

Gender pay gap report

Gender pay gap reporting requirements provide an opportunity for us and our peers to benchmark the progress being made in addressing this important issue.

The associated legislation requires us to publish data for Universities Superannuation Scheme Limited (**USSL**) as the trustee company of the Universities Superannuation Scheme (the **scheme**) by virtue of headcount.

Defining the gender pay gap

The UK Government Equalities Office has introduced reporting regulation requiring employers with 250 or more employees to disclose annually on their Gender Pay Gap. This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation. The Gender Pay Gap is based on an hourly pay rate for each relevant employee, reflecting base salary, certain allowances and any incentive awards paid in the snapshot month. The Bonus Pay Gap includes cash incentives plus any proceeds on exercise of long-term incentive plans paid over the previous 12 months.

What the 2018/19 data shows

The analysis of our gender pay gap at USSL includes all aspects of financial reward and recognition.

There is an important distinction between the **gender pay gap and equal pay**. The gender pay gap measures the difference in average pay between all men and women in the company, whereas equal pay is about paying men and women the same for equal or similar work. Equal pay has been a legal requirement in the UK for many years.

It's about equal representation and progression within all levels within the organisation: USS employs people who can deliver consistent, long-term results and we pay them fairly against market rates.

What the data continues to show is that we have a greater proportion of men than women in senior roles which drives a gender pay gap in hourly pay. This also means we have fewer women in roles where the scale of the bonus potential is greater.

We recognise that, not only to close the gender pay gap in this area but also as an employer committed to equal opportunities, we need to increase our senior female representation across the business, and this is an ongoing journey.

There is no tokenistic 'quick fix'. We remain focused on identifying the right actions to achieve lasting, meaningful change.

At USS we enjoy a culture where long-term solutions, collaborative working and innovative thinking are the norm, and that is precisely how we are approaching this issue.

Our Diversity and Inclusion agenda, developed in partnership with employees across the business, includes a focus on applying a gender lens across all elements of the employee cycle, such as recruiting, performance management, career development, promotion and remuneration.

Factors that will influence the pace of change

When recruiting at USS, we look to a wide and diverse pool of candidates. Of the employees hired during the reporting period, 55% were women and 45% men, which continues to suggest there is no inherent bias in our recruitment. In addition, of the leavers during the same period, 45% were female and 55% were male.

As a long-term investor with a long-term focus, executive and senior management roles are, typically, long-standing appointments. Once we have the right people in place, we want them to stay and low turnover at the senior level of the business is a welcome trend. This is likely to restrict the pace of change, therefore, we will look to:

- Develop from within by identifying and supporting a diverse range of internal candidates for senior roles, opportunities in the leadership team as well as succession planning;
- Provide as flexible and accommodative working conditions as possible for all employees;
- Consult with employees at USS to investigate what more we can do to develop action plans on this issue.

At USS, we have strong female representation across our management teams and we fully expect the balance will adjust over time.

	Mean	Median
Pay gap	32.6%	35.7%
Bonus gap	56.3%	75%

Proportion of employees awarded a bonus during the snapshot year

Male	Female
72.7%	74.6%

Pay quartiles

Pay quartile	Female	Male
Upper quartile	33%	67%
Upper middle quartile	41%	59%
Lower upper quartile	68%	32%
Lower quartile	59%	41%

The data in this report is accurate and in line with the government reporting regulations.

Bill Galvin

Group CEO

Universities Superannuation Scheme Limited