2022 SOFTCAT GENDER AND ETHNICITY PAY GAP REPORT

Softcat

An introduction

I'm pleased to be publishing our gender and ethnicity pay gap report this year. Our focused Diversity and Inclusion strategy, along with our growth has enabled us to continue our focus on attracting, developing and retaining women and people from ethnic backgrounds to our company.

Progress has been made when it comes to our overall attention on diversity. We are pleased to see steady shifts in the right direction with our pay gap, and are committed to increasing our representation at all levels of diversity, including the representation of women and ethnic employees. The report is our continued commitment to diversity and inclusion and to addressing both our gender and ethnicity pay gap.

Our focus on diversity and inclusion is a key business priority and our continued efforts to make progress on the initiatives we have in place are the key drivers that will help us evolve and make change.

We have seen our employees work hard on taking more time to understand the challenges women and ethnic employees can face when it comes to their career and development. Our seven employee network groups work enthusiastically to continue raising awareness across the company and our leadership team remains dedicated to providing an environment where our employees can thrive.

This year, we have continued to raise awareness across the company and promoted the benefits of having both a diverse and inclusive culture. Our Allyship programme has continued to encourage conversation and learning to better support our colleagues, partners and customers.

We remain focused on evolving our inclusive culture and measuring our progress against the commitments we have set ourselves. We are committed to creating an environment where we can respect, trust and support one another and are committed to increasing the representation of women and ethnic employees across all levels of our organisation, and over time, we are confident that our gender and ethnicity pay gap will improve.

Anushka Davies
Head of Engagement, Diversity & Inclusion

SOFTCAT'S GENDER PAY GAP

We acknowledge that tackling the gender pay gap is a long-term goal. Addressing the gender diversity of the organisation at all levels from new apprentices all the way through to leadership roles will help towards reducing the pay gap.
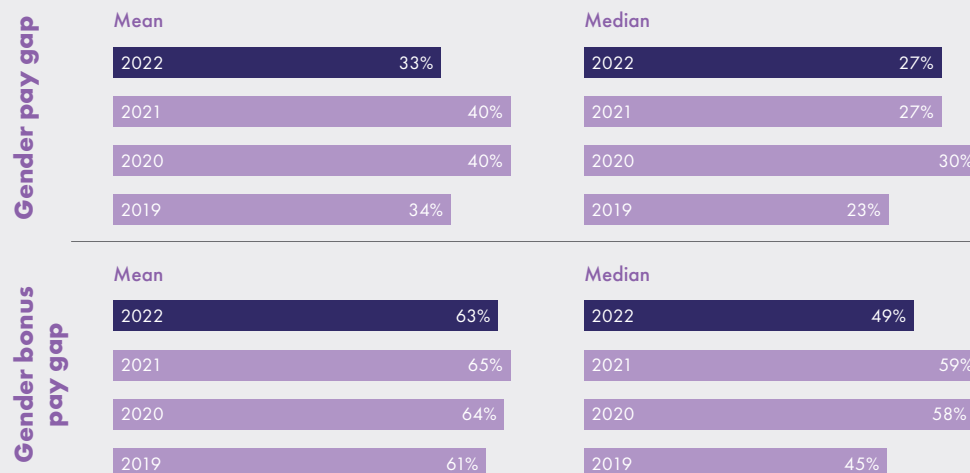
This year we saw our mean pay gap reduce by 7%, and that is down to the performance of women in Account Manager ('AM') roles. We continue to work on improving the experience for women in sales roles to help them enjoy a long and successful career in sales where they can deliver high levels of incremental performance.

We have seen a change this year in our apprentice cohorts where there has been a 5% increase in gender balance across the year. This is down to the work we have done with schools to ensure a role in IT sales is considered when making a career choice. There is, however, still a lower percentage of women in sales roles at Softcat in comparison to other divisions, so we need to work hard on recruiting and retaining women in sales now and for the long term.

Our Women Tech Starter programme is part of our Supporting Women in Business community network. The Tech Starer programme was launched to encourage women to take roles in more technical positions following a career break. The programme is designed to help build up skills and qualifications that may have been put on hold. It allows us to tap into a pool of talent who have the right skills, but need the opportunity to put them back into practice. We know that flexibility is also important and so the role is designed with that in mind. We have recently recruited our third cohort, bringing the total participants to 18 women.

Gender balance overall has remained the same at 33% and increased to 27% within our management team from 25% last year. Gender balance within our leadership team remained the same at 21% and increased by 7% at Board level to 57% from 50%. We are also also pleased to have announced that we will have two women joining our senior leadership team in 2023 which will increase our overall gender balance on our leadership team to 30% and 71% at Board level.

Difference between men and women

Gender pay gap

Mean

2022	33%
2021	40%
2020	40%
2019	34%

Median

2022	27%
2021	27%
2020	30%
2019	23%

Gender bonus pay gap

Mean

2022	63%
2021	65%
2020	64%
2019	61%

Median

2022	49%
2021	59%
2020	58%
2019	45%

> "I joined Softcat as part of the Women Tech Starter programme which is a programme specifically designed to retrain women in IT and soft skills. I've had a fantastic experience at Softcat so far, and am confident in the investment that has been made in my career development."
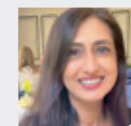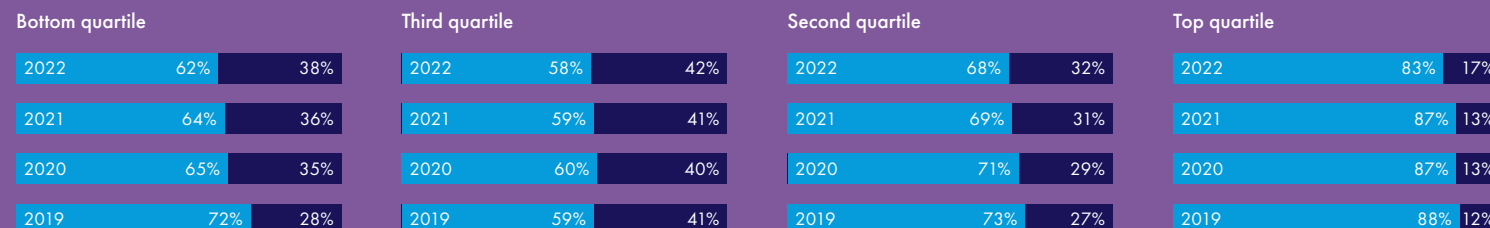
Nina Webhra
Technology Onboarding Manager – Services, Dev-Ops

- 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 al variable pay including commission
- Calculations are based on data from April 2022

Proportion receiving a bonus payment

Men
90%

Women
90%

Proportion in each pay quartile

● Men ● Women

Bottom quartile

	Men	Women
2022	62%	38%
2021	64%	36%
2020	65%	35%
2019	72%	28%

Third quartile

	Men	Women
2022	58%	42%
2021	59%	41%
2020	60%	40%
2019	59%	41%

Second quartile

	Men	Women
2022	68%	32%
2021	69%	31%
2020	71%	29%
2019	73%	27%

Top quartile

	Men	Women
2022	83%	17%
2021	87%	13%
2020	87%	13%
2019	88%	12%

SOFTCAT'S ETHNICITY PAY GAP

We are pleased to have 100% of our ethnicity data at the time of reporting, which enables us to produce an accurate pay gap report.

The ethnicity pay gap report shows the difference in the average hourly rate of pay between white and ethnic employees in our business. Our ethnicity pay gap calculations have been made by following the statutory gender pay gap methodology.

Since our last report, we have been proud to celebrate different cultures through the activities we have organised. Throughout COVID-19, we worked on raising awareness and encouraged our employees to have quality conversations about race. This year we have enjoyed connecting with each other and celebrating different cultures face to face.
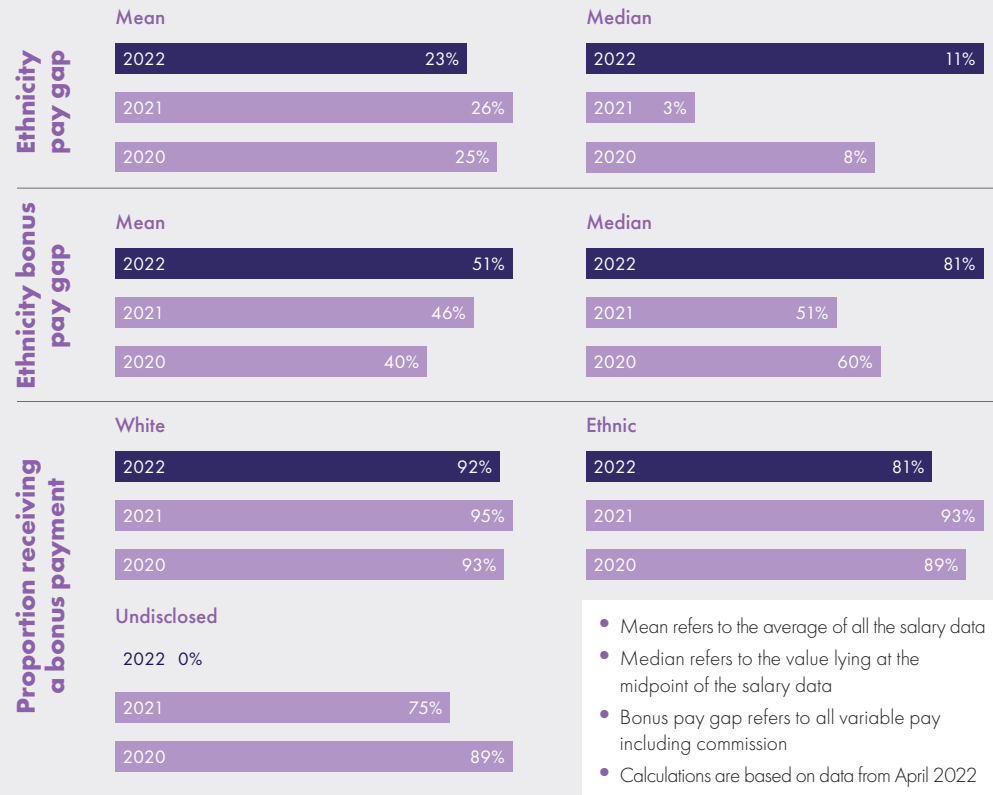
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We changed the name of our network, which was previously called BAME (Black, Asian and Minority Ethnic). We felt, like many, that the term BAME grouped all ethnic minorities together, implying that all are part of the same group, when in fact there are so many ways in which we identify our race. We wanted to remove assumptions and generalisations and to give our employees the confidence to discuss ethnicity in a way that is inclusive and sensitive to how they may identify. Our new name, 'Ethnic & Cultural Diversity Network', came from listening to those within the network, which we feel now acknowledges and celebrates people from different cultures and backgrounds that we represent."

Lucy Shen
EC Network Lead/
Services Project Co-Ordinator

Reporting for 2022

Ethnicity pay gap

Mean
Year	Value
2022	23%
2021	26%
2020	25%

Median
Year	Value
2022	11%
2021	3%
2020	8%

Ethnicity bonus pay gap

Mean
Year	Value
2022	51%
2021	46%
2020	40%

Median
Year	Value
2022	81%
2021	51%
2020	60%

Proportion receiving a bonus payment

White
Year	Value
2022	92%
2021	95%
2020	93%

Ethnic
Year	Value
2022	81%
2021	93%
2020	89%

Undisclosed
Year	Value
2022	0%
2021	75%
2020	89%

- 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 2022

Proportion of ethnicity in each pay quartile

Bottom quartile
Year	White	Ethnic	Undisclosed
2022	83%	17%	
2021	88%	11%	1%
2020	77%	14%	9%

Third quartile
Year	White	Ethnic	Undisclosed
2022	84%	16%	
2021	83%	14%	3%
2020	84%	12%	4%

Second quartile
Year	White	Ethnic	Undisclosed
2022	84%	16%	
2021	83%	15%	2%
2020	84%	14%	2%

Top quartile
Year	White	Ethnic	Undisclosed
2022	90%	10%	
2021	90%	10%	
2020	88%	9%	3%

- White
- Ethnic
- Undisclosed

UNDERSTANDING THE DATA

Understanding the gender data

Employees in Account Manager ('AM') roles remain the predominant reason to help reduce both the gender and ethnicity pay gap in the future. The long-term relationships with customers and the opportunity to sell our broad range of our technology offering is the main way to further advance performance. To date, it continues to be our long-term AMs, who are mainly men, delivering the highest performance.

Whilst we have seen small increases in women starting in commission-based roles, it will still take some time for women to reach the same level as the highest earning men. We continue to challenge ourselves and evolve the experience for women in AM roles to ensure they are supported at all levels during their time at Softcat. Our sales leads in our Supporting Women in Business network have been working on several initiatives which include the experience women have pre and post maternity leave all the way through to building confidence and resilience. This year, we saw our mean pay reduce by 7% as the same proportion of women in longer-term roles performed better than last year in comparison to their male counterparts.

It is positive to see that there is now a higher proportion of women in our top quartile this year at 17% compared to 13% last year too. The median gender pay gap remained the same this year.

Our median hourly rate for women in 2022 has remained the same at 27% which is the same as it was for men in 2017. This does show that the rate of pay for women is moving in the right direction, but the rate of pay for men does continue to grow quicker.

Finally, we are working hard to improve the number of women in technical and services-based roles. The incremental growth of our Women Tech Starter programme and changing our adverts to attract more women into tech roles have seen an increase to 19% women compared to 14% last year. Our tech stream under our Supporting Women in Business network has recently conducted a number of focus groups to establish what it is that women in tech love about their roles, what they find challenging and what we can do more to further accelerate their careers.

A few new initiatives have been created off the back of these focus groups to further improve the experience for women in tech. 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. It's clear that flexible working is a benefit for all, not just for women. It's really important that we create quality flexible roles that allow women and men to balance ambition with caring responsibilities.

Understanding the ethnicity data

This is the third year that we are publishing our ethnic pay gap data voluntarily. We are pleased to be open and transparent about our ethnicity data alongside our gender data. Two of our highest performing specialist AMs identify as ethnic minority and three of our top 20 AMs identify as ethnic minority. The mean pay gap did improve by 3% and this is based on the same number of sales employees who remain our highest performing AMs.

We were disappointed to see our median hourly pay gap increase by 8% this year which is due to a few ethnic employees at mid level leaving the business. Our highest level of ethnic representation is within our Services division where 22% of the workforce are from an ethnic background. However, we have fewer ethnic employees at management and senior management level, which makes a further difference to the overall pay gap. We are committed to working harder to ensure there is increased representation of ethnic employees at management level to be more reflective of our overall company-wide ethnicity data.

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 or between our ethnic minority and white employees at Softcat for the same or similar work.

Softcat wins the 2022 CRN Culture Inclusion Award and Diversity Employer of the Year Award

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We know that it will take us, and others in our industry, many years to close the gender and ethnicity pay gap. Our determination to continue driving the initiatives we have invested in for now and the future will help us close the gap."

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 and work experience

We will remain dedicated to improving awareness across schools, colleges and universities to help break down the barriers to joining technology organisations. We will grow our work experience programme to ensure students can appreciate and experience roles at Softcat.

Softcat women in business

We recently changed the structure of the network to allow more deliberate focus within the different business areas to be more specific about our actions related to the technical, sales, sales operations and business operations part of the business.

Partnerships

We value our partnerships and will continue to gain advice and guidance from Tech Talent Charter and Race at Work Charter to help us improve both gender and ethnic diversity at Softcat. We are also one of eleven founding industry organisations helping businesses within the tech improve racial equality.

Recruitment and retention

We continue to review and improve our recruitment processes to ensure we are attracting talent via new partners.

We will continue to encourage positive talent conversations to identify women and ethnic employees for our management and leadership development programmes.

Allyship

We are committed to providing all of our employees with the opportunity to attend the Allyship programme to develop their knowledge and help develop a more inclusive workplace.

It's important to us that our employees can gain a better understanding of the challenges that our colleagues from minority groups can face.

Women returners

We are pleased to grow our Women Tech Starter programme to help women return back to work following a career break by providing the right support and the opportunity to develop their skills to help them be confident in their new roles in tech.

Celebrate

It's important that we celebrate the contribution that women and ethnic employees make at Softcat. This year we had 27 employees shortlisted for the CRN Women and Diversity in Channel Awards and were shortlisted for four company awards. We were thrilled to win all four of the company awards we entered: Health & Wellbeing Recognition awards, Cultural Inclusion award, LGBTQ+ Inclusion award and Diversity Employer of the Year. In addition, we won two individual awards for Emma Wright (Technical Employee of the Year) and Alex Lewis (Mental Health Champion of the Year) and were Highly Commended in three more categories for Laura Fowler (Rising Star), Paris King (Manager of the Year) and Rebecca Monk (Woman of the Year).

Looking to the future
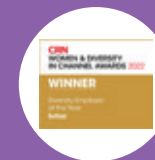
"It is clear that we won't see a big shift in our gender and ethnicity pay gaps until we are able to populate particularly our sales and technical roles with women and ethnic minorities in much greater numbers. We remain totally committed to making further significant positive progress, but it will take time. I couldn't be more pleased, though, with the ongoing activities and awareness driven by our 'supporting women in business' and 'ethnic and cultural diversity' community network groups. Their efforts complement our engagements with the wider industry, such as TC4RE where we are a founding member. We have received several industry awards in the last year recognising our efforts and initiatives demonstrating we are on a positive track. Thanks to everyone at Softcat who has worked so hard to create such high levels of inclusivity."

Graeme Watt
CEO

"From a standing start, we've made huge strides in diversity and inclusion over recent years. We really believe that having a more diverse workforce will make Softcat a more successful business, as well as being an even better place to work. Our representation of women and ethnic minorities has made steady progress over the last twelve months and we're pleased to be adding two women to our senior leadership team over the next six months."

Rebecca Monk
Chief People Officer