

Victorian Plumbing Ltd

Gender Pay Gap Report 2022



Introduction

At Victorian Plumbing we are committed to continually evolving our business to ensure we become more inclusive in welcoming, and just as importantly retaining, a diverse workforce.

Diversity and Inclusion is a core part of our overall people and culture strategy and is now a key business priority that's supported by our board of directors. Diversity at Victorian Plumbing means respect for and appreciation of differences in: sex, gender identity, age, sexual orientation, disability, race and ethnic origin, religion and faith, marital and family status, social, educational background and ways of thinking, amongst other characteristics and experiences.

We believe that inclusion is a state of feeling safe, a sense of belonging and a working and cultural environment of being valued, respected and supported for who you are - we want people to be able to be their 'true' selves at work.

Our Gender Pay Gap reporting follows the Government's legislation covering those employees who identify as men or women. The Government's reporting guidelines do not address other gender definitions such as those who identify as non-binary which we feel is a shame and should be readdressed for future reporting.

Looking at this year's report, we have made progress across a number of areas but still have a number of areas in which we can substantially improve. Although a gender pay gap does still exist at Victorian Plumbing, we will continue to work hard to address the issues we believe are relevant to reduce this gap.

At a glance

What is the gender pay gap and why are we reporting this?

It's a legal requirement for all employers with 250 or more employees to calculate and publish their gender pay and gender bonus gaps as they are on 5 April each year.

The gender pay gap is the measure of the difference between the average pay for all women in the Company compared to all men. It's a snapshot based on employees and it is calculated using specific and detailed rules as set out in the legislation. It's important to note that gender pay gap does not show differences in rate of pay for comparable jobs. The calculations are an average for all women and men employed by the business, regardless of job role. We are confident that there are no inequalities of pay for comparable roles within Victorian Plumbing.

What is Victorian Plumbing's gender pay gap?

All of our Group's employees (with the exception of the directors of Victorian Plumbing Group plc) are employed by Victorian Plumbing Limited. As such, it is the only company within the Victorian Plumbing group that has more than 250 employees. The figures set out have been calculated using the mechanisms that are set out in the gender pay gap reporting legislation.

Hourly pay gaps between men and women

	2022	2021	Variance	2020
Mean hourly pay gap	10.2%	13.7%	-3.5%	11.2%
Median hourly pay gap	4.2%	3.7%	0.5%	3.7%



A **mean gap** is the calculation of the average hourly pay or bonus of a man in our company versus the average hourly pay of a woman, including all relevant additional payments and regardless of what they do. A **median gap** is the calculation of the exact mid-point between the lowest and highest paid man versus the equivalent woman.

Salary quartiles

	% Women			% Men		
	2022	2021	2020	2022	2021	2020
Lower quartile	40.2%	47.1%	43.5%	59.8%	52.9%	56.5%
Lower middle quartile	18.6%	15.4%	17.4%	81.4%	84.6%	82.6%
Upper middle quartile	24.8%	27.9%	15.2%	75.2%	72.1%	84.8%
Upper quartile	22.1%	14.4%	11.1%	77.9%	85.6%	88.9%



Quartiles are calculated by ranking the pay for each of our employees from lowest to highest. This list is then divided into four equal sized groups of men and women. In our table it shows the percentage of men and women in each of these groups.

Proportion of men and women receiving a bonus

	% Women			% Men		
	2022	2021	2020	2022	2021	2020
Percentage of men and women receiving a bonus	53.5%	54.0%	58.5%	66.7%	72.3%	76.6%

Bonus pay gaps between men and women - actual*

	2022	2021	Variance	2020
Mean bonus pay gap	70.8%	10.5%	60.3%	29.1%
Median bonus pay gap	43.0%	16.7%	26.3%	50.7%

Bonus pay gaps between men and women - adjusted*

	2022	2021	Variance	2020
Mean bonus pay gap	29.7%	10.5%	19.2%	29.1%
Median bonus pay gap	43.0%	16.7%	26.3%	50.7%

*At first sight it looks as though our bonus pay gap has significantly widened this year. However, the 'actual' bonus pay gap appearing above is calculated in accordance with the gender pay gap legislation (which requires us to include all relevant forms of remuneration including any share awards). The 'actual' bonus gap for 2022 has been distorted by the vesting of share awards during the year that were issued on the IPO of Victorian Plumbing Group plc in 2021: the 'adjusted' bonus gap for 2022 reflects the bonus gap without taking this historical share vesting into account.

Why does the gap exist?

This is not about inequality of pay. We are confident that men and women are paid equally across the business for comparable roles.

Our gender pay gap primarily arises from:

- fewer women in leadership roles, particularly across warehouse operations, marketing, product and purchasing;
- fewer women within our technology and infrastructure teams who are typically paid more than the average employee in our business; and
- fewer women in our trade team who have a bonus commission structure which therefore contributes to the bonus pay gap.

We have made some progress in these areas in the year, evidenced by the following:

- our mean hourly paid gap has decreased;
- the % of women in the lowest quartile has decreased; and
- the % of women in the upper quartile has increased.

There is still, however, a lot to do. As part of our wider ESG strategy, one of our focus areas is increasing the level of diversity and inclusion in our business, specifically in leadership positions.

Summary

We are dedicated to addressing the gender balance in our organisation. We have made some progress this year, demonstrated by the narrowing of the mean hourly pay gap in 2022 and the change in the % splits in the four quartiles, particularly the increased number of women in leadership positions.

We acknowledge that there is more for us to do, and that Victorian Plumbing has a responsibility to its people to drive change in this area. However, like other employers in the area in which the business operates, the recruitment market is challenging.

We acknowledge that the diversity of thought and approach that comes from having a diverse workforce is extremely valuable, bringing growth, productivity and skill advantages. We are therefore committed to increasing the diversity of our employees across all areas of the business, which will enable Victorian Plumbing to thrive.

Maintaining our resolve to reducing the gender pay gap is just part of this commitment. Over the next 12 months, in conjunction with our established employee engagement committed, 'PlumbedIn', we hope to make great strides towards this goal.

I confirm that the data reported is accurate.

Mark Radcliffe (CEO)