

GENDER PAY GAP REPORT 2021

McCARTHY STONE
Life, well lived

OUR GENDER PAY REPORTING TO APRIL 2021

In this report we have published our aggregated gender pay data across all group companies in addition to our regulatory requirements. We believe this approach represents our wider employee population and helps us to understand pay and diversity across our organisation as a whole. Separate disclosures by the three entities required to report are detailed in the final pages of this report.

All figures in this report relate to a snapshot of our business at 5 April 2021 for the pay gap and the 12 months prior to that date for the bonus gap.



“AT MCCARTHY STONE WE REGARD EQUALITY AND FAIRNESS AS A FUNDAMENTAL RIGHT OF ALL OUR EMPLOYEES”



OUR CURRENT ACTIONS

This report has been written against the continued background of the Covid pandemic and the challenges that this has brought to how we operate across our business. However, in the period up to April 2021 we have continued to give priority to creating a workplace that is fully inclusive.

Despite the organisation employing many more females than males (76.5% v 23.5%) we continue to see disparity in the gender pay ratios in most areas. Partly this can be explained by having more males than females in management roles (68.6% v 31.4%), where higher total reward packages are paid. In the non-management roles, we have a high representation of females in our organisation (78.8% v 21.2%).

We have continued to focus on actions that will help address the pay gap.

- Gender diversity targets have been set for our Senior Leadership Team, to increase the representation of females in these roles. In April 2021 28% of this group were female
- Developed close working relationships with external recruitment firms to widen the talent pools that we search in, thereby giving us access to a diverse group of people
- Established hybrid working in those roles where this is possible, to help employees find a healthy work-life balance

Going forward we will need to continue to address the need for more females in senior roles, increasing the representation of males in our Services business and attracting more females into our Development business.

HOW HAS THE CONTEXT FOR OUR 2021 GENDER PAY REPORT CHANGED SINCE 2020?

At the snapshot date in April 2021, we had 2,537 relevant employees in the McCarthy Stone group. The workforce in this group was 23.5% male and 76.5% female (25.0% and 75.0% respectively in 2020).

Compared to the 2020 report we have been able to include almost all of our employees - the gender pay gap legislation states that those who receive less than full pay must be excluded from three of the six metrics that make up the gender pay gap reporting including the calculation of the mean hourly gender pay gap, median hourly gender pay gap and the proportion of male and female employees in quartile pay bands. In 2020, during the Covid pandemic, 800 employees had to be excluded mainly due to a mix of furlough and high levels of sickness. In this report we have only excluded 100 employees.



BACKGROUND TO GENDER PAY REPORTING

The gender pay gap legislation requires all companies with more than 250 employees to report their data against six key metrics:

- Mean hourly gender pay gap
- Median hourly gender pay gap
- Mean gender bonus gap
- Median gender bonus gap
- Proportion of male and female employees who received a bonus
- Proportion of male and female employees in quartile pay bands

EQUAL PAY v GENDER PAY GAP

Equal pay

Equal pay means that men and women performing equal work should receive equal pay. This is a legal requirement.

Gender pay gap

The gender pay gap is the difference between average male and female pay across an organisation calculated in line with the regulations, regardless of the nature of work.

OUR 2021 FINDINGS

PROPORTION OF MALE AND FEMALE EMPLOYEES IN EACH PAY QUARTILE.

These charts show the gender makeup of the McCarthy Stone group workforce in each of our salary “quartiles”. Quartiles are calculated by ordering the hourly rates of pay for each employee across the business from lowest to highest, splitting the list into four equal-sized groups (quartiles), then calculating the percentage of males and females in each quartile. Since the 2020 report we have continued to see the higher pay quartiles have a majority of male employees with the lower quartiles being female dominated. Despite the challenging business environment we are glad to report that there has been a significant increase in the overall number who received some form of a bonus payment and for females 88.7% received a payment compared to 44% in 2020

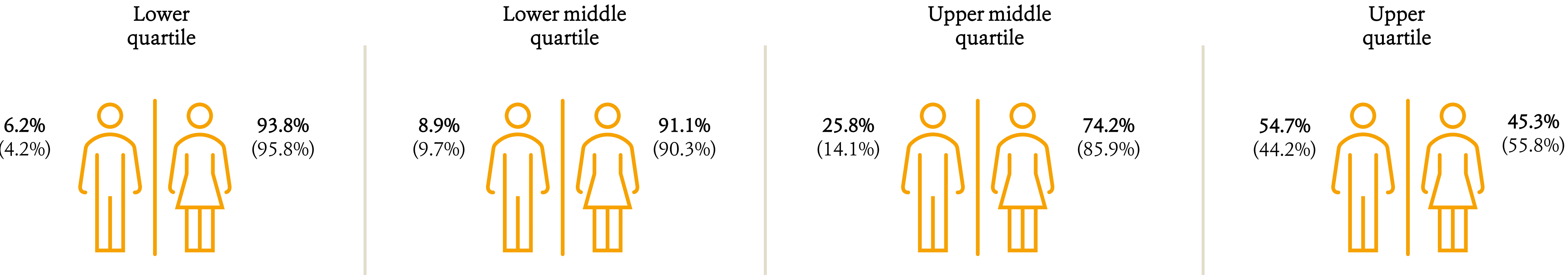
Proportion of employees receiving a bonus

Across all McCarthy Stone group employees, 91.4% of men (77.5%) and 88.7% (44.0%) of women received a bonus or commission payment in the 12 months prior to April 2021.



91.4% (77.5%) 88.7% (44.0%)

Note: 2020 figures shown in brackets.



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OUR 2021 FINDINGS

This section sets out the mean and median hourly pay gaps (based on April 2021 payroll data), as well as our mean and median bonus gaps (based on bonus and commission data from 6 April 2020 to 5 April 2021).

Mean Pay Gap – 48.6% - The mean pay for women is 48.6% lower than that for a man (2020: 55.3%)

Median Pay Gap – 46.9% - The median pay for women is 46.9% lower than that for a man (2020: 38.4%)

Mean Bonus Pay Gap – 58.3% - The mean bonus for women is 58.3% lower than that for a man (2020: 29.5%)

Median Bonus Pay Gap – 14.3% - The median bonus for women is 14.3% lower than that for a man (2020: 67.1%)

The report includes the following employing entities: - McCarthy Stone (developments) Ltd - 152 people; McCarthy Stone Retirement Lifestyles Ltd - 587 people; McCarthy Stone Management Services Ltd - 472 people; McCarthy Stone Your Life Management Services Ltd – 1,326 people

Definitions

The data shows our mean and median hourly pay gaps (based on April 2021 payroll data), as well as our mean and median bonus and commission gaps (based on bonus data from 6 April 2020 to 5 April 2021)

Mean:

The mean calculation considers basic average pay/bonus across all of our employees.

Median:

The median calculation focuses on those employees in the middle of pay/bonus ranges, thereby reducing the impact of our highest and lowest paid employees.

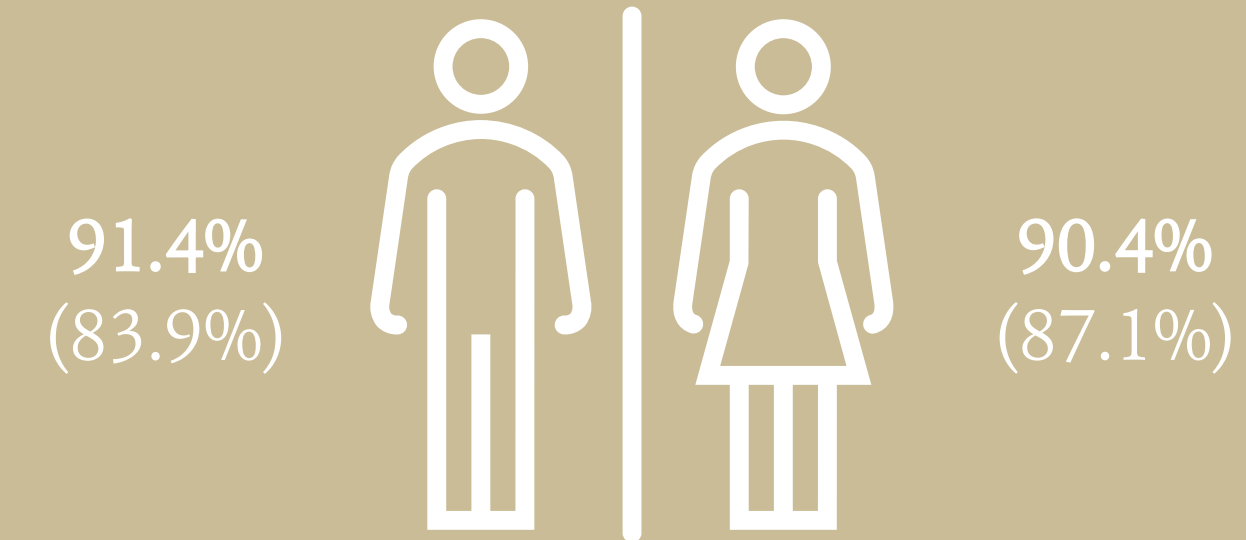
STATUTORY DISCLOSURE

MCCARTHY STONE RETIREMENT LIFESTYLES LIMITED

McCarthy Stone Retirement Lifestyles (RL) employs 587 people, 23.1% of our total workforce of 2,537 at the snapshot date. Of these, 336 (57.2%) were male and 251 (42.8%) were female. McCarthy Stone Retirement Lifestyles is our main divisional development and sales operating business.

Proportion of employees receiving a bonus

Note: 2020 figures shown in brackets.



Median Hourly Pay Gap – for every £1 of pay that a man received a woman received 85.7 pence

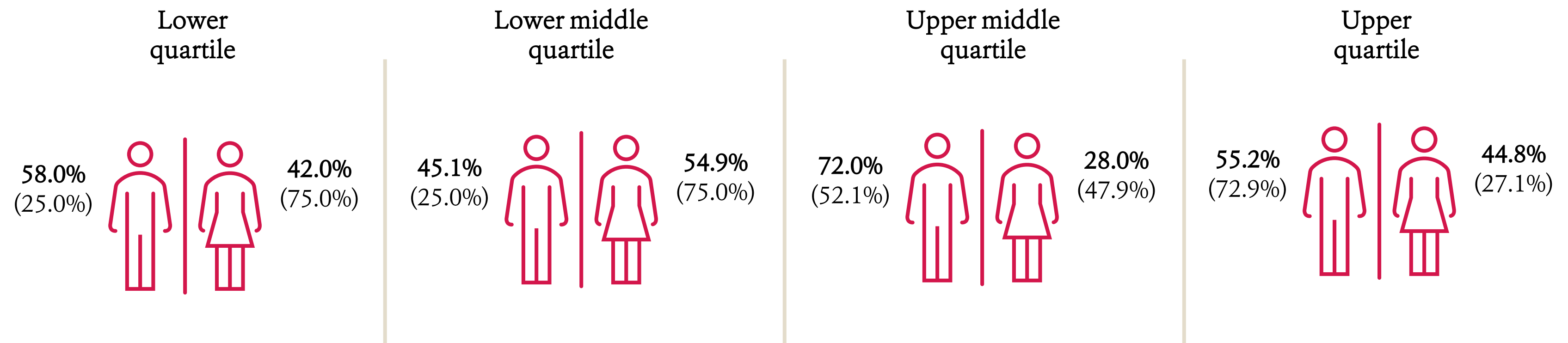
Median Bonus Gap – for every £1 of bonus a man received a woman received £13.89

Mean hourly pay gap **1.9%** (36.9%)

Median hourly pay gap **14.3%** (47.0%)

Mean bonus gap **-172.9%** (-44.0%)

Median bonus gap **-1289.4%** (-122.9%)



Note: 2020 figures shown in brackets. Where there is a negative sign, this means that females receive more than their male colleagues.

STATUTORY DISCLOSURE.

MCCARTHY STONE MANAGEMENT SERVICES LIMITED

McCarthy Stone Management Services (MSMS) employs 472 people, 18.6% of our total workforce of 2,537 at the snapshot date. Of these, 379 (80.3%) were female and 93 (19.7%) were male. McCarthy Stone Management Services is the area of our business that looks after the day-to-day operations and provision of lifestyle services in our Retirement Living developments.

Proportion of employees receiving a bonus

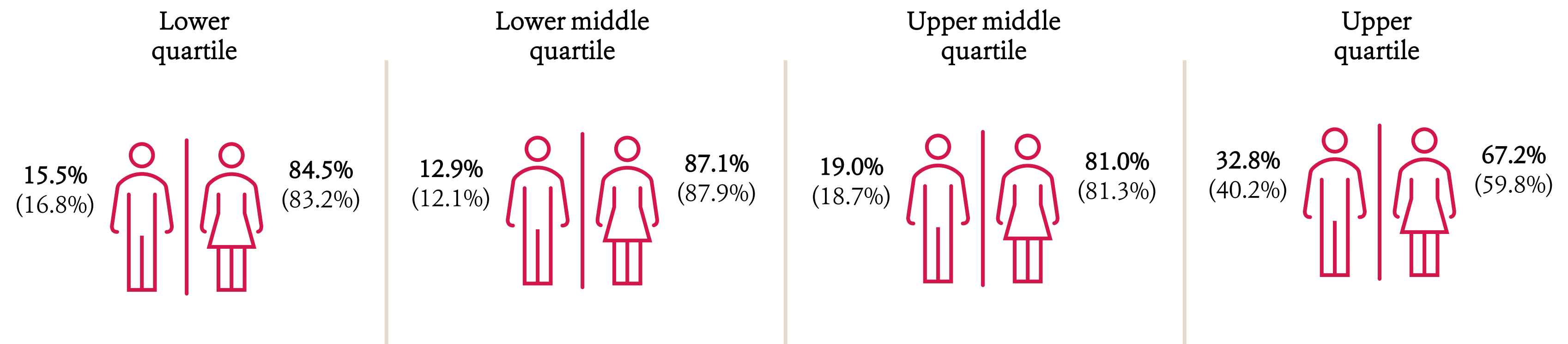
Note: 2020 figures shown in brackets.



Median Hourly Pay Gap – for every £1 of pay that a man received a woman received 96.7 pence

Median Bonus Gap – for every £1 of bonus a man received a woman received £1

Mean hourly pay gap	16.3% (19.1%)
Median hourly pay gap	3.3% (7.2%)
Mean bonus gap	-6.8% (55.4%)
Median bonus gap	0.0% (10.8%)



Note: 2020 figures shown in brackets. Where there is a negative sign, this means that females receive more than their male colleagues.

STATUTORY DISCLOSURE.

MCCARTHY STONE YOUR LIFE MANAGEMENT SERVICES LIMITED

Your Life Management Services (YLMS) employs 1,326 people, 52.3% of our total workforce of 2,537 at the snapshot date. Of these, 1,239 (93.4%) were female and 87 (6.6%) were male. This is the area of our business that looks after the day-to-day operations and provision of lifestyle services in our Retirement Living Plus developments.

Proportion of employees receiving a bonus

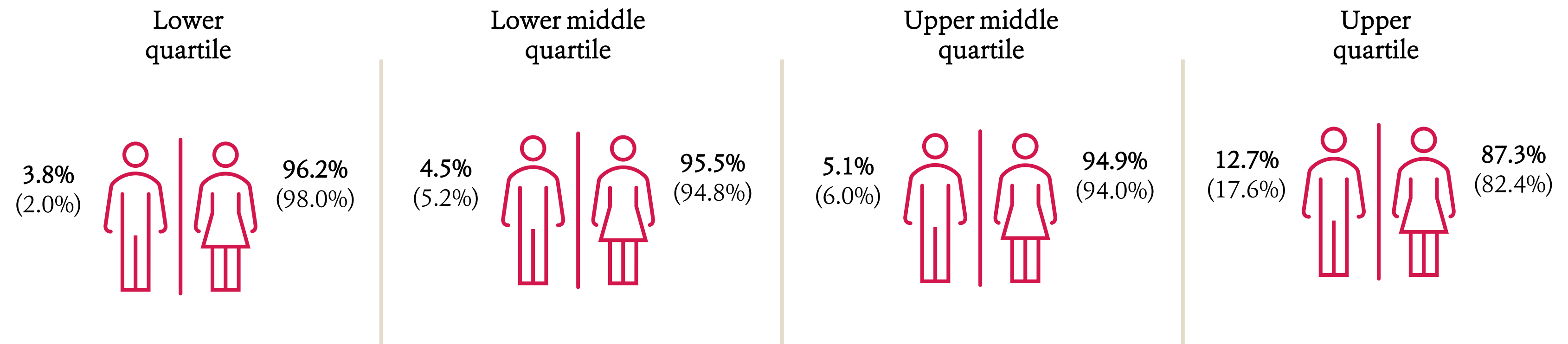
Note: 2020 figures shown in brackets.



Median Hourly Pay Gap – for every £1 of pay that a man received a woman received 96.4 pence

Median Bonus Gap – for every £1 of bonus a man received a woman received 85.7 pence

Mean hourly pay gap	14.4% (21.6%)
Median hourly pay gap	3.6% (6.6%)
Mean bonus gap	61.9% (36.5%)
Median bonus gap	14.3% (43.0%)



Note: 2020 figures shown in brackets.

OUR ONGOING COMMITMENT

As in 2020 we have published this report in a time of considerable change in the world and in our business. However as a business we have continued to work towards becoming a Great Place to Work and importantly being a more inclusive place to be.

Our Gender Pay report has shown that we still need to address gaps in both our pay and bonus awards. We have some areas where the balance is being achieved, but we are particularly aware that in the higher grades this is something that we must address, through a combination of internal adjustments and then hiring more females into senior management roles.

In 2021 we set up our ED&I Advisory group and this has set out a clear set of objectives for the business with short and long term goals, to make our business more inclusive. Our Voices sessions, open to all colleagues has featured a wide variety of topics and speakers, which helps us all educate ourselves. Additionally we have seen our first Employee Resource Group set up – Women in McCarthy Stone – who are starting to discuss and tackle important issues.

In the year ahead we will continue to seek opportunities to become more inclusive and where possible directly address the Gender Pay challenges that we face.

