

Gender Pay Gap
Report 2020



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Introduction

Our Colleague Success strategy is founded on the belief that colleagues do their very best work when they are passionate about their role, inspired by their leaders, connected to a common vision and purpose, recognised for their contribution, and feel like they truly belong.

That's why it's so important that we understand, reflect and visibly respect the diversity of our colleagues, customers, and the communities we serve. It is a critical part of our journey to transform the way people think and work, so their organisations can thrive.

Understanding our differences is an opportunity to learn from each other. When we embrace them, we are creating a braver, richer, more creative, and productive Sage, because everyone is included. It is how we will find a source of common strength to serve our customers.

Since our last report, we are continuing to deliver against the long-term initiatives we set out in our first Gender Pay Gap Report in 2017. I am proud this consistency has led to our Gender Pay Gap decreasing for the third year in a row, now standing at nearly half of the UK average.

Our commitment to gender equality remains firm. We are happy with the progress we have made this year but ultimately, we won't be satisfied until we have achieved greater diversity throughout the business.

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 or work of equal value. Even when pay is equal, there may still be a gender pay gap.

How is the Gender Pay Gap calculated?

1. 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.

2. 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.

While we are not currently capturing this data, we are committed to supporting non-binary colleagues. Our Pride @ Sage Colleague Success Network 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.

An overview of our data

At the time of reporting, Sage had 2,693 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 5 April 2020. It also shows Bonus Pay data for bonuses paid in the year.

The UK median Gender Pay Gap is 15.5%¹. The Technology Industry median Gender Pay Gap is c 20%².

Our Pay Gap		Our Bonus Gap		Proportion of women and men in each pay quartile				
2020 Mean Gender Pay Gap	7.6%	2020 Mean Bonus Gap	9.2%	Quartiles	2020 Men	2020 Women	2019 Men	2019 Women
2019 Mean Gender Pay Gap	10.2%	2019 Mean Bonus Gap	28.6%	Pay quartile 4 (Top)	63.7%	36.3%	66.0%	34.0%
2020 Median Gender Pay Gap	8.0%	2020 Median Bonus Gap	2.6%	Pay quartile 3	64.6%	35.4%	62.6%	37.4%
2019 Median Gender Pay Gap	5.6%	2019 Median Bonus Gap	-12.2%	Pay quartile 2	60.9%	39.1%	62.6%	37.4%
				Pay quartile 1 (Bottom)	58.3%	41.7%	57.9%	42.1%
				Colleagues receiving a bonus	87.7%	87.4%	86.2%	84.1%

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.

¹<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

²<https://www.diversityintech.co.uk/the-gender-pay-gap-in-tech>

Our progress

At Sage we “Do the Right Thing”. This value means that we prioritise colleague well-being and engagement, creating an environment where colleagues proactively and unprompted, recommend Sage as a great place to work.

Our Gender Pay Gap is now nearly half that of the UK median average. Targeted marketing and talent acquisition strategies have helped increase the percentage of women hired, welcoming more women graduates and encouraging more women to return to Sage after a sustained absence through our Pathways programme. The number of women in leadership roles has increased since last year.

Between April 2019 until April 2020, we implemented further rigour and consistency into our processes, including pay and reward. This helped us to find solutions across the end-to-end colleague experience, from attracting the best women talent to Sage, to making sure they feel a sense of belonging once they join.

Attracting talent

Attracting talent into Sage is the foundation of maintaining and improving on the progress we have made to close the Gender Pay Gap. The number of women in leadership (Director and above) has increased to 41% since the 2019 report (+2%).

This year we continued to run a Sage Brand Ambassadors programme in UK universities; ensuring that undergraduates know Sage as an inclusive employer when starting their career. We work with select universities based on their STEM (Science, Technology, Engineering and Maths) specialisms and we are proud of the 50/50 gender split of the intake which has improved our graduate gender balance.

Using targeted marketing and talent acquisition strategies 54% of our hires were women between April 2019 and April 2020. Specialist programmes included a digital Women in Tech campaign, a continued partnership with Supermums – a specialist diversity hiring agency - to hire women returning to work as developers, and ensuring our LinkedIn profiles have a dedicated Women in Tech section. Our 2019 Sage Pathways programme,

focused on people returning to the workplace after an extended time away, continues to deliver positive results with women accounting for 77% of the intake. We will now extend our Pathways programme in the UK, ensuring it is central to our recruitment plans in future years.

Inclusive culture

Colleague Success Networks (CSNs, 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 includes the ongoing growth of Pride @ Sage (LGBTQ+ focus), Healthy Mind Coaches and Belong @ Sage (supporting across Diversity, Equity and Inclusion).

We partnered with SHL Global, an organisation that specialises in behaviour testing, to run Unconscious Bias training in April 2019 for our UK People team. Our Talent Acquisition team have been trained on how to reduce their hidden bias towards any gender, race or ethnicity. This was supported further by diversity, equity and inclusion training for the top 200 Global leaders in the business.

While we are making good progress against our longer-term strategy, our pay gap remains influenced by many of the same factors outlined in the 2019 report:

There are 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 are mindful of where progression is happening for women at Sage, to ensure we are supporting women at all stages in their career.



Looking ahead

We believe in an equal experience for all and recognise that we must work with intent to make it happen. Ahead of our 2021 report, our strategic focus will ensure we keep working to close the gender pay gap and accelerate our inclusive journey.

Delivering our Strategy

It is critical that we have the best talent and leaders in place to drive our inclusive strategy forward. The first Sage Belong (our internal brand for Diversity, Equity and Inclusion) VP has joined us and we have appointed our first Sage Belong UK and Ireland Director. Both roles will help to accelerate accountability and strategic delivery over the next 12 months.

We will continue to build out our Colleague Success Networks with groups dedicated to gender equity launching in 2021.

We will provide opportunities for colleagues and leaders to further their education and awareness on inclusion and gender equity. This includes embedding inclusivity through our learning curriculum for leaders, with two new levels of immersive training, building on the foundations laid in 2019-20. There will be new programmes, such as a reverse mentoring pilot, to boost education on the LGBTQ+ experience at Sage and a simplification of our workplace adjustments process, which all boosts an inclusive colleague experience.

Learning from Covid

The blurring of the lines between home and work has become a national conversation over the past 12 months. Whilst we cannot predict how the world will look in a year, the global pandemic has accelerated our existing programmes to extend our family leave and flexible working colleague experience. Sage is committed to creating an environment that celebrates flexibility in all its forms so that we can truly support all colleagues to thrive, and the focus in 2021 and beyond will be on expanding existing programmes to be part of our ongoing infrastructure.

In the past few months we have implemented initiatives such as; ensuring those who take maternity, adoption or shared paternity leave have a 1:1 contact to support their transition. This year, we will implement a range of changes and improvements to our benefits offer, with inclusivity at its heart.

At Sage we do the right thing. That's why we will continue to listen to our colleagues and make them feel valued and respected. We're committed to innovating and adapting, to learning from our colleagues and using their feedback to shape our approach and commitment to inclusivity.

We are taking active steps to attract the best talent to Sage from the widest pool of talent available to us based on ability and potential. Our focus is firmly on creating an inclusive culture where all colleagues feel they can reach their full potential and thrive.

We recognise that there is still work to do. Whilst we are continuing to improve our gender balance across the UK and globally, we are looking ahead at how we address the long-term challenge of the underrepresentation of women in leadership roles, particularly in areas such as technology and engineering. We will continue to draw on the diverse views, experiences and backgrounds offered by our colleagues to accelerate progress and we remain committed to empowering our people to live the Sage values each and every day, creating an inclusive workplace where everyone can thrive.

— Steve Hare, CEO, Sage



Sage UK

Our Pay Gap Our Bonus Gap

2020
Mean Pay Gap
10.6%

2020
Mean Bonus Gap
17.4%

2019
Mean Pay Gap
13.8%

2019
Mean Bonus Gap
10.2%

2020
Median Pay Gap
13.6%

2020
Median Bonus Gap
11.0%

2019
Median Pay Gap
11.5%

2019
Median Bonus Gap
8.1%

Proportion of women and men in each pay quartile

Quartiles	2020 Men	2020 Women	2019 Men	2019 Women
Pay quartile 4 (Top)	68.7%	31.3%	71.6%	28.4%
Pay quartile 3	67.9%	32.1%	67.8%	32.2%
Pay quartile 2	60.0%	40.0%	62.9%	37.1%
Pay quartile 1 (Bottom)	58.0%	42.0%	56.1%	43.9%
Proportion of employees who receive bonus pay	92.1%	90.0%	88.4%	85.8%

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.

Sage Global Services—UK based colleagues

Our Pay Gap Our Bonus Gap

2020
Mean Pay Gap
10.3%

2020
Mean Bonus Gap
16.5%

2019
Mean Pay Gap
9.9%

2019
Mean Bonus Gap
23.2%

2020
Median Pay Gap
-3.6%

2020
Median Bonus Gap
-12.9%

2019
Median Pay Gap
5.9%

2019
Median Bonus Gap
10.5%

Proportion of women and men in each pay quartile

Quartiles	2020 Men	2020 Women	2019 Men	2019 Women
Pay quartile 4 (Top)	62.9%	37.1%	56.2%	43.8%
Pay quartile 3	48.4%	51.6%	51.2%	48.8%
Pay quartile 2	59.7%	40.3%	47.5%	52.5%
Pay quartile 1 (Bottom)	55.2%	44.8%	51.9%	48.1%
Proportion of employees who receive bonus pay	69.7%	77.8%	74.4%	81.1%

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.



Sage Group Plc
North Park
Newcastle-upon-Tyne

NE13 9AA

www.sage.com



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