

Gender Pay Gap Report

2023

The value of diversity.

The longer-established our business, the more we see the benefits workforce diversity delivers for us: encouraging creativity and collaboration, promoting innovation, and preventing groupthink

We're striving to create an environment where everyone is treated equitably and can bring their whole self to work. Not only is this fair, but it's good for business too: we truly believe that greater inclusion and diversity, including a gender-balanced workforce, leads to a more rewarding and successful workplace.

We're dedicated to inclusive working practices, and make every effort to increase diversity of all kinds through best practice in recruitment, training, mentoring, parental leave and flexible working.

What's this document about?

Companies in the UK with more than 250 employees are required by law to report their 'Gender Pay Gap' statistics annually, and have been since 2017.

The Gender Pay Gap is the difference in average earnings between all men and women in the organisation.

Let's be clear: we always meet our legal obligations to ensure people carrying out the same or similar work are paid equally, regardless of gender. The Gender Pay Gap instead reflects structural issues that pervade across wider society: norms or practices that hinder women in progressing their careers, growing their earnings, or achieving their goals. We're committed to addressing these issues.

This document outlines the relevant gender pay gap figures; provides commentary that adds context; and reports how we're working to minimise discrepancies.

While the statistics included in this report relate only to UK-based colleagues, we're asking ourselves how we can apply the understanding and lessons the report provides to everyone, everywhere.


The figures.

These figures represent a snapshot of our business on April 5, 2022.

The Gender Pay Gap illustrates the difference between the mean (average) and median (mid-point) pay and bonus earnings of male and female employees; this is expressed as a percentage of male employees' earnings.

In our report each year, we prioritise the Median Gender Pay Gap, as the Mean can be inappropriately skewed by a small number of very high earners. This is common practice among businesses of our size.

Median Gender Pay Gap  **17.9%**

Mean Gender Pay Gap  **20.8%**

Bonus pay gap.

Men Receiving Bonus  **91.5%**

Women Receiving Bonus  **93.8%**

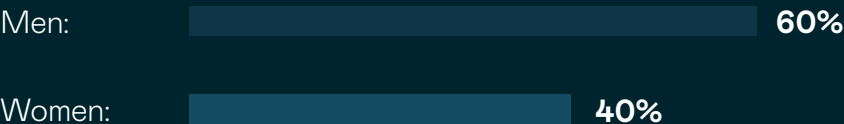
Median Bonus Gender Pay Gap  **15.8%**

Mean Bonus Gender Pay Gap  **40.7%**

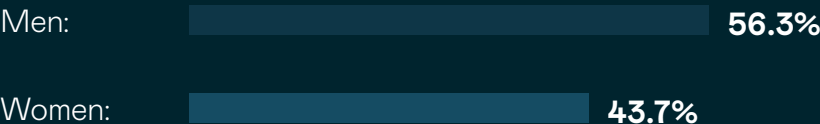
Pay distribution.

Of the people in each quartile of our payroll on the reporting date, how many were men and how many were women?

LOWER QUARTILE



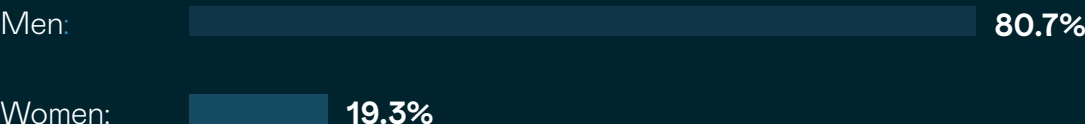
LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE



UPPER QUARTILE



Progress over time.

In our report we have prioritised the Median Gender Pay Gap, as the Mean can be skewed by a small number of very high earners.

| | 2022 | 2021 | 2020 | 2019 |
|---------------------------------------|-------|-------|-------|-------|
| Median Gender Pay Gap | 17.9% | 23.9% | 18.6% | 23.7% |
| Mean Gender Pay Gap | 20.8% | 24.3% | 23.6% | 29.1% |
| Median Bonus Gender Pay Gap | 15.8% | 34.1% | 35.7% | 34.5% |
| Mean Bonus Gender Pay Gap | 40.7% | 48.0% | 54.0% | 51.0% |
| Proportion of Men Receiving Bonuses | 91.5% | 89.3% | 96.3% | 95.5% |
| Proportion of Women Receiving Bonuses | 93.8% | 93.8% | 92.4% | 91.6% |

The following table details the gender distribution in each quartile of PHMG's payroll for the last four reporting periods:

| | 2022 | | 2021 | | 2020 | | 2019 | |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Men | Women | Men | Women | Men | Women | Men | Women |
| Lower Quartile | 60.0% | 40.0% | 58.1% | 41.9% | 46.0% | 54.0% | 57.5% | 42.5% |
| Lower Middle Quartile | 56.3% | 43.7% | 55.3% | 44.7% | 56.0% | 44.0% | 62.2% | 37.8% |
| Upper Middle Quartile | 68.1% | 31.9% | 70.2% | 29.8% | 64.0% | 36.0% | 65.8% | 34.2% |
| Upper Quartile | 80.7% | 19.3% | 77.4% | 22.6% | 78.4% | 21.6% | 84.9% | 15.1% |

Interpreting these results.

Having seen our Gender Pay Gap Report return to a more accurate picture in 2021 (lockdown-era reporting rules gave a false picture in 2020), we are confident that our figures for 2022 demonstrate substantial, genuine progress.

The latest figures illustrate that we now have our smallest Gender Pay Gap, by any measure, since reporting began in 2017.

This reflects the significant work we have done to address our Gender Pay Gap; the gap has reduced by around a third since 2017, and we are working hard to ensure progress to eliminate the gap continues in future reports.

We are, however, conscious that our 2022 figures imply women represented a smaller proportion of our overall population than the previous year, and are particularly mindful of the apparent reduction in women among the business's uppermost earners.

Significant change in this population may be difficult to achieve quickly, given our typically strong levels of staff retention in senior roles.

What we're doing.

We're continuing to place significant effort and resources in addressing the issues that underpin our Gender Pay Gap. Although it remains above the national average, we're making steady headway.

Rather than believe we have done 'enough', we are keen to build on the momentum we've created. Since publishing our last Gender Pay Gap report, in which we announced the rollout of mandatory Unconscious Bias training to hiring managers, we've extended this training to all new hires as part of our induction process.

We now insist on representative shortlists for leadership and high-paying roles, and have taken steps to make our recruitment messaging more gender-neutral, in a bid to attract more applications from women. This has led to a significant increase in the number of women appointed to our high-paying Business Development Manager position in particular.

In early 2023, we have invited women from our mid-level senior management population to take part in a series of professional development workshops to support their career development as future leaders; these have been facilitated by our L&D team but are being formulated and delivered by external partners, to prevent insularity.

Furthermore, we've enhanced maternity pay for UK-based colleagues above market rates and Gareth Watt has been appointed to the Board as our Chief People Officer, giving formal representation to this area of the business at Exec level for the first time. On a more day-to-day basis, we are also making proactive steps to promote social awareness through events across the calendar.

These actions collectively reflect our commitment to creating a working environment that champions equal opportunities and inclusivity, building a business in which gender bears no consequence on earning potential.

