Background

Action Sustainability is a small business providing consultancy, training and software related to sustainable supply chains. The business has traded in its current form since 2011, having been established as a social enterprise (Action Sustainability Community Interest Company Ltd) in 2006. This report is based on a snapshot date of 31st March 2022 and the data relates to the year up to that date. During this period the business employed 30 people, of which 8 were male and 22 were female.

- Mean gender pay gap is 20%
- Median gender pay gap is 20%
- Mean bonus gap is 78%
- Median bonus gap is -5%

Looking at the data by quartile

- In the upper quartile 57% of employees were male
- In the upper middle quartile 43% of employees were male
- In the lower middle quartile 0% of employees were male
- In the lower quartile 17% or employees were male

Analysis

As a small business, Action Sustainability is not legally obliged to publish a gender pay gap but we do it because it is the right thing to do. The business has always employed a high percentage of women and is likely to continue to do so. The high concentration of women in the lower two quartiles means there is a significant mean and median gender pay gap due to the higher proportion of men in the upper quartile.

All members of staff receive a bonus. Our bonus scheme is based on various factors:

- The profitability of the business where all staff (excluding the two Directors) receive an equal share of the profit above a pre-determined threshold
- Individual performance based on personal objectives
- For staff with P&L and business development responsibility, incentive bonuses are available based on sales and/or profit
- Additionally, the two male directors’ salaries are in the median quartile and their earnings are heavily dependent on business performance

The high bonus gap is due to the two male directors receiving substantial bonuses in a successful year three other male members of staff were rewarded well for P&L and business development targets.

Next steps

The high overall concentration of female employees will always present a challenge when trying to close the gender pay gap. We do not expect this to change in the foreseeable future. However, we are instigating some changes to our employment and remuneration process in 2022/23:
• The two directors have moved away from de-risking the business through a low salary/high bonus model to one of full salary. This will likely have a negative impact on the mean pay gap as both directors are male, but it will significantly reduce the bonus pay gap
• Promotion of key female employees and recent recruitment of women at a senior level will help to improve the gender pay and bonus gap
• We will continue our policy of recruiting and retaining the best diverse talent by offering rewarding careers and competitive employment conditions

Shaun McCarthy OBE

Director, Action Sustainability Trading Ltd.

June 2022