

Premium Credit Limited Gender Gap Report

Issued: 05 April 2021

Introduction

Premium Credit Limited (PCL) employs approx. 400 colleagues across the whole of the UK and Ireland and has recently implemented a hybrid working model consisting of remote working and onsite collaboration with offices based in Leatherhead, Surrey, UK and Dublin, Ireland. Our guiding principles are to create an environment where people are treated fairly and have access to equal opportunities, and we are constantly working to create a culture where people are encouraged to have diversity of thought where viewpoints, regardless of background, are considered.

In our recent engagement survey 91% of colleagues stated that they were treated fairly and 80% said that PCL promotes diversity & inclusion. Over the last 12-months we have celebrated a range of events including International Women's Day, Mental Health Awareness week, Pride Month and Black History Month. This has included external speakers, nominations for Woman of the Year and newsletters amongst other things. We have also supported our colleagues through physical and mental wellbeing with trained Mental First Aiders.

As part of our Equality, Diversity & Inclusion strategy and in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we publish an annual gender pay gap report. This report shows the difference between the average earnings of male and female employees, regardless of role seniority. The report also reflects differences in the average bonuses earned by such employees, the percentages of male and female employees receiving a bonus, and the proportions of males and females in each pay quartile of our workforce. The report outlines for both earnings and bonus, the mean, and the median gap.

The mean is calculated by adding up all the wages of employees in a company and dividing that figure by the number of employees. This means the final figure can be skewed by a small number of highly paid individuals. The median is the number that falls in the middle of a range when everyone's wages are lined up from smallest to largest and is more representative when there is a lot of variation in pay.

It is important to note, the Government Equalities Office define the gender pay gap as the calculated difference between average hourly earnings (excluding overtime) of men and women, as a proportion of average hourly earnings (excluding overtime) of men's earnings. It is a measure across

all jobs at Premium Credit Limited, not of the difference in pay between men and women for doing the same job.

The report outlines the gender pay gap for Premium Credit for 2021, calculated as per the regulations, at the snapshot date of 5 April 2021.

Key Statistics

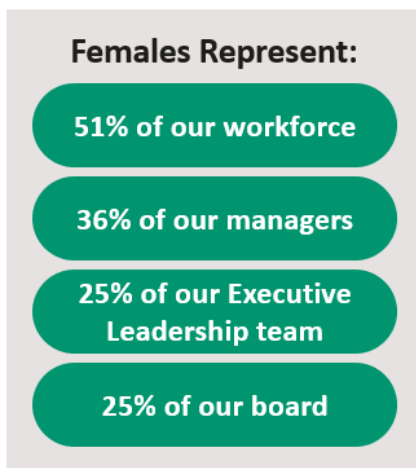
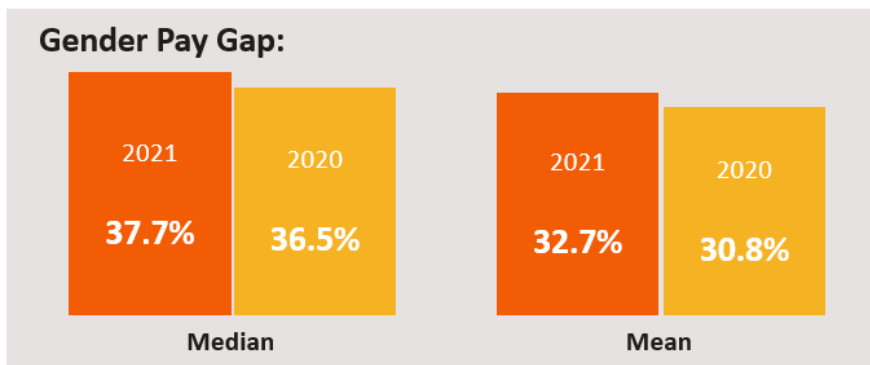
We are pleased to have our workforce comparatively represented between males and females, with females representing just over 50%.

36% of our managers are female and whilst we still have improvements to be made in advancing leadership representation in more senior roles, we have some representation at both the Leadership and Board levels, with 25% representation for each.

We saw a slight increase of 1.2% for the median gender pay gap at 37.7% as at a snapshot of data on April 5 2021, but remain at an improved rate of 4.2% from 2019. The median gender pay gap means that females earn an average of 37.7% less per hour (excluding overtime) than men, or in other words the average female employee would earn 62.3p for every £1 earned by a male employee.

And whilst we see a slight increase of 1.9% in the mean gender pay at 32.7% in 2021 compared to 30.8% in 2020, these figures still remain considerably better than 2019 at 41.5%.

The underlying reason behind our gender pay gap is predominantly due to the lower representation of women in Executive and Senior Leadership positions and in IT roles. The Company pays equal pay for equal work and therefore addressing the gender pay gap is about increasing the proportion of women in more highly paid roles and in IT.



Gender split

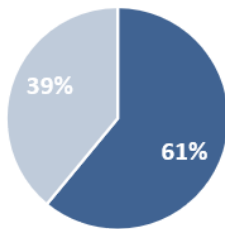
The charts show the gender split within four equal quartiles, produced when hourly rate of pay is placed from lowest to highest. The charts also provide the median gender pay gap within each quartile.

Female representation is higher in both quartiles 1 and 2 and these converse as we move into the upper middle quartile and upper quartile.

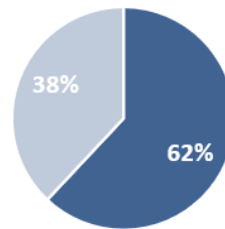
However, there has been an improvement of female representation of 3% in the upper middle quartile compared to 2020 whilst the representation of females in the upper quartile has remained the same.

Whilst females earn more than males in the lower quartile, the pay gap of males versus females in the other three quartiles is higher, with the highest gap evident in the upper quartile, at 17.2%.

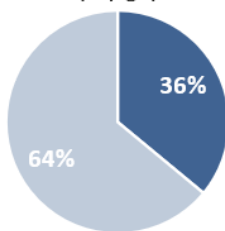
1. Lower Quartile
Median pay gap: **-3.8%**



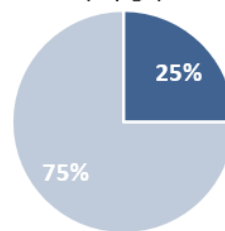
2. Lower Middle Quartile
Median pay gap: **1.2%**



3. Upper Middle Quartile
Median pay gap: **11.6%**



4. Upper Quartile
Median pay gap: **17.2%**



Key: ■ Female
■ Male

Gender Bonus Gap

The gender bonus gap is an equality measure that shows the difference between the average annual bonus which colleagues receive.

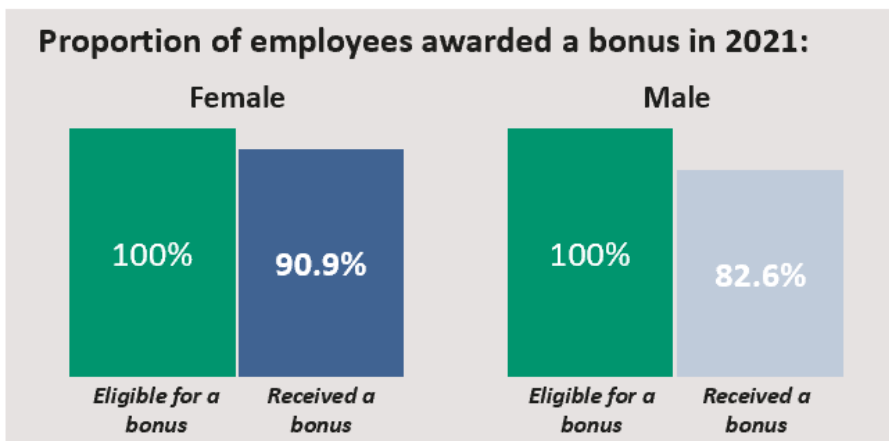
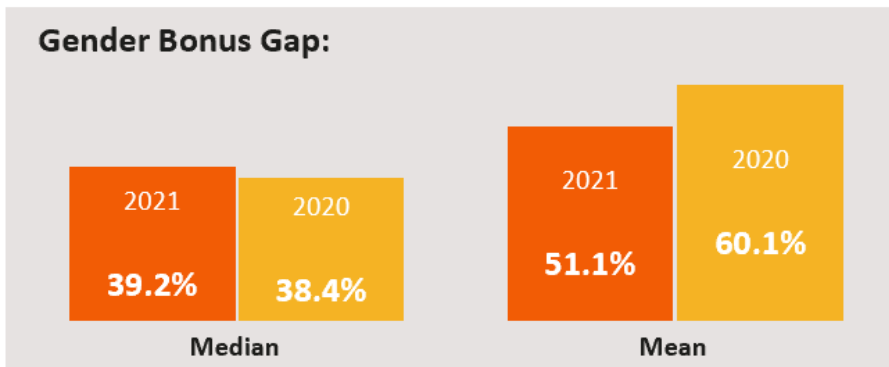
We are pleased to see that based on all bonuses paid within the reporting year, the mean gap was significantly improved by 9% to 51.5% whilst the median gap saw a small uptick of 0.8% to 39.2%.

As 19% of females elect to work part-time, their bonus pay will be pro-rated, thus impacting the median bonus gap overall. Additionally, lower representation of women in the Insurance Premium Finance Sales roles at only 15% will also likely impact this metric.

The number of females awarded a bonus in 2021 was 90.9% as opposed to 82.6% of males.

All employees are eligible to receive a bonus and there are only certain circumstances where bonus is not paid or where the bonus amount payable may be reduced:

- Individuals who commence employment during the annual review cycle, will only be eligible for a prorated bonus amount
- Unsatisfactory performance will see a reduction in the % of bonus payable
- Non-completion of regulatory based training or non-compliance with any regulatory concern will have any eligible bonus withdrawn



Our Priorities

Reducing the gender pay gap continues to be a focus of the organisation and the Equality, Diversity & Inclusion Council has a clear roadmap of initiatives being rolled out in 2022 to further reduce the gap. The introduction of a Hybrid Work model will continue to support flexible working and where employees can feel enabled to balance work and home lives.

Key actions in 2022 will be to:

- Set up links with external organisations and charities to support women and offer external as well as internal mentoring opportunities
- Tailor our benefits to different demographic groups to maximise the attraction and retention of individuals from a wide range of backgrounds
- Support roles as part-time/job share where possible and ensure that our recruitment practices remain free of unconscious biases
- Continue to support colleagues in improving and maintaining physical and mental wellbeing in the workplace, including new information sessions on menopause, health screening and financial health.

Summary Statement

I confirm that Premium Credit is committed to the principle of gender pay equality and has prepared its 2021 gender pay gap results in line with mandatory requirements. I also confirm that the information contained in this report is accurate at the time of publishing.



Tara Waite

CEO, Premium Credit Limited

30 March 2021