



Gender Pay Gap Report 2020

isio.

September 2021



Foreword by Claire Head Chief People Officer

Isio is just 18 months into its journey as an independent pensions advisory firm. Setting up a new business through Covid-19 has been tough. Yet we've been triumphant – we have grown our brilliant team by 23% and getting the mechanics of a new business up and running.

Our past shapes who we are today and we're incredibly proud of our heritage. But being independent has also given us a huge opportunity to shape who we want to become – an inclusive, diverse workforce, where people are rewarded based on merit, not gender. Where gender equality and broader diversity is a must, not a nice to have.

Today, we're unfortunately too far from this ambition. Despite our team providing strong feedback in our very recent engagement survey, that we have a highly inclusive culture and above the professional services norm, our diversity is not where I, nor the Executive Leadership team want it to be. It's not reflective of the company culture we have and want to enhance. We know we have to challenge ourselves on what we need to do differently – reflect and learn from the actions of the past. We also have to be courageous in the decisions we make and the steps we take now to move the dial in the right direction for the future.

All the big and small changes will shape the Isio of the future

There is no silver bullet. Lots of small and big changes across the organisation will help us get to where we need to be. I believe it starts with our culture, and in September 2021 we were proud and excited to be rolling out our Being Isio programme, incorporating our purpose and values. This will be our blueprint for the DNA of our organisation and go alongside the behaviours we expect everyone to follow – do the right thing when we recruit,

stay curious and have clear conviction to develop and retain the best talent and always bring the human touch. Listening to our people is crucial. That's why this summer we launched our inaugural People First Engagement Survey. This has given our colleagues a platform to give their honest feedback on life at Isio. The results will shape our thinking and inform the decisions we make and actions we take on what we need to do differently as we grow. For example, they'll inform the review we will do of the full employee lifecycle, from the first contact with Isio during recruitment through to all the moments that matter during their career with us.

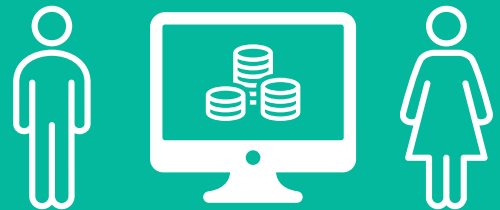
Change takes time. Sustainable change takes even longer. Alongside our Gender Pay Gap results, you'll see the concrete steps we've already implemented and what we have planned across the full spectrum of our people agenda. As just one example, we're partnering with industry specialists to develop a forward looking Inclusion strategy. This will help us track progress on the areas that need to be improved, alongside helping us proactively fill any gaps we've yet to spot. And some changes are already bearing fruit – I was delighted when Isio was awarded the Bronze 'Achieving Change' award in Mind's Workplace Wellbeing Index.

Due to the data set for this report being taken in April 2020, a month after we were set up, it doesn't reflect a full year of data as our most senior team were Partners in KPMG for most of the period and this will also affect next year's results. So we won't see the positive impact of today's actions until 2023 and beyond. Yet I'm confident with the commitment from the Executive team, by holding ourselves to account and Suzy Neubert, our first female NED, holding us all to account, we will succeed.

What is the Gender Pay Gap?

The Gender Pay Gap shows the differences between the average pay of men and women in an organisation. The measures used are:

- Mean and median in hourly pay
- Mean and median in bonus pay
- Proportion of male and female receiving bonus
- Proportion of male and female employees in each pay quartile



Companies with 250 or more employees are required to report on their gender pay gap annually, based on a specified snapshot date. For the 20/21 reporting, the data snapshot we've taken is 5th April 2020 (one month after Isio was set up.)

Equal Pay is different from Gender Pay Gap. In the Equality Act, men and women should be paid equally for doing the same or a similar role. Gender Pay Gap examines the pay data in aggregate, looking at the organisation as a whole, rather than specific roles.

Actions we've undertaken today to build a sustainable and inclusive workforce of tomorrow

“ To grow, everything we do, everything we say and every action we take must be done in an inclusive way, following our purpose, values and diversity commitments. I'm proud that we've already made a lot of changes in a very short space of time and against a difficult market backdrop. This will move us in the right direction and I'm excited to build on this going forwards. ”

- Andrew Coles, Isio CEO



Isio Gender Pay Gap results

Isio Data at a glance – snapshot at April 2020

| Pay Gap | Mean | Median |
|-------------------------------|-------|--------|
| Hourly Pay including Partners | 33.7% | 29.8% |
| Hourly Pay excluding Partners | 20.7% | 23.0% |
| Bonus Pay excluding Partners | 35.9% | 30.3% |

| Receiving Bonus | Female | Male |
|------------------|--------|-------|
| Bonus Recipients | 75.9% | 74.8% |

| Quartile Pay Bands | Female | Male |
|-----------------------|--------|-------|
| Upper Quartile | 25.0% | 75.0% |
| Upper Middle Quartile | 37.6% | 62.4% |
| Lower Middle Quartile | 44.8% | 55.2% |
| Lower Quartile | 56.0% | 44.0% |

The results explained

The data we've taken is from April 2020. This was one month after Isio was established, so is strongly influenced by the legacy KPMG approach and isn't representative of Isio today.

The results are strongly influenced by the fact that there are more men than women at senior levels. At junior levels, it's vice versa – more women than men.

Bonus figures

Bonus figures are based on actual bonus payments, not full-time equivalents. This means the figure is skewed by the fact that females consist of the majority of part-time employees.

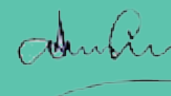
Partners weren't included in this year's bonus pay calculation, although base pay is included. This is because in the 12-months prior to April 2020 when bonus payments were made, partners had a different employee status at KPMG. For the 2021/22 report, Isio Partners and their bonus will be included in all calculations.

We have also recruited a lot of new people in the last 18 months, especially for the corporate functions. Due to this, not everyone was eligible for a bonus. A fuller data set will be reported next year and also have an impact on the results.

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2020.

Signed:



Andrew Coles



Recruitment Governance

- Applicants are now anonymous at the screening stage to avoid unconscious bias
- Salaries offered are reviewed in line with peer parity
- Authorised recruiter – comprehensive training and recruiter licence concept to ensure high standards and consistency amongst internal recruiters



Learning and Development

- Compulsory training on unconscious bias, and diversity and inclusion for all employees. In addition, more tailored and intensive training for senior employees



Talent Management Strategy

- To identify high potential and high performing talent below senior management level, as well as to secure a diverse talent pipeline



Performance Management

- For all year end performance reviews and promotions, EDI stats are closely monitored and reviewed



Reward Strategy

- To collect relevant information on our internal systems to enable in-depth analysis through the EDI lens
- To create a comprehensive approach to reward policy, practice, and governance

Recruitment

What we've already done

- Anonymised CV submissions to avoid bias and taken out references to gender and name from any submission notes from all third party resourcing partners.
- Made sure our interview panels are diverse (either by gender or ethnicity).
- Partnered with Social Mobility Foundation, GAIN (GirlsAreINvestors), 10,000 Black Interns and continuing to engage with new organisations to attract a diverse junior talent pool.
- Pipeline candidates from a diverse range of talent pools via 3rd party suppliers, LinkedIn and referrals
- Continually working with our 3rd party suppliers to gain market salary data and ensure offers we make are competitive and fair
- Offers are purely based on experience, and alignment with peers
- Educating our 3rd party suppliers on the importance of EDI to us at Isio, and the requirement to present a diverse shortlist of candidates for all vacancies

We're seeing improvements in the diversity of our Partners since going independent

| | Mar-20 | | Jul-21 | | Comments |
|-----------------|--------|--------|--------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Male | Female | Male | Female | |
| Partner | 20 | 0 | 24 | 3 | Now 11% F partners, from 0% at acquisition. |
| Director | 20 | 10 | 18 | 10 | Increase from 33% to 36% for F directors decrease from 67% to 64% for M directors. Slight reduction in numbers due to movement in/out of this grade (including promotion to partner). |

What's coming up

Implementing an Applicant Tracking System for all candidates applying to Isio. This will improve their user experience, auto anonymise CV's and candidate shortlists and give us clear reporting on candidate diversity to help us track KPIs. We'll also set up a careers page, through which we'll showcase current opportunities and diversify our recruitment channels.



Creating new Role Profiles which will align to our Being Isio programme, set out clear commitments to flexible working and promote potential job share opportunities both internally and externally.



Formalising the interview process for all grades where we'll align on our commitment to EDI and include a mandatory Purpose and Vision interview in the second round.

People and Talent Management

What we've already done



Reviewed existing policies

to make them more inclusive and open to all, including introducing a transgender policy.



Looked in-depth

into the data behind those leaving Isio (including conducting in-depth exit interviews) to spot any trends from a diversity, geography and business service line perspective and to see where we can do better and how we must improve.



Reviewed the data

around performance management and employee retention to spot any trends from a diversity, geography and business service line perspective, with a sharp focus on how we can drive the inclusive culture we want.



Completed calibration

and detailed reviews of promotions by gender and diversity to make sure we have transparent and fair career progression which supports difference.



Used data

to measure the effectiveness of tools and policies. This led us to create key people metrics which will be reviewed and tracked by the Executive Leadership team to hold us all to account on progress.



Set up

a variety of employee networks to support inclusivity across Isio and to champion initiatives and events – for example our EDI network.

What's coming up



Redesigning the performance management process and tools. This will make the process more transparent and provide development for performance managers.



Revising policies around mental wellbeing based on the findings and the recommendations in the Mind Wellbeing Report. Our participation highlights the long-term commitment we've all made to supporting the mental wellbeing of our people.



Implementing the CLEAR Future of Work model once the Covid-19 restrictions have been lifted. This will give our people the autonomy to work in a hybrid way to perform at their best.



Reward

We've recently launched the Isio Benefits Review Project. Through this, we're asking everyone in the organisation if the current benefits offering meets their needs and what we need to do to improve it. We also want to focus on our people's financial wellbeing, and have rolled out a Workplace ISA.

We were delighted to win two awards at Mind's Workplace Wellbeing 2020-21. As an organisation we were awarded the bronze 'Achieving Change' award. And Donna Smith, the co-founder of our Mental Health Network, was also awarded the Wellbeing Champion Award for going above and beyond to support mental wellbeing at Isio.



Learning and Development

What we've already done

We see EDI training as a critical part of embedding this mindset across everyone who works at Isio and in everything we do. In September we outlined Isio's EDI training roadmap and we're on track with our initial plans.



86%

of colleagues think people of all backgrounds (e.g. cultures, backgrounds, disabilities, sexual orientation) are respected and valued in Isio



16

eLearning modules spanning the entire spectrum of EDI have been released so far. From mental health and gender inequality, to racism and disability



93%

of our Partners and Directors attended Inclusive Leadership training, including action planning for a better future



Launched

the reverse mentoring programme pilot in London



Launched

a new Learning Management System which gives our people more flexibility with online learning and Management better reporting and the logging of CPD



Rolled out

bespoke development and coaching programme for Directors to support their leadership responsibilities

What's coming up



Identifying and addressing development needs to support different learning styles and personal development. This will ensure teams value the strength in difference.



Eight more eLearning modules will be rolled out over the next 12 months.



More mental wellbeing training across the organisation based on the findings and recommendations of the Mind Wellbeing Report



“ I will hold the Executive Leadership team to account on delivering on our diversity strategy and moving us at pace to more parity on gender pay. I’ll use my 30 years of experience in capital markets and asset management to share lessons from the past, stretch their thinking and always look at what we can do to be better. ”

– Suzy Neubert



