory Notes

- The above pay quartiles and the 'mean and median hourly gender pay gap' shown above is not just calculated on contractual salary and pay, but inclusive of non-contractual bonus, commission and referral payments too. It is also calculated after salary sacrifice.
- The 'mean and median gender bonus pay gap' shown above is inclusive of non-contractual bonus, commission and 'bread card' referral payments too.
- The 'percentage paid bonus' above, represents 37% of our workforce who have a non-contractual bonus/commission scheme in place

The above is based upon a snapshot of pay in April 2017. The hourly pay gap reduces just one month later (May 2017) from 28% to 25%.

We have increased the number of females in the most senior roles with our Company since the snapshot date. Our Operations Board is now 67% female and the Senior Leadership Team is 61% female.

The hourly gender pay gap is reported after salary sacrifice. We offer salary sacrifice in the form of child care vouchers and additional leave which has a high take up. Of those who participate in salary sacrifice, 66% are female and 34% are male. Without this reduction in salary, which is offered to help colleagues and has been entered into voluntarily, the pay gap would not be as wide. Our median (mid-point or typical) gender pay gap of 10%, gives a better picture, but even this is skewed by non-contractual bonus pay (explained below).

25% of our female colleagues work part-time, compared to just 5% of males. Bonus targets and amounts are pro rata for part-time colleagues. In line with reporting requirements, the bonus gap stated above is not calibrated to take account of this and hence it appears wider than it would if the reporting calculations were adjusted to take account of pro-rata targets and bonus payments for part-time colleagues. If we were not as flexible around part-time working, the bonus gap would not appear so wide.

37% of colleagues have a non-contractual bonus/commission arrangement in place. And of this population almost 90% are in a sales focused role - predominantly Business Development Consultants (BDCs) and regionally based Business Development Manager (BDMs) roles. Everyone within these roles has the same opportunity to earn in line with performance and has the same support and training structure in place. We set up home working for our traditional office based BDC roles to widen and retain our talent pool and we offer reduced hours for both office and home-based roles thus attracting more females.

In respect of referral payments (known as 'Bread Card Payments') which are incorporated in the bonus gap shown above, this scheme is open to all service based colleagues for referring additional services to our client base. At the time of reporting, we had launched Fire Risk Assessments (FRA's) as an additional service. The Health and Safety (H&S) population received over half of the referral payments as FRA's fit neatly with H&S. Over three quarters of our H&S colleagues are men.

We actively recruit on flexible working terms including part-time, home working or dual working enabling us to tap into a pool of talent (mostly working Mothers who are unable to commit to full time hours). We will continue with this approach despite it skewing our bonus gap for reporting purposes. Flexible working is not limited to more junior roles, indeed members of the Senior Leadership Team and Operations Board, work flexibly.

We recognise that female employees may be more likely to have responsibilities that limit their ability to travel. We trialled and launched home-working for some traditional office based roles in an attempt to address this and widen our talent pool. We now have 15% of our workforce, working in this manner (25% of roles that would have been office based). We accommodated part-time home working where possible too and ensured induction arrangements were not an obstacle to joining us by flexing the location and hours of these. Resultantly females account for 66% of this population.

We are still learning when it comes to the engagement and remote management of home workers and have a plan to expand home and dual working opportunities. We have 33% of colleagues who are regionally based (home based but the role requires them to cover a geographical patch in order to meet prospects and clients meaning they are out travelling most of their time) and depending upon the size of the patch, this can be challenging for some. Whilst we have increased the number of regionally based female colleagues, males still account for 65% of regional based roles. This year we have a plan in place to work with the different areas of the business and Line Managers to further explore what, if any, changes we can make to our existing recruitment, retention and operational practices to encourage and enable more females to apply for regionally based roles.

**I confirm that the above information is accurate**

Signed



**Chris Morris, CEO**