

REPORT

# Gender Pay Gap Report 2021

*Including the Ethnicity Pay Gap  
Preliminary Data Set 2021*



# Contents

- 03 Introduction**
- 04 What is the Gender Pay Gap?**
- 05 An overview of our data**
- 07 Understanding our data**
- 08 Our progress**
- 10 What is the Ethnicity Pay Gap?**
- 11 An overview of our Ethnicity Pay Gap data**
- 13 Understanding our data**
- 14 Looking ahead**

# Introduction

Building a truly inclusive culture, in which every colleague can bring their whole self to work is central to our purpose to **knock down barriers so that everyone can thrive**.

Diversity, Equity, and Inclusion (DEI) sits at the heart of our bold new Society and Sustainability strategy, alongside our wider commitments to tackle digital and economic inequality and the climate crisis. It is also central to our Sage Colleague Promises: We are committed to people, driven by innovation, energizing everyone to make a difference.

Our ambitious DEI strategy aims to drive innovation to ensure that all colleagues can make the most of their talents, and we will continue to set bold and aspirational targets so that we remain accountable for our progress.

Like many, we are on an ongoing journey to deliver the long-term interventions we set out in our first Gender Pay Gap Report in 2017. I am pleased that our focus has led to our Gender Pay Gap decreasing for the fourth year in a row, reporting at approximately half of the UK average.

In this year's report we also share preliminary findings from our first Ethnicity Pay Gap report. While we need further data to see the full picture, we can already see that there is still work to do, and this will be a key focus over the next five years as we work across our communities to expedite change.

Our commitment to equality remains unequivocal. We will retain our relentless focus on driving greater diversity, reducing the gender pay gap even further, and working together to create an inclusive, equitable culture in which every colleague can truly thrive.

#### Authorised signatory Declaration

*I confirm that the data contained within this report is accurate and meets the requirements of the gender pay gap reporting regulations.*

**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 and we are committed to supporting our non-binary colleagues.

# An overview of our data

At the time of reporting, Sage had 2657 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. Whilst we know this is not a statistically significant sample size, we are sharing where we are on our journey to become a more diverse, equitable, and inclusive organisation, in line with our values of being transparent and accountable.

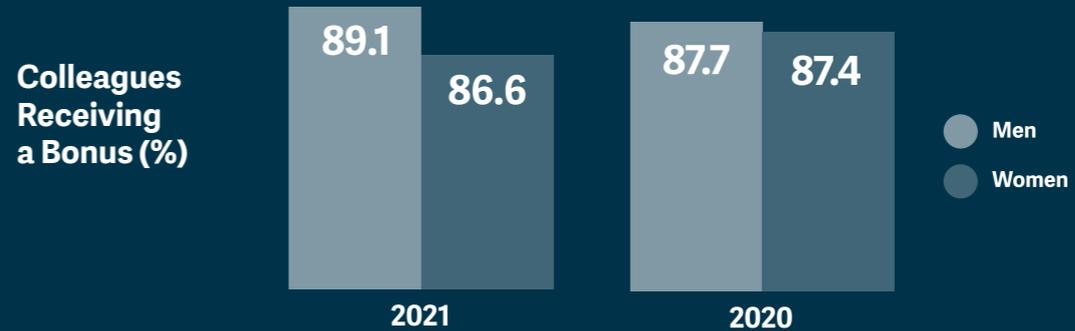
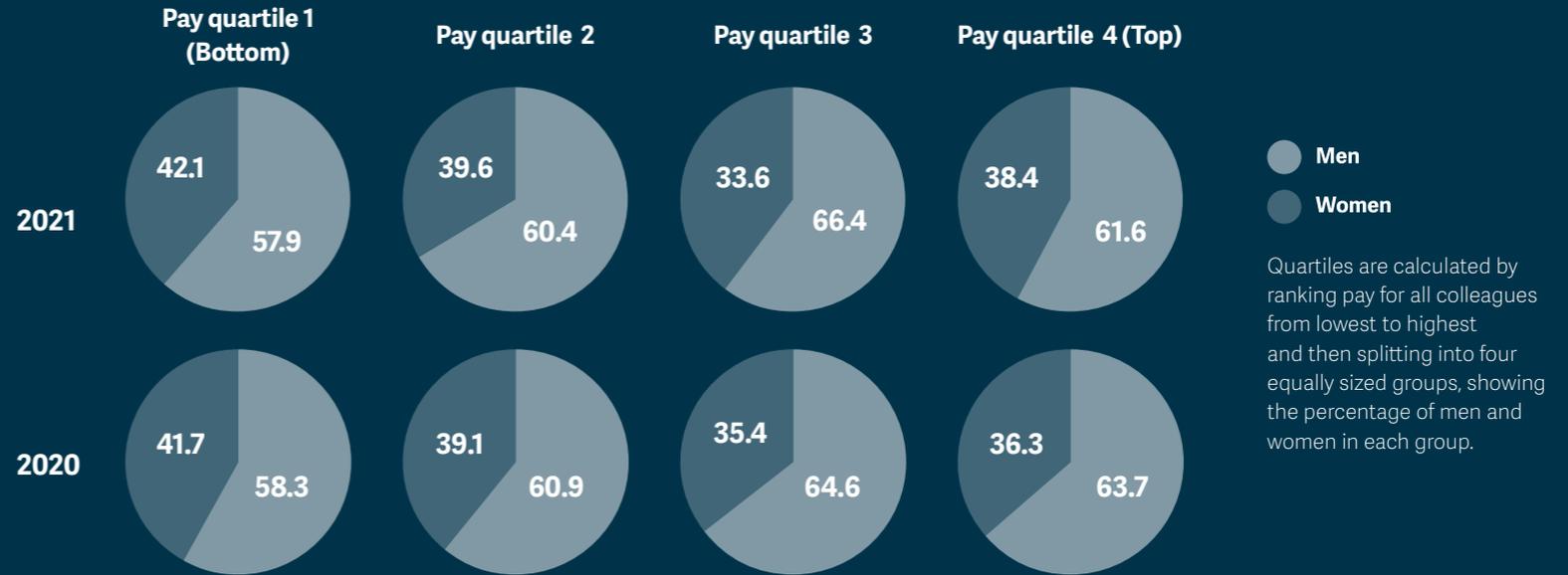


The following table shows our overall Gender Pay Gap data for all our UK based colleagues in both entities, as well as employees in entities below the 250 limit as of the snapshot date of 4 April 2021. It also shows Bonus Pay data for bonuses paid in the year.

Mean		
Year	Gender Pay Gap	Gender Bonus Gap
2021	7.3%	8.6%
2020	7.6%	9.2%
2019	10.2%	28.6%

Median		
Year	Gender Pay Gap	Gender Bonus Gap
2021	6.1%	10.1%
2020	8.0%	2.6%
2019	5.6%	-12.2%

### Proportion of women and men in each pay quartile (%)



# Understanding our data

Our Mean Gender Pay Gap is 7.3% in 2021, having consistently reduced year on year since reporting began (7.6% in 2020, 10.2% in 2019 and 12.2% in 2018).

Our Mean Gender Bonus Gap is 8.6% in 2021 which equally has consistently reduced (from 9.2% in 2020, 28.6% in 2019 and 53% in 2018).

Of those defined as working in Technology roles, women represented 23% of the population, and our Technology hiring rate of women has increased to 43%.

The number of women in the upper payment quartile has increased during this period by 2.1% to 38.4%.

The UK Mean Gender Pay Gap is reported as 14.6% in 2020.

The Technology Industry Median Gender Pay Gap is in the UK reports at approximately 20%.



# Our progress

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

## **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. We will continue to endorse the 'Tech Talent Charter', bringing together industries and organisations to drive greater inclusion and diversity in technology roles.<sup>2</sup>

## **Attracting Talent**

Attracting talent into Sage is core to maintaining and improving 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 3% to 44% in 2021.

Our Sage Brand Ambassadors programme in UK universities helps us to appeal to a wider pool of diverse talent. We post our available roles on LinkedIn, and this year sponsored the 'WeAreTheCity' the Tech Forum and the 'Entrepreneurs' category for their 'Rising Star' Awards. These targeted activities help to promote our brand externally and attract female talent with leadership potential into Sage.

We are building a network of trusted partnerships to help us with diversity hiring and this year have started to work with 'Vercida' and 'Radical Recruitment'.

Our targeted marketing and talent acquisition strategies have continued to help increase the percentage of women hired and we seek inclusive recruitment at all levels in Sage.

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.

## **Sage Pathways**

Our Sage Pathways programme focuses on helping people returning to the workplace after an extended time away. This year we have extended its scope, and the programme now includes recruiting for roles into wider disciplines including Tech, Finance and Digital Marketing.

We have used Sage Pathways to deliver against our commitments to give back to our local communities through Sage Foundation and the Sustainability & Society strategy by helping to build the confidence and skills of applicants on 'work readiness'. There were many more applicants than open roles, however we are pleased that our programme is helping returners to be more confident about finding a job than they would have been otherwise which will help them return to the workplace either with us or with other organisations.

<sup>2</sup> <https://www.techtalentcharter.co.uk/home>

### **Flexible Human Work**

During the Covid-19 Pandemic we made significant changes to our ways of working supporting and enabling our colleagues to use technology to work from home. This support included the introduction of a Colleague Success Network Family @ Sage, and the continued provision of healthy mind coaches and free access to the 'Headspace' app for a second year running.

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 our Glass Door 9th 'Best Place to Work for Work Life Balance'.

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 essentially sets out how colleagues at Sage will work in a hybrid way to drive great outcomes for customers.

### **Inclusive Culture**

We launched and promoted our Inclusive Leader and Inclusive Colleague Learning Hubs including a wide range of online learning contents.

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.

### **Gender Alliance @ Sage**

We launched Gender Alliance @ Sage on International Women's Day this year. Open to all, Gender Alliance @ Sage is dedicated to improving gender diversity at all levels in Sage with a spotlight on Technology.

Gender Alliance @ Sage sets out to be both a safe place for cisgender women, transgender people and non-binary people to connect, share and learn as well as a safe place for allies to support, share and learn. We partnered with 'MyGeneration' to build this inclusive space and are building our capability and representation to be inclusive of all genders.

The CSN is sponsored by Lee Perkins, Group COO and in the UK by Kirsty Waller, VP Customer Marketing and Katie Ward, VP Data.

Our Pride @ Sage Colleague Success Network has been in place for some time to promote 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. We have a range of other CSNs to connect and support our colleagues.

# 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 set by the government and is significantly influenced by the difference in the number of 'White' and 'Non-White' colleagues across the levels within the organisation.

We are not currently legally required to report on our Ethnicity Pay Gap 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?

### 1. The Mean

The Mean Ethnicity 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 'White and 'Non-White'.

### 2. The Median

The Median Ethnicity Pay Gap is calculated by listing all 'White and 'Non-White's colleagues 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 35% of 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 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 2021. It also shows Bonus Pay data for bonuses paid in the year. Our Ethnicity Pay Gap is calculated on a sample size of 35% of our UK colleagues. Any assumptions made from the data must be treated with caution and could change significantly as Ethnicity disclosure increases.

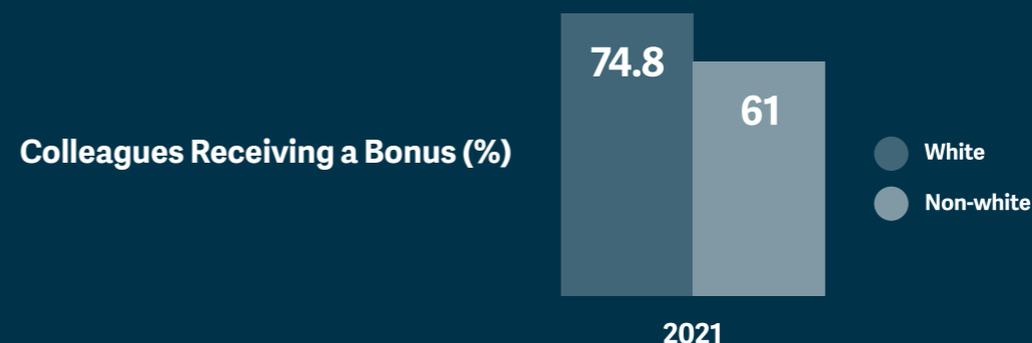
Mean		
Year	Ethnicity Pay Gap	Ethnicity Bonus Gap
2021	7.8%	19.8%

Median		
Year	Ethnicity Pay Gap	Ethnicity Bonus Gap
2021	2.4%	2.2%

### Proportion of white and non-white in each pay quartile (%)



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 data

We know that understanding our workforce data is important and we already have in place priority interventions to help build our data set to enable more robust reporting through our 'All About Us' programme for the forthcoming reporting year, where we seek to increase participation in the UK to a minimum of 50%.

## Voice of our Colleagues

We listened to the voice of our colleagues who asked us to build a community to support the Race and Ethnic diversity agenda during Colleague Engagement Sessions held during Black History Month in October 2020. Our Embrace @ Sage CSN was set up and is now a thriving community.

During the sessions we also learned of other ways in which our colleagues can be supported and enabled, and we have been working towards the commitments set by Business in the Community's Race at Work Charter.

## 'All About Us'

We also launched a new insight project, All About Us, inviting colleagues in eight countries to voluntarily share more about themselves, covering topics such as gender identity, sexual orientation and ability. This is allowing us to build up an intersectional picture of our colleague populations, and through this data we can better understand the impact that our systems and processes have so we can create an equitable experience for all. This important milestone contributed to us achieving an award in DEI from The Employers Network for Equality & Inclusion and will be key to improving our reporting and building a better understanding of the Ethnicity Pay Gap.

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

# Looking ahead

We will focus on delivering the 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.**

We will continue to progress work on our talent attraction strategy and recruitment processes, and we are building progressive policies on safeguarding and reproductive health as well as refresh our benefits to make sure they are inclusive.

As we continue to engage our colleagues in our DEI strategy, we will increase awareness of 'All About Us', helping to build a more detailed picture of our workforce profile. As we gather more data from colleagues, we will be able to conduct targeted analysis, so we understand the specific challenges our colleagues face and provide data-informed solutions.



At Sage our purpose is 'Knocking down barriers so everyone can thrive'. It is the reason we exist. We're committed to creating a culture in which everyone feels valued and empowered to thrive. Not just because it's the right thing to do, but because we need diverse perspectives to generate the best ideas to help us solve our customers' problems.

We are a global company and believe our organisation should reflect the world we live in. We are committed to an inclusive workforce that fully represents the many different cultures, backgrounds, and viewpoints, of our colleagues, customers, society and shareholders.

We recognise diversity, equity and inclusion (DEI) can be multifaceted and that we need to tackle these subjects to better engage all underrepresented groups at Sage if we are to build a truly inclusive culture, where everyone feels they belong.

While we continue to take active steps towards creating meaningful change, we recognise we still have work to do. Our DEI commitments and strategy outline how we are making strides to remove barriers and promote success for our stakeholders. Our focus is firmly on removing bias, driving equity across the colleague experience, expanding educational outreach to attract diverse talent, increasing diversity in leadership and championing DEI Learning and Development.

We have committed externally to specific DEI goals we believe are critical to the success of the business. These goals will enable us to track our progress and hold ourselves accountable. This work is part of a long-term effort to build a truly inclusive culture that unlocks creativity, innovation and develops the sustained change required to close our gender and ethnicity pay gaps.

---

**Steve Hare, CEO, Sage**





Sage  
C23  
5 & 6 Cobalt Park Way  
Cobalt Park  
Newcastle upon Tyne  
NE28 9EJ

[www.sage.com](http://www.sage.com)



©2021 The Sage Group plc or its licensors. All rights reserved. Sage, Sage logos, and Sage product and service names mentioned herein are the trademarks of Sage Global Services Limited or its licensors. All other trademarks are the property of their respective owners.