



KALUZA

**KALUZA GENDER
PAY STATEMENT
2021/22**



At Kaluza, Diversity, Equity and Inclusion is not only fundamental to us building the company we want to be, but also to us achieving our vision of powering a world where net zero is within everyone's reach.

We know that an environment where we all feel welcome and respected means we do our best work. And that embracing our differences strengthens us, by leading us to better ways of doing things and better outcomes.

We've made progress when it comes to closing the gender pay gap, but there's always more we can do. That's why we want to use this report to drive more open and honest discussions about gender equality at Kaluza and make sure we're pushing ourselves to do better.

Legal sex definitions

Throughout this report we use the binary legal definition of sex (male/female). We have to report in this sex-based way due to government requirements. At Kaluza, we prefer to recognise the broad spectrum of gender and the difference between biological sex and gender identity.

WHAT IS THE GENDER PAY GAP?

When we talk about the gender pay gap, we're not talking about equal pay. Equal pay is where males and females receive the same pay for doing a similar job. In contrast, the gender pay gap report shows us:

- The difference in average hourly earnings of males and females across our organisation irrespective of their roles, the nature of their work, or seniority
- The difference in how much males and females are paid in bonuses, and the proportion of males and females receiving bonuses across our organisation
- The difference in the collective salaries of all males and all females
- Our workforce profile, including the parts of the business where females or males are under-represented

THE LATEST REPORT

The latest gender pay gap report shows where we were on **5 April 2021**. At this time we had **325** people employed by Kaluza. This is the first report we've published as Kaluza, as it's the first year we've had over 250 employees.*

*You're not legally required to report your gender pay gap if you have less than 250 employees.

Exclusions

In line with government reporting rules, our calculations exclude anyone who wasn't paid in full during the April 2021 payroll period. This means anyone on unpaid leave and furlough. We also exclude agency / contingent workers, as well as our non-UK based employees who are employed under a separate legal entity. These exclusions had a minimal impact on our gender pay gap calculations in 2021.





**LET'S DIVE
INTO THE DATA**



HOW WE GET AN IDEA OF KALUZA'S PAY GAP

We track our gender pay gap in a variety of different ways, from mean hourly pay to median bonus gap. We've put together a small glossary of terms to make things easier to understand:

Mean: the mean is the arithmetic average that's typically the one most people refer to. It's calculated by adding up the hourly rates of all our people and then dividing by the total number we employ.

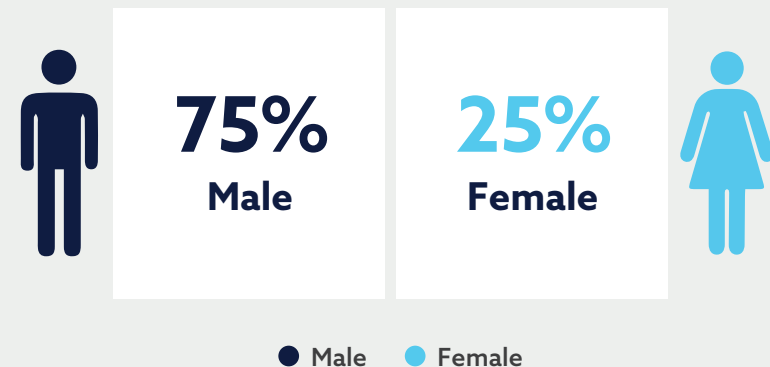
Median: the median is the 'middle' value. It falls in the middle of a range when every person's pay is lined up from lowest to highest. The median is typically viewed as a more representative figure in the gender pay gap figures, as the mean can be skewed by a small number of high or low-paid individuals.

Gap: for both the mean and median averages, these are calculated for males and females, with the gap being expressed as a percentage difference.

Pay quartiles: quartiles split the numbers into 4 pay categories. They're created by arranging all our people's pay from lowest to highest and then dividing them into 4 equal groups. We then calculate the split of males to females within that quartile, for example 77/25 indicates that 75% of the people in that quartile are male. Q1 is the lowest pay quartile and Q4 is the highest pay quartile.

A snapshot of our overall gender split in April 2021

The gender balance across the people we're reporting on is **75%** male and **25%** female. This has increased from 21% female in 2020.



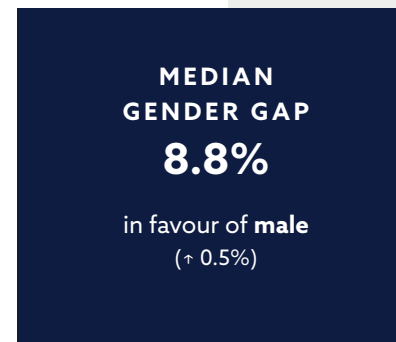
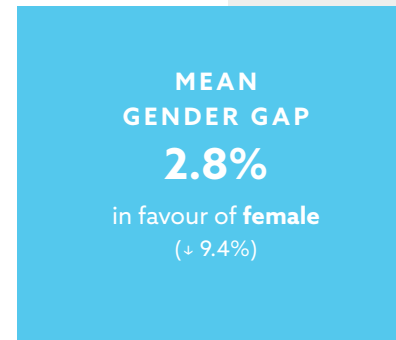
OUR GENDER PAY GAP IN 2021

This shows the difference in the hourly earnings of all full pay, relevant employees across our business on 5 April 2021. Our calculations exclude any pay related to overtime, redundancy or termination of employment, pay in lieu of annual leave, benefits in kind or securities.

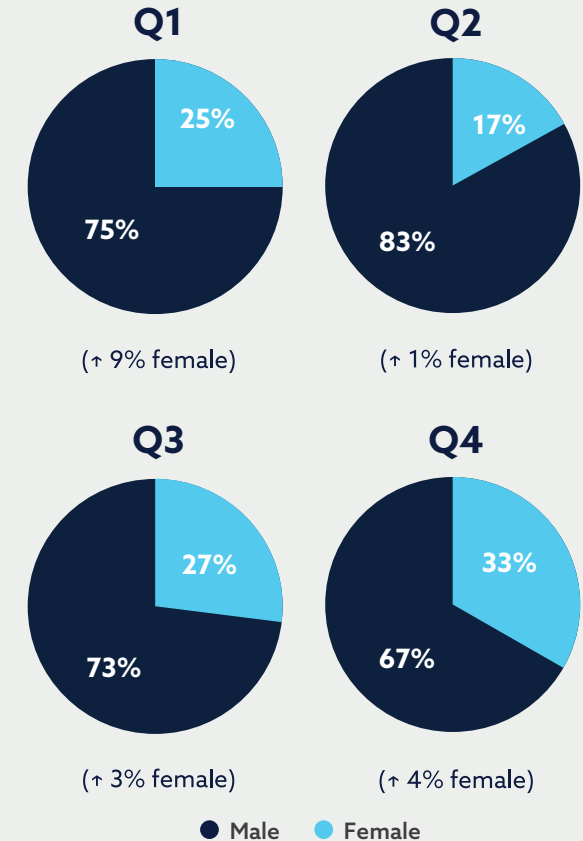
- Since 2020, female representation has increased across the whole company and in every quartile.
- The mean gap shows the difference in average pay between male and female employees irrespective of job roles, the nature of work being done, or seniority levels. Ours is in favour of females due to the top 5 highest paid employees being female at that time.
- The median gap is typically a more representative figure of the general population because the mean can be skewed by a small number of highly paid people (this is even more prevalent in smaller organisations like ours). One driver of the median gap being in favour of males is because we have a larger, more evenly distributed population of males across the organisation. In comparison, female representation is smaller and more polarised, making their median lower than the males. This is compounded because tech – a predominantly male area – makes up over 60% of our organisation and many of these salaries are in quartiles 2 and 3.

KEY: Male / Female

(± x%) (↑ x%) = +/- compared to internal Kaluza 2020 data



PAY QUARTILE



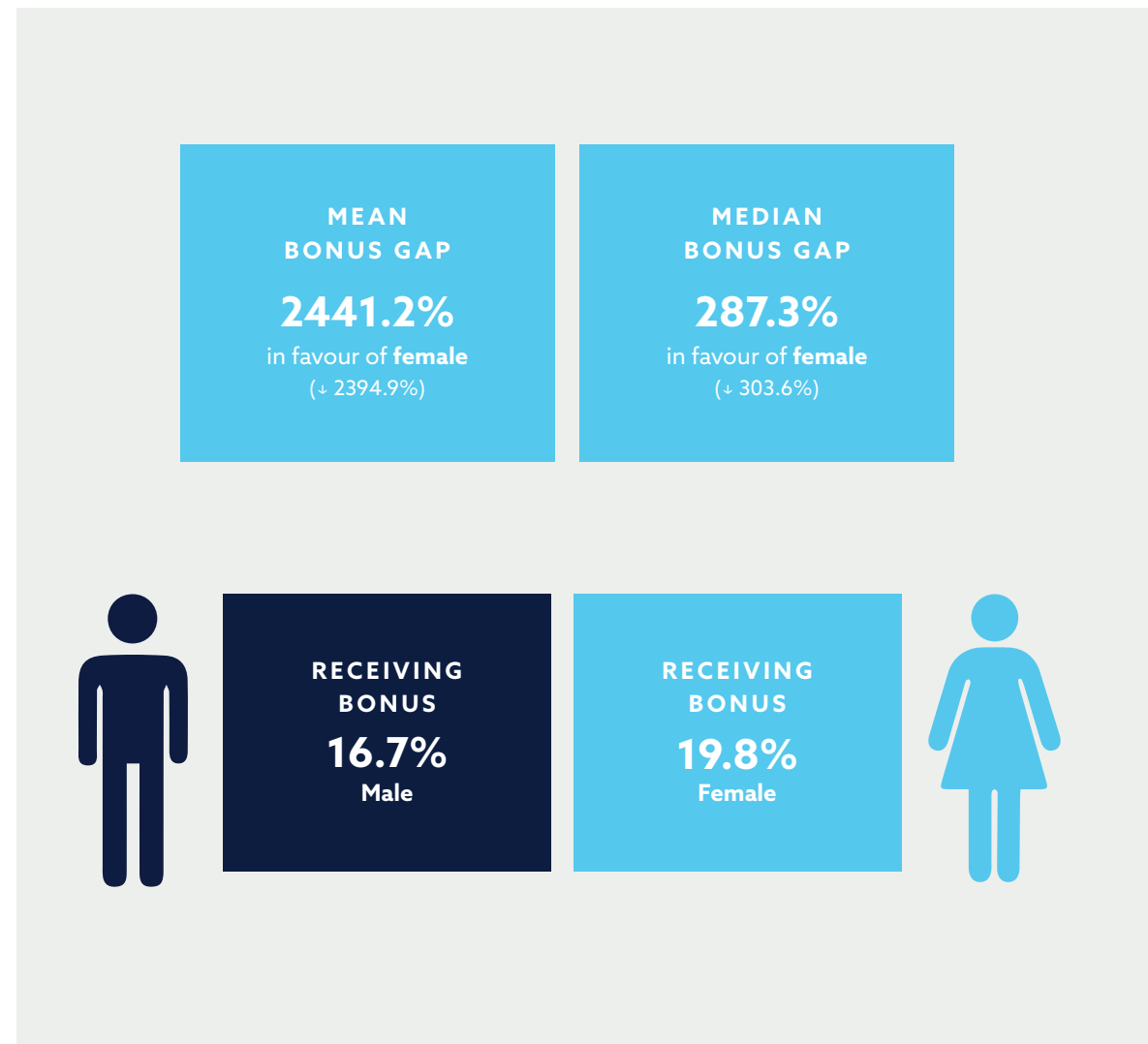
OUR GENDER BONUS GAP IN 2021

This shows the difference in the bonus pay of all full pay, relevant employees who received any bonus in the previous 12 months from the snapshot date on 5 April 2021. Our calculations exclude any bonuses related to overtime, redundancy or termination of employment or pay in lieu of annual leave.

- The figures are unusually exacerbated in both our 2020/21 and 2019/20 calculations. This is due to the fact Kaluza didn't pay an annual bonus in 2020/21 and only paid out H1 bonus in 2019/20. As we paid an annual bonus in 2021, our reporting figures for next year will be a better reflection of any bonus gap.
- Although Kaluza didn't pay an annual bonus in 2021, other payments were given that are classed as bonus pay for reporting purposes, such as recruitment referrals. More of the female population received a bonus of some form compared to the male population.
- The mean bonus gap was in favour of females mainly due to a senior female employee. As we're a smaller organisation, any significant outliers can drastically change the results. If we removed the single employee from the calculations the mean bonus gap would be 87.7% in favour of females.

KEY: Male / Female

(↓ x%) (+ x%) = +/- compared to internal Kaluza 2020 data





WHAT WE'RE DOING
TO IMPROVE OUR GENDER PAY GAP



WE'RE MAKING OUR HIRING STRATEGY AS INCLUSIVE AS POSSIBLE

We reviewed all of our hiring policies and processes, to make sure they're as objective and inclusive as possible. Key initiatives include partnering with Textio to ensure our job descriptions are free of biased language, investing in job boards that are specifically focused on gender diversity, and publishing our salary bands on our job adverts. We're also rolling out inclusive hiring training to all of our interviewers.

Our applicant tracking system, Greenhouse, now anonymously tracks the diversity of each candidate pipeline, so we can proactively take action when a pipeline needs to be more diverse.

We're increasing our focus on our early talent hiring strategy too, particularly in STEM (Science, Technology, Engineering, and Mathematics), to make sure we're hiring from under-represented groups. And we're offering support for those individuals to grow and develop at Kaluza.

WE'RE INCREASING FEMALE REPRESENTATION AT KALUZA

Through the **Powerful Women Pledge** we made a commitment to reach 40% female representation in leadership positions, and 25% in tech positions by 2025. We signed this pledge in 2019 as part of the OVO Group, however, we want to hit those targets solely in Kaluza. We've also set near-term goals to reach 30% female representation in Kaluza, and 18% in tech by the end of 2022.



WE'VE INTRODUCED PROGRESSIVE POLICIES

We launched new and updated people policies to make sure our employees feel respected and cared for at Kaluza. Some of the policies we've introduced include our Flexible Working Promise, and increased Family Leave, which covers new parents, miscarriage leave and support with fertility. Plus we now have specialist menopause support. To ensure they're truly inclusive, we removed any qualifying service period and made them available to everyone from day one of employment.



WE'RE BUILDING DATA SO WE CAN ACCURATELY REPORT ON GENDER

We want to be fully transparent with our diversity data, so that it keeps us on track and accountable. To help us do this, we're working on building — and internally publishing — anonymised diversity data dashboards. Plus, we're hiring a People Data Analyst to help us track our progress and identify areas of improvement.

WE LAUNCHED OUR OWN GENDER EQUALITY COMMUNITY

In 2022, we launched our Gender Equality Community. Their goals are to drive gender equality improvements at Kaluza and celebrate our people and progress. They also aim to provide a safe space for open and honest conversations, as well as coaching opportunities.

WE'RE MAKING CONVERSATIONS ABOUT PAY AND PROMOTIONS EASIER

We've rolled out new career frameworks and pay bands to promote transparency and fairness. And we've made sure our career frameworks were developed to show a clear path for development and promotions, and leave little room for unconscious bias. Also, we openly published our pay bands across Kaluza to make conversations around pay easier.



CLOSING STATEMENT

I confirm that the information and data provided is accurate and in line with requirements.



Scott Neuman
CEO, Kaluza

Scott Neuman

