

CAF GENDER PAY GAP REPORT

Gender pay gap reporting came into effect in the UK to encourage employers to identify where gender pay gaps exist and to take action to address any imbalance.

A gender pay gap is a measure of difference (a gap) expressed as a comparison between what, on average, men earn and what, on average, women earn. This is different to equal pay which is where individuals must be paid the same for performing the same or similar work, or work of equal value. This is the third year of reporting and we are pleased to see a slight improvement in CAF's gender pay gap and a significant improvement in CAF's gender bonus gap. We continue to remain confident that men and women across CAF are paid equally for doing equivalent jobs. We take equality very seriously and have robust job evaluation, salary benchmarking and review processes in place to ensure this happens.

Since reporting last year's pay and bonus gap in April 2019, we have taken more actions to address some of the underlying causes of the pay gap, but recognise that closing the gap further will take time. CAF fully acknowledges there is still a gender pay gap and the organisation remains committed to continuing to close the gap in the coming years.



What we have done in the last year

- Set up a diversity group with representatives from across CAF to consider and make recommendations on how CAF can be more diverse and inclusive.
- Run a diversity and inclusion survey for all CAF staff and from the outputs, we have developed and communicated an action plan that sets out our key areas of focus.
- Developed and communicated a diversity and inclusion statement that communicates our expectations and aspirations to our people.
- Developed a section on our internal intranet to provide equality, diversity and inclusion information and resources for all our people.
- Developed career paths in our customer service teams where there is a high percentage of women in our more junior roles. This is designed to enable their development and promotion and encourage more men into these positions. This is underpinned by introducing apprenticeships and general training.
- Introduced guidance to enable greater flexibility in the workplace to include more home working, compressed hours and part time working. As a result we have seen an increase in agreed flexibility to working arrangements.
- Included unconscious bias training into our key training sessions on recruitment, performance management and appraisals to raise awareness and eliminate bias as much as possible.
- Provided coaching to support career and workplace development and are particularly supportive of women wishing to progress their career with CAF or work on general development.

CAF's gender pay gap report provides a view of the overall mean and median gender pay based on figures for April 2019 and bonus pay gap based on bonuses paid in the previous 12 months from April 2019.

CAF's mean gender pay gap is 28.3%

The mean pay gap is the difference between the average hourly pay of men and women.

CAF's mean bonus gap is 22.2%

The mean bonus gap shown is the difference between the actual average bonus paid to men and women.

CAF's median gender pay gap is 33.2%

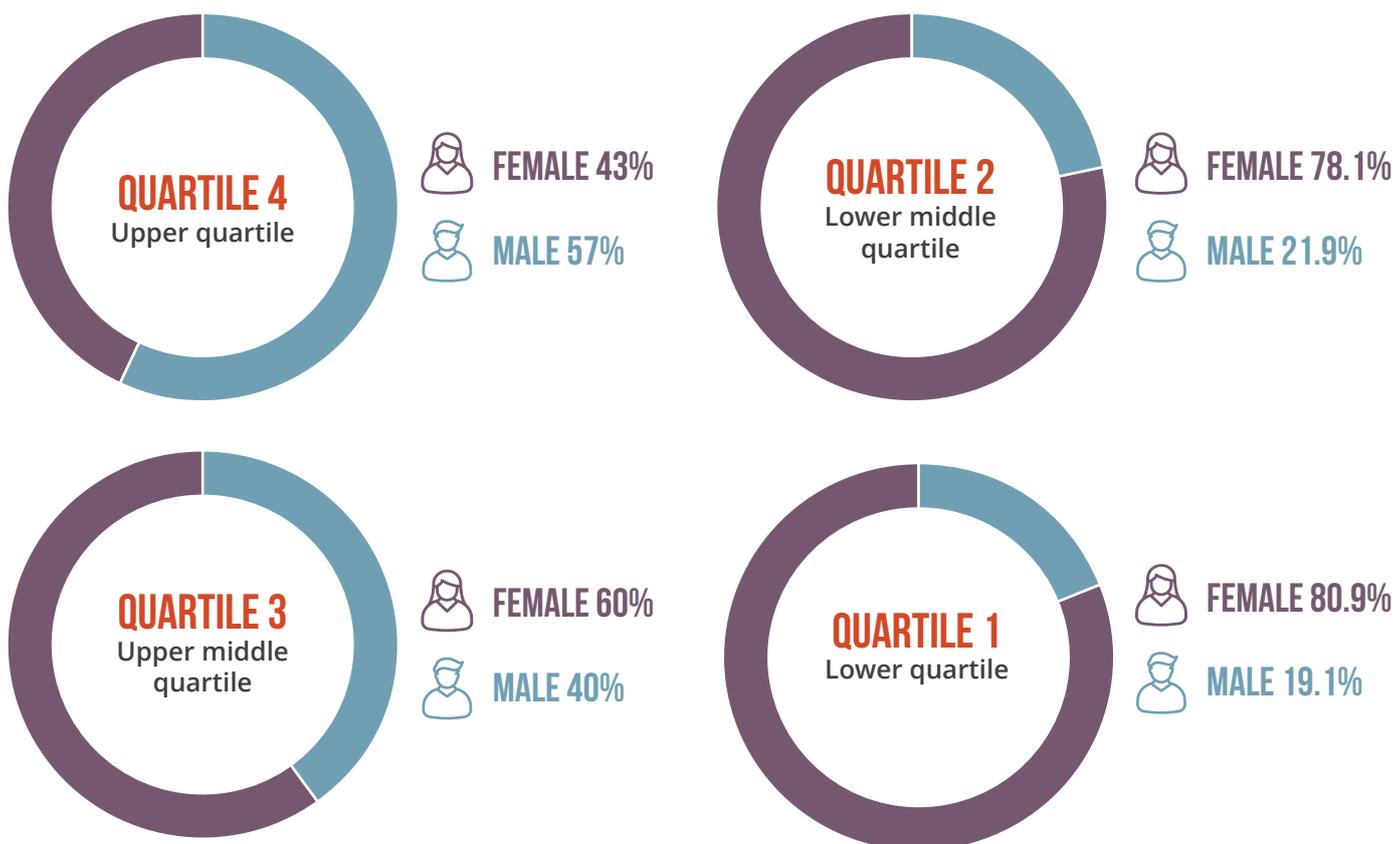
The median pay gap is the difference between the midpoints in the ranges of hourly pay of men and women.

CAF's median bonus gap is 8.3%

The median bonus gap is the difference between the midpoints in the ranges of actual bonuses paid to men and women.

CAF gender pay quartiles

The following charts show the percentage of women and men who were receiving full pay in April 2019 in four broadly equal quartile pay bands. This is achieved by splitting these employees according to their pay into four broadly equal bands – lower, lower middle, upper middle, and upper quartiles.



Pay gap by each individual quartile

Quartile	Mean	Median
Quartile 4 (upper quartile)	7.9%	4.7%
Quartile 3 (upper middle quartile)	3.7%	5.0%
Quartile 2 (lower middle quartile)	1.5%	0.7%
Quartile 1 (lower quartile)	-1.9%	-2.3%

% of men who received a bonus	61.8%
% of women who received a bonus	51.5%

Why do we have a gap?

Our gender pay gap is primarily because we continue to have a large proportion of women in non-managerial, customer service and administrative roles (see lower and lower middle quartile figures above) and more men than women in senior roles which attract higher pay (see top quartile figures above). This is in part due to the market for staff in which we operate, but we do make strong efforts to ensure we recruit from the widest possible pool of talent. While we are a medium sized organisation, we are also anxious to grow our talent within CAF to ensure our people have the ability to progress.

CAF pays modest performance related bonuses. During the bonus period, bonuses were paid to 55.0% of our employees. In the calculation to determine the bonus pay gap, we report actual bonuses paid. We enable flexible working for both men and women as part of our culture and this is valued by our people who work in this way. The average cash value of bonuses paid to women is lower than bonuses paid to men in CAF. This is because we are required to report the actual bonus paid after it has been pro-rated for part time working. As the vast majority of part time staff are women, bonuses are therefore reduced to reflect their part time hours. This contributes to a bonus pay gap. Additionally, because we link any bonus paid to an individual's grade, lower grades therefore receive a lower bonus. As the majority of our lower grades are held by women, this further contributes to the bonus pay gap.

While we have seen a significant improvement in the bonus pay gap this year, we continue to remain committed to closing this gap further in coming years.

What we plan to do in the coming year

We will:

- Develop a formal Equality, Diversity and Inclusion Strategy. We truly value a diverse and inclusive workforce and implementing a strategy to support and enable this going forward is important to us.
- Introduce a framework to support women and men on maternity, adoption, or shared parental leave, and in particular to ensure we keep in contact with them and support their easy transition back to work.
- Continue to provide diverse and comprehensive training and development, including coaching, mentoring, apprenticeships, management development, and support to achieve professional qualifications.
- Continue working with our preferred recruitment suppliers to improve our processes around recruitment to ensure we recruit from the widest pool of prospective candidates and eliminate unconscious bias at the early shortlisting stage where possible.
- Review the maternity, adoption and paternity pay provisions within CAF over the coming year.

I recognise there is a gender pay gap in CAF and I will ensure every effort is made to continue to close the gap in the coming years.

I confirm the accuracy of the data reported.

Sir John Low
Chief Executive