2021 Softcat gender and ethnicity pay gap report

Softcat

An introduction

Once again, we are voluntarily including our ethnicity pay gap data alongside our gender pay gap report. By being transparent in measuring our progress, we are able to truly reflect our long-term commitment to driving change by understanding and identifying areas which we can make improvements in.

We have made great strides in raising awareness and promoting inclusivity to build a respectful culture. I'm delighted with the conversations that we have had, the relationships that have grown amongst our colleagues and the increased awareness our employees have been provided with through our networks and our Allyship Programme.

Inclusion comes first – without inclusion we cannot embed diversity. Our seven employee network groups have helped our organisation tremendously in understanding the challenges minority groups face Our leadership team is passionate about creating and developing the right working environment for all and continues to work hard to champion and support our actions to ensure meaningful progress continues. This year we launched our Company-wide Stronger Together– Allyship Programme. The programme aims to help us all to be allies and to normalise allyship, allowing our networks, our community and our culture to get even stronger. When we support one another, we thrive together; we build better teams, better products and a better company. Our gender and ethnicity actions can only succeed when we create a culture of trust and respect.

Anushka Davies
Head of Engagement, Diversity & Inclusion

Softcat's gender pay gap

This year, we saw no change in our mean gender pay gap and a positive decrease of 3% in our median pay gap.

The overall performance of our Account Managers ("AMs") in both sales and specialist roles is the key reason that a pay gap exists. We do everything we can to encourage our AMs to sell more by fostering long-term client relationships. Our long-tenure AMs, who are predominantly men, are delivering the highest levels of incremental performance. Whilst we have seen an increase in the number of women starting in AM roles over the last five years, the overall proportion of women in commission-based roles has only marginally changed.

Very positively, overall gender balance has increased by a further 3% to 33% which has been down to the efforts we have made in our internal recruitment process, our approach to flexible and hybrid working, and diverse interview panels offering different perspectives. We have continued to work with hiring managers on how new roles can be more flexible alongside providing the learning opportunities to upskill women in new roles.

Gender balance within our management team has increased by 1% to 25%, and gender balance on our Leadership Team is at 21%. Gender balance at Board level remains the same at 50/50%.
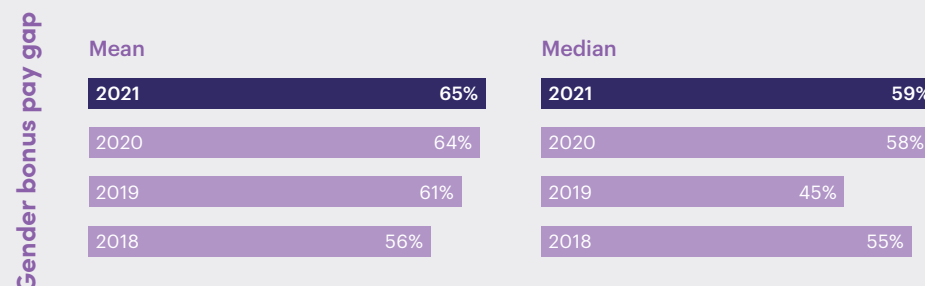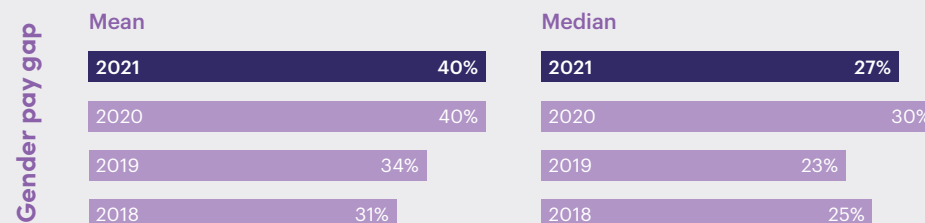
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As the first female Public Sector Director at Softcat, I'm passionate about getting more women into technology sales and, through open conversation and effective collaboration, I'm confident we can drive real change. We have a great sales force, yet we want to continuously increase the number of women applying for tech sales roles and encourage more women to remain in their roles to become the next generation of women leaders."

Louise Fellows
Public Sector Director

Difference between men and women

Gender pay gap

Mean

Year	%
2021	40%
2020	40%
2019	34%
2018	31%

Median

Year	%
2021	27%
2020	30%
2019	23%
2018	25%

Gender bonus pay gap

Mean

Year	%
2021	65%
2020	64%
2019	61%
2018	56%

Median

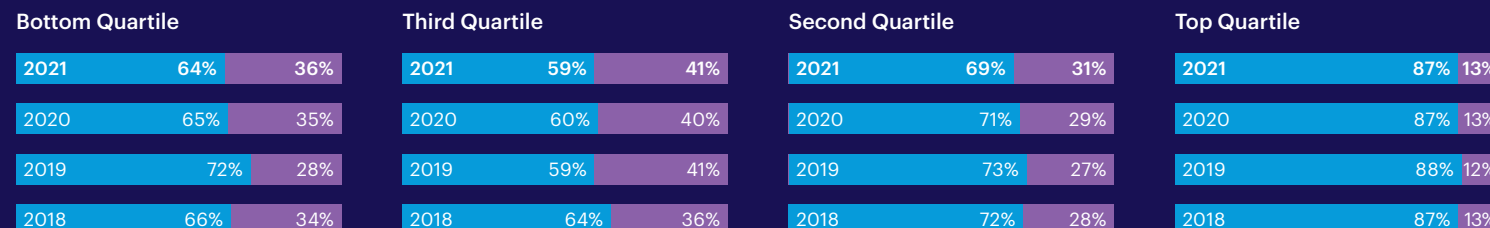| Year	%
2021	59%
2020	58%
2019	45%
2018	55%

- Mean refers to the average of all the salary data
- Median refers to the value lying at the midpoint of the salary data
- Bonus pay gap refers to all variable pay including commission
- Calculations are based on data from April 2021

Proportion receiving a bonus payment

Men

95%

Women

92%

Proportion in each pay quartile

● Men ● Women

Bottom Quartile

Year	Men	Women
2021	64%	36%
2020	65%	35%
2019	72%	28%
2018	66%	34%

Third Quartile

Year	Men	Women
2021	59%	41%
2020	60%	40%
2019	59%	41%
2018	64%	36%

Second Quartile

Year	Men	Women
2021	69%	31%
2020	71%	29%
2019	73%	27%
2018	72%	28%

Top Quartile

Year	Men	Women
2021	87%	13%
2020	87%	13%
2019	88%	12%
2018	87%	13%

Softcat's ethnicity pay gap

We continue to collate ethnicity data for our employees and have based our report on the ethnicity disclosure of 98% of our workforce. The remaining 2% in this report are referred to as undisclosed. Ethnic diversity at Softcat is at 13% which is similar to that of the national data.

The ethnicity pay gap report shows the difference in the average hourly rate of pay between Black, Asian and Minority Ethnic ("BAME"), and non-BAME employees in our business.

We have made significant headway on improving conversations about our knowledge of racial equality and will continue to be transparent about data to help make improvements on ethnic diversity.
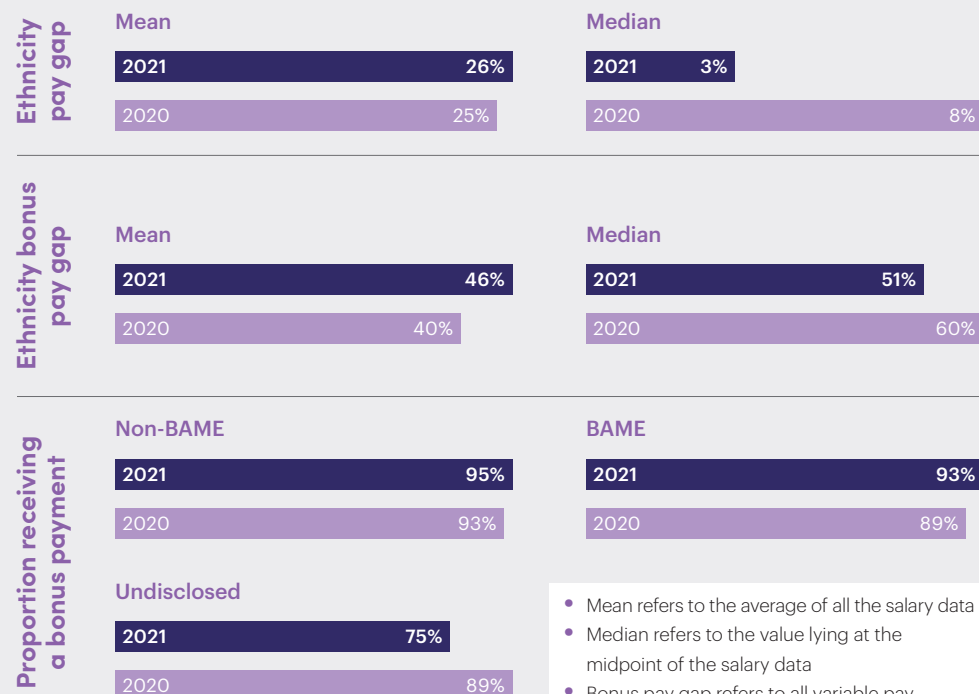
> In FY21 the BAME Network made great progress in creating a "safe space" for our BAME employees to connect and share their experiences with one another. This year the network will focus more on celebrating the diverse cultures and ethnicities within our business in a way that is inclusive and open to all."

Keisha Ffrench
BAME Network Leader/Recruiter

Reporting for 2021

Ethnicity pay gap

Mean

2021	26%
2020	25%

Median

2021	3%
2020	8%

Ethnicity bonus pay gap

Mean

2021	46%
2020	40%

Median

2021	51%
2020	60%

Proportion receiving a bonus payment

Non-BAME

2021	95%
2020	93%

BAME

2021	93%
2020	89%

Undisclosed

2021	75%
2020	89%

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Proportion of ethnicity in each pay quartile

● Non-BAME   ● BAME   ● Undisclosed

Bottom Quartile

	Non-BAME	BAME	Undisclosed
2021	88%	11%	1%
2020	77%	14%	9%

Third Quartile

	Non-BAME	BAME	Undisclosed
2021	83%	14%	3%
2020	84%	12%	4%

Second Quartile

	Non-BAME	BAME	Undisclosed
2021	83%	15%	2%
2020	84%	14%	2%

Top Quartile

	Non-BAME	BAME	Undisclosed
2021	90%	10%	
2020	88%	9%	3%

Understanding the data

Understanding the gender data

Our existing business model is driven by high achieving Account Managers ("AMs"). We encourage our AMs to build strong long-term client relationships and develop solutions-led conversations to promote our broad technology offering. Our legacy long-term AMs are predominantly men and they are delivering the highest levels of incremental performance.

We have seen an increase in the number of women starting in commission-based roles over the last five years. We saw 31% women start in our AM roles this year compared to 21% in 2017 when we first reported our gender pay gap. Despite this improvement, the overall proportion of women in sales-based roles has only increased by 1% since 2017 to 18%. Therefore, we need to work harder to retain more women amongst the high earners in sales, as this will be imperative for reducing our gender pay gap in the long term. We are conducting work led by our Public Sector Director on improving the experience for women in AM roles which will have a positive effect in the future.

We can see a trend of an increasing mean gender pay gap for our commissioned employees which is driven by our top performing AMs, while non-commissioned employees have a decreasing mean gender pay gap. The median hourly rate for women in 2021 is the same as it was for men in 2017 which does show the rate of pay for women is growing, but the rate of pay for men has grown twice as quickly. We were pleased to see the % of women receiving a bonus payment increase by 2% this year.

Finally, there still remains a lack of women in technical and services-based roles. We continue to work hard to recruit more women into these roles and were pleased to see the launch of our Women TechStarter programme this year which we intend to grow. Currently 14% of our technical team are women, but regardless of this, if the rate of pay for men continues to increase in sales, the efforts we make to recruit more women in technical roles will not make a material impact on our gender pay gap.

We are continuing to promote the contribution women in senior roles make to help inspire more women in junior roles about the careers they can aim for to help improve gender balance in our management and leadership roles.

Understanding the ethnicity data

This is the second year that we are publishing our ethnic pay gap data voluntarily.

The total percentage of income from our ethnic minority employees for AMs stayed the same as the prior year at 5%. The total percentage of income from ethnic minority employees for specialist AMs has decreased to 11% from 15% which has had an impact on our mean pay gap.

Two of our highest performing specialist AMs identify as ethnic minority and three of our top 20 AMs identify as ethnic minority. It is positive to see that the representation of ethnic minority employees in our top 20 AMs is equivalent to our overall Company demographics.

We have a high representation of ethnic minority employees in our technical and services areas compared to other parts of our business, making up 21% of total employees in this area.

We were pleased to see our median pay gap decrease by 5% on the prior year and we have more ethnic minority employees operating at mid-level which has had a positive impact on our median pay gap.

Gender and ethnicity balance at Softcat

The gender and ethnicity pay gaps are measures of the difference between the average earnings for men, women, ethnic minority and white employees, respectively. This is not the same as equal pay. We are confident that there are no underlying equal pay issues between men and women and between our ethnic minority and white employees at Softcat for the same or similar work.

Softcat wins the 2021 CRN Ethnic Diversity Champion Award

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We are continuing to promote the contribution women and BAME employees in senior roles make. This is to help inspire more women and BAME employees of the careers they can aim for to help improve gender and ethnic diversity balance in our management and leadership roles."

Anushka Davies
Head of Engagement, Diversity & Inclusion

What are we doing to close the gap?

We have a dedicated action plan to help address the imbalance both across gender and ethnicity.

To see more about TC4RE, scan this QR code:

TC4RE — Technology Community for Racial Equality

Grassroots

We will continue to improve the awareness of roles within technology organisations at schools and universities.

We are also committed to working with schools which have a higher female and BAME representation.

Mentoring and championing

Our Softcat mentoring app has been a success in pairing up mentees with mentors. We will also continue to learn through our reverse mentoring programme to champion employees from minority groups.

Partnerships

We continue to work hard on the commitments we have signed up to as part of the Race at Work Charter and the TechTalent Charter. We are committed to working closely with both organisations to improve our ethnic and gender diversity.

Development

We will review our people data to discuss and identify talent available as part of our talent management conversations and continue to ensure there are women and BAME employees on our management and leadership development programmes.

Allyship

Following the launch of our Company-wide allyship programme, we will encourage our employees to develop a growth mindset and engage in a process of developing a culture free of discrimination.

Women in sales

We are working closely with the women in sales to improve how they feel about their roles and their future sales career aspirations whilst making improvements to their working environment.

Attracting a diverse talent pool

We will continue to improve our recruitment processes to ensure a balanced set of CVs are put forward for roles and a diverse panel is presented at interview stage.

Industry efforts

Softcat worked alongside seven industry organisations to launch the Technology Channel for Racial Equality programme ("TC4RE") at Microsoft Inspire in July 2021. We are committed to helping our industry make the improvements that are needed to improve racial equality.

Recognise

We will continue to recognise our women and BAME employees for their contribution. At the CRN Women in Channel Awards we had 16 Softcat finalists with two winners. We were also proud to win the CRN Diversity Employer of the Year Award and the CRN Ethnic Champion Award.

Looking to the future

> "Whilst we may not have experienced great shifts in our gender and ethnicity pay gap data, I have been incredibly encouraged by how some of our initiatives have taken shape and delivered change. Along with the Board and the Senior Leadership Team, I am strongly committed to increasing representation of women and ethnic minority employees at senior management levels.
>
> I attended our Stronger Together – Allyship programme to personally improve my own understanding of the challenges minority groups can face and was encouraged by the transparent conversations we all benefited from."

Our declaration

"Our gender pay gap calculations are accurate and meet the methodology set out in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017."

Graeme Watt
CEO

> "I am incredibly proud of what we've achieved in diversity and inclusion over the last twelve months. From being a founder member of the Technology Channel for Racial Equality, to the launch of our Company-wide Allyship programme and our Empowering Disability and Neurodiversity Network. And to top it all off, we were delighted to win two outstanding accolades at the CRN Women in Channel Awards: Diversity Employer of the Year and Ethnic Diversity Champion."

Rebecca Monk
HR Director