Gender Pay Gap
Report 2019

sage | Belong

Contents

Introduction

"At Sage, we know that colleague and customer success are intrinsically linked. That's why we are working hard to ensure each and every one of our colleagues feel like they can be their true selves, that is, their best selves, every day."

"An inclusive culture has always been critical at Sage. That's because we can only truly understand and anticipate the differing and changing needs of our customers if we seek out a diversity of views, experiences and backgrounds in our people. This will help us to experiment with a clear sense of purpose to solve real customer problems together.

"Since our last report, we have been more intentional about creating this inclusive environment and we have made some significant progress against the long-term initiatives we set out in our first Gender Pay Gap Report in 2017. We are proud that our gender pay data is improving and is better than the national and sector average.

"I am proud that this report also demonstrates good progress against our longer-term strategy to address the core elements of the colleague journey, but we won't be satisfied until we have achieved greater diversity throughout the business. This is not just in terms of gender, but also ethnicity, sexual orientation, neurodiversity, and ability. Building a Sage where everyone can belong, is central to our vision of becoming a great SaaS company. "

– Amanda Cusdin, Chief People Officer

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.

Is equal pay different?

The gender pay gap isn't 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's 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 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 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.

Whilst we are not capturing this data, we are committed to supporting non-binary colleagues. Our Pride@Sage colleague 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

In the UK, Sage has over 2 500 colleagues across several entities. Only two of those entities exceed the reporting threshold of 250 colleagues – Sage UK and Sage Global Services UK. The data split by these entities can been found in Appendix A.

The Table on the next page shows our consolidated gender pay data for both entities, as of the snapshot date of 5 April 2019. It also shows bonus pay data for bonuses paid in the year.

National and Sector Pay Gaps

Technology industry median gender pay gap 25%[1]. UK median gender pay gap 17.9%[2].

Consolidated gender pay data for all UK entities, as of the snapshot date of 5 April 2019.

Our Pay Gap

2019
Mean Gender Pay Gap
10.2%

2018
Mean Gender Pay Gap
12.2%

2019
Median Gender Pay Gap
5.6%

2018
Median Gender Pay Gap
4.3%

Our Bonus Gap

2019
Mean Bonus Gap
28.6%

2018
Mean Bonus Gap
53.0%

2019
Median Bonus Gap
-12.2%

2018
Median Bonus Gap
-21.2%

Proportion of females and males in each pay quartile

Quartiles	2018 MALE	2018 FEMALE	2019 MALE	2019 FEMALE
Pay Quartile 4 (Top)	67.3%	32.7%	66.0%	34.0%
Pay Quartile 3	61.2%	38.8%	62.6%	37.4%
Pay Quartile 2	63.4%	36.6%	62.6%	37.4%
Pay Quartile 1 (Bottom)	61.3%	38.7%	57.9%	42.1%

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.uk.mercer.com/our-thinking/the-gender-pay-gap-in-uk-tech-sector.html
[2] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018

Understanding our Data

In FY19, Sage has been more intentional about creating an inclusive environment, where all colleagues can bring their whole selves to work, are treated with respect and can do the best work of their career.

We believe we have made some significant progress against the long-term initiatives set out since our first Gender Pay Gap Report in 2017, with our UK female leadership representation now standing at 41%, and a higher proportion of women than men promoted internally.

This demonstrates good progress against our longer-term strategy to address the core elements of the colleague journey. But we won't be satisfied until we have achieved greater diversity throughout the business – not just in terms of gender, but also ethnicity, sexual orientation, neurodiversity and ability.

We simply want the best people to understand that they can belong at Sage. We know there is still a lot to do. And our strategy this year will build on the momentum we've seen across the following priorities:

- **Gender Equality:** Addressing our gender balance at a senior level, by supporting more women into positions of leadership at Sage.

- **Inclusion at Sage:** Making Sage a truly inclusive workplace for all. We will ensure that the experience of our colleagues with disabilities, across ethnic minority and LGBTQ+ communities is a positive one, and no barrier to success.

- **Wellbeing:** Creating a culture at Sage where positive mental health is part of what we do and how we look after one another; helping colleagues to take time for their wellbeing and build resilience.

There are several factors that contribute to a more positive picture this year, building on the momentum we've seen since we started our Gender Pay Gap reporting in 2017.

Leadership Progress

- UK female leadership representation has risen by 2%, to 41%. This means we have met our April 2020 target of a minimum of 40% women in leadership, which we committed to back in 2018; and of female talent that made up our top 200 global leaders also increased as of September 2019. The representation of female talent on our Global Senior Management Team also increased to 37.36% – a 4.36% increase from 2017-2018.

- This shift was thanks to a focus on internal high-performance. This is helping to ensure the brilliant female talent we already have at Sage is not only recognised but can benefit from internal promotions. It was also driven by our strategic approach to ensuring gender balance in candidate lists for senior roles of Director and above. Announced in 2018, this change has resulted in the recruitment of several new female leaders into Sage's UK business.

Positive Progression and Inclusive Recruitment

- A higher proportion of women – as a percentage of the total female colleague population – were promoted in the UK (13%), as opposed to the equivalent amount of men from the male population (11%).

- This was influenced by a focus on inclusive leadership through our L.E.A.D. (Look, Evaluate, Assist and Deliver) programme. Leaders unlocked learning resources to help them accelerate team talent development, not just manage performance. Forward-thinking coaching helped colleagues to talk about their futures openly, confidently and often.

- We have also piloted progressive approaches to recruitment such as removing gendered language and jargon from our job adverts and job descriptions. This supported the innovative Sage Pathways pilot, which was announced in our 2018 report, aimed at recruiting mainly women back to work in the North East after long absence.

Investment in an inclusive Sage

- We accelerated out commitment to inclusion with the support of our Diversity & Inclusion Council, chaired by Steve Hare, Chief Executive Officer and Amanda Cusdin, Chief People Officer. People from diverse teams, backgrounds and ages make up the council to ensure differing opinions and ideas are represented. New quarterly meetings have steered priorities, including a recent data gathering project to understand the barriers for women's progression globally.

- We increased female role modelling and storytelling. From guest speakers to regular colleague blogs, we have seen a celebration of women at Sage across the year. This culminated in the naming of our second 'Inspirational Woman of the Year' at our annual Diversity and Inclusion Awards. Externally, Steve Hare started working with the 30% Club; promoting more women on boards, and Amanda Cusdin was a judge at the WeEqual Awards for the first time.

We are proud that our gender pay data is improving and is better than the national and sector average. But we know we have lots more to do.

This is not a linear journey. Our pay gap remains influenced by the factors we set out in our 2018 report and we continue our focus on these areas.

1. We have more men than women in senior roles

Our gender pay gap decreases when the top 10% of earners are removed. That's because whilst we are improving our gender-balanced ratio across our UK colleague population, and have increased senior level representation, we still have more men in the most senior roles, influencing our mean data. This needs to change to close the gap.

2. Our pipeline will remain a priority, as set out in our longer-term strategy in 2017, but it doesn't change overnight

We want to increase our recruitment pipeline of women joining us through entry programmes. This long-term focus is vital for future gender diversity, but it will increase our pay gap in the short term. We need to keep a watching brief on where progression is happening for women at Sage, to ensure we're supporting women at all stages in their career.

3. Our sector needs systematic change

We're proud that several senior technology, product, finance and sales roles are held by women. However, sustainable change must be systematic. Our 2019 apprentice intake across the organisation had a 50:50 gender balance. However, our female graduate intake went down from 50% to 39% this year. Like most technology companies this is impacted by the persistent low female uptake of STEM subjects at schools and universities.

Building an inclusive Sage

Across Sage in the UK, focused initiatives and changes to our daily operations are helping us to drive gender equality.

Inclusive Colleague Success
Progression for high performers

We have rolled out an emerging talent development programme in Marketing. The cohort, made up of 75% women, have been exposed to unfamiliar opportunities and challenging situations, supported by a strong support network. This will be repeated across our business globally.

Our ongoing goal as announced in our 2018 report is to increase internal promotions for women by a minimum of 10% each year until parity is achieved. Across Sage globally, we have nearly achieved this – with 9.64% of the female colleague population being promoted, as opposed to 10.1% of the male population. We will now expand our focus on bands where more women can be better supported with opportunities for career progression.

Listening to feedback

We have simplified our approach to internal careers based on colleague feedback. This includes an internal careers fayre, where colleagues across the UK business could understand more about the opportunities available and what options they can choose.

We will respond in 2020 to colleague feedback that they would like us to build on our flexible working culture, to ensure that all colleagues can fulfil career ambitions whilst balancing responsibilities at home and outside of work. This will include reviewing our commitment to building a better maternity programme, including a tailored offer for senior leaders and high-potential women.

Our Culture

3,701 nominations were entered for the second internal Diversity & Inclusion Awards; 2,500 more entries than 2018. The awards, which run globally across Sage, recognised the importance of inclusion and celebrated Sage colleagues leading the way. The 'Inspirational Woman of the Year' category winner Kay Dexter, based in the USA, was announced in autumn 2019. She will receive a six-month mentorship with Kerry Sinclair, the Sage Executive Sponsor of the award.

Colleagues who identify as trans women have been supported this year by our focus on LGBTQ+ inclusion through policy changes, ensuring trans colleagues are fully supported at Sage. In 2020 this will be comprehensively supported by Sage's role as a Stonewall Global Diversity Champion. This will help us understand how we currently support LGBTQ+ colleagues, including our trans and non-binary colleagues and where we need to do more.

Kerry Sinclair, Executive Sponsor, Inspirational Woman 2019 and EVP IT at Sage

I am so proud to sponsor our Inspirational Women award. In recent years we have seen more and more women rise to the top of organisations, yet women are still underrepresented at all levels.

One of the things we can do to help is help women throughout their careers and make sure they are represented at all levels in business. I know I have had amazing support at Sage to progress, so it's important to me that I give back.

What I love about sponsoring this award is that I get to both shine a light on great women and spend six months mentoring the winner. It is a true honour.

Inclusive Innovation

Data driven change

Our focus on inclusivity this year led us to partner with Brightworks Consultancy to undertake a forensic research project to benchmark inclusion at Sage. We will understand the lived experiences and perceived barriers to progression in our colleague communities. Formative findings on gender, support the pressing need to tackle our leadership challenges. We will use the analysis and colleague insights to evolve our approach to female talent development.

We are reviewing and committed to building a better maternity programme, including a tailored offer for senior leaders and high-potential women.

Innovation through partnership

As part of our strategy to ensure we futureproof the talent pipeline, we hosted 270 children, aged from 3-15, as part of our 2019 Kids@Sage programme. It encourages colleagues to role model careers to their children in fun, interactive ways. Additionally, across our STEM Ambassadors, Future Makers AI programme and the FIRST Lego League, we ensured a diverse group of young people experienced technology firsthand.

We have eight new brand ambassadors based across universities in the UK. Each of these are undergraduate students; employed by Sage to promote us on-campus. They are offered a summer internship with Sage, culminating in a graduate scheme position if successful. Of these students, 85% are female or from a BAME ethnic background.

Lastly, we are working with Women in Technology International, with the aim of running events in 2020 to train and support women interested in a career in software engineering. We have also developed strategic relationships, such as MumsNet, to promote opportunities. We will now work with SuperMums, who train women returning to work in SalesForce development.

Evolving how we recruit

As outlined in our 2018 report, we have been working to roll out blind application screening for our Engineering teams to improve gender balance in technology areas. We have introduced an online technical assessment service, 'Tungl', to mitigate against unconscious bias. Initially launched as a pilot for Product Engineering and IT recruitment in the UK, the machine learning tool will now launch globally. Through blind recruitment we are simply picking the best people for the job, based on their ability to resolve code.

As part of the Sage Pathways pilot, our successful inclusive recruitment methodology is being repeated for the new cohort in the UK and a roll-out into the US. The pilot benefited from targeted recruitment marketing. Talent Acquisition have repeated this approach and are now using specialist recruitment agencies to attract women into strategic roles.

Case Study: Supporting women with fresh Pathways back to work

In the north of England 85% of people seeking to return to work (after a break of around two to 10 years) are women. However, many who have been out of the workplace to take care of family members or because of other commitments, don't believe they are welcome back, fearing their skills are out of date or their commitments won't allow for permanent work. This hard-to-reach group is generally not looking at recruitment opportunities.
In our UK headquarters, we've developed assisted roles with built-in mentoring, skills training and support for at least the first year – easing candidates back into the workplace. By the end of 2019 the first nine candidates will be in posts and we will now expand the pilot to the USA.

"At Sage, we do the right thing. That's why we have been on a journey to listen to our colleagues and make considered improvements, so they feel valued, respected and listened to. Every innovation, programme and change to our policies detailed in this report has been another step towards colleague success."

"I want to attract the best talent to Sage based on capability and potential, regardless of age, ability, race, gender and sexual orientation. One of the most important changes we have made to start to achieve this, is to create a culture where all colleagues can flourish and bring the best versions of themselves to work.

"Of course, there is work to do still. Whilst I am proud Sage has a roughly 50/50 split overall in terms of gender balance, I am looking ahead to how we can better increase our representation of women in leadership roles, helping to close the gender pay gap even further. I know that by drawing on a diversity of views, experiences and backgrounds in our people, we will be able to achieve this and remain committed to empowering every individual at Sage, not just in the UK, but globally."

– Steve Hare, CEO, Sage

Sage UK

Our Pay Gap

2019
Mean Gender Pay Gap
13.8%

2018
Mean Gender Pay Gap
13.5%

2019
Median Gender Pay Gap
11.5%

2018
Median Gender Pay Gap
7.3%

Our Bonus Gap

2019
Mean Bonus Gap
10.2%

2018
Mean Bonus Gap
19.2%

2019
Median Bonus Gap
8.1%

2018
Median Bonus Gap
-7.8%

Proportion of females and males in each pay quartile

Quartiles	2018 MALE	2018 FEMALE	2019 MALE	2019 FEMALE
Pay Quartile 4 (Top)	72.0%	29.0%	71.6%	28.4%
Pay Quartile 3	64.0%	36.0%	67.8%	32.2%
Pay Quartile 2	64.0%	36.0%	62.9%	37.1%
Pay Quartile 1 (Bottom)	61.0%	38.0%	56.1%	43.9%

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

2019
Mean Gender Pay Gap
9.9%

2018
Mean Gender Pay Gap
21.9%

2019
Median Gender Pay Gap
5.9%

2018
Median Gender Pay Gap
14.5%

Our Bonus Gap

2019
Mean Bonus Gap
23.2%

2018
Mean Bonus Gap
58.4%

2019
Median Bonus Gap
10.5%

2018
Median Bonus Gap
27.2%

Proportion of females and males in each pay quartile

Quartiles	2018 MALE	2018 FEMALE	2019 MALE	2019 FEMALE
Pay Quartile 4 (Top)	65.0%	35.0%	56.2%	43.8%
Pay Quartile 3	49.0%	51.0%	51.2%	48.8%
Pay Quartile 2	47.0%	53.0%	47.5%	52.5%
Pay Quartile 1 (Bottom)	43.0%	57.0%	51.9%	48.1%

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.

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