

Report

Gender Pay Gap Report 2022

Includes the Ethnicity Pay Gap Report 2022

Sage



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Introduction

Everyone is welcome at Sage. We are committed to knocking down barriers so everyone can thrive. Diversity, Equity, and Inclusion (DEI) sits at the heart of our Global People Strategy and is core to our wider Sustainability and Society strategy which hosts our commitments to tackle digital and economic inequality and the climate crisis.

We published our global DEI strategy in December 2021, setting out bold and aspirational targets which we will continue to report against each year to ensure we stay accountable for our progress. In addition, we have set up a DEI Advisory Board which includes a number of external advisors who are providing additional insight, expertise and advice on best practice—to ensure we look outside as well as in. This group is helping us to navigate our DEI journey—identifying the areas where we are making strong progress, and those where we can learn from others and continue to improve.

We have published our Gender Pay Gap annually since 2017 and have seen a year-on-year reduction. This year our Mean Gender Pay Gap has increased by 1.9% and whilst we still remain below the overall average for the technology sector, we are disappointed with this backward step and we are placing scrutiny on the opportunities to close it.

We also report for the second year on our Ethnicity Pay Gap. As a result of our efforts to build participation in our self-declaration survey All About Us, we've seen a significant increase in the number of colleagues confidentially sharing their personal information.



I'm delighted that this data now represents more than 70% of our population. We recognise the intersect of Gender and Race and will use the wider diversity story our data now tells us to build a more in-depth profile of our workforce.

Our focus remains on attracting, retaining and developing the diverse talent we know we need to be future fit—as well as working together to create a culture in which every colleague can thrive. We will redouble our efforts to make the progress we seek.

Amanda Cusdin
Chief People Officer, Sage.

What is the Gender Pay Gap?



The Gender Pay Gap is the difference between the average hourly earnings for men and women in an organisation, regardless of their roles. All UK employers with more than 250 employees are required to report their Gender Pay Gap.

The data is based on calculations set by the government and is significantly influenced by the difference in the number of men and women at various levels within the organisation.

Is Equal Pay different?

The Gender Pay Gap is not the same as Equal Pay. Equal Pay is the right for women and men to be paid the same for the same, or equivalent work. Even when pay is equal, there may still be a gender pay gap.

How is the Gender Pay Gap calculated?

The Mean

The Mean Gender Pay Gap is an average. It is calculated by adding up the relevant payments to all male employees and dividing this by the total number of male employees and doing the same for female employees. The Mean Gender Pay Gap is the difference between the mean figures for men and women.

The Median

The Median Gender Pay Gap is calculated by listing all male and female employees' wages from highest to lowest and comparing the number that sits in the middle for each. The difference in pay between those two individuals is the Median Pay Gap figure.

Gender Identity at Sage

Regulations require employees to be categorised as male or female. At Sage we recognise that not all colleagues identify within the gender binary. We are committed to supporting our non-binary colleagues.

An overview of our Gender Pay Gap data



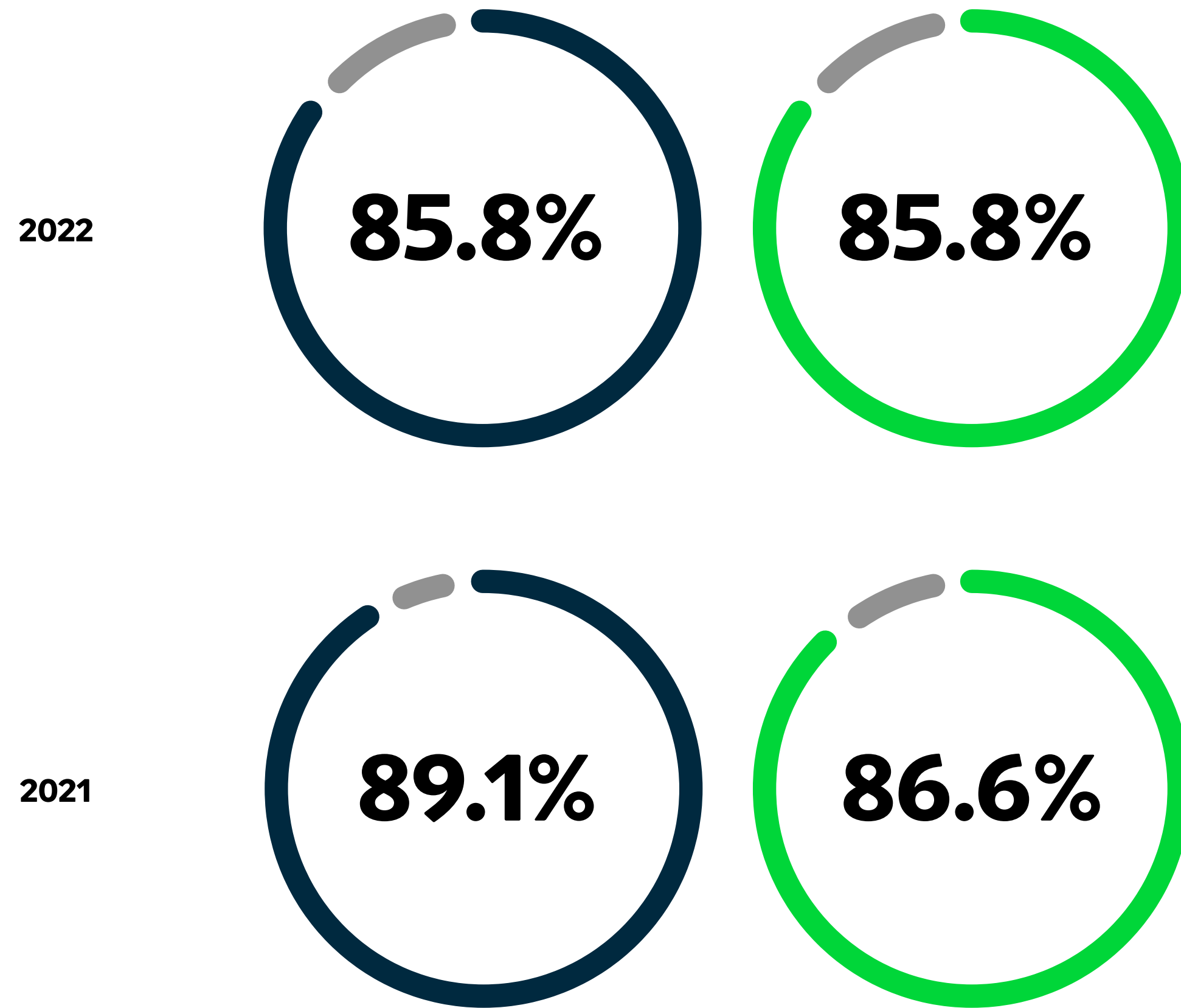
At the time of reporting, Sage had 2724 colleagues across several entities in the UK. Only two of those entities exceed the reporting threshold of 250 colleagues—Sage UK and Sage Global Services UK.

The following table shows our overall Gender Pay Gap data for all our UK based colleagues in both entities, as well as employees in entities below the 250 limit as of the snapshot date of 4 April 2022. It also shows Bonus Pay data for bonuses paid in the year.

Our Pay Gap		Our Bonus Gap	
Mean Gender Pay Gap		Mean Bonus Gap	
2022	9.2%	2022	10.8%
2021	7.3%	2021	8.6%
2020	7.6%	2020	9.2%
Median Gender Pay Gap		Median Bonus Gap	
2022	7.8%	2022	13.4%
2021	6.1%	2021	10.1%
2020	7.9%	2020	2.6%

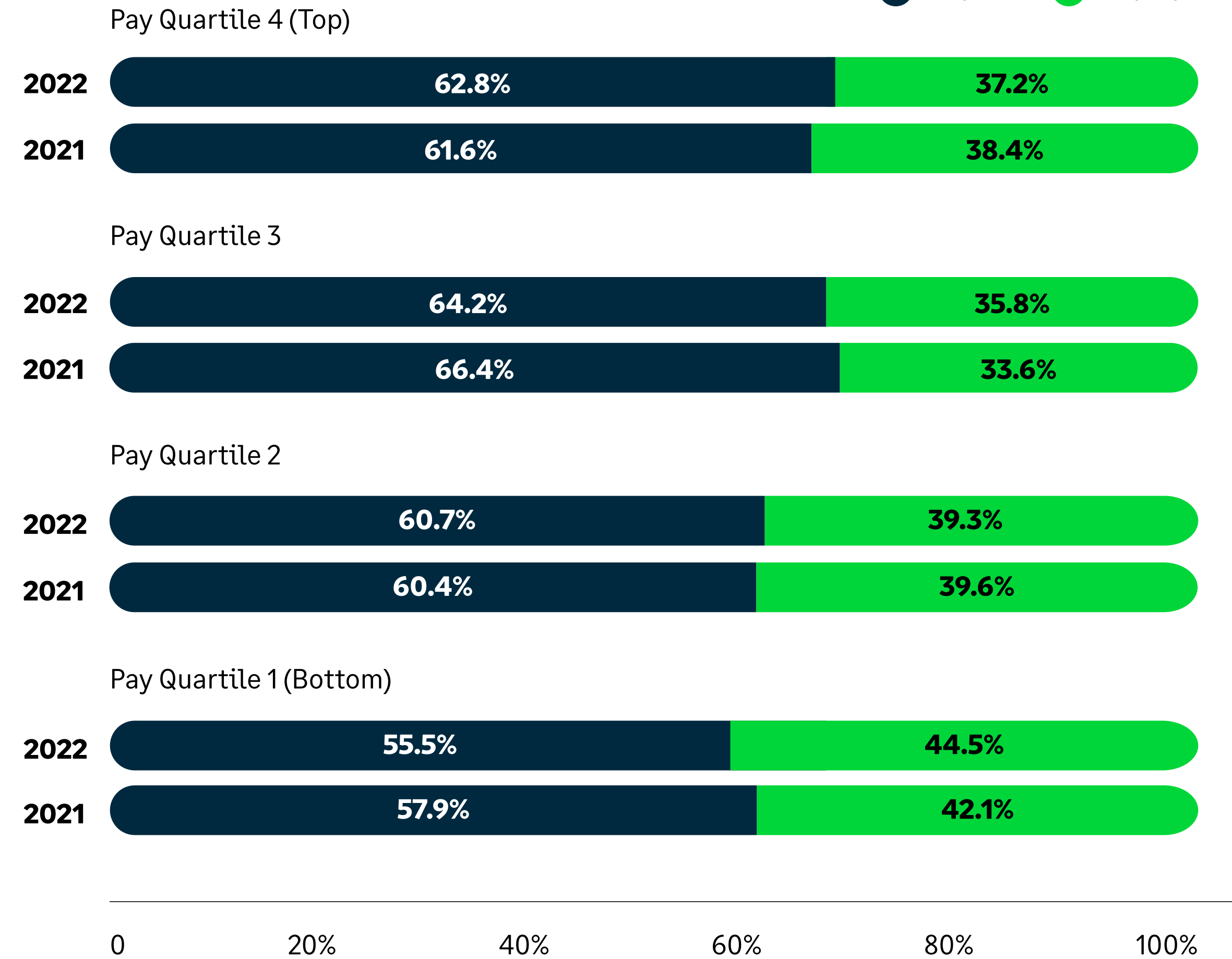
Colleagues receiving a bonus:

● Men ● Women



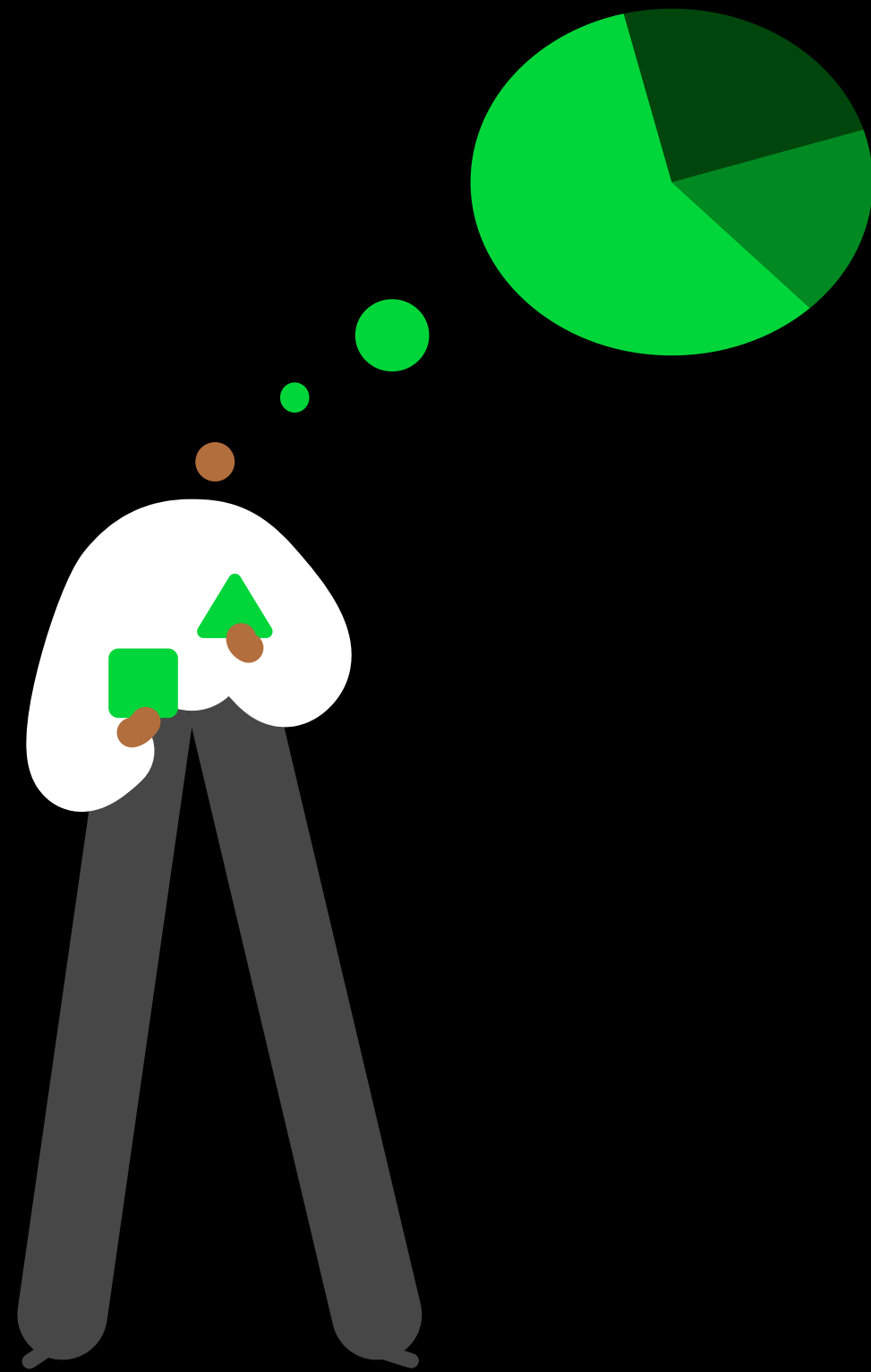
Proportion of Men and Women in each pay quartile

● Men ● Women



Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of men and women in each group.

Understanding our Gender Pay Gap data



Our Mean Gender Pay Gap is 9.2% in 2022 marking a **1.9% increase** from 7.3% in 2021, having previously reduced year-on-year since 2018 (7.6% in 2020, 10.2% in 2019, and 12.2% in 2018).



Our Mean Gender Bonus Gap is 10.8% in 2022 **up from 8.6%** in 2021 which had also consistently reduced (from 9.2% in 2020, 28.6% in 2019, and 53% in 2018).



Of those defined as working in technology roles, **women made up 31.5%**¹ and our technology hiring ratio is currently at 35% (43% in 2022).



The number of women in the upper payment quartile has **reduced during this period by 1.2%** to 37.2%.



The UK Mean Gender Pay Gap reported **14.9% in 2022** (15.1% in 2021, 14.9% in 2020, 17.4% in 2019). The Technology Gap reports 16%², and in another report for IT Managers 10.2% in 2022³.

¹ n=571, 391 men and 180 women

² <https://www.womenintech.co.uk/the-gender-pay-gap-in-tech-how-do-we-close-it>

³ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2022#:~:text=In%202022%2C%20the%20gap%20among,the%20coronavirus%20pandemic%20in%202019>

Our progress

As we make the systemic changes needed to progress against our Diversity, Equity, and Inclusion strategy, our gender pay gap, which has increased by 1.9% this year, is influenced by:

- **More men than women in senior roles**
Whilst we continue to improve our gender balance across the UK, and have increased senior level representation, we still have more men in the most senior roles which contributes to our Gender Pay Gap.
- **Our talent strategy to increase women in technology impacts the Gender Pay Gap**
The recruitment pipeline of women joining us through entry programmes will always remain important. This long-term focus is vital for future gender diversity in technology roles, and it will increase our pay gap in the short term. We continue to endorse the 'Tech Talent Charter', bringing together industries and organisations to drive greater inclusion and diversity in technology roles at all levels.

- **Impact of leavers**
The competitive talent market, particularly in technology, means that our colleagues are in demand by other companies. Our leavers pay profile affects the Gender Pay Gap however deliberate and focussed we are on engagement and retention.



Gender target

We have set a gender target that by the end of FY26 we will achieve no more than 60% of any one gender in the Executive Leadership Team, Executive Team, and all management teams.

Attracting and developing diverse talent

Attracting talent into Sage is core to building on the progress we have made to close the Gender Pay Gap. The number of women in leadership (Band F/Director level) has increased by 2% to 46% from 44% in 2021.

We want to enable progression for women at all stages in their career. Our Sage Brand Ambassadors programme in UK universities helps us to appeal to a wider pool of diverse talent and we hold diversity focussed events such as ‘Students of Black Heritage’ and ‘Inspirational Female Leaders’. We post our available roles on LinkedIn and continue to build our ecosystem of trusted partnerships to help us with diversity hiring.

Our targeted marketing and talent acquisition strategies have continued to help increase the percentage of women hired and we have year-on-year improved our inclusive hiring at apprentice and graduate levels. We continue to implement further rigour and consistency into our processes, including pay and reward.

This helps us to find solutions across the end-to-end colleague experience, from attracting the best talent to making sure they feel a sense of belonging once they join.

We are taking a number of actions to progress our diverse talent from placing scrutiny on our processes to remove bias, showcasing of role models and placing focus on what our future leaders, and workforce need to reflect to best serve our customers and communities.

Sage Pathways

Our Sage Pathways programme continues to focus on helping people to either return to the workplace after an extended time away or start work, if for other reasons they have experienced barriers to meaningful employment. This includes the return of working parents. This year we have recruited colleagues into Customer Services, People, Sage Foundation, Tech and Business Development roles via our Sage Pathways programme. To assist this expansion a specialist Talent Acquisition Partner joined to exclusively support the programme, reaching out to potential candidates through partner channels and guiding them before, during and after the recruitment process.

We are proud that the impact of our Sage Pathways events has supported hundreds of people on their back to/start work journey. This has helped them build the skills and confidence they need to get valuable work, not just with us but with other organisations too.

Flexible Human Work

We listened to our colleagues about how they do their best work and as such evolved our ways of working into a progressive programme ‘Flexible Human Work’, which sets out how colleagues at Sage will work in a hybrid and collaborative way to drive great outcomes for customers.

This programme is starting now to embed into the organisation. Team Agreements are in place allowing for local discretion about how best work gets done. This allows colleagues to work in a hybrid way to drive positive outcomes for our colleagues and customers. We have examples of senior leader level job shares and have introduced a ‘Work Away’ component to our scheme which enables colleagues to work from anywhere in the world for up to 10 weeks.

We care about the wellbeing of our colleagues and provide a number of support mechanisms such as the continued provision of healthy mind coaches and funded access to the ‘Headspace’ app for a third year.

We continue to prioritise colleague well-being and engagement, creating an environment where colleagues recommend Sage as a great place to work, evidenced recently by the recent ranking of 8th in the Glassdoor ‘Best Place to Work for Work Life Balance’ award.

Inclusive Culture

We are working across our colleague life cycle to make positive changes to remove bias and be more inclusive. This includes our approach to hiring, talent assessment, performance review, and colleague benefits. We are focussing on job design including more flexibility so that we can access a broader cross section of society when recruiting into Sage.

We reviewed our Parental Leave this year and introduced an enhanced offering to 26 weeks full pay with a wider definition of parents to be more inclusive. We also gave all colleagues worldwide access to the ‘Cleo App’ to provide support information and resources to parents. We introduced a menopause policy this year with a launch event which provided a platform for menopause to become a topic of conversation across our organisation. We are proud of the work we have done so far to educate and normalise menopause and its impact.

[4 https://www.techtalentcharter.co.uk/home](https://www.techtalentcharter.co.uk/home)

Colleague Success Networks, commonly known as Employee Resource Groups, have continued to build a safe environment for colleagues to come together to provide support and education to one another and deliver vital feedback into the business to advance change. This year we will add Carers to our Family Network and will start a Multi-Faith Network.

Gender Alliance Network

Our Gender Alliance Network is dedicated to improving gender diversity at all levels in Sage with a spotlight on Technology. Membership has increased by one third and sets out to be a safe place for cisgender, transgender and non-binary people to connect, share and learn as well as an inclusive place for allies to support, share and learn.

This year the Network expanded a channel for those wanting to talk and share about menopause as well as be an ally. Gender Alliance has two senior executives who co-sponsor the network.

A number of our team attended the everywomen in Technology Forum and the FDM everywoman in Technology Awards this year to learn, share and be connected to the movement of progressing more women into technology.

Our Gender Alliance network, Sage Foundation, and Office of the General Counsel recognised International Women's Day theme 'break the bias' this year with a series of events to highlight the essential work needed to close the global gender gap, sponsored and participated in by senior Sage technology executives.

We continue to build our approach intersectionally and our Pride Network, which has been in place for three years, promotes a welcoming, safe, open, and inclusive work environment where lesbian, gay, bisexual, transgender, queer/questioning (LGBTQ+) colleagues have the freedom to bring their whole self to work. They partner closely with Gender Alliance and our other networks.

Our Partnerships

We have continued to build our UKI partnerships who include Business in the Community and The Business Disability Forum. We have signed up to a new cross company working group, Neurodiversity in Business to help us learn more about how we can be a great place to work for neurodivergent candidates. This newly set group will collaborate for change by sharing research, best practice examples, and experiences.



What is the Ethnicity Pay Gap?



The Ethnicity Pay Gap is the difference between the average hourly earnings for colleagues in the broad categories of 'White' and 'Non-White' in an organisation, regardless of their roles.

The data is based on calculations which reflect the rate of pay of 'White and Non-White' colleagues.

Reporting our Ethnicity Pay Gap is not currently a legal requirement; however we believe in being transparent, and believe it is equally important for us to report on our Ethnicity Pay Gap as it is our Gender Pay Gap.

How is the Ethnicity Pay Gap calculated?

The Mean

The Mean Ethnicity Pay Gap is an average. It is calculated by adding up the relevant payments to all 'White' employees and dividing it the total number of employees and doing the same for 'Non-White' employees. The Mean Ethnicity Pay Gap is the difference between the mean figures for 'White' and 'Non-White'.

The Median

The Median Ethnicity Pay Gap is calculated by listing all 'White and 'Non-White' colleague wages from highest to lowest and comparing the number that sits in the middle for each. The difference in pay between those two individuals is the Median Pay Gap figure.

An overview of our Ethnicity Pay Gap data



At the time of reporting, Sage had data on 85% of colleagues across several entities in the UK. This is a significant improvement on last year's data which represented only 35% of our UK colleagues. The 2021 data was not statistically significant and as such year-on-year comparisons and must be treated with caution.

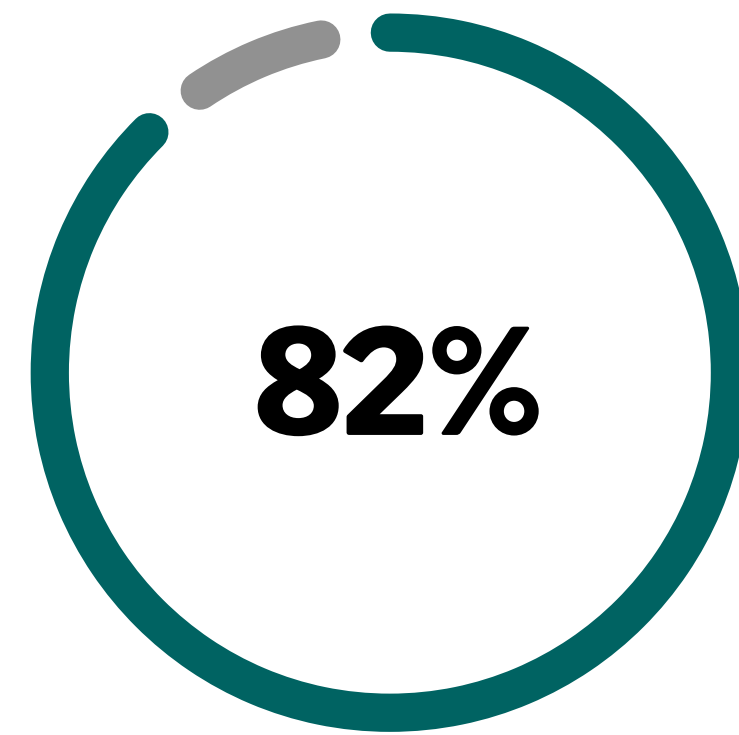
The following table shows our overall Ethnicity Pay Gap data for all our reported UK based colleagues in both entities, as well as employees in entities below the 250 limit as of the snapshot date of 5 April 2022. It also shows Bonus Pay data for bonuses paid in the year.

Our Pay Gap		Our Bonus Gap	
Mean Ethnicity Pay Gap		Mean Ethnicity Gap	
2022	0.6%	2022	18.8%
2021	7.8%	2021	19.8%
Median Ethnicity Pay Gap		Median Ethnicity Gap	
2022	-3.7%	2022	7.6%
2021	2.4%	2021	2.2%

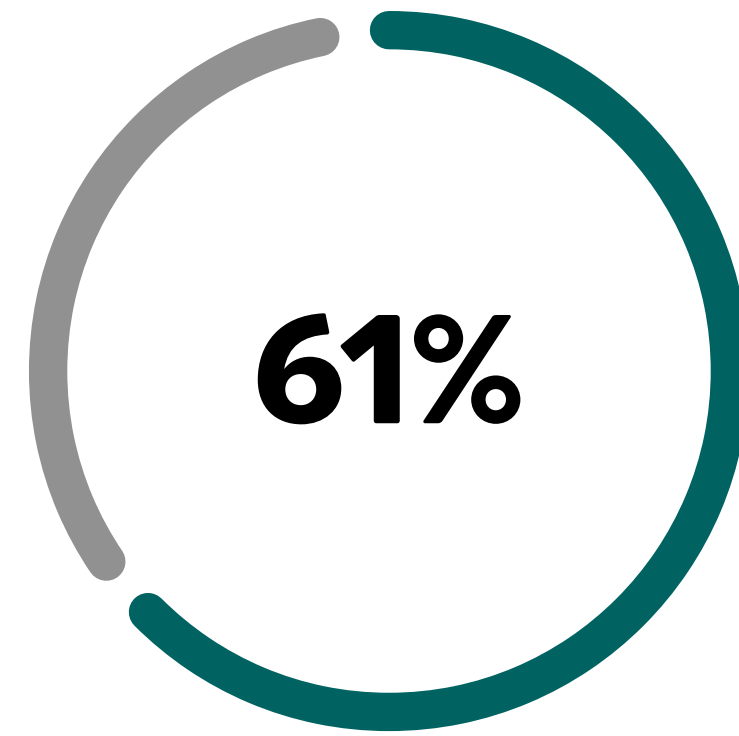
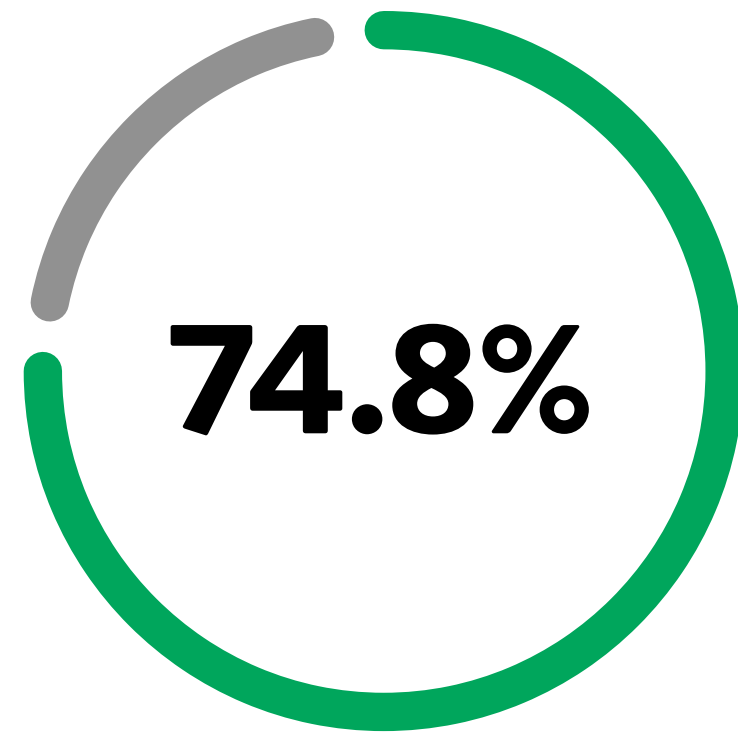
Colleagues receiving a bonus:

● White ● Non-White

2022



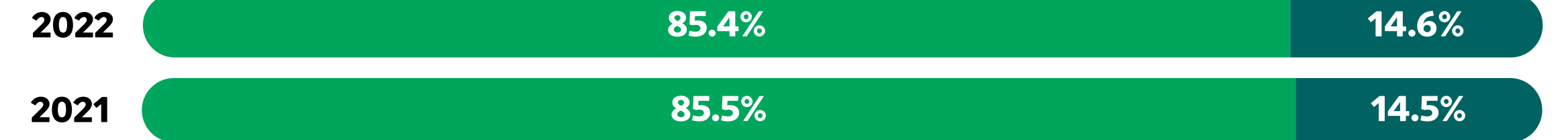
2021



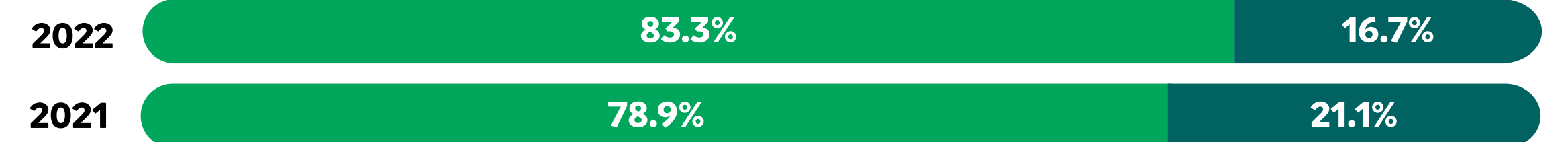
Proportion of White and Non-White in each pay quartile

● White ● Non-White

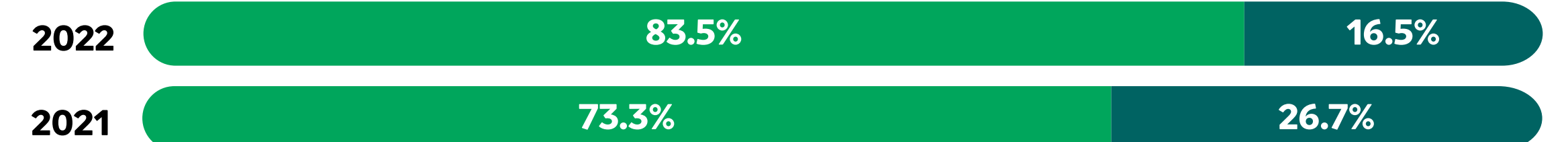
Pay Quartile 4 (Top)



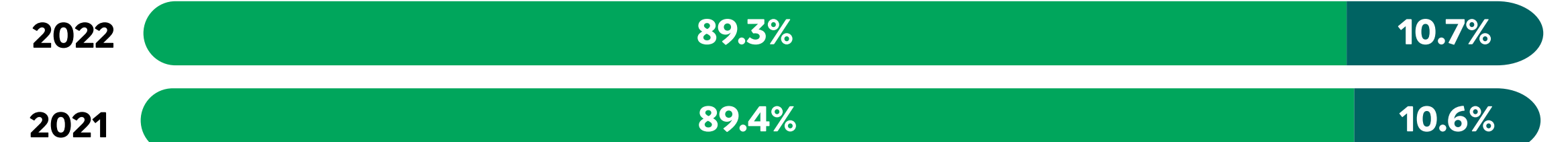
Pay Quartile 3



Pay Quartile 2



Pay Quartile 1 (Bottom)



0 20% 40% 60% 80% 100%

Quartiles are calculated by ranking pay for all colleagues from lowest to highest and then splitting into four equally sized groups, showing the percentage of White and Non-White in each group.

Understanding our Ethnicity Pay Gap data

Our first meaningful data reports:

0.6%

Mean Ethnicity Pay Gap

18.8%

Mean Ethnicity Bonus Gap



Our progress

Publishing our data

We were amongst one fifth of UK Employers who volunteered to share their Ethnicity data in 2021⁵ to deliver against our DEI commitment of being accountable to ourselves and others.

Embrace at Sage Colleague Success Network

Embrace at Sage has grown progressively in its number of members, presence and impact in the business. It has a dedicated business leader as the senior executive sponsor and is helping to facilitate better outcomes for our colleagues and customers. We recognised Black History Month with a panel event, when we hosted a number of internal colleagues and invited Roland Butcher, the first Black cricketer to play for England to be part of it, and to be on our panel event when we launched our sponsorship of ‘The Hundred’ cricket tournament in the summer.

All About Us Colleague Self-Declaration

During the last year we built a targeted campaign to share with our colleagues on why completing All About Us was important and how it can help to build a more inclusive workplace. Overall, we have exceeded our target and achieved 70% participation and we will report the findings to provide key data points for our ‘Data Led’ diversity strategy for our Financial Year 2023.

Partnerships

We have continued with our partnership with Business in the Community, have signed their Race at Work Charter, and are delighted to welcome Sandra Kerr OBE who leads the BITC Race Campaign as an Advisor on our Group DEI Advisory Board. This partnership keeps us abreast of contemporary trends and best practice, providing direction and advice on how we can best expedite progress.

We attended the Black British Business Awards in 2022 with our Group Executive Sponsor for Race and Ethnic Diversity, Derk Bleeker, President EMEA present as well as the Global Sponsor for Ethnicity Networks Ben Aung, Chief Risk Officer.

Category one	Category two		
White	Any Other Ethnic Group	Asian:Other Background	Black:Caribbean
White:British	Asian:Bangladeshi	Asian:Pakistani	Black:Other Background
White:British/ Welsh/Scottish/ Northern Irish	Asian:British	Black:African	Mixed:Other Background
White:Irish	Asian:Chinese	Black:Black British	Mixed:White and Black African
White:Other background	Asian:Indian	Black:Black British/ Welsh/Irish	Mixed:White and Black Caribbean
			Other:Arab

5 Women and Equalities Committee report in 2022 stated that in 2021 19% of UK employers voluntarily reported on ethnicity pay, up from 11% from 2018.

Looking ahead



We will focus on delivering the strategic commitments we have made in the DEI strategy with a focus on:

- **Diverse teams:** creating teams with a wide range of voices, backgrounds, and experiences to provide many different perspectives.
- **Equitable culture:** building a culture where everybody feels comfortable sharing their insights, ideas, and innovations, and are valued individuals.
- **Inclusive leadership:** developing an intentionally inclusive leadership who are curious to learn and have the courage to experiment.

This is in strong partnership with Sage Foundation who are tackling economic inequality by supporting under-represented groups.

We will continue to progress work on our talent attraction strategy and recruitment processes and build inclusive policies.

We will continue to build our colleague's trust and participation to complete All About Us to increase the robustness of our data.

We will extend our partnerships to include Working Families to help us remove the barriers that people with caring responsibilities face in the workplace.

“Sage’s purpose—to knock down barriers so everyone can thrive—has never been more important.”

For us to deliver on that purpose, we must build a diverse and inclusive workforce that fully represents the many different cultures, backgrounds, and viewpoints, of our customers, partners, and communities. It is only by combining that breadth of experience with our technical expertise and innovation that we can help small and mid-sized businesses simplify how they work, increase productivity, and grow their business.

That means we must create a culture in which everyone feels valued, supported and empowered to thrive. We continue to make progress, but we know there is more to do if we are to build a truly inclusive business, where everyone feels they belong.

Our focus remains consistently removing bias, driving equity across the colleague experience, and increasing diversity at all levels of our business. From our senior leadership community through to the emerging young talent who join Sage via our Apprentice, Intern and Graduate schemes.

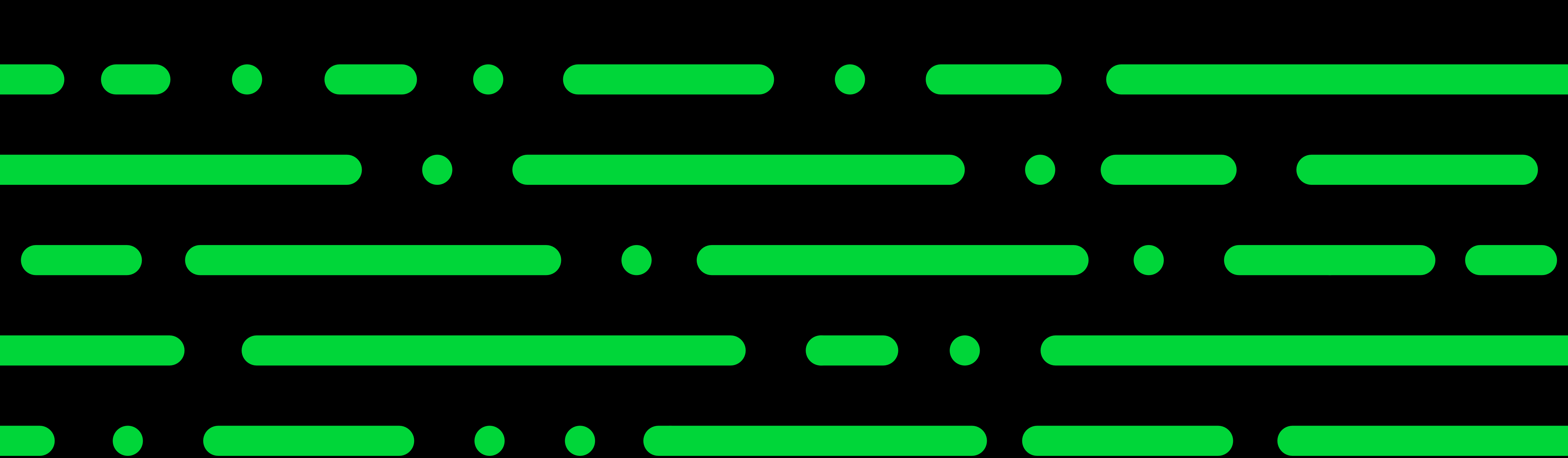
Through our DEI learning and development, we are also helping to build empathy and allyship among our wider leadership and colleague communities.

As CEO I chair our global DEI Accountability Board, and my Executive Leadership Team also sit on the Board to ensure we have buy-in and support across my most senior leaders.

We will continue to be guided by our DEI commitments and strategy as we progress on our journey to build a truly inclusive culture that unlocks the creativity, innovation and diversity of thought we need to deliver on our purpose.

Steve Hare
CEO, Sage





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