

# COMPLY ADVANTAGE<sup>®</sup>

## Gender Pay Report 2022/23

2022/23 was the second year in which ComplyAdvantage had gender pay reporting, and therefore have a comparison to 2021/22 and reference the average UK results to provide some context on our progress. We continue with our commitment to improve our results year-on-year as part of our overall diversity, equity and inclusion framework. Whilst our actions in the last year haven't resulted in the changes we had hoped - we are confident the organization has a new set of initiatives, and a refreshed focus, to drive positive outcomes towards the global issue of gender pay disparity.

### What is the gender pay gap, and how is it calculated?

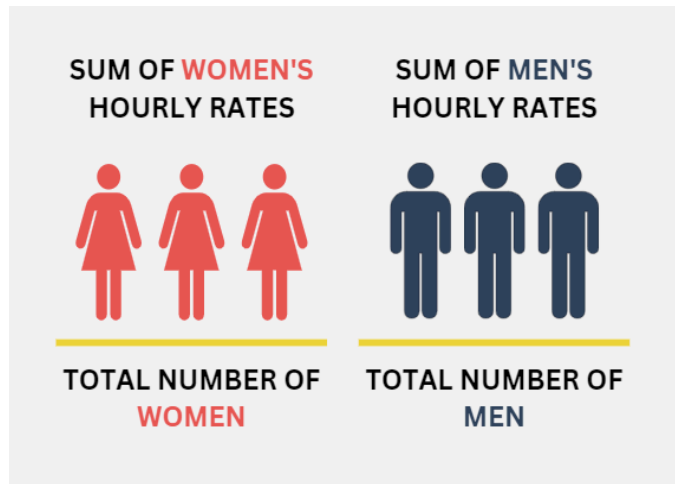
The gender pay gap refers to the difference between the average earnings of all men and women across all jobs. This includes base salary, bonuses, commission, allowances, and share awards.

### How is gender pay different from equal pay?

Equal pay is the legal requirement to ensure that men and women doing the same roles or roles of equal value are paid equally. Equal pay doesn't always mean the same pay, as there are many legitimate factors why colleagues carrying out the same roles might be paid a little differently. Factors could include different expertise, competency, and performance levels. We have a gender-neutral approach to determining pay for our roles and regularly monitor this via equal pay audits.

### How is the hourly rate calculated?

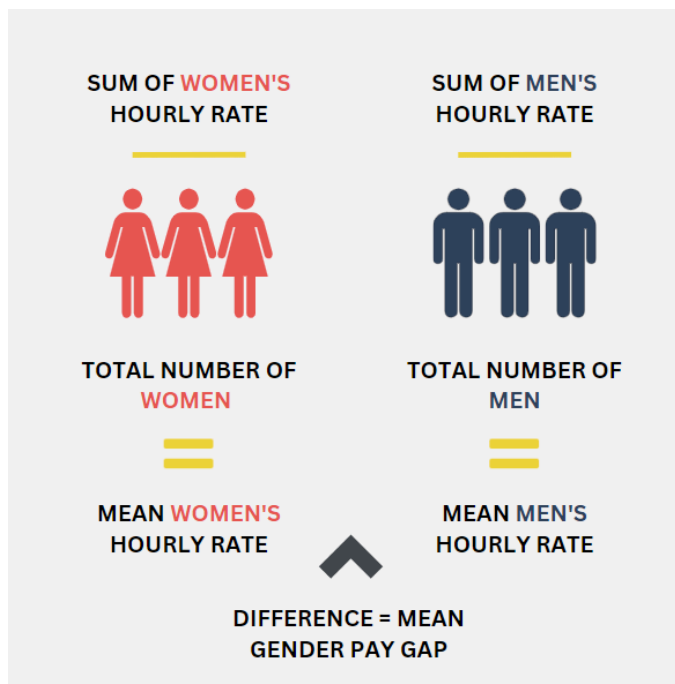
Hourly rate is calculated by taking the total sum of the relevant gender's hourly rate and dividing this by the total number of that same gender.



## How is the mean gender pay calculated?

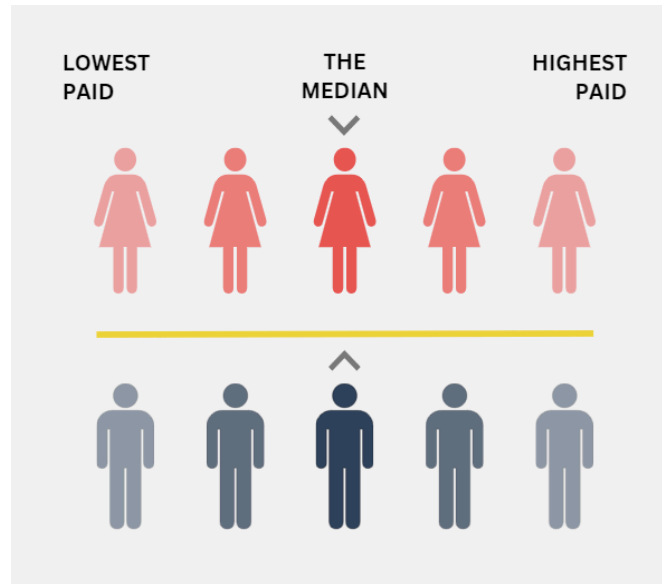
The mean gender pay gap (the average) is calculated by adding up the hourly rate of all female colleagues and dividing this figure by the number of female colleagues – then doing the same with male colleagues.

The mean gender pay gap is the difference between the mean male and the mean female hourly pay.



## How is the median gender pay calculated?

The median gender pay gap (the middle) is calculated by ordering hourly rates for all colleagues in a female line and a male line in order of their pay from highest to lowest and calculating the difference in pay between the female and male in the middle of their respective lines.



## ComplyAdvantage gender pay reporting - Our results

### UK Hourly Rate of Pay

|              | As of 5th April 2022 |             | As of 5th April 2023 |             |
|--------------|----------------------|-------------|----------------------|-------------|
|              | #                    | %           | #                    | %           |
| Female       | 55                   | 22%         | 66                   | 22%         |
| Male         | 197                  | 78%         | 235                  | 78%         |
| <b>Total</b> | <b>251</b>           | <b>100%</b> | <b>301</b>           | <b>100%</b> |

Since last year we have the same overall gender representation distribution across our UK based workforce, whilst our overall headcount grew by approx. 20%.

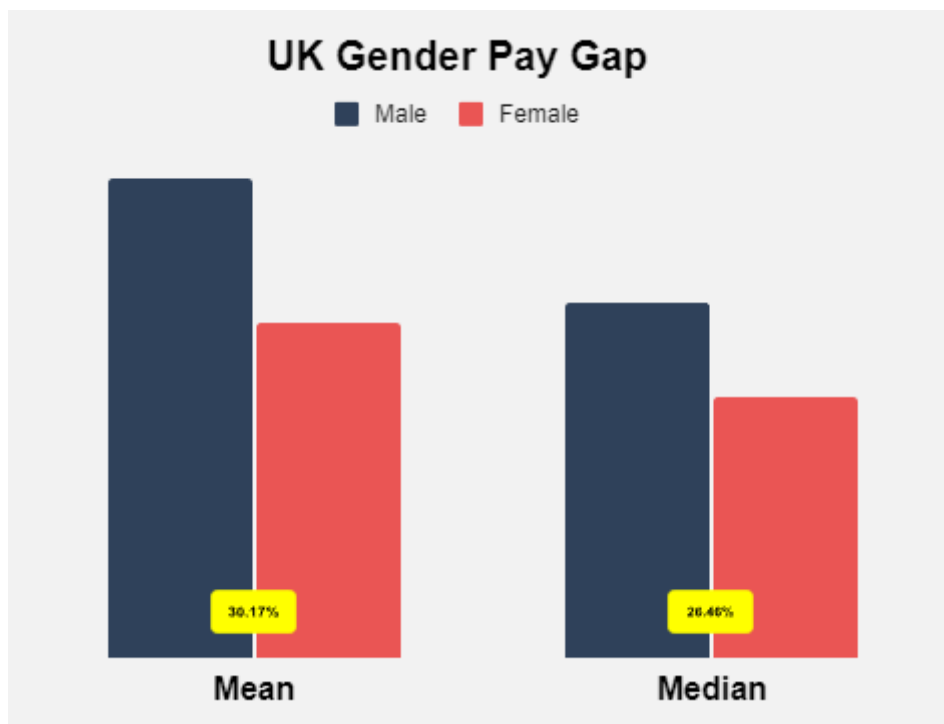
### UK Hourly Rate of Pay

| Pay Quartiles | Lower   | Lower Middle | Upper Middle | Upper   |
|---------------|---------|--------------|--------------|---------|
| Female/Male   | 41%/59% | 20%/80%      | 13%/87%      | 13%/87% |

This year we see a slight reduction in female employees in the upper quartiles when compared to 2022. This was mainly driven by a few more senior, and higher paid female colleagues leaving the company in that period and lower than planned new or backfilled female hires into higher paid roles.

Like many organisations we have historically had a greater number of male colleagues in higher paid roles in the UK. This includes senior roles in our product and engineering teams, three male executives and majority of our company wide VP level roles. Therefore this leads to a disproportionate number of male employees in the upper quartiles, and is something we are focused on balancing in future.

### Mean and Median Gender Pay

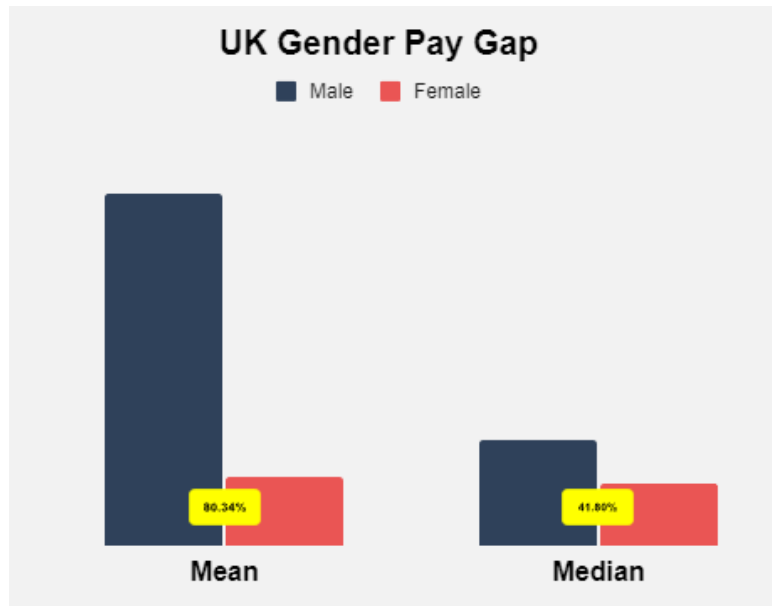


Our **mean average** gender pay gap is **30.17%**, representing an increase from -4.71% in 2022. Our **median average** gender pay gap is **26.46%**, another year on year rise compared to 16.45%. Later in the report you will see some explanation for these variances.

### Bonus/Commission Eligibility

Bonus/commission is a compensation vehicle used within ComplyAdvantage's Commercial organization to incentivize sales and positive client acquisition and retention behaviors. The scheme is reviewed and paid out on an annual basis. Payout levels are subject to yearly changes as they are based on the performance of the company and individuals.

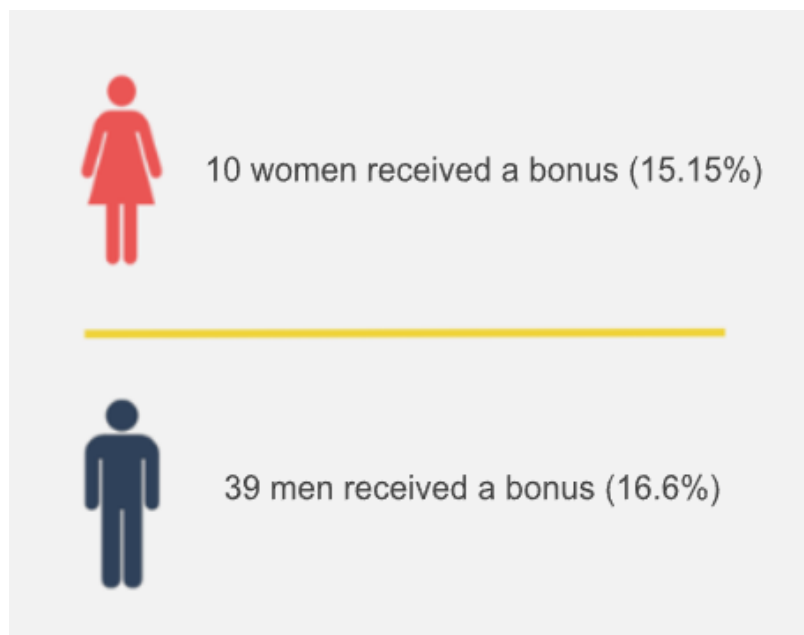
## UK Bonus Pay Gap



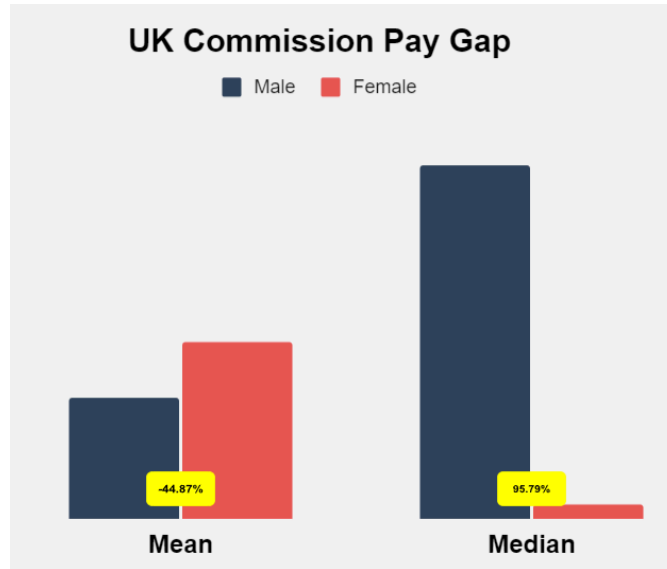
Our **mean bonus** pay gap is **80.34%** Our **median bonus** pay gap is **41.80%**. In 2022 this was mainly driven by the majority of bonus eligible roles being filled by men in commercial roles.

Whilst we have a similar % gender split of bonus eligible roles relative to overall headcount split. In this period we had a higher number of outlier male employees within our most highest paid roles (executive and senior leadership teams) as part of performance based total compensation. Therefore this has impacted the overall mean distribution.

**15.15% of total female employees, and 16.60% of total male employees were eligible to receive a bonus.**

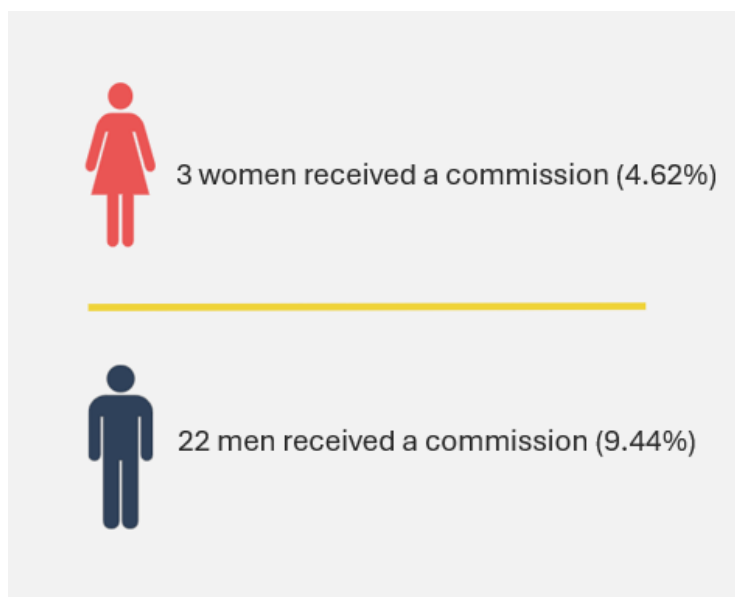


## UK Commission Pay Gap



Our **mean commission** pay gap is **-44.87%**. Our **median commission** pay gap is **95.79%**. This year we had a few female employees as outliers who received significantly above average commission payments based on their performance - and which impacted this year's mean. However the majority of employees in commercial roles are male (7:1 male to female), and many with above average commission payments in period which has impacted on our median result.

**4.62% of total female employees, and 9.44% of total male employees were eligible to receive commission**



For both variable compensations we see a very different picture to 2021 where we had a significant reduction in some senior females earnings, similarly large bonus and commission payments than in previous years, together with some leavers in these roles.

## **OUR ACTION PLAN**

Our long-term goal remains to drive down our gender pay gap towards zero. We are committed to minimizing the gap each year, however in 2022 we recognise our efforts didn't result in the changes we wanted to see. Whilst we understand individual employee performance has impacted on our results, this does not take away the need for us to improve our gender representation across several departments and roles. This will be a key strategic focus area for us, together with the other action items below.

**Specifically we will be focusing on these 5 key areas across key stages of our people experience:**

- **Attract more women to our organization:**
  - We will continue to improve our top of funnel to bring more women into key roles with a target on senior IC and leaders into technology, product and commercial teams
- **Hire diverse talent from a range of backgrounds:**
  - Our job adverts and role profiles are gender-neutral to encourage qualified applicants regardless of gender to apply to relevant roles
  - Introduce Interviewer Enablement training to ensure we reduce potential bias
  - Build all target role pipelines above to include a min of 1 female candidate
- **Increase in role models for our employees:**
  - Seek to continue to increase female representation in our Executive Team, Board and other top level leadership roles across the company
- **Strengthen our existing bias-free internal processes:**
  - Focusing on performance, feedback, compensation and promotion decisions
- **Deepen our inclusive culture where all can thrive into our people experience -**
  - Embed usage of our enhanced parental and unlimited annual leave policies, to offer our colleagues more options to manage family and caring responsibilities
  - Continue to enable our Women in Tech group from attending and speaking at events, facilitating internal company events and cross company mentoring
  - We continue to support our global engagement squad group whose remit remains to get people talking, mentoring and sharing ideas to make ComplyAdvantage an inclusive workplace for all colleagues.

We take diversity, equality & inclusivity seriously at ComplyAdvantage. In addition to monitoring our gender pay gap, we conduct regular equal pay reviews across the globe, ensuring men and women performing equal work receive equal pay.

We understand that the focus of UK legislation is pay, but at ComplyAdvantage we are also committed to a culture that enables people to be their authentic selves and thrive. Therefore, in addition to initiatives to focus on gender parity, we will also continue to work to create an environment where everyone feels they can have a voice, that their opinions matter, and that they can be successful.

## **DECLARATION**

We confirm that the gender pay calculations are accurate and meet the requirements of the legislation.

Vatsa Narasimha  
Chief Executive Officer