

Gender Pay Gap Report April 2019

XPS Pensions Group (“XPS”) has two employing entities with more than 250 employees for which we are required to analyse and publish the results of the Gender Pay Gap based on employee headcount as at 5 April 2019. These two businesses are XPS Pensions Consulting Limited, which employs advisory and administration staff as well as central functions and senior management, and XPS Administration Limited which predominantly employs administration staff.

Whilst not required, we also calculate statistics for XPS as a whole. The **median** pay gap for XPS at 5 April 2019 was **15.6%** and the mean pay gap was **31.7%**.

Why do we have a gender pay gap across XPS?

- > There are a **higher proportion of women in XPS Administration**, which has a lower median pay compared to XPS Pensions and XPS Investment.
- > There are **fewer women in senior grades** and positions which are paid more highly.

We have a strategic objective to increase the proportion of women in senior grades and a clear action plan to achieve this. Further information is provided at the end of this document.



XPS Pensions Consulting Ltd – gender pay gap

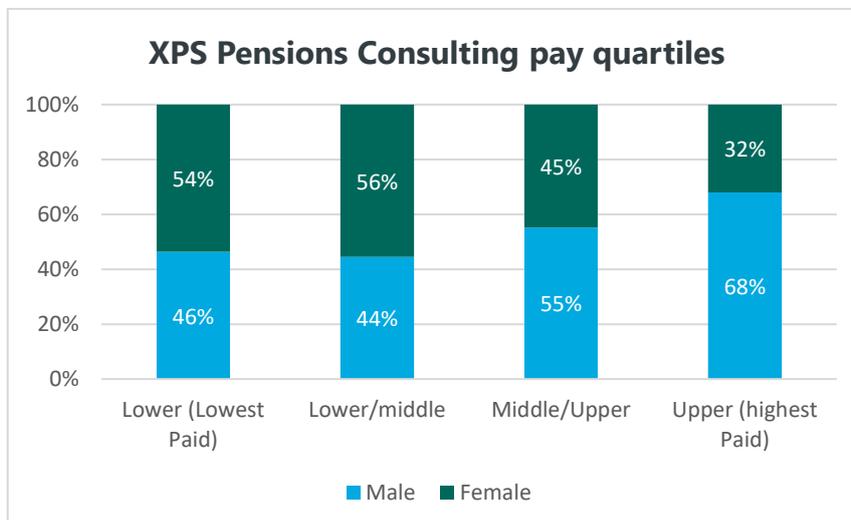
As at 5 April 2019, XPS Pensions Consulting Ltd employed 501 full pay relevant employees compared to 410 for the previous reporting year. In 2019, 53% of our employees were male and 47% were female, representing a 1% increase in the proportion of female employees compared to 2018.

Hourly rate	Mean gap	Median gap
2019	35.1%	16.0%
2018	45.6%	25.8%

These results indicate a significant reduction in the mean and median gender pay gap for XPS Pensions Consulting Limited, illustrating that the actions we are taking are having a positive impact.

XPS Pensions Consulting Ltd – pay quartiles

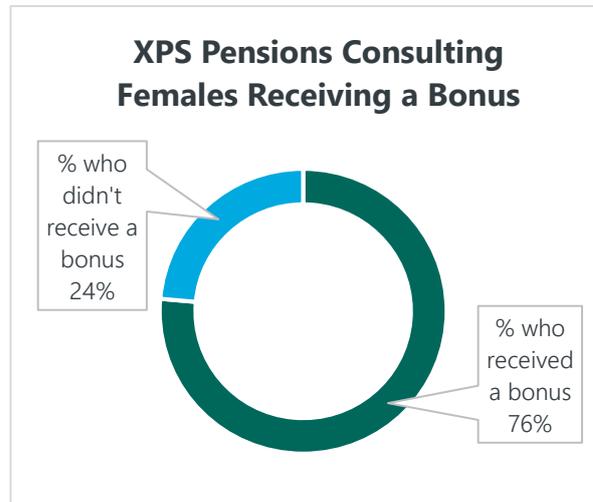
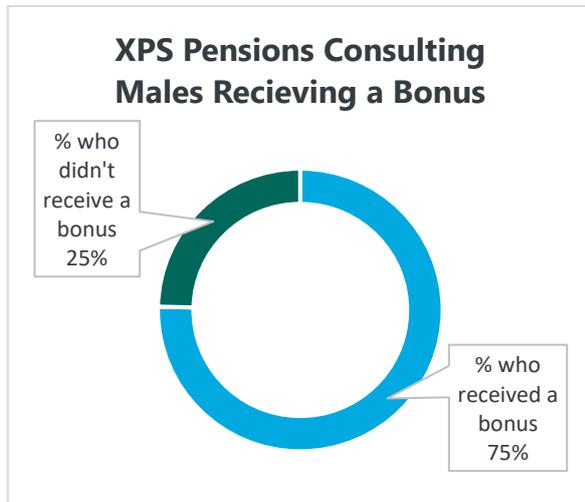
As a result of implementing changes to our senior recruitment policies and processes, as well as reviewing our promotion processes, the number of females within the highest pay quartile has increased from 24% (2018) to 32% (2019).



XPS Pensions Consulting Ltd – bonus pay

In 2019, roughly equal proportions of males and females were awarded a bonus which compares positively with 2018. However, there has been an increase in the mean and median bonus pay gaps. This is partly due to certain employees receiving higher bonuses than the previous year, including members of the senior leadership team whose bonuses are highly variable and linked to performance.

Bonus Pay	Mean	Median
2019	80.8%	31.3%
2018	44.5%	22.6%



XPS Administration Ltd – gender pay gap

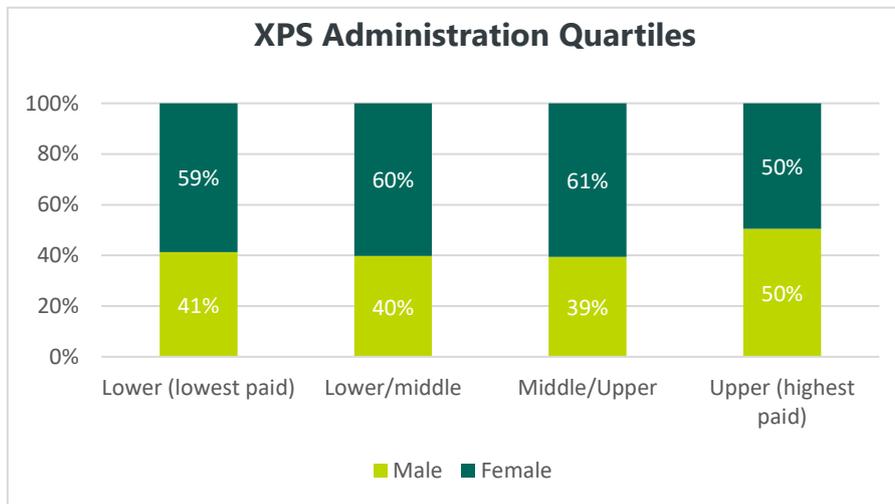
As at 5 April 2019, XPS Administration Ltd employed 435 full pay relevant employees compared with 295 on 5 April 2018. On the relevant date in 2019, 57% of employees were female – an increase of 2% compared to the same point in 2018.

The gender pay gap for this population has largely remained unchanged. The small change in the median figures primarily reflect high levels of recruitment at junior levels and more new employees being female.

Hourly Rate	Mean gap	Median gap
2019	12.6%	4.2%
2018	12.6%	3.8%

XPS Administration Ltd – pay quartiles

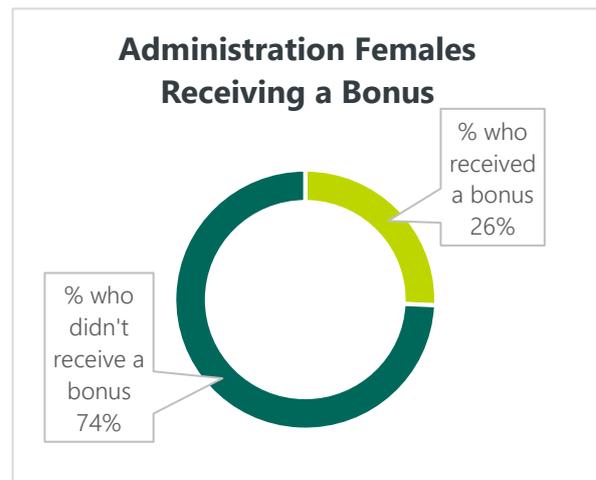
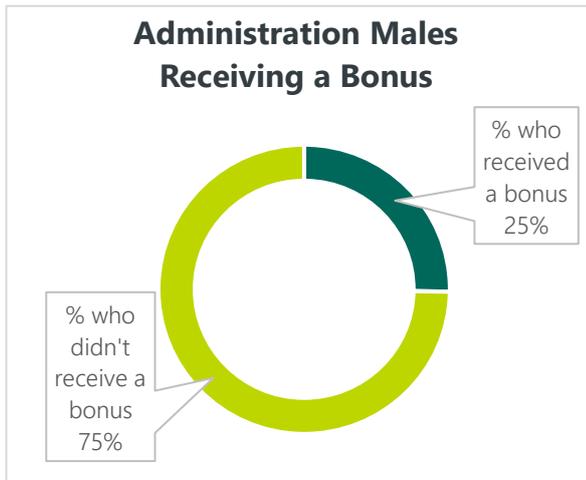
A greater proportion of females are employed in the lowest paid quartile compared to 2018, which reflects the recent recruitment. Whilst the highest paid quartile has equal numbers of males and female employees, this is the lowest proportion of females in any quartile which contributes to the gender pay gap in this business.



XPS Administration Ltd – bonus pay

The proportion of males and females receiving a bonus is almost equal. The bonus pay gap has significantly reduced compared to 2018. This primarily reflects some significant bonus payments made to the senior management in the previous reporting period (as a result of the merger) not being repeated.

Bonus Pay	Mean gap	Median gap
2019	34.3%	20.0%
2018	95.5%	31.4%



Action Plan

XPS Pensions Group is committed to continuing to reduce our gender pay gap and are working closely with our Diversity and Inclusion Group to implement and further develop our action plan to achieve this. Our action plan for the next 12 months includes:

- > Launching the XPS Women’s Network in 2020 to improve networking and career opportunities for women in XPS.
- > Continued review of our internal promotion policies / processes and our senior recruitment policies, to further identify ways to remove unconscious bias to ensure transparency and objectivity in assessment criteria and decision making. This includes a review of the outcome of a recent external audit.
- > Improving our data collection and analysis on recruitment, retention, promotion and performance management to help us assess our progress and where we need to focus our efforts.
- > Rolling out improved diversity and inclusion training for senior management and those involved in recruitment, and reviewing the use of diversity and inclusion objectives and targets for senior staff.
- > Continuing to review and expand our support for parents, including improving our flexible working capabilities and processes, and improving the support we offer to new parents.
- > Continuing to participate in external mentoring programmes such as the 30% club and Actuarial Mentoring Programme to support career development for females.
- > Continuing to support initiatives to increase the attraction of females to the actuarial profession and provide opportunities for development.



Co-Chief Executive Officer comments

We have a strategy objective to increase diversity across XPS - it is therefore positive to see a reduction in the gender pay gap figures in our pensions consulting business and to have maintained a low gap in our administration business. However, we are not complacent and recognise that we still have a lot of work to do.

I am grateful for all of the work being done with our Diversity and Inclusion group and confident we have an appropriate action plan in place to improve diversity across the firm. We also will continue working with external partners such as Women Ahead and Professional Pensions to support females both within XPS as well as championing diversity and inclusion across our industry more generally.

I confirm the data reported is accurate.

Ben Bramhall

3 April 2020