

THE CARBON TRUST

UK gender pay gap reporting

2022-2023

Introduction

- Creating an equitable environment, which offers equal opportunities to all of our staff at the Carbon Trust is a key priority for us. Reducing our gender pay gap is a significant part of this commitment.
- Our pay gap for the last financial year (April 2022-2023) is 20.1% (2021-22 18.5%). While this gap is similar to other environmental and science-based consultancies, and echoes a wider gap seen across STEM industries, we do not consider this acceptable and are actively working to reduce.
- In 2022-23 an external audit of our DE&I approach was conducted, including focus groups, interviews and a data audit to identify the key areas for improvement and next steps to strengthen our approach to diversity, equity and inclusion. We have started to implement the findings from this review.



Key terms explained

- When considering pay gap figures, it is important to note the differences between equal pay and the pay gap. The pay gap can also be calculated using two methods; median and mean.

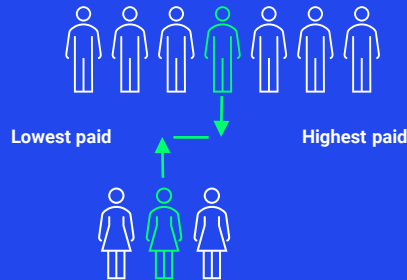
Equal pay:

Our people should not be paid differently for equal work.



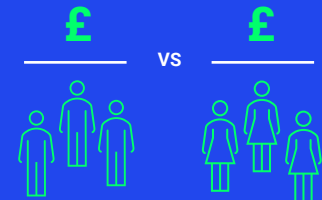
Median pay gap:

The difference in hourly pay between mid-points of two groups, when salaries are listed by size.



Mean pay gap:

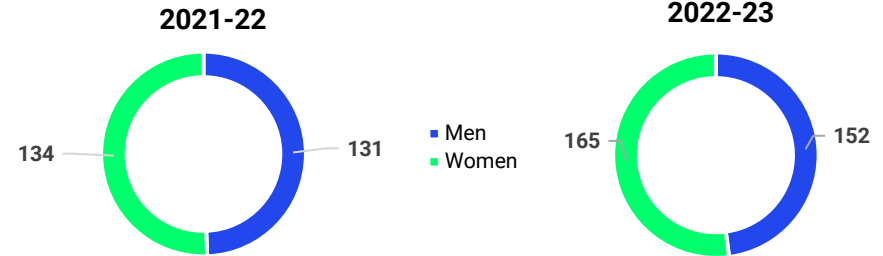
The difference in the average hourly rate for men vs women. This applies to fully paid staff.



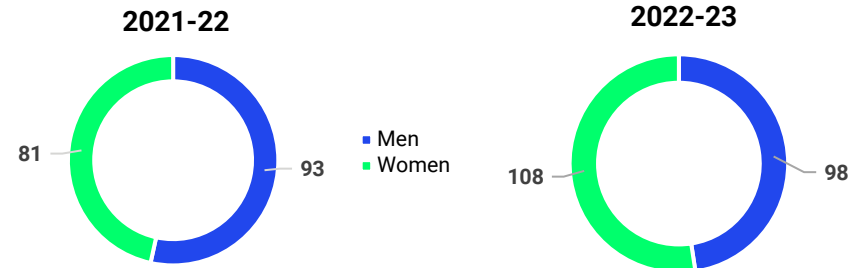
UK employee population reporting

- This year, 2023, is the Carbon Trust's second year of formally reporting its UK gender pay gap.
- A total of 317 employees are included in the gender pay gap report, comprising 165 women and 152 men.
- During the year we saw an increase in women at all levels, except the lower quarter, driven both by women joining the organisation and women progressing within the Carbon Trust.
- A total of 206 employees are included in the bonus pay gap reporting, of which 108 are women and 98 are men.
- The bonus population is smaller than the pay population as a number of employees were not eligible for bonuses as they joined the Carbon Trust later in the year.

Employees included in the pay gap
(full pay only)



Employees included in the bonus pay gap
(all even if not on full pay)



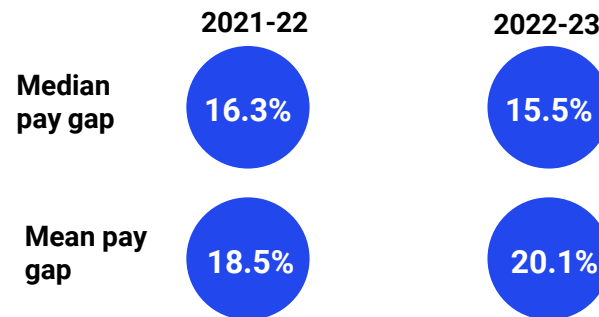
Pay gaps 2023

- Our median pay gap of 15.5% (2022 16.3%) has reduced due to more women in the higher three quartiles compared to the previous year.
- The mean pay gap is 20.1% (2022 18.5%) the gap is due to more men in higher pay quartiles and more women in lower pay quartiles, and the change year on year results primarily from a small number of senior female leavers.

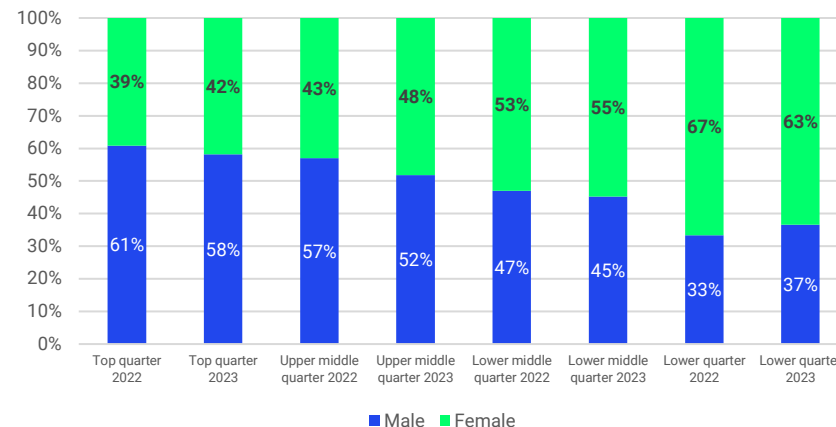
We are actively working to reduce this gap by:

- Setting a target for women to make up 40-60% of our leadership and management positions. By April 2023, women comprised 50% of our management and 31% of our leadership teams. As of July 2023, these numbers have increased to 51% and 37% respectively.
- Ensuring all job descriptions are gender neutral, using mixed panels for hiring, and setting defined competencies and assessment tasks during the interview process.
- Significantly improving our flexible working and family friendly approaches to support the balancing of work and home commitments. This aims to help with retention and career progression for staff with caring responsibilities.
- Implementing the findings of last year's DE&I audit with work started on three of the five areas to drive change: DE&I strategy; inclusive leadership and inclusive talent.
- Enhancing training across the organisation, starting with our leadership team, to raise awareness and understanding of DE&I, and to give colleagues the practical tools to take action in their day to day.

Pay gap employees fully paid



The Carbon Trust UK pay quartiles by gender



Bonus gaps 2023



In 2023, 64% (2022 70.5%) of men and 64% (2022 56.3%) of women received a bonus. All colleagues (except interns) are eligible for a bonus.

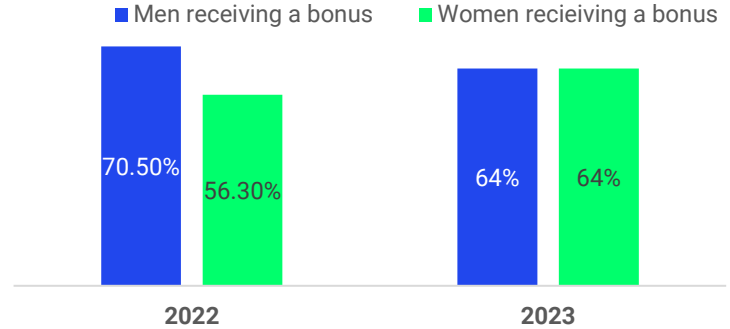
Our 2023 median bonus gap is 16.8% (2022 17.5%) and our mean bonus gap is 41.2% (2022 42.5%).

There are a number of reasons for this gap:

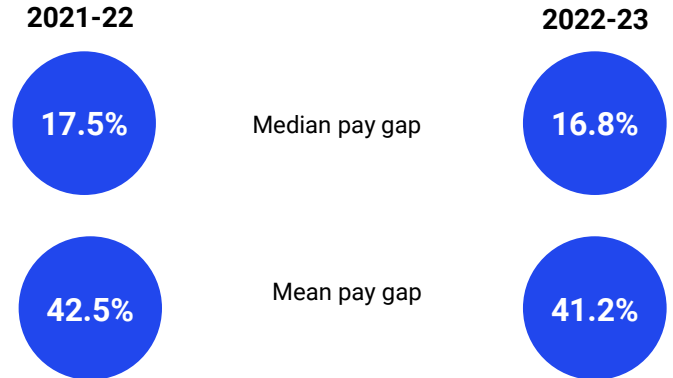
- We continue to have a higher representation of male staff in the upper quartile and this impacts our gender bonus gap.
- While we are seeing an increase in the representation of women in the top three quartiles, reducing the median pay gap, our most senior colleagues are men.

We are actively working to support recruitment, retention and progression in 22/23 with the aim of reducing these gaps in coming years.

% employees receiving a bonus



Bonus pay gap – all employees





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"I confirm that the information in this statement is accurate."

Hilary Hume Smith
Head of People