



Committed to creating a fair and inclusive Alfa Team

Gender Pay Gap Report 2017



“At Alfa we believe in building a diverse and gender balanced team which will create the right culture and truly deliver value through diversity to our customers”

Lucy Matthews, Chief People Officer



Our maiden report

From April 2017 all UK companies with over 250 staff are required to publish statutory calculations on an annual basis, showing the difference between the average earnings of their male and female employees, irrespective of their role or seniority.

The analysis is based on data as at 5 April of each year and this first report reflects the data as of 5 April 2017.

The gender pay gap shows the differences in average pay between men and women – which is different to the concept of equal pay. Equal pay requires that women and men are paid the same for doing the same job and it is unlawful to pay people unequally on the basis of whether they are a man or a woman.

We believe that this reporting is a valuable step towards ensuring that companies are transparent about pay, analyse the data to identify root causes of any pay gap and commit to building businesses that work for employees and reflect the communities they serve.

We commit to addressing the following in this report:

1

Analysing our data to identify the root causes of any pay or bonus gaps

2

What we have achieved in 2017 to address the root causes of the gender pay gaps

3

Actions to be taken and progress to be made over the coming years



1. Analysing our data to identify the root causes of any pay or bonus gaps



What the data tells us

We are confident that men and women are paid on equal terms for doing the same jobs, to the same performance levels, across the business.

As at 5 April 2017, there were 257 Alfa team members, with 25% being female. While we believe our mean gender pay gap of 19.3% is better than the indicative average for the technology sector, it is marginally higher than the national average of 17.1% (PwC Women in Work index Feb 2017).

Statutory	Mean*	Median*
Pay gap	19.3%	15.0%
Bonus pay gap	22.3%	16.3%

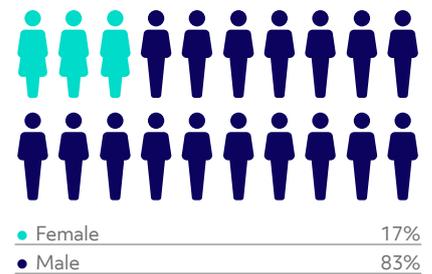
*The mean is the average of a list of numbers. The median is the middle value in all of the numbers listed in numerical order

Female representation – at April 2017

Alfa Team



Executive Committee



Board



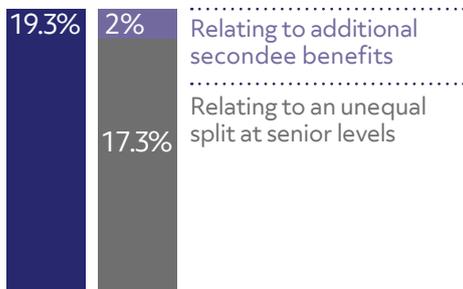
Mean gender pay gap

19.3%

Mean gender pay gap –
excl. demographic

2.0%

Our mean pay gap
(April 2017)



What causes the Pay gap?

At Alfa, the pay gap is not a pay issue and instead is driven by an uneven distribution of women in senior positions. Put simply, we lack women in senior and highly paid positions.

After running demographic analysis in relation to the pay gap, the majority of the gap (17.3% of the 19.3%) can be explained by a greater representation of men in senior positions who are paid a higher salary.

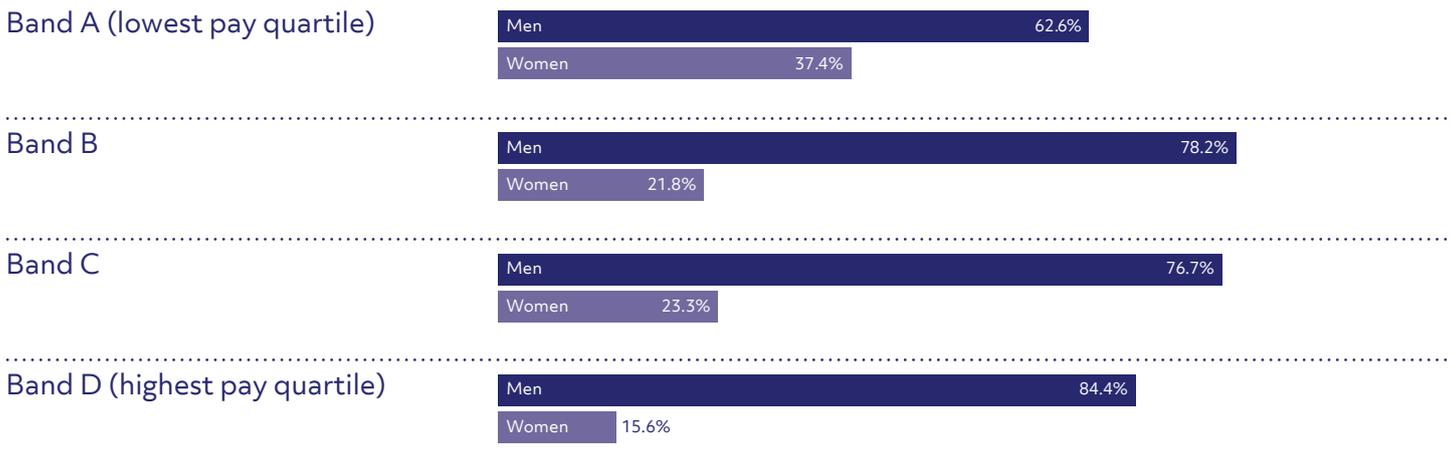
The gender split in our lower band (as seen in the Gender Distribution chart below) illustrates that we continue to increase the diversity of our graduate intakes each year.

In addition to the impact of demographics, we are also temporarily impacted by a prevalence of male secondees, whose temporary housing and benefits allowances are required to be included in the calculation.

Excluding the impact of secondment packages and not adjusting for demographics, our mean pay gap would have been 15.8%.

Gender Distribution

Pay quartiles





Bonus Pay gap

While we designed our bonus award to be gender neutral, the shape of our workforce drives the gender pay gap and therefore also influences our mean bonus gap. There is no discernible difference between the number of men and women who were awarded a bonus, if they were eligible for a bonus.

46.0% of women received a bonus in the 2017 period, in comparison to 62.3% of men. This difference is linked to the number of women in the lower pay quartile, being graduates, who are not yet eligible for a bonus – two years of employment is required before a team member is eligible for a bonus. When assessing eligible employees, nearly all men and women received a bonus and where they did not, the reason was either that a bonus was payable on return to work after sabbatical, maternity or paternity leave or the bonus payment had been accelerated prior to a secondment.

The weighting of women in senior roles significantly influences the mean bonus gap – 10.4% of the 22.3% gap relates to the weighting of women at the higher quartile. The remaining gap of 11.9% is due to a number of women becoming eligible for a bonus part way through a period, and therefore only receiving a proportion of the annual bonus award in that year. As the number of women eligible for a bonus is relatively small, the gap is impacted by a relatively small number of such cases.

Mean bonus pay gap
22.3%

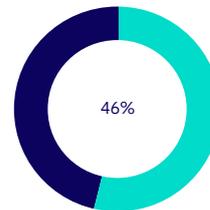
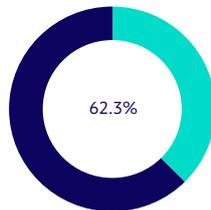
Median bonus pay gap
16.3%

Bonus awards

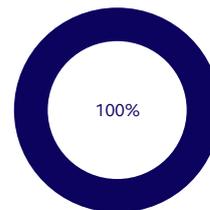
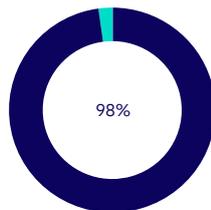
Men

Women

Total employees – receiving a bonus



Employees eligible for a bonus – receiving a bonus



- Received a bonus
- Did not received a bonus

“The weighting of women in senior roles significantly influences the mean bonus gap – 10.4% of the 22.3% gap relates to the weighting of women at the higher quartile...”

2. What have we achieved in 2017?

At Alfa we have always been focused on recruiting the brightest and best people, irrespective of gender, ethnicity, personal beliefs or background.

We are proud that at the date of this report:

We have hit the Government's target for

33%

of listed company boards to be made up of women.

Our Executive Committee is now over

29% female

and we strive to meet the Hampton-Alexander target in the future.

We continue to run and participate in a programme of events to attract and retain women of the highest calibre in the technology industry.

We have adopted a diversity policy at the Board level of our parent company, Alfa Financial Software Holdings PLC, which aligns with our existing recruitment policy and we continue to promote this throughout the Alfa team.

We have grown the proportion of women in senior roles in the past year and also in our top quartile (by pay) to

15.6%

and aspire to have this percentage grow to 20% in the short to mid-term.

We have a

100%

maternity leave return rate in 2017/2018 and aim to retain this high metric by encouraging ongoing communication, phased return to work and support on return.

Andrew Denton

Chief Executive Officer
20 March 2018

Viv Maclachlan

Chief Financial Officer
20 March 2018

3. Looking to the future

“Alfa is an employer of choice with a culture of excellent technical and personal opportunities, with career progression for the right person irrelevant of gender. We are completely committed to ensuring performance is rewarded in the same spirit.”

Gillian Bray, Head of Recruitment

But there is still more for us to do and we know that we need to continue to focus on attracting and retaining more women in senior roles.

So in 2018 and beyond we will:

- 1** Continue to encourage more women into the tech industry through the organisation and sponsorship of women specific events, support of STEM students at university level and also women seeking a career change.
- 2** Further develop and promote family friendly policies such as flexible working and shared parental leave.
- 3** Encourage more staff to take part in our inclusion and diversity initiative and communicate events throughout the Alfa team.
- 4** Hold unconscious bias training for senior management and those in the recruitment process.
- 5** Incorporate a gender analysis tool into the annual pay and promotions process, to assist managers in assessing the impact of salary and bonus decisions in the teams' gender pay gap.
- 6** Encourage recruitment partners to shortlist a balanced and diverse set of candidates for every vacancy – we have a much higher prevalence of women in our internally sourced graduate intakes than in our experienced hire intakes which are largely filled by external recruitment partners.
- 7** Introduce a formal mentoring scheme and employee network for high performing women in the middle of the company in order to develop and hone their leadership skills, enabling them to move more quickly into senior roles.



Moor Place
1 Fore Street Avenue
London EC2Y 9DT
UK

+44 (0)20 7588 1800