

nucleus<sup>o</sup>

# Gender pay gap report 2022



# Our commitment to gender diversity



**Richard Rowney**  
Chief Executive Officer

A handwritten signature in black ink that reads "Richard".

At Nucleus, we've built a culture where everyone is valued for their individuality, and where our differences aren't only embraced but celebrated.

And we've been clear from the outset that our purpose is to help make retirement more rewarding.

To do this we're investing in our products, the price our customers pay, and the service we offer - and fundamentally this means we also invest in the best people.

In 2022 we welcomed over 120 new colleagues, complementing our existing team with a wealth of diverse experiences and fresh perspectives. We strongly believe that increasing gender diversity is a key driving force behind our business and in achieving our goals.

As we make our first UK Gender Pay Gap disclosure as a combined group, this report will outline the steps that we continue to take to increase female representation across the business, and in doing so, reduce our overall gender pay gap.

There's some fantastic work underway to ensure we continue to accelerate our diversity agenda across all areas, and I'm confident that in doing so, we'll build an even stronger more inclusive business together.

I confirm that the information contained in this report is accurate.



**Alison Longbottom**  
Chief People Officer



As Richard outlined, achieving gender balance at all levels of the organisation remains a key priority, and whilst we've made good progress over the last year, we remain committed to making improvements across female hiring, development, and retention.

This year's data shows some modest improvements across the government's four reporting categories; however, we recognise that there's still more to do to deliver the outcome we wish to see.

Our gender pay gap continues to be driven by an imbalance in our most senior roles and doesn't reflect unequal pay in like for like roles across the business.

Our combined group figures saw the number of women overtake men in three out of four pay quartiles, except for the upper quartile which includes our Executive Committee.

We've several initiatives underway to improve our gender balance, including investing in training and development to support female talent to progress in their career with us. As well as overhauling legacy recruitment procedures and challenging ourselves to think bigger and better when it comes to attracting top talent.

We'll be continually reviewing and looking to improve our approach to diversity, equality, and inclusion this year, supporting a culture where everyone can thrive.



## What is the gender pay gap?

The gender pay gap is a calculation of the difference between women and men's average pay and bonus across all roles within the business.

Our gender pay gap is driven by the fact that for the time period of the report, most of our more senior roles are filled by men whilst outside our senior roles we have a 49% female / 51% male split.

To close the gap, we want to have a gender balanced population at senior levels of the organisation.

This report provides our statutory data, which we're required by law to report to the government each year, along with a clear explanation of the figures and what we're doing about them.







## Closing the gap

It's important to note that the data contained in this report is a snapshot of people employed as at 5 April 2022 for salary and the preceding 12 months for bonus payments. The impact of some of the changes and initiatives that we've put in place already won't be captured until next year's reporting period.

Here's some of the activity and commitments we've put in place over the last year to support greater gender diversity:

- **People Leader training** – our guidance for recruitment covers topics around subconscious bias, gender equity and the importance of diversity.
- **Job adverts** – we ensure the language used in our role profiles and adverts is gender-neutral and free from implicit bias.
- **Gender balanced candidate shortlisting** – an ongoing commitment to create candidate pools of balanced gender split when recruiting for all roles.
- **Inclusion reminders** – our applicant tracking system (ATS) is equipped with an inclusion module, which provides guidance throughout the candidate journey to hiring managers, highlighting the importance of a fair and consistent selection process.
- **Salary benchmarking** – during our salary review process, gender is one of the factors we look at to ensure consistency and equality across roles of the same type and level.



In 2022, we undertook a harmonisation project, investing an additional £1m per year to improve terms and conditions for our people with legacy James Hay and Nucleus Financial contractual terms. We did this by levelling-up benefits such as employer pension contributions, bonus rates and holidays to the highest level across the group. For working hours, we 'levelled-down' so everyone is now contracted to 35 hours per week from 37.5 hours.

In addition, as part of our remuneration strategy we regularly review and monitor our salary and bonus processes to ensure pay equity in like for like roles across the group.

Throughout 2022, the proportion of new hire women in our senior leadership team has significantly increased, with a hire rate of 30% in 2021 (10 senior hires were made, of which 3 were female) to 45% in 2022 (9 female senior hires and 11 male senior hires).

We've also significantly improved female representation on our board over the last year, adding two new female board members, giving us nearly 40% female representation—further enhancing the diversity of thought required to guide and oversee the next chapter of our growth.

In December 2022 we launched the Nucleus Foundation, as our new dedicated philanthropic arm, with initial seed funding from our shareholders of £750k to distribute to good causes. As one of its strategic pillars, the foundation will look to support charities and organisations that specifically encourage more women into financial advice and planning careers, and discussions are close to finalising the first sponsored initiative.

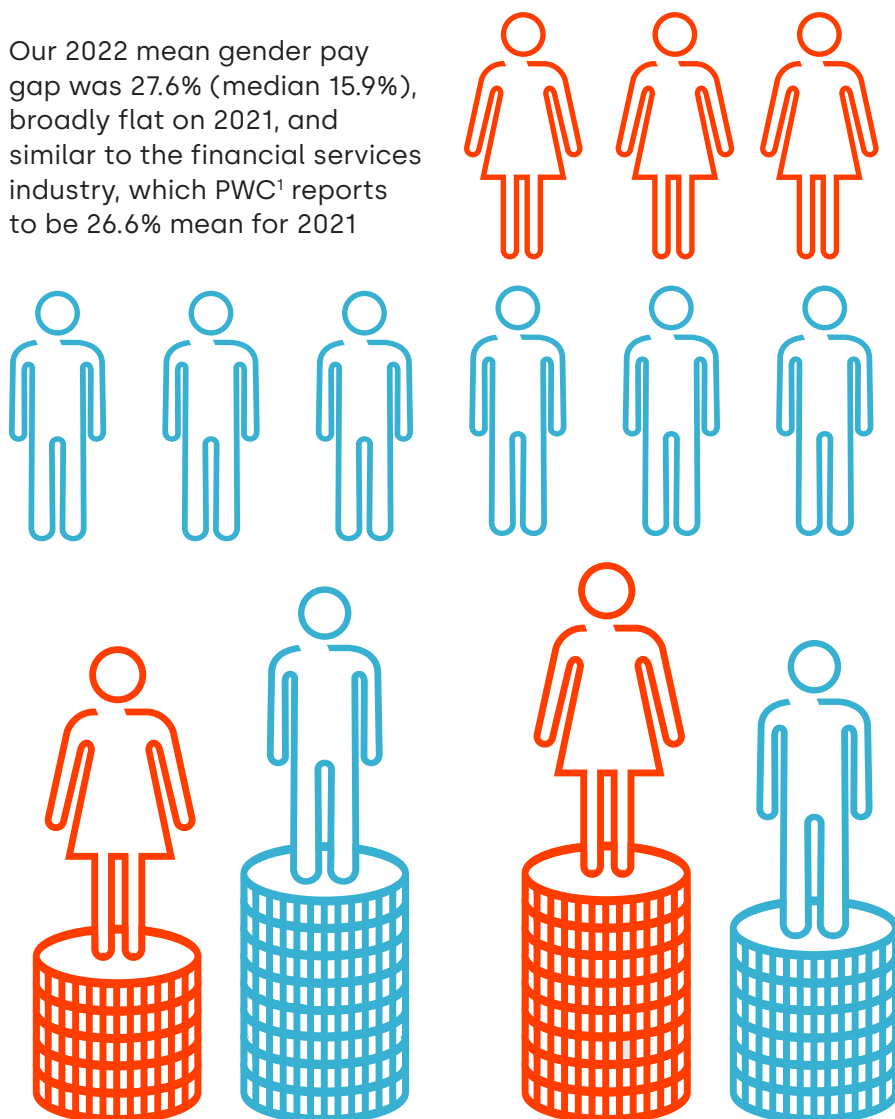
We've also almost reached our 2023 Women in Finance Charter target of 40% women in senior roles (currently 37%)

## Our gender pay gap

We're encouraged to see our gender pay gap continuing to narrow in certain areas, but the gap continues to be driven by a gender imbalance in our most senior roles – it doesn't reflect unequal pay for work of equal value.

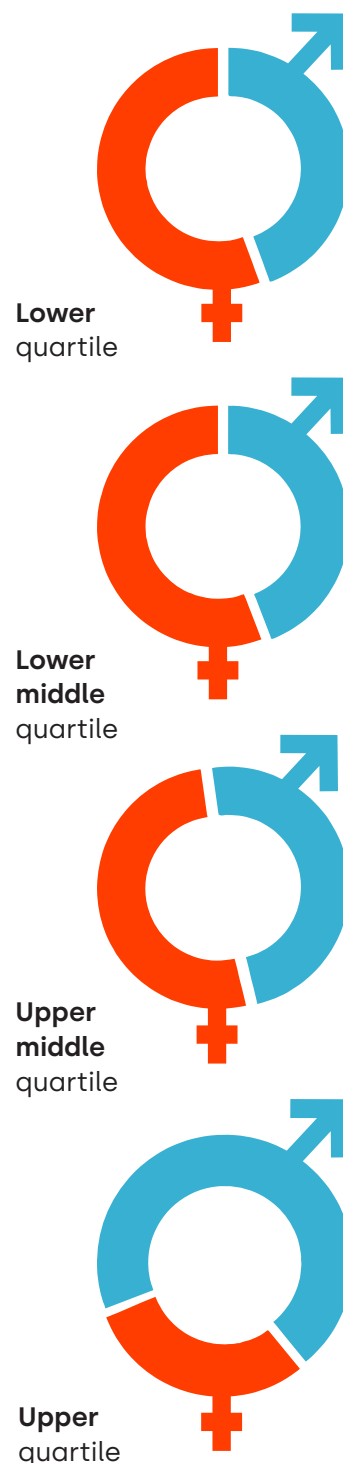
### Our combined group data

Our 2022 mean gender pay gap was 27.6% (median 15.9%), broadly flat on 2021, and similar to the financial services industry, which PWC<sup>1</sup> reports to be 26.6% mean for 2021



As an overall group, we're reporting that women were paid a mean average bonus of 63.2% less than men (median 22% less than men).

A higher proportion of women received a bonus than in 2022 (87.5% vs 83.9%).



Representation of women was higher in three out of four pay quartiles.



## Our data explained

The government's mandatory gender pay gap reporting requirement is the disclosure of four prescribed statistics:

1. Mean and median gender pay gap
2. Mean and median bonus gap
3. Proportion of women and men receiving a bonus
4. Proportion of women and men by quartile pay band

For reporting purposes, we're still required to present the data for our legacy employing entities James Hay Partnership and Nucleus Financial Group, and for the first time we've provided a combined group snapshot which is a more accurate reflection of where we were as a business April 2021-2022, where we have an overall 48% female/ 52% male split.

The snapshot date to determine in-scope employees for the pay calculations is 6 April 2022.



### Mean and median gender pay gap

	JHP 2021	JHP 2022	JHP Change	NFG 2021	NFG 2022	NFG Change	NGS 2022
Mean	32.4%	34.5%	+2.1%	25.2%	20.9%	-4.3%	27.6%
Median	20.7%	20.7%	-	20.4%	17%	-3.4%	15.9%

### Difference in pay per quartile

Group	Mean pay males	Mean pay female	Pay gap (mean)	Pay gap (median)	% of male	% of females	Contribution to pay gap
Lower quartile	54.33	53.16	2.15%	3.85%	44.44%	55.56%	-2.94%
Lower middle quartile	70.49	69.70	1.12%	1.76%	43.79%	56.21%	-4.36%
Upper middle quartile	97.98	95.70	2.32%	2%	48.37%	51.63%	-2.13%
Upper quartile	213.11	174.18	18.87%	4.79%	69.93%	30.07%	+37.04%

\*JHP – legacy James Hay | NFG – legacy Nucleus | NGS – combined group

\*Female representation | Male representation



## Mean and median bonus gap

	JHP 2021	JHP 2022	JHP Change	NFG 2021	NFG 2022	NFG Change	NGS 2022
Mean	76.5%	78.6%	+2.1%	65.5%	54.3%	-11.2%	63.2%
Median	30.1%	48.6%	+18.5%	35%	22.3%	-12.7%	22%

## Proportion of women and men receiving a bonus

	JHP 2021	JHP 2022	Change	NFG 2021	NFG 2022	Change	NGS 2022
Women	85.3%	86.3%	+1%	59.9%	88%	+28.1%	87.5%
Men	56.2%	84.8%	+28.6%	61%	83%	+22%	83.9%

## Proportion of women and men by quartile pay band.

Note: JHP had a TUPE transfer in June 2021 of 479 employees (60% female) which is reflected in the drop across lower middle and upper quartiles.

	JHP 2021	JHP 2022	Change	NFG 2021	NFG 2022	Change	NGS 2022
Lower Quartile	57.1%	55.6%	1.5% more males	54.3%	56%	1.7% more females	55.6%
	42.9%	44.4%		45.7%	44%		44.4%
Lower Middle Quartile	67.9%	49.1%	18.8% more males	57.4%	60%	2.6% more females	56.2%
	32.1%	50.9%		42.6%	40%		43.8%
Upper Middle Quartile	60.1%	43.4%	16.7% more males	45.7%	54%	8.3% more females	51.6%
	39.9%	56.6%		54.3%	46%		48.4%
Upper Quartile	32%	30.2%	1.8% more males	31.9%	31.3%	0.6% more males	30.1%
	68%	69.8%		68.1%	68.7%		69.9%

\*JHP – legacy James Hay | NFG – legacy Nucleus | NGS – combined group

\*Female representation | Male representation