

Global Reward Policy

1.0 Introduction

Reward forms a key element of Sightsavers employment offering, underpinning the organisational values, principles and aims, enabling Sightsavers to attract, motivate and retain high calibre employees.

Sightsavers recognises the challenges of providing a total reward package which meets the needs of the employees globally. Whilst we do not offer a variable performance related pay system/bonus scheme, line management will take performance into account within basic pay.

This Policy will be reviewed and updated at least every five years and more frequently if appropriate. Updates may be triggered by:

- changes in business/market environments
- changes in management structure
- geographical growth
- new technology

Any changes to this Policy must be approved by Council following recommendations by the Remuneration Committee.

2.0 Scope and definitions

This policy includes employees and fixed term contractors, however external consultants, temporary workers or third parties are excluded.

Reward includes both basic pay and associated benefits (e.g. pension/ provident fund, EOSB, gratuity, holiday entitlement).

2.1 Definitions:

Levelling - Process of sizing a job against the relevant survey providers' descriptors.

Mapping – process of attaching a job to a function (e.g. Finance, HR, Programmes) or a discipline (e.g. Accountancy, HR systems).

REMCO – A group that forms the Remuneration Committee who approve salaries for the CEO and CEO's direct reports and overall annual salary increase

levels in line with the Reward Policy. They also review and recommend any changes to the reward policy to Council.

HRBP – Human Resources Business Partner

3.0 Principles

Sightsavers reward packages will be based on local pay, local contracts and local benefits. Sightsavers will not normally offer international contracts.

Sightsavers reward packages will aim to be fair, equitable and appropriate for the role.

Sightsavers will ensure that its approach to reward does not discriminate on the grounds of gender, age, disability, ethnic origin and any other criteria defined in our Global Equality and Diversity Policy.

Sightsavers approach to reward will recognise the value of the individual's contribution to the organisation and its mission.

Sightsavers will refer to the pay market information from appropriate salary survey providers for voluntary sector organisations when reviewing reward and also reference alternative external data from appropriate public and private organisations as required.

Sightsavers reward packages will be designed to enhance the organisation's ability to recruit and retain key employees - an area identified by Council as a critical risk to the delivery of the organisation mission.

Sightsavers reward packages will aim to be financially sustainable recognising the impact of the fixed costs of staffing on our overall cost base.

Trustees will consider the external environment and any reputational impact in setting pay

4.0 Determining Salary/Benchmarking

There are four steps to determining the benchmark salary for a job:

- 1) Determine a level for the job
- 2) Decide on the function/discipline of a job (mapping)
- 3) Internal comparators
- 4) Choose the salary range for the job dependent on location and level

The data above will be collected by the reward function and through the appropriate HRBP be presented to the line manager ensuring the most appropriate benchmark for the role is determined.

4.1 Job Levelling

Jobs within Sightsavers will be aligned to specific levels using the most appropriate benchmark data available from survey providers. These levels will vary depending

on location (different survey providers are used in UK and overseas) and type of job. There are however senior level jobs and specialist technical/medical roles that are highly individualised and/or where sample sizes from the survey data are very limited and which will therefore require bespoke data.

The level of a job is determined by comparing the requirements outlined in the job description that include:

- Required qualifications, knowledge or expertise for the job.
- Decision making which comprises of the level of accountability required for making decisions and the potential impact on the business.
- Problem solving/strategic planning to understand the extent to which the job is required to investigate issues and develop solutions which may include differing levels of initiative or innovation.
- Managing resources/planning and organising which includes the level of responsibility for financial, physical and information resources.
- Communication which encompasses the skills required in communicating with others internally and externally and the level of influencing required.
- Developing people and the extent to which the job has informal or formal responsibility for others and acts in guiding or mentoring capacity.

4.2 Job Function

Within the salary survey a job will be mapped to its specific function, for example finance, programmes or possibly a general function. This is guided by understanding the qualifications, knowledge or experience required in the job description, as well as the area that the job sits within.

This allows for specific market variations within a level and affects the salary range.

4.3 Salary Ranges

Each level and job function combination will have a salary range attached to it which will be determined based on location and local pay data. This is sourced from independent salary survey providers and the most relevant and appropriate source for Sightsavers will be chosen. Bespoke data will be sourced for specialist roles.

The range is determined by taking the generic salary median for the level and function and applying a range around that median. There may be instances where a specific pay pressure exists on the role and it will be necessary to introduce a market premium. This may take someone over the top of the standardised range but not force them into a higher level. In this situation the range may be adjusted to reflect this market premium.

4.4 Internal Equity

It is important that the organisation monitors internal equities between jobs. When setting the salary for a job, existing comparator levels and jobs will be checked within the specific location to ensure consistency. The gender pay gap will also be monitored in line with previous REMCO recommendations.

Managers will be made aware of the levels and functions that have been determined for each job so that internal equity can be monitored. Individuals can be made aware of their own level and function.

5.0 Salary Reviews

5.1 Annual Salary Review

A salary review for all staff takes place every year and any revisions are implemented from 1st April.

Exceptions:

- An employee who is in their probationary period, in their notice period, under disciplinary/capability proceedings or has demonstrated unsatisfactory performance will be ineligible for a salary review.
- An employee who has had a job change or salary adjustment or has started employment in the period three months prior to the pay review will be ineligible for a salary review.
- An employee who is on a contract of short duration (less than 18 months) will not be eligible for a salary review; however their salary will be reviewed when the contract is up for renewal.

The strategy group consider overall affordability of any changes, then in the first quarter of each year each Director will consider the level of increase to be proposed for their directorate for the forthcoming year taking into account data provided by the reward function on:

- Inflation - this will be Consumer Price Index (CPI) where available
- Pay market movements - this is the movement in the salary data from the survey providers, both generally and by function, to monitor for any potential hotspots.
- Economic conditions - these will be monitored for any special market/economic variations that might have an effect on the local pay market.

Sightsavers would normally expect to increase salaries by the full cost of living adjustment, however this will be subject to overall affordability. If inflation is low a non-consolidated one-off payment may be proposed and paid to staff as recognition of their work instead of making de minimis increases.

The figures for the proposed increases are presented to REMCO for discussion and approval in March each year, along with individual salary proposals for the CEO and the CEO's direct reports.

5.2 Notification to Staff

All employees will receive a letter to confirm the outcome of the salary review. Should employees have a query regarding their salary or require further explanation as to how their salary has been determined, they should raise this with their line manager. It is a line manager's responsibility to understand how an employee's pay level has been determined.

5.3 Exceptional in-year reviews

Salary reviews take place every year using the process described above. However it is recognised that there may be times when an exceptional in-year review may be required. This may be for an individual, a country or a function and may be due to:

- *Special Market variations that occur relating to a job* - the job would be subject to re-benchmarking within the specific country location and any movement in the pay market would be identified.
- *Material change in economic situation* - a more in depth review would take place to determine if any action is needed.
- *Job responsibilities have changed significantly and on a permanent basis* - a new job description will be required and the process described in section 4 (determining salary/benchmarking) would be repeated.
- *A need to adjust internal pay equities if an anomaly has been identified* - internal comparisons will be reviewed and information will be provided by the reward function and HRBP to the relevant Director to make a decision.
- *Significant changes in exchange rates and inflation* – this would affect everyone in a country and the impact on cost of living would need to be determined.

The line manager should refer to the appropriate HRBP for the employee/country/function who will be the first point of contact to request further information on any of the above exceptional in-year reviews

The Director of Finance and Performance and the relevant Director or CEO will review the information on the market or economic variations and make a decision on any pay adjustment needed.

If any pay increases outside of the annual pay process create an internal equity issue these need to be approved by the Director of Finance and Performance and

the relevant Director. In the event a mutual decision cannot be reached the CEO will make the final decision.

6.0 Employee Benefits

Sightsavers aims to provide a benefits package that is competitive and valued by employees. The benefits package taken as a whole is aimed to be at the median level when compared to other organisations in the INGO/development sector, in the relevant country.

As far as possible and reasonable, our approach to benefits will be consistent across all countries. However, market conditions within each country will also be taken into account. Benefits that are valued and regularly made available in one country may not be appropriate, valued or available in another country. Specifically, we will provide a pension scheme, or similar arrangement (such as end of contract benefit or provident schemes), for all employees.

7.0 Other payments

Overtime and time off in lieu (TOIL) - these are covered by the Global TOIL And Overtime policy

Acting up payments - where an employee takes on additional responsibilities for a temporary period, e.g. to cover a maternity leave of a colleague by taking on some of their duties, an allowance may be payable for that period. Alternatively it may be that an employee is asked to take on responsibilities from a more senior role for a period of time.

Secondment – if an employee is on secondment to a higher level role they will receive an allowance to reflect the salary of the higher level role for the duration of the secondment. If the secondment is in a different country, the employee may receive the local salary for the post they are being seconded to unless for some technical or legal reason they remain on their home contract.