

UNITE
STUDENTS

OUR 2021
**GENDER PAY
GAP REPORT**



Our goal is to ensure Unite Students lives our purpose as an employer ensuring we create a Home for Success for all employees. To ensure that happens, we need an inclusive culture that allows people of all genders to be at their best. Whilst cultural change often happens slowly, we are passionately supported by our Board and Executive Committee to accelerate an EDI & Wellbeing programme that will drive results within our organisation in the coming financial year. We will keep listening and learning but our absolute commitment to narrowing the gender pay gap remains unwavering in 2022 and beyond.



**Helene
Murphy**

Group People
Director

2021 was a year of significant challenge and change for everyone as the Covid-19 pandemic impacted the world. Never has there been a more important time to do what we can to have a positive impact on people's lives, starting with our own teams. During the pandemic we strived to support our teams through the challenges they faced both personally and professionally whilst continuing to drive through beyond our statutory obligations. This report highlights an area where progress has been made, albeit modest. We are realistic about the step-change that is needed and that ambition remains at the heart of our thinking and actions.

During the year, our commitment to building a balanced and diverse workforce accelerated with the ultimate aim of being an inclusive employer. A refreshed EDI & Wellbeing focus will enable us to attract, retain and promote employees from all backgrounds regardless of their gender, race, religion, age or sexuality. And we continue to drive towards equality so that Unite Students is a place where everyone feels included and has a clear sense of belonging,

Transparency throughout our recruitment process and our talent development pipeline is also key, and we are looking at better ways to gain insights to enable us to have real data driving our decision-making.

Our values of "Doing what's right" and "Creating room for everyone" are at the heart of the actions that we take as a business. I believe by delivering on these values we will be well positioned to grow the business and attract and retain the best people.

We confirm that our data has been calculated according to the requirements of the equality act 2010 (Gender Pay Information) Regulations 2017.



Richard Smith

Chief Executive

Introduction

Our Sustainability Strategy, launched in 2021, includes the target of 'Providing opportunities for all' and the specific goal of 'Gender Equality', which in turn reinforces and assists us with our commitment to reducing the gender pay gap. Over the past year, we are pleased to report we have made progress on the fairness and equity in the way we pay our employees.

This year, we have specifically made improvements on the gender pay gap with the mean gender pay gap decreasing by 0.5% to 19.7%¹ alongside a 1.9% reduction to 6.9% in the median gender pay gap. We remain committed to being transparent about where further improvements are required.

This modest improvement was achieved due to the following factors:

- The gap lessening between male and female hourly rates of pay in higher paid roles² compared to the previous year.
- The overall mean rate of pay decreasing for both males and females, however, the female hourly rate of pay did not reduce by as much as it did for males. Males received a mean hourly rate of pay in 2021 that was £0.42 less than in 2020 (2.5% decrease), whereas the female mean rate of pay was only £0.25 lower (1.9% decrease).

In recognition of the need for dedicated resource to support delivery in this key area, we recruited an Equality, Diversity & Inclusion (EDI) Manager and set up a focused team. Throughout the past year, and with support of the Executive Board, the EDI & Wellbeing team has focused on embedding cultural change to deliver a more diverse business.

In support of the Hampton Alexander Review, we contributed annual leadership data for the FTSE Women Leaders Review. Due to the changed working practices that have arisen from the Covid-19 pandemic, a hybrid working policy was launched in 2021 to support a more positive work-life balance for head office employees. Many senior roles are based within the head office functions thereby enabling working mothers to better balance their commitments as well as attracting females to higher paid jobs.

A significant review of our grading structure is well underway. The revised structure will further support increased representation of women in leadership roles through clear career progression and promotion opportunities. In turn, greater rigour with hourly pay rates will be possible and equal pay for males and females doing similar work will continue to be monitored.

We are pleased that our mean gender pay gap has reduced gradually since 2018, but we are committed to acceleration of progress and improvements to support the representation of females in both senior leadership roles and higher paid technical jobs. As we roll out our EDI & Wellbeing focus, we believe further progress can be made.

1. Mean gender pay gap: 2020: 20.2%, 2019: 22.6%

2. Upper quartile: % gap between M/F hourly rate of pay in 2021 vs 2020



Our 2021 Gender Pay Gap Report

Our analysis shows that the overall difference between women and men's earnings is 19.7% (mean) and 6.9% (median). This is based on hourly rates as at 5 April 2021. At this date Unite Students employed 1,768 employees with 46% female and 54% male employees.

Pay and bonus gap

Difference between women and men	Mean %	Median %
Gender Pay Gap	19.7 % down 0.5% on 2020	6.9 % down 1.9% on 2020
Gender Bonus Gap	24.8 % down 45% on 2020	10.3 % down 3.3% on 2020

We have a mean gender pay gap of 19.7% which is a slight improvement on last year (decrease of 0.5%). The mean has been partly impacted due to a decreased gap between men and women's pay in the upper quartile compared to 2020. The overall mean rate of pay for men also went down by £0.17 more than it decreased for females. Neither of these changes were enough to impact the mean to a great extent hence the minor change to the gender pay gap.

Our median gender pay gap has decreased by 1.9% to 6.9%. The median is a less stable metric by which to measure the gender pay gap when compared to the mean as the median is reliant on the hourly pay rate of a specific male and female and is likely to fluctuate each year. This year's 1.9% decrease does not therefore signify any notable change to the median hourly pay rate, but it does indicate that we are moving in the right direction with regards to male and female pay rates.

Whilst both the mean and median hourly pay rates were minor improvements over the previous year, there is a clear trend with the gender pay gap continuing to narrow.

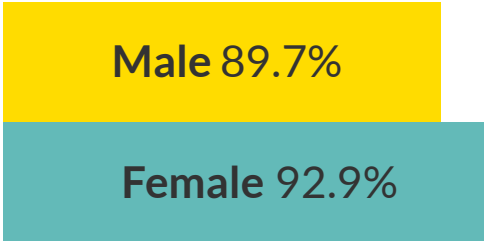
The mean and median gender bonus gap have decreased over the last 12 months with the mean bonus gap moving to 24.8% (45% decrease on 2020). The noticeable reduction in the mean bonus gap is a result of the business impact by the Covid-19 pandemic and the subsequent suspension of the annual bonus scheme in 2020.

Against the backdrop of the pandemic, a discretionary bonus amount was paid to employees at all levels below the Executive of the organisation in place of the annual 2020 bonus scheme. The difference in the amount awarded between individuals in entry level roles and those in higher paid roles was much smaller than with the annual bonus scheme.

The mean gender bonus gap is consequently not comparable to previous years and the median, although less affected by the change to the 2020 bonus scheme, is also not a reliable measurement to compare to other years.

Our gender pay gap results from fewer women holding senior leadership roles, or higher paid technical roles, rather than men and women being paid unequally for the same work. Like other businesses in the same industry, women typically represent more entry level roles such as Housekeeping. The mean pay gap is further impacted by senior leadership roles, with fewer women currently represented at this level, receiving long-term incentive plans to assist with the long-term growth of our business.

Proportion of employees awarded a 2020 bonus



In light of the Covid-19 pandemic, the proportion of employees awarded a 2020 discretionary bonus amount was higher for both males and females compared to the previous year. The 2021 annual bonus scheme entitles all employees with more than three months' service entitled to participate in our bonus scheme.





Pay Quartiles

The proportion of males and females in each quartile is as follows:

Q4	Male 63.5%	Female 36.5%
Q3	Male 63.1%	Female 36.9%
Q2	Male 53.2%	Female 46.8%
Q1	Male 37.4%	Female 62.6%

The gender pay gap is impacted by the representation of males and females across the organisation's structure. In the upper and third quartiles we have seen a combined decrease in female representation of 6.5% over the last year. Whilst women make up 46% of our workforce, conversely the highest quartile has only 36.5% female representation. As such, the gender pay gap continues to be affected by an uneven distribution in the upper quartiles where a higher proportion of males hold senior roles.

The proportion of females in the lower quartile, where we continue to pay the Real Living Wage, has increased by 5% since the previous year. The lower quartile principally consists of Housekeeping roles and, although there is no occupational reason for female dominance in these jobs, it has been difficult to attract and recruit males. Whilst there is still work to do with regards to the representation of women within the upper quartiles, it is positive to see that the pay of females occupying leadership and higher paid technical roles has improved over the past year.