



**Principality**

Building Society  
Cymdeithas Adeiladu

# Gender Pay Gap Report 2021

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## An introduction from our Chief People Officer

2021 marks the fifth year that Principality have reported gender pay gap figures, and this year we're really pleased to report a decrease in the mean gender pay gap from 30.51% in 2020 to 27.61% in 2021. This figure represents a significant improvement, and is testament to the work that has been undertaken over the past year to improve gender diversity across the organisation. Our commitment to reducing the gender pay gap remains strong, and we are confident that continued focus on improving diversity will help to improve this further over the coming years.

In 2020, our gender pay gap figure was affected by the fact that we had both the exiting CEO, Steve Hughes, and an interim CEO, Mike Jones, included in the calculation. With the appointment of Julie-Ann Haines as CEO in September last year, we have not only seen improvement in the gender pay gap figure but have also seen significant improvement in gender diversity at Executive level. Since her appointment, Julie-Ann has demonstrated her dedication to role-modelling female leadership from the top down through her recruitment decisions, which, as signatories of the Women in Finance Charter, is a key commitment for Principality.

When we signed up to the Charter in July 2016, we had 23% female representation in our senior positions. As of September 2021 we have increased to 28% female representation; while we're disappointed that we didn't reach our target of 33% by 30th September 2021, we've seen excellent progress through the appointment of our first female CEO and Chair of the Board, and through the improvement of

female representation at the executive committee from 25% in our first submission to 44% this year. This improvement echoes the positive movement in the Gender Pay Gap, and is reflective of the focus being placed on improving diversity at all levels in the business. We remain committed to driving gender diversity through inclusion of diversity targets in the CEO balanced scorecard, and through development of a Diversity Strategy set to be finalised by the end of 2021.

We will continue working to reach our target, and anticipate that recruitment activities taking place in Q4 will bring us up to 33% female representation in senior roles by the end of 2021. As of November 2021, the figure stands at 30%.

Across the organisation, gender representation at each level within the business (whilst improved) follows the same pattern as in previous years. Overall, the gender split is 59% female and 41% male, with higher male representation in senior roles and higher female representation in junior roles. These colleague demographics are slow to change and have historically been influenced by higher numbers of women choosing part-time work, which Principality has always been proud to support. That being said, we have recently undertaken work to refresh our flexible working policy to ensure colleagues are offered flexibility right throughout the organisation, and are pleased to see an increase in the number of colleagues now choosing to work flexibly at all levels.

We also remain committed to ensuring colleagues at all levels are treated fairly when it comes to their pay, and we regularly review external benchmarks for each grade and role to align our salaries with the external market. In addition to ensuring colleagues are remunerated appropriately for their

skills and experience regardless of their level within the organisation, we've also worked hard to give colleagues the appropriate support in their roles during the disruption caused by the pandemic over the last 18 months. While the pandemic continues to impact the way we operate as an organisation, we have not made use of the Coronavirus Job Retention Scheme by placing any colleagues on furlough, and Covid-19 has therefore not had an impact on our gender pay gap figures.

Turning our focus to the future, we plan to continue researching and embedding inclusive recruitment practices through the creation of a Talent Acquisition strategy, and through the introduction of a number of exciting new roles, including a Talent Manager and an Inclusion Manager. Earlier in the year we partnered with external diversity and inclusion consultancy Compelling Culture, who have helped to shape a refreshed approach to improving diversity and inclusion within the organisation, and we're looking forward to embedding a robust diversity strategy in the new year.

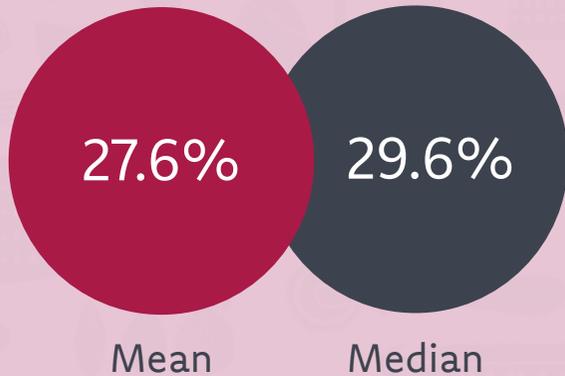
While it's been a challenging year for us all, we're extremely pleased to be able to report a reduction in the overall Gender Pay Gap at Principality, and are thrilled that our continued focus on creating a diverse place to work is yielding results. We have been recognised as a Great Place To Work again this year, and will continue to strive towards our ambition of becoming an Employer of Choice in Wales.

I confirm that the information contained in Principality's gender pay report is accurate.

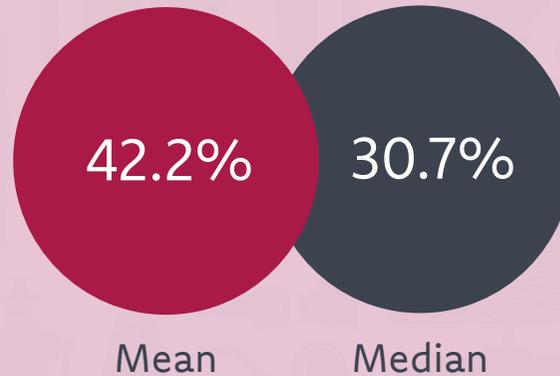
**Lorna Kerr**  
Chief People Officer

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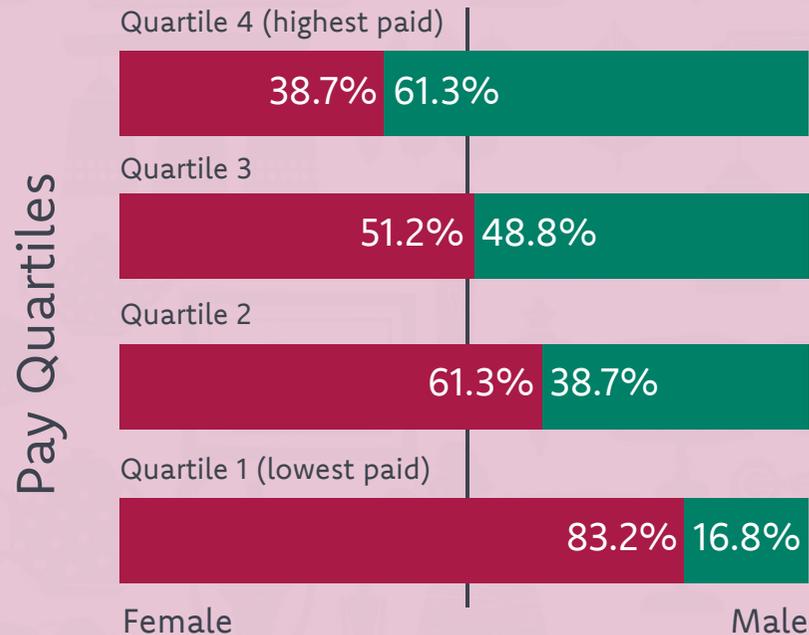
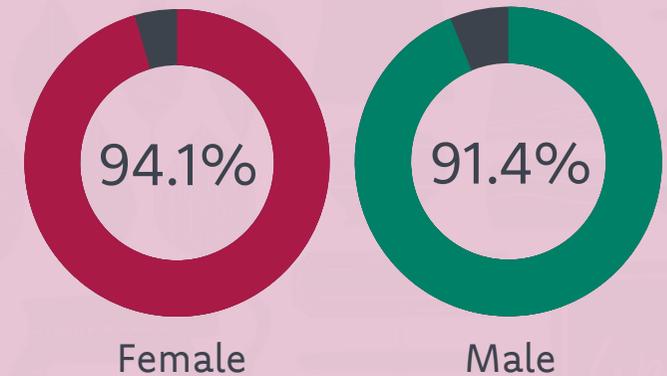
## Gender Pay Gap



## Bonus Pay Gap



## Receiving Bonus



- The **gender pay gap** looks at the difference in the average pay between all men and all women and describes this difference in a single number (the data includes pay across all levels and roles)
- The **mean figure** is the difference between the average of the pay for men and women and is calculated by adding up each pay rate or bonus and dividing by the number of total employees
- The **median figure** is middle value of all of the pay rates or bonuses, when all of these figures are arranged in order
- **Pay quartiles** are calculated by listing all salaries from highest to lowest and separating into 4 equal parts



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**#WherePeopleMatter**