

## Gender pay

Following the introduction of new UK legislation all employers with 250 or more UK employees are required to disclose information about their gender pay gap on an annual basis from April 2017. We have analysed our pay data in detail and the adjacent tables summarise the key information, which has been reviewed and confirmed accurate by Ernst & Young.

We are committed to creating a positive and diverse working environment where everyone is treated fairly. Specifically in relation to pay and our recruitment, performance review and reward processes, we strive to ensure that regardless of gender employees are paid the same or similar for the same or similar positions.

### Definition and calculation of a gender pay gap

The 'gender pay gap' is the difference in the average hourly rate of pay between all relevant fully paid men and women in a company. It is different to 'equal pay' which is the difference in pay between a man and a woman who carry out the same, similar or work of equal value in a company.

### Our gender pay and bonus gap

The table below shows our overall mean and median gender pay gap based on hourly rates of pay as at the "snapshot date"<sup>1</sup>, 5 April 2017. It also captures the mean and median difference between bonuses paid to our male and female employees in the year up to the snapshot date, i.e. for the performance year 2016 which included our successful IPO in October 2016. The data provided only relates to our UK employees.

	Percentage difference mean	Percentage difference median
Hourly rate of pay	13.0%	12.4%
Bonus excluding IPO awards	15.5%	11.3%
Bonus including IPO awards	52.6%	12.1%

In the table above, we have set out bonus payments showing the inclusion and exclusion of IPO awards. The IPO awards were one-off conversions of historic incentives, triggered upon successful completion of the IPO. These awards were made in the eight-year period prior to the IPO to a number of senior executives. Employees in these senior roles were predominantly male. The table shows that the bonus payments including the IPO awards for all female employees, was significantly less than the same payment for male employees. The bonus payments excluding IPO awards provide a more relevant baseline for future reporting.

The median hourly pay difference between our male and female employees is 12.4%, which compares favourably with the UK median pay gap of 18.1% across all sectors in April 2016 (source: Office for National Statistics). We have conducted an analysis

and believe that the gap is largely a function of experience and contribution. However, 73% of our employee population have a gender pay variance of less than 5%. Furthermore, our female employees in senior roles (which we define as Associate Director, Director and Vice President) are paid higher than their male counterparts.

A detailed breakdown of pay by gender and by pay quartile is shown in the table below. In the lower quartile, we have an even split of males and females and in the lower middle quartile, we have more females (59%) than males (41%). Between the upper middle to the upper quartile we have 54%–56% males compared to 46%–44% females.

	Proportion of females and males in each quartile band			
	£763 ≤ £12.44	£12.44 < £16.13	£16.13 < £24.10	£24.19 < £156.58
Total in band	194	193	193	193
Male total: 390	97	79	105	109
Female total: 383	97	114	88	84
% male	50%	41%	54%	56%
% female	50%	59%	46%	44%
% difference mean	0.4%	(0.6)%	(1.4)%	12.1%
% difference median	0.0%	(1.0)%	(4.1)%	3.2%

As detailed in the table below, 89.5% of our female employees and 83.3% of our male employees received a bonus payment. Both figures are above the UK reported average.

	Females	Males
Proportion of females and males receiving a bonus payment	89.5%	83.3%
Eligible population for a bonus during the relevant bonus pay period	401	400

Ensuring gender pay equality and fairness forms part of our sustainable development goals. In 2018 we will continue to monitor and analyse our pay data across our main geographies worldwide and develop appropriate measures in order to ensure gender pay equality. Furthermore, as highlighted on the previous page we are committed to improving diversity across the Group, including at senior management level, and we have set an objective to have 30% of senior management roles held by female executives by 2020.

1. Snapshot date: Specific reference date in which the Gender Pay Gap needs to be calculated as Government requirement from the Advisory, Conciliation and Arbitration Service and Government Equalities Office. For businesses and charities this date is 5 April.