



Gender Pay Gap Report

2020

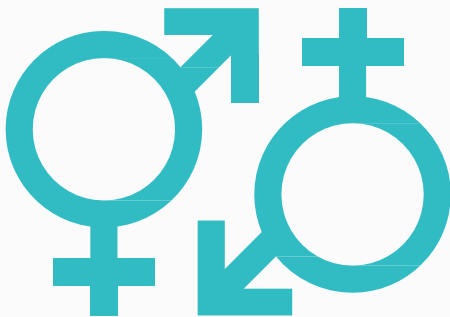
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INTRODUCTION



Tom Somerville
Director



At Orbit, which is part of Cabot Credit Management, being inclusive and collaborative are critical ingredients to our values, what we stand for and for our ongoing success. We are keen to continually analyse our gender pay gap data making the necessary changes to ensure we have fair and transparent offerings for all our colleagues across the business. We are committed to making sustainable changes in our systems and processes and we acknowledge the need to plan ahead and take our time so it is not only imbedded effectively, but remains a permanent change.

We are proud to be building a workforce that reflects the communities where we live and work and this year saw the creation of our diversity and inclusion steering group. This group has representatives from across all Cabot's businesses established with the intention to continually challenge the business to explore how we can evolve our BAU processes and procedures to create equality for all our colleagues

We care about our colleagues and are passionate about attracting and developing a diverse range of talent and rewarding them fairly and effectively. In order to create objectivity in the reward space Cabot introduced a centralised reward team and carried out a read across exercise to create visibility of the alignment of roles across the business including Orbit. This forms the basis of our reward strategy moving forward.

Alongside this Cabot also undertook a benchmarking exercise for the first time on all job roles using detailed job sizing methodology in order to ensure a fair, consistent and structured method of sizing our roles against the market.

We have maintained a good gender balance with 50.5% females and 49.5% males and we can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.

Although the ratio of males to females in senior roles continues to result in a gender pay gap, **the mean gender pay gap of 12% is significantly lower than the 41% reported in 2019. Our median gender pay gap has reduced to 9% from 22%**. Whilst we are pleased to report this progress we recognise that there is more to be done. **The proportion of females in the upper pay quartile is 35% and whilst an improvement on 16% reported in 2019, it is still over 15% lower than the overall ratio within the company.**

To support our objective, a requirement for female participation in recruitment and succession plans for all senior roles was set as a core requirement for the business, with this supporting career progression and development opportunities for women throughout our organisation.

Our field team continue to contribute to our mean gender pay gap and have a significant impact on the differential between the number of males receiving a bonus comparative to females. **Only 7% of females received a bonus compared with 33% of males. The field team dominates the quantum of those receiving a bonus (representing 72% of bonuses paid)**. This team remains predominantly male (94%) which we will be looking to balance out as much as we can in the upcoming years. Whilst we are pleased with the progress that we are making we are fully committed to working towards increased education and progress throughout 2021.

Tom Somerville
Director
Orbit

DEFINITION

MEDIAN GENDER HOURLY RATE OF PAY



It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

MEDIAN

The Median Gender Pay Gap shows the difference in the median (mid-point) hourly rate of pay between males and females over the measurement period.

The median hourly rate is worked out by ranking the hourly rates of employees from low to high and identifying the mid point within the rank (male and females separately).

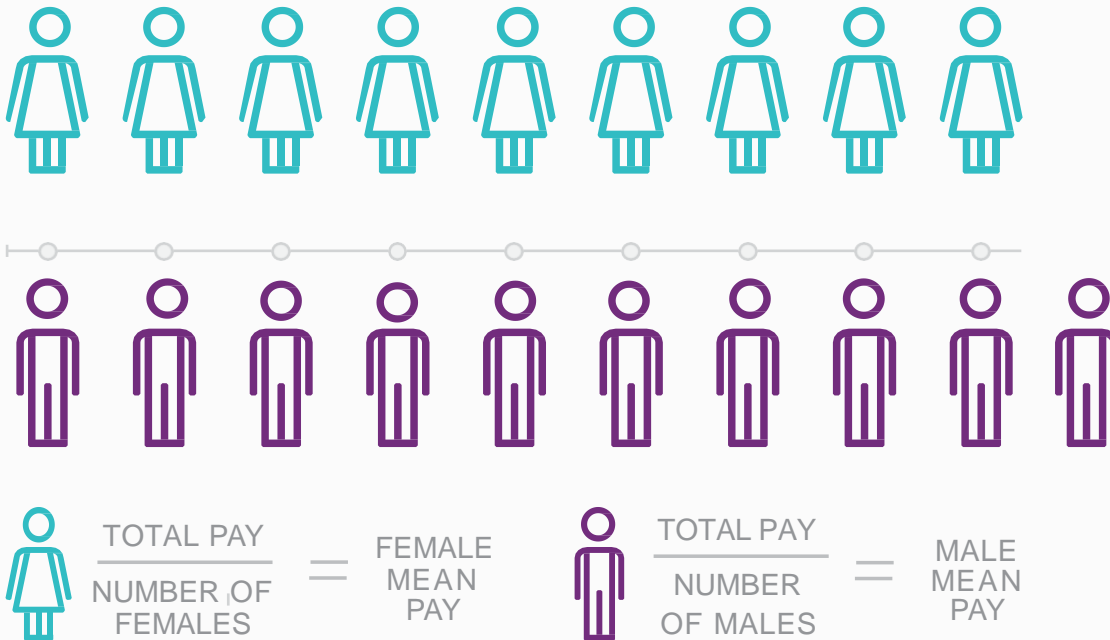
The Median Gender PayGap is the female median hourly rate subtracted from the male median hourly rate, divided by the male median hourly rate, multiplied by 100.

'Pay' incorporates money payments received during the measurement period, which is the pay period in which the 5th April 2020 falls, including any bonuses related to that period.



DEFINITION

MEAN GENDER HOURLY RATE OF PAY



It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

MEAN

The Mean Gender Pay Gap shows the difference in the mean (average) hourly rate of pay between males and females over the measurement period.

The mean hourly rate of pay is worked out by adding the hourly rates of pay for all employees and dividing by the number of employees (male and females separately).

The Mean Gender Pay Gap is the female mean hourly rate subtracted from the male mean hourly rate, divided by the male mean hourly rate, multiplied by 100.

'Pay' incorporates money payments received during the measurement period, which is the pay period in which the 5th April 2020 falls, including any bonuses related to that period.

DEFINITION

GENDER BONUS GAP

$$\left(\frac{\text{£XX} - \text{£XX}}{\text{£XX}} \right) \times 100 = \text{XX}\%$$



It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

GENDER BONUS GAP

The Gender Bonus Gap compares the average bonus paid to females receiving a bonus to the average bonus paid to males receiving a bonus.

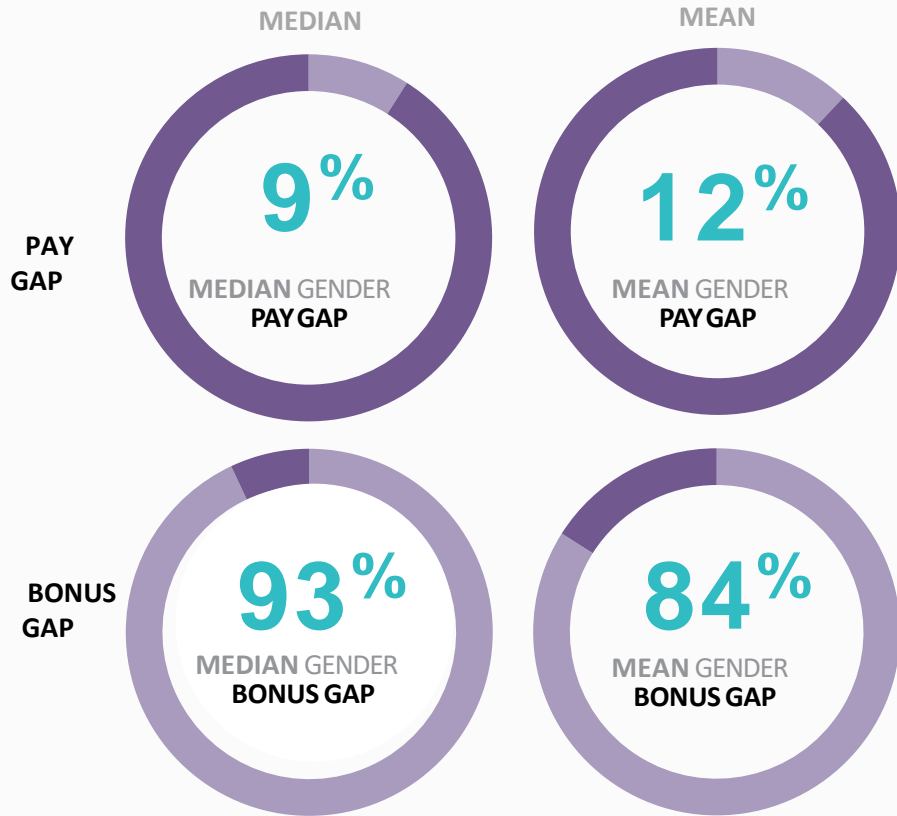
The Median Gender Bonus Gap is the female median bonus subtracted from the male median bonus, divided by the male median bonus, multiplied by 100.

The Mean Gender Bonus Gap is the female mean bonus subtracted from the male mean bonus, divided by the male mean bonus, multiplied by 100.

‘Bonus’ incorporates bonus payments in cash or other financial assets received across the ‘measurement period’, which is the 12 months prior to the pay period in which the 5th April 2020 falls.



GENDER PAY & BONUS GAP



Why is the Gender Bonus Gap higher than the Gender Pay Gap?

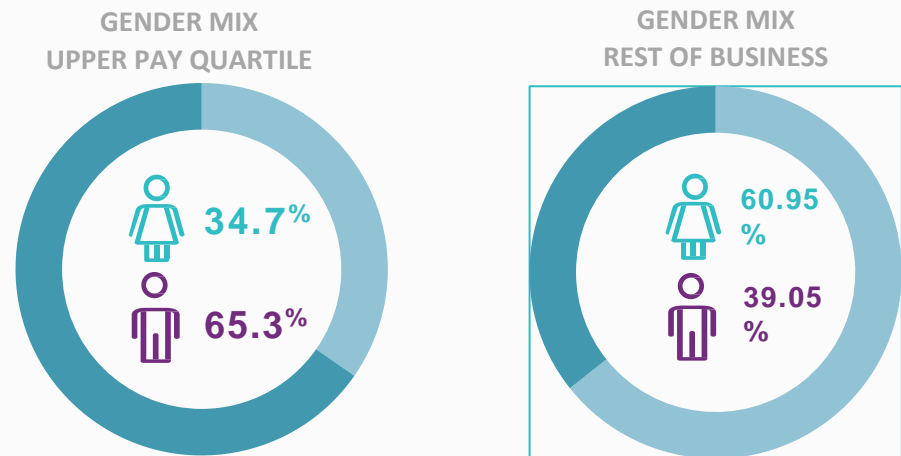
Bonus payments are paid almost exclusively to our Field team and the proportion of females in this team was 7%. Therefore, the Gender Bonus Gap increases compared to the Gender Pay Gap, reflecting that the proportion of males increases in the Field team.

Why is the Mean Gender Gap higher than the Median Gender Gap?

The Mean (average) as a calculation is more sensitive to the profile of males and females in senior positions than the Median (mid-point), which is more reflective of the 'typical' situation as it is based on a rank of employees. This leads to a lower result.

WHY?

The gender pay gap is a result of us having more males in the higher pay quartile (senior management positions) and more females in the lower quartile (junior positions)



We can confirm men and women who carry out similar or the same roles are paid equally when variations in experience, skills and performance are taken into account.

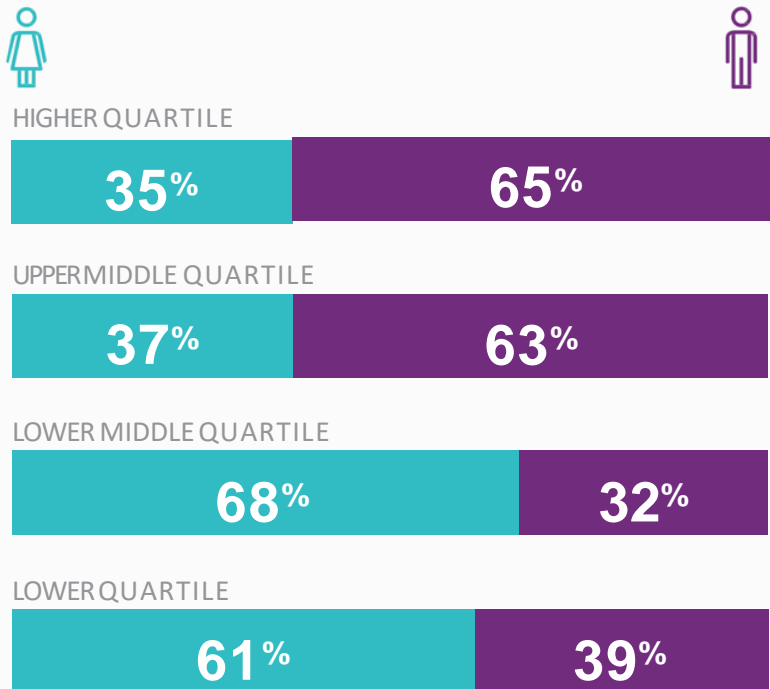


GENDER MIX

OVERALL GENDER MIX



GENDER IN EACH PAYQUARTILE

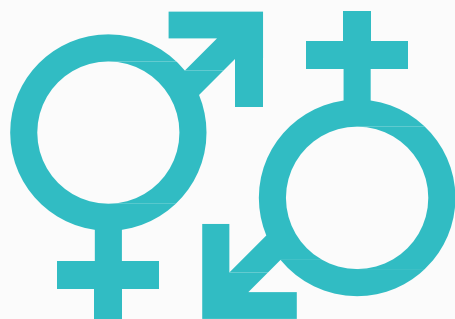


Whilst the overall gender mix is 50.5% females and 49.5% males, the proportion of females is not as high in the Higher Quartile of pay than the average across the other Quartiles.

Employees have been sorted based on pay from the lowest to the highest and then split into quartiles.

We can confirm men and women who carry out similar or the same roles are paid equally when variations in experience, skills and performance are taken into account.

GENDER MIX OF THOSE RECEIVING A BONUS



The proportion of females and males who received a bonus in Orbit is females 7% and males 33%.

This is reflective of the field activity function dominating bonus within the business and attracting 94% of male recruits.

The measurement period is the 12 months ending 5th April 2020.

We can confirm men and women who carry out similar or the same roles are paid equally when variations in experience, skills and performance are taken into account.



CONCLUSION

We care and we continue to pride ourselves in having fairness in reward and we can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.

We are inclusive and collaborative and whilst we have a good overall gender balance, we recognise that the gender balance in more senior roles is less weighted to females.

We are committed to improving the proportion of females in managerial positions and specialist roles, to reflect the overall profile of females across the business wherever possible.

Business practice which supports fairness

- **Recruitment is based on competency and our focus is on finding the best person for the role, regardless of their gender. Shortlists for senior roles which do not represent gender balance are challenged.**
- **Remuneration packages, including bonus structures are linked to job family groupings, to ensure that they appropriately reflect responsibilities and required skill sets.**
- **A steering group for Diversity and Inclusion has been established to hold the business accountable and to drive sustainable, systemic changes in behaviour and approach.**
- **A robust performance appraisal process is in place across the business to ensure that this is a fair and balanced assessment. A variety of standardised data sources are used during the performance assessment processes.**
- **There is equal access to the training and development, regardless of gender.**
- **Bonus structures are aligned to job roles and bonus calculations are subject to moderation review to avoid unconscious bias.**

OUR COMMITMENTS

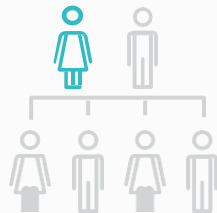
A number of areas of focus have been identified. Orbit commit to look to take tangible actions to enable us to achieve our shared goal of improving the gender mix in senior positions and in specialist technical functions.

Progress against our initiatives to improve gender balance in our organisation :



Making the most of female talent

- **Target:** We aimed for female participation on Management Development or Apprentice programmes to be reflective of the gender profile in the business as a whole, also to link into the Cabot Career Re-ignition Programme to support women returning to work and we aimed for a 50:50 gender mix in our internal and external succession plans for senior roles.
- **Update:** Female appointment to senior roles continues to be supported and the proportion of females in the upper pay quartile has doubled from 16% to 35%, however this is still well short of the overall gender mix within the Company. It remains an area of focus to deliver alignment of these ratios.



Inspire & support women

- **Target:** We planned to share stories of success for women and to work with the group to develop an internal female mentorship programme.
- **Update:** The progress made in this area has been through informal arrangements between line managers and relevant employees



Challenge behaviours

- **Target:** To continually challenge the business to explore how we can evolve our BAU processes and procedures to create equality for all our colleagues.
- **Update:** A group Diversity & Inclusion Steering Group has also been established to hold the business accountable and to drive sustainable, systematic changes in behavior and approach. Further diversity and inclusion training has been planned for delivery throughout 2021.



Measure & reward progress

- **Target:** Reporting on gender diversity and inclusion metrics would be promoted and gender diversity goals incorporated into senior management objectives.
- **Update:** In order to create objectivity in the reward space Cabot introduced a centralised reward team and carried out a read across exercise to create visibility of the alignment of roles across the business including Wescot. This forms the basis of our reward strategy moving forward.

ORBIT

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Orbit Debt Collections Ltd

Registered in England with Company No: 6476959.

Registered Office: 1 Kings Hill Avenue, Kings Hill,

West Malling, ME19 4UA

