

COMMERCIAL

PAY GAP REPORT

2023/2024

INTRODUCTION

DIVERSITY: OUR SUPERPOWER



We are an ambitious team at Commercial and it is in our nature to push boundaries.

It is why, as business transformation specialists, we are set to reach £100million revenue in 2025. And it is why we are firmly on course to hit our near-term net zero target in 2028.

Although this report is written to adhere to the regulations set by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, this report goes well beyond the confines of that legislation.

Why? Because when it comes to championing diversity and promoting inclusivity, we are totally committed to going the extra mile.

I truly believe that diversity, in thought, perspective and personality, is a superpower.

It's why we continue to nurture talent and create an inclusive and supportive environment.

One where every voice is heard and where anyone and everyone can thrive. This even means, at times, challenging historical under-representation of gender in specific sectors such as women in IT.

Commercial by Nature is, by definition, inclusive. It is a way of thinking, feeling and doing. It binds us as an organisation and sets our course of action.

This report shows the work we have done to date; it has enabled us to agree base levels and, crucially, helped us to set new and ambitious targets.

As a wise woman once said: "when you know better, you do better." Here's to always striving to do better.



Simone Hindmarch,
Co-Founder and Managing Director.



WELCOME TO OUR

2024 GENDER PAY GAP REPORT

At Commercial, we're committed to building a diverse, inclusive, and equitable workplace where everyone can thrive. Reducing inequalities and ensuring that no one is left behind is a fundamental part of who we are.

This Gender Pay Gap Report is part of our ongoing commitment to equality. It helps us reflect on our progress, identify where we can improve, and take meaningful steps to help close the gap. This is our second Gender Pay Gap Report, and we are encouraged by the positive trends we are seeing, particularly increased female representation in senior and higher-paid roles, and a narrowing of the gap overall. However, we know there is more to do. This report serves as a foundation for ongoing reflection and action, helping us evaluate the impact of our strategies and shape our path forward.

According to the latest data from the Office for National Statistics (ONS), the UK median gender pay gap for full-time employees stood at 7.0% in April 2024, down from 7.5% in 2023. For all employees (including part-time workers), the median gender pay gap was 13.1% in April 2024, a decrease from 14.2% in April 2023. These figures highlight the ongoing challenges and the importance of sustained efforts to achieve pay equity across all sectors.

While we're proud of our progress, we remain steadfast in our commitment to continuous improvement. Our goal is not just to reduce the gap, but to build a truly inclusive, fair, and thriving workplace for all.

This report is based on data collected as of 5 April 2024. I confirm that the data is accurate and has been published in line with gender pay gap reporting regulations.



Jenny Hodgson,
People and Culture Director.

UNDERSTANDING

GENDER PAY GAP CALCULATIONS

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What is the Gender Pay Gap?

The gender pay gap is the difference between the average earnings of men and women across an organisation, regardless of the type or level of work they do. It is not the same as equal pay, which refers to paying men and women the same for the same or similar roles.

A positive gap means that, on average, men are paid more than women. A negative gap means that women are paid more than men. UK legislation requires all organisations with 250 or more employees to report their gender pay gap annually. Organisations must report six key metrics, based on a snapshot of pay data taken on 5 April 2024.



UNDERSTANDING

GENDER PAY GAP CALCULATIONS

Median Gender Pay Gap

The difference in median hourly pay between male and female team members. It compares the pay of the midpoint individual in each gender group when sorted from lowest to highest hourly pay.

Mean Gender Pay Gap

The difference in average hourly pay between men and women, calculated by dividing total hourly pay by the number of team members for each gender.

Median Bonus Pay Gap

The difference in median bonus pay received by male and female team members over a 12-month period.

Mean Bonus Pay Gap

The difference in average bonus pay received by men and women over the same 12-month period.

Bonus Proportions

The percentage of male and female team members who received bonus pay in the 12 months prior to the snapshot date.

Pay Quartiles

Team members are split into four equal pay bands—lower, lower-middle, upper-middle, and upper—based on hourly pay. The proportion of men and women in each band shows gender representation across pay levels.



OUR RESULTS

We recognise that diversity extends beyond gender.

As of the snapshot date, 10.2% of our team members identify as being from ethnic minority backgrounds, while 89.8% identify as White British.

We continue to monitor and support diversity across all protected characteristics.



GENDER PROPORTIONS

TEAM



BOARD MEMBERS

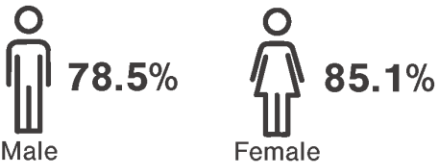


SENIOR MANAGEMENT

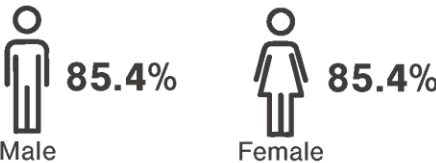


% OF MEN AND WOMEN EARNING A BONUS

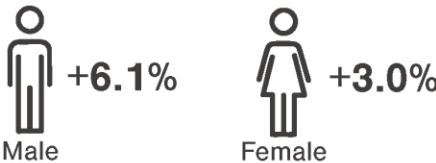
2022/2023



2024/2024



% INCREASE



DIFFERENCE IN BONUS PAY

MEAN

2022/2023 44.0% 2024/2024 18.5% ↓ -25.5%

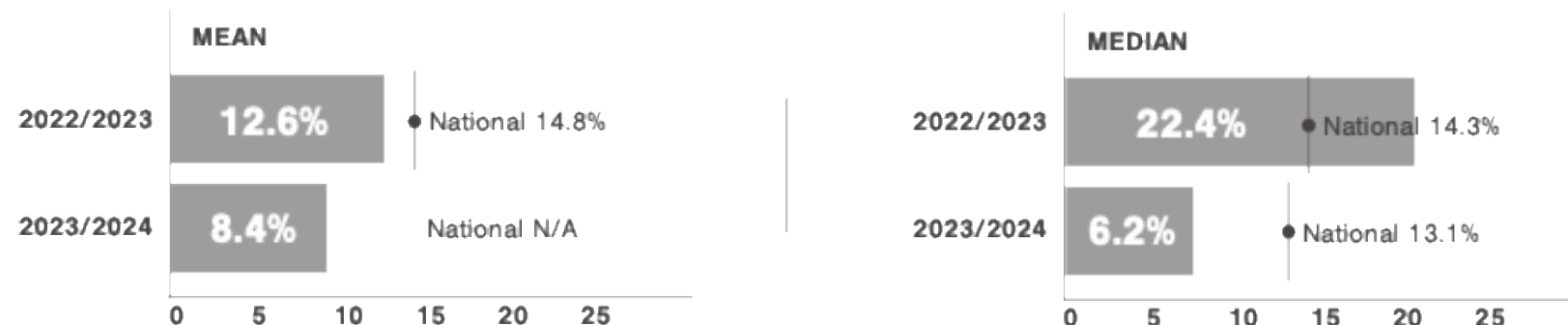
MEDIAN

2022/2023 -2.0% 2024/2024 4.59% ↑ 4.59%

OUR RESULTS

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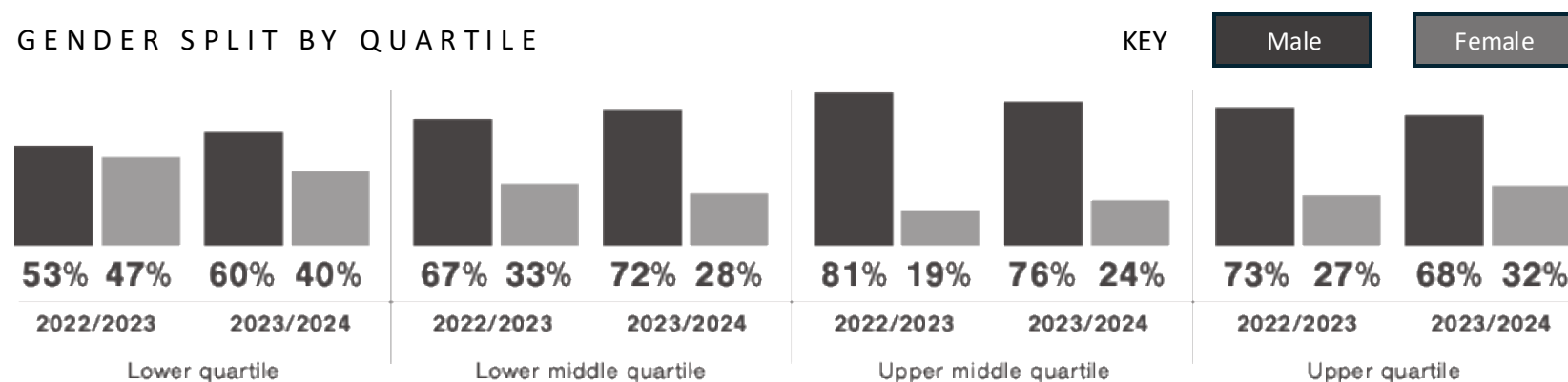
HOURLY PAY GAP



*National figures taken from the Office of National Statistics report: Gender Pay Gap in the UK, released April 2024

The ONS report does not provide mean (average) gender pay gap percentages for 2024. This is because median values are less affected by extreme values and are considered a more reliable measure for assessing pay disparities.

GENDER SPLIT BY QUARTILE





OUR RESULTS

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Bonus Pay Gap

- Mean Bonus Gap: Dropped significantly from 44% to 18.5%. This suggests that, on average, the bonus amounts received by women have become much closer to those received by men, marking a substantial step forward in closing the gap.
- Median Bonus Gap: Shifted from -2% (favouring women) to +4.59% (favouring men). While the direction has reversed, the overall gap remains relatively small, and we remain committed to achieving even greater balance in future cycles.

We remain committed to regularly reviewing our policies and practices to ensure they support fairness, career development, and a truly inclusive culture.

While there is always more to be done, we are confident that with continued focus and proactive action, we will make further progress.



OUR RESULTS

EXPLAINED



Gender Representation by Pay Quartile

This year's figures show encouraging shifts in gender representation across our pay quartiles. These changes suggest a positive trend, women are increasingly progressing into higher-paid positions, reflected in growing representation in the upper middle and upper quartiles. At the same time, the reduction in female representation in lower pay quartiles implies a movement away from lower-paid roles. Together, these shifts are contributing to a narrowing gender pay gap.

Bonus Pay Eligibility

We have also made strong progress in improving bonus equity:

- In 2022/23, 85.1% of women received a bonus, compared to 78.5% of men—a 6.6 percentage point difference.
- In 2023/24, bonus eligibility rose to 85.4% for women and 84.6% for men—narrowing the gap to just 0.8 percentage points.

We remain committed to regularly reviewing our policies and practices to ensure they support fairness, career development, and a truly inclusive culture. While there is always more to be done, we are confident that with continued focus and proactive action, we will make further progress.



UNDERSTANDING FAIR PAY

STRUCTURE & OVERSIGHT

We are committed to ensuring that every individual is paid fairly, equally, and without bias. Our approach to pay is rooted in transparency, consistency, and a commitment to equality of opportunity across all levels of the business.

We operate with clear salary bandings for applicable roles, which are reviewed annually in line with industry benchmarks, inflation, geographical factors, job complexity, and required qualifications.

This benchmarking ensures that pay remains competitive, appropriate for the role, and aligned to the skills, experience, and responsibilities involved, regardless of gender or any other protected characteristic.

To reinforce our principles of fairness, all decisions related to starting salaries, salary progression, and bonus awards are guided by objective criteria and are subject to oversight by both line managers and the People and Culture team.

This dual-approval process helps ensure that decisions are free from individual bias and based solely on merit, performance, and business need.

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UNDERSTANDING FAIR PAY



TOTAL REWARD & INCENTIVES

We also acknowledge that reward extends beyond salary. Our total reward package includes a comprehensive range of benefits available to all employees, such as:

- Enhanced maternity and paternity leave
- Flexible working arrangements (remote, hybrid, part time, temporary)
- Company pension contributions
- Life assurance
- Access to a 24/7 remote GP and mental health support
- Employee counselling service
- Cycle-to-work and EV schemes
- Professional development funding and internal promotion opportunities

We do not pay bonuses based on overall company performance. Instead, specific roles may have a structured bonus scheme linked to clearly defined and measurable Key Performance Indicators (KPIs). These KPIs are agreed at the start of the year and are reviewed regularly to ensure they remain SMART. By aligning individual performance incentives with business goals in a fair and transparent way, we reward contribution without creating systemic inequities.

As we continue to evolve, we are exploring new ways to enhance pay transparency and ensure that reward structures remain inclusive, competitive, and supportive of career progression for all.

OUR CULTURE

ACTIONS WE HAVE TAKEN

At Commercial, equity, diversity, and inclusion (EDI) are core to who we are and how we do business. Everyone matters — we are #CommercialbyNature.

Since our last report, we've taken the following actions to drive positive change:

Recruitment: We use gender-neutral language, transparent salaries, and structured interviews to support fair hiring. As a Disability Confident Level 2 Employer, we ensure inclusive and accessible recruitment, offer reasonable adjustments throughout, and use structured interview processes to mitigate bias.

Champion Networks: Our Menopause and Neurodiversity Champions provide peer support and raise awareness, helping to normalise conversations and support employee wellbeing.

EDI Commitment: We uphold a zero-tolerance approach to discrimination and ensure all employees receive EDI training, with managers receiving additional guidance on unconscious bias and inclusive recruitment.

Employee Voice: Our quarterly anonymous pulse surveys focused on satisfaction, wellbeing, and engagement give employees a voice. Responses are reviewed by our People & Culture team and shared with senior leadership to track progress and inform action.

Women in Tech: Our Women in Tech programme supports women into STEM roles through outreach, coaching, work experience, and inclusive pathways, backed by enhanced maternity pay and a dedicated working group.



