

Gender Pay Gap Report 2023



Introduction

At Skipton Building Society we have a steadfast commitment to diversity and inclusion. At the core of our ethos is a profound passion for fostering an inclusive environment where every colleague's unique background and perspective are not only valued but celebrated. Our culture serves as a fertile ground for embedding inclusion, ensuring that it permeates every facet of our operations. With an unwavering dedication to improvement, we are on a journey to enhance diversity and inclusion, placing these principles at the very heart of all our endeavours.



Gender pay gap reporting

The Gender Pay Gap is the difference between the average pay of men and women irrespective of their role. This differs from equal pay which compares pay for doing the same role.

Skipton Building Society is confident that we are paying both men and women fairly for the roles they perform. Our gender pay gap will always be impacted by the type of roles men and women perform at Skipton. Identifying where and understanding why our pay gaps exist, helps us to identify any potential barriers for colleagues progressing their career. It also gives us an indicator of how successful our current interventions are and helps us recognise where we need to do more.

Key terms used in this report

Pay gap

This is the difference between the average rate of pay for males and females expressed as a percentage of the male average pay figure.

Bonus gap

The gender bonus gap is the difference between the actual bonus paid to males and females in the 12 months to 5th April 2023 and is expressed as a percentage.

Pay quartiles

Our workforce is sorted from lowest rate of pay to highest and then split into 4 equal parts called pay quartiles. Doing this shows us the proportion of males and females in each pay quartile.

The mean

The total of all pay or bonus for a particular group is added together and divided by the number of people in that group to give the mean average.

The median

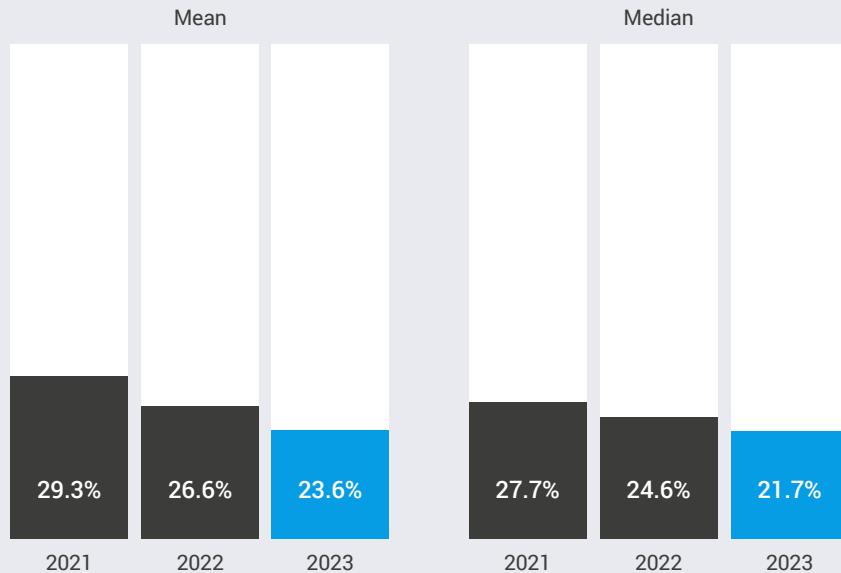
The middle figure when all pay or bonus for a particular group is sorted in order from smallest to largest.

Our results

Skipton's latest gender pay analysis is calculated using a snapshot date of 5 April 2023 and is based on hourly rates of pay for colleagues classed as "full pay relevant employees". The calculation of the hourly rate includes any allowances and bonus paid in April 2023 and is calculated after the deduction of any salary sacrifice arrangement e.g., pension. The bonus gap is calculated using the total of all bonuses paid in the 12-month period between April 2022 and March 2023.

Skipton's current 2023 pay gap has reduced when compared to the last two years:

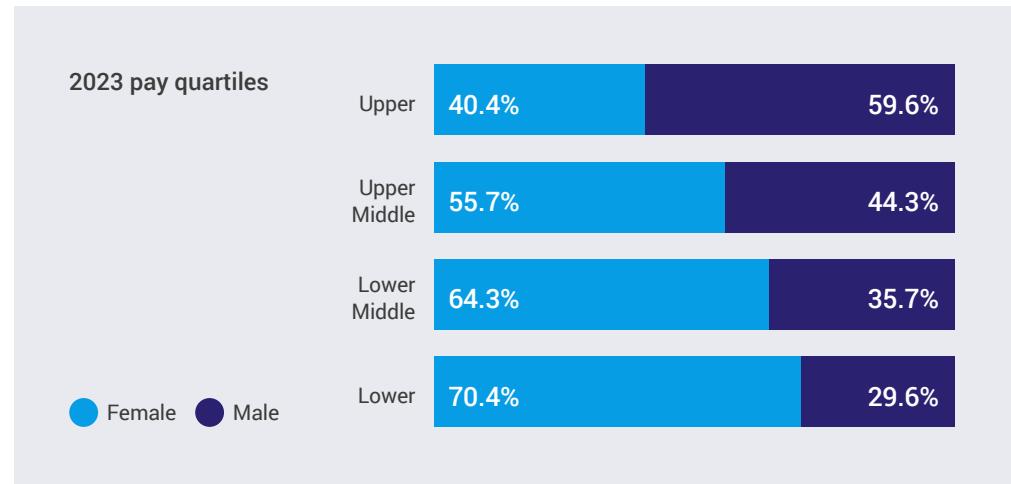
Gender pay gap



The table outlines the proportion of full pay relevant males and female in each pay quartile.

Quartile	2021		2022		2023		2022 vs 2023 movement of females change in %
	Female	Male	Female	Male	Female	Male	
Upper	37.5%	62.5%	38.7%	61.3%	40.4%	59.6%	+1.7%
Upper middle	56.3%	43.7%	56.3%	43.7%	55.7%	44.3%	-0.6%
Lower middle	68.7%	31.3%	66.7%	33.3%	64.3%	35.7%	-2.4%
Lower	70.7%	29.3%	72.1%	27.9%	70.4%	29.6%	-1.7%

Although Skipton has seen a positive shift in the proportion of females in the upper quartile, the gender pay gap continues to be driven by the distribution of men and women across the workforce. There is still a greater proportion of women in the lower pay quartiles, and a greater proportion of males in the upper pay quartiles. This can be illustrated in the graph below:



Our results (Continued)

The following has contributed towards the figures:



An increase in the number of female colleagues in the upper quartile (+1.7% compared to 2022).



An increase in female representation in Senior Leadership roles.



A decrease in the number of part time females.

Bonus pay gap

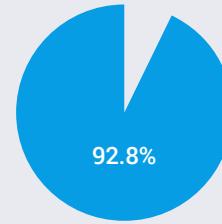
Unlike the pay gap calculation, this calculation does not take account of working hours. This means part time and part year bonus payments are being compared to full time, full year bonus payments. Currently, more women work part time than men. It is also true that the proportion of female part time colleagues decreases as you progress into senior roles. As a result, we have more females in receipt of a part time bonus in our support roles than men. New joiners in support roles throughout the year receive a part year bonus and typically this is more females than males.

Another key driver of the bonus pay gap is that bonus is paid as a percentage of salary and we have more males in senior roles on higher salaries. These factors impact the bonus pay gap.

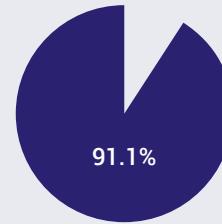


Our bonus pay gap for 2023 is included in the table below. The bonus pay gap has reduced compared to the previous years:

Bonus received

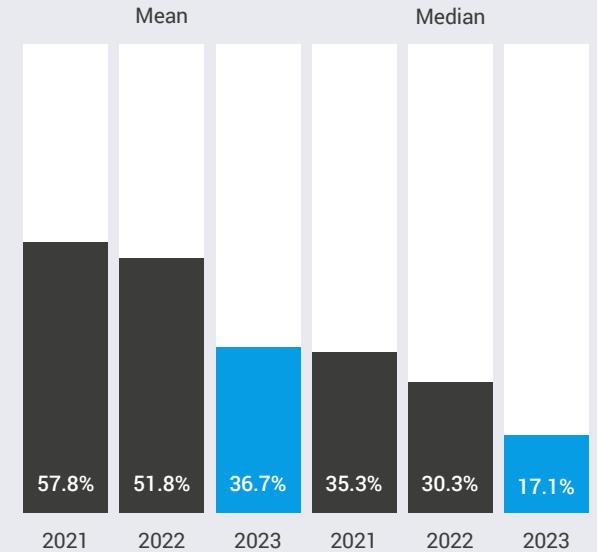


Female



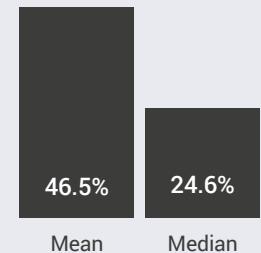
Male

Bonus pay gap

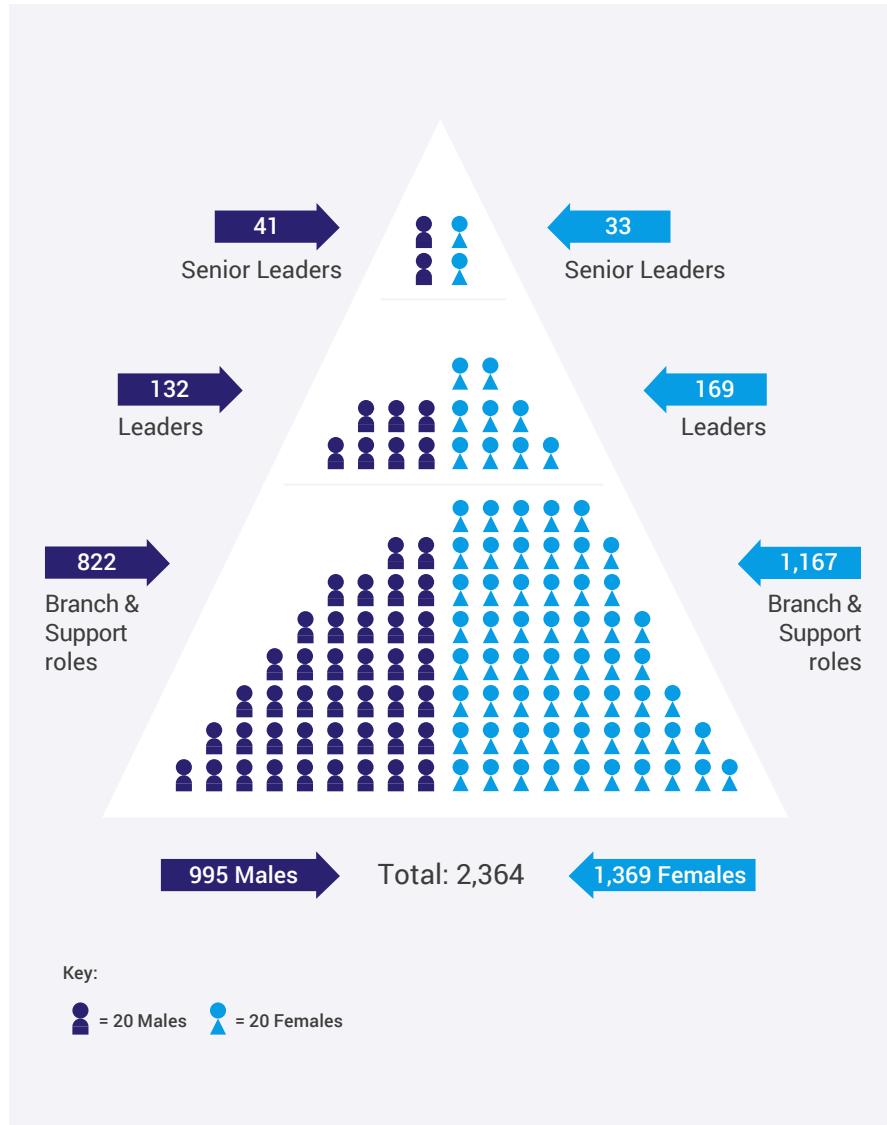


A cost of living payment was made to all colleagues in November 2022 which impacted the bonus pay gap figures. This was a one-off flat payment that was not pro rata for part time colleagues so had a disproportionate impact on the total value of bonus paid to our lowest paid colleagues, thus reducing the bonus pay gap. We would have seen a reduction in the bonus pay gap without this payment. Here we have outlined what the bonus pay gap would have been if no cost-of-living payment had been made:

2023 No cost of living payment



Our workforce



The demographics of more females in branch and support roles continues to influence our gender pay gap and will remain a key factor each year. Our focus at Skipton Building Society continues to be the importance of enabling our colleagues to find the right work life balance and provide a range of flexible working contracts to enable them to do this.

There are also fewer women in the highest paying jobs impacting the pay and bonus gap. The proportion of women in senior roles at the end of 2023 was 47.4% and for 2024 the Board has committed to 50% of all senior roles to be filled by women as part of our commitment to the Women in Finance Charter.

Whilst we have seen a positive shift in our gender pay gap, we recognise that we need to do more to reduce the gap further and this is reflected in our ongoing commitment to Diversity and Inclusion for the year ahead.

Our approach for the year ahead

As an organisation Skipton is increasingly considering its gender pay data as part of a broader approach to inclusion and diversity, which means taking more practical steps that should directly support women who wish to progress both within and across our wider Society and its companies.

This year Skipton has partnered with WISE (Women in Science and Engineering), a membership organisation striving for gender balance in STEM organisations. This will include an annual benchmarking exercise allowing for external scrutiny of our practices and policies to ensure that Skipton provides fair and inclusive opportunities for all colleagues. We are supporting women within the organisation with Employee Resource Groups, each sponsored by an ExCo

member. These include the Gender Equity Network, Women in Tech, and the Menopause Network.

We are looking to review our recruitment processes and practices in early 2024 to ensure that we have fair, inclusive, and bias free processes to enable Skipton to recruit from the widest possible talent pool. Skipton will continue to offer hybrid and flexible working options for all, including for example, compressed hours, part time working, and other solutions to enable those with caring responsibilities (regardless of gender) to progress within the organisation and manage family demands. We are also investing in creating hybrid enabled workplaces to ensure colleagues working from home are provided with equal opportunities to participate, develop, and collaborate. This work also included a new family room for expectant and new mums to relax and a comfortable space to express.

To address the societal Gender Pension gap, we offer a competitive pension scheme and a free pension health check to all colleagues. These supplement the proactive education sessions and workshops that all colleagues receive which raise awareness of this - and wider retirement provision. A series of career "triggers" are being developed which are enacted when a colleague gets promoted, goes part time or on a career break and once returning back to work. Interjecting a pensions discussion at each point helping colleagues understand any impact, or opportunity, for pension saving that each of these steps may have. Our focus is to educate colleagues and challenge pension understanding, which will narrow any future gender pensions gap.

Finally, Skipton will launch, in 2024, helpful menopause guidance for line managers and colleagues.

Statements from our Chief Executive and our Chief People Officer



"Although these figures show progress in narrowing the gap in certain areas, the narrative continues to be a similar one – there's more work to do.

I remain totally committed to ensuring Skipton Building Society supports everyone to achieve their potential and that our diverse talent represents the members we serve and the communities in which we operate. In short, we're going to continue the work to build a workplace and a society where everyone can thrive."

Justine Shaw
Chief People Officer



"We remain accountable for our gender pay gap and we're committed to creating solutions that aim for parity for all colleagues.

Inclusion and Wellbeing is part of our DNA at Skipton and clearly links into our purpose as a building society. We're here to help people from all backgrounds and want to create a workforce that also reflects this. Through our relentless work in this space, our people will know that everyone can achieve their goals and realise their potential here at Skipton."

Stuart Haire
Group Chief Executive

The mandatory calculations in this report have been reviewed and validated. I confirm the data in this report to be accurate.

A handwritten signature in black ink, appearing to read 'Stuart Haire'.

Group Chief Executive
4th April 2024

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