

M&CSAATCHI UK GROUP
GENDER
PAY GAP
REPORT
2019 & 2020





GENDER PAY GAP REPORT

I joined M&C Saatchi as Global Chief People Officer in April 2021.

I am pleased to find that M&C Saatchi had already committed to publishing its gender pay gap report, despite being made up of a number of smaller businesses that individually remain under the threshold for statutory reporting. I believe that transparency is a key part of holding ourselves accountable for progress within our business.

We are sharing our report later than normal due to a number of factors, however we are committed to sharing our 2021 data by the end of the calendar year, ahead of the normal reporting timeframe.

This report shares our gender pay gap for 2019 and 2020 – using snapshot data from 5th April in both years respectively. In this report, we share data on all UK employees – including those in our UK businesses and those in global group roles, based in the UK. Whilst I am pleased to see that we are making progress, I am disappointed that our pay gap remains at its current levels and remain committed to ensuring it reduces over time.

Myself, the rest of the Executive Committee and the Board are making a commitment to place Diversity, Equity and Inclusion (DE&I) at the heart of how we operate. We believe this starts with our purpose – to Navigate, Create and Lead Meaningful Change for both ourselves and our clients. It is also rooted in our operating principle and belief that Diversity of Thought is a creative necessity. This requires diverse representation in our teams and as well as making us highly competitive, will make us an increasingly great place to work.

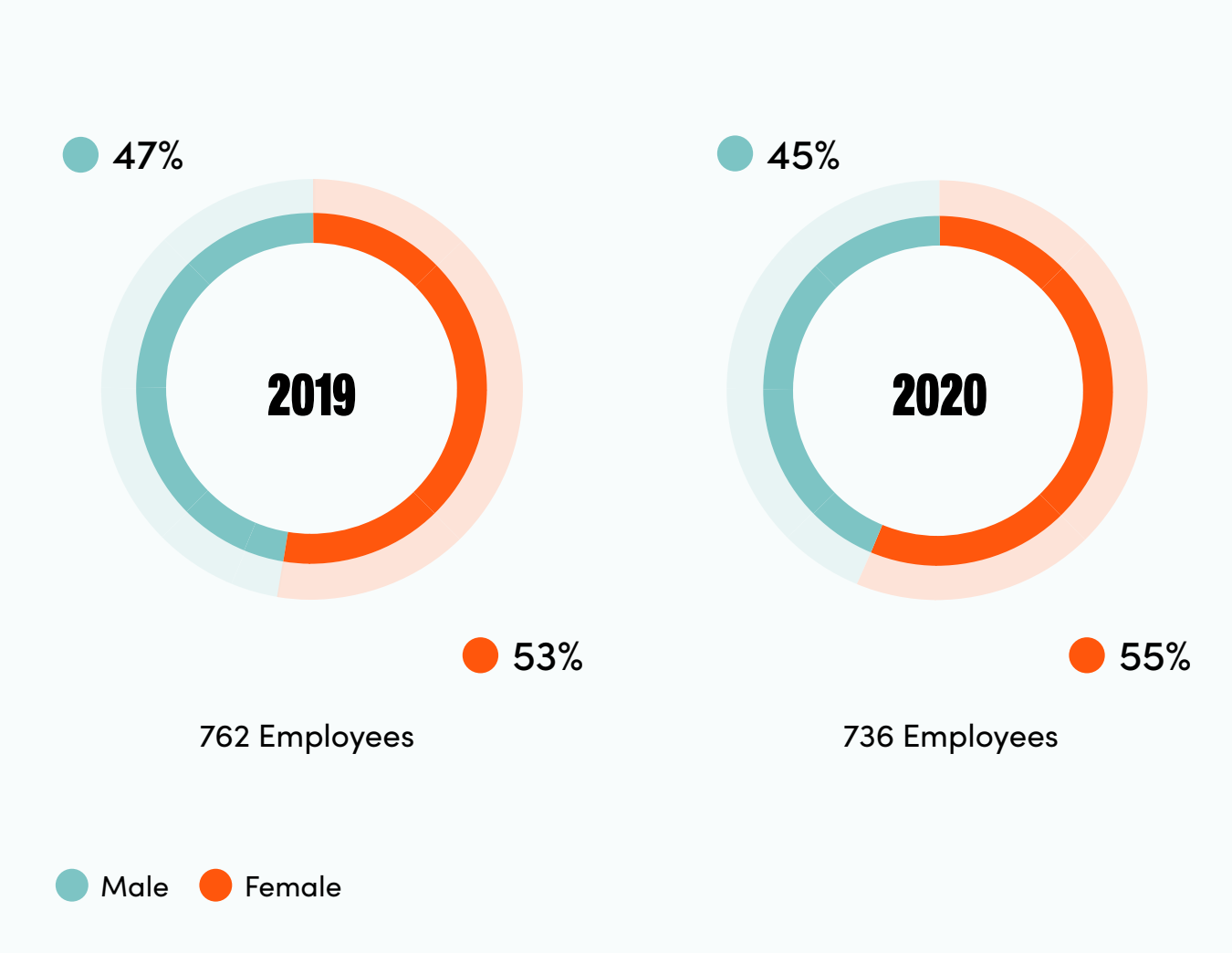
We have established a clear DE&I strategy which details our vision, approaches and objectives and we will be working with colleagues across all levels of our business to deliver the required changes. A key part of that strategy will include us removing systemic barriers to the attraction and progression of female talent and thereby ensuring we tackle the gender pay gap overtime.

Mark Dickinson-Keen
Chief People Officer

GENDER BALANCE

The number of male and female UK employees is captured as of 5th April for both years (the snapshot date). As at the snapshot date, the proportion of male and female UK employees at M&C Saatchi Group is as follows:

Figure 01



GENDER PAY GAP

The gender pay gap shows the mean and median difference in hourly pay between all men and women employed in a business.

The mean pay gap highlights the difference in the average hourly rate of male and female pay.

The median pay gap highlights the difference between the midpoints in the range of male and female hourly pay.

This is not the same as equal pay, which is the legal requirement for all employees to be paid the same for doing the same or similar work.

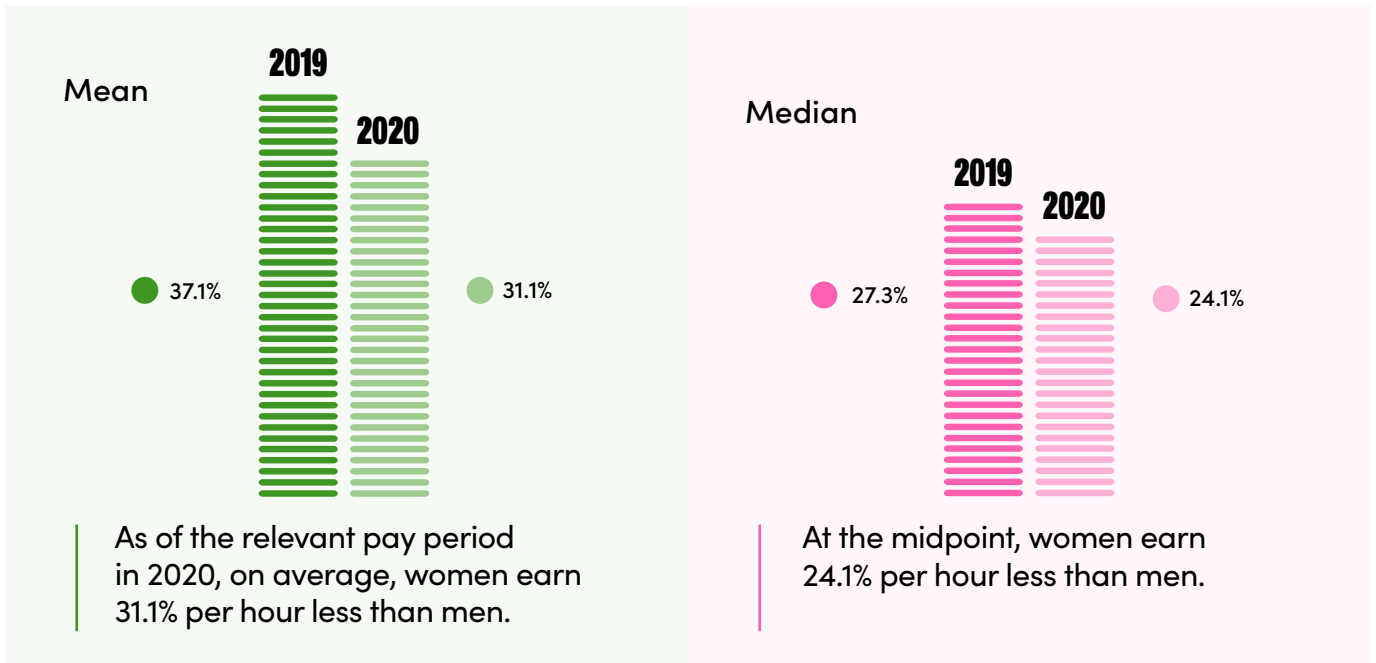
In contrast, the Gender pay looks at the average of hourly pay for male and female employees.

This report is based on the total full pay received by male and female UK employees* during the months of April 2019 and 2020 respectively (the relevant pay period).

Employees who were not in receipt of full pay have been excluded from the report as per the Government guidelines. These include employees in receipt of statutory maternity, paternity, adoption or shared parental leave pay, statutory sick pay, unpaid leave, Limited Liability partners and employees on furlough leave under the Coronavirus job retention scheme (not topped up to their usual full pay). The number of employees excluded for 2019 is 24 and 128 employees for 2020.

*(2019 – 738 employees, 2020 – 608 employees)

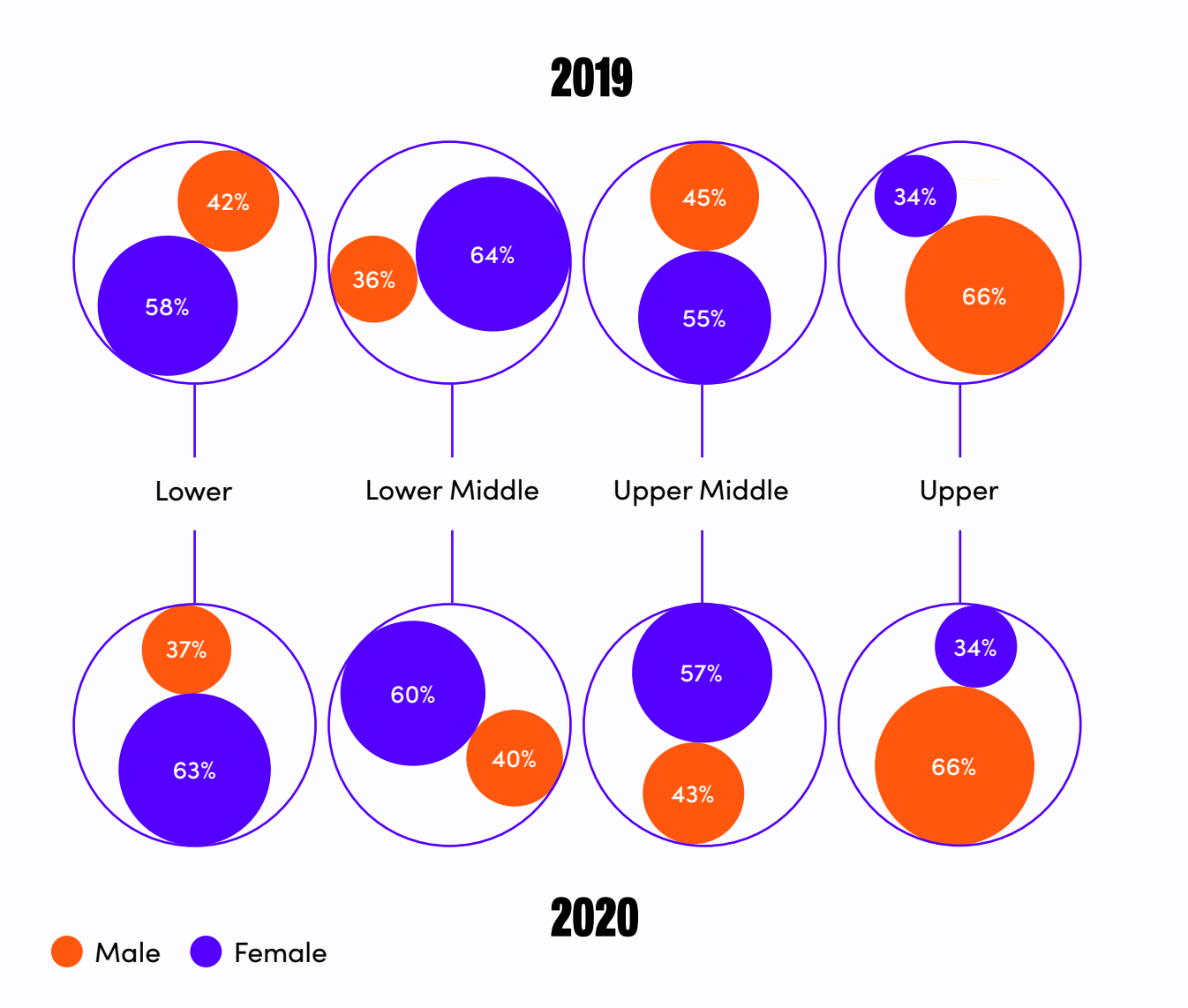
Figure 02



PAY QUARTILES

Pay quartiles show the proportion of men and women in different pay bands, with the workforce divided into four equal parts (quartiles). The pay quartiles are based on mean hourly pay as of the relevant pay period.

Figure 03

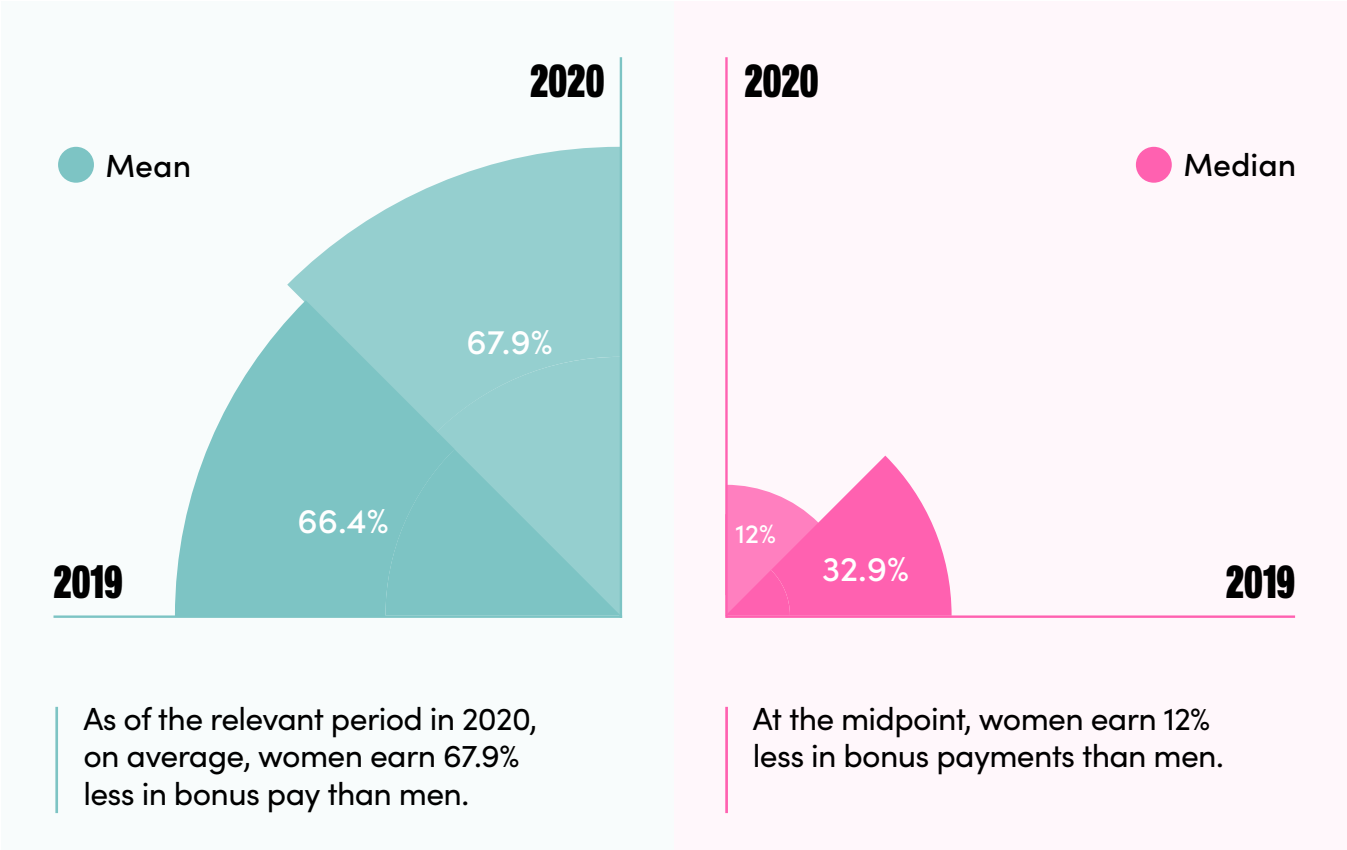


BONUS PAY GAP

This shows the mean and median difference in total bonus payments received by men and women in the 12 months preceding the relevant period.

The bonus gap information is based on 256 employees in 2019 and 227 employees in 2020.

Figure 04

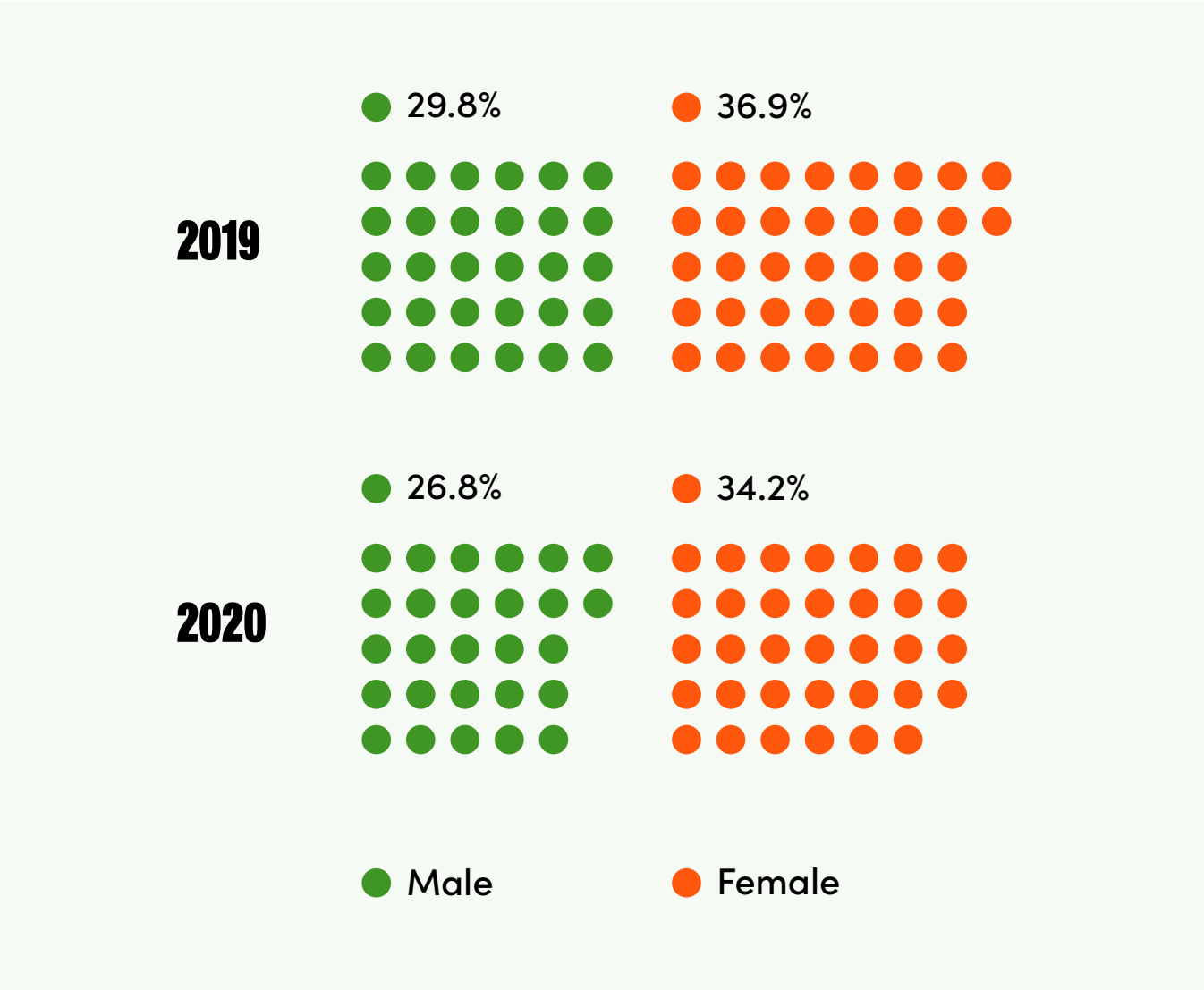


PROPORTION RECEIVING BONUS

As at the relevant periods, the proportion of male and female UK employees* who received a bonus in a 12-month period that preceded that period is as follows:

*(2019 – 106 Males, 150 Females, 2020 – 89 Males, 138 Females)

Figure 05





UNDERSTANDING OUR PAY GAP

We are pleased to observe progress in some areas. Specifically, our overall mean and median pay gap have both improved in 2020, placing them at the lowest levels since reporting began.

In the 4 years that we have been reporting gender pay gap data, we are pleased to note an increase in the proportion of women in the upper middle pay quartile from 45% to 57% (figure 3). This proportion is representative of the overall proportion of women in the organisation and highlights a welcome increase in the proportion of women occupying senior positions.

We acknowledge a significant drop in the median bonus gap in 2020 (figure 4). There have been a number of internal changes within the business over the last 12 months which have resulted in a number of our senior leadership team leaving the business. We believe this contributed to the change.

At the same time, we also acknowledge areas where no or insufficient progress has been made in the last 12 months.

Specifically, the proportion of women in the upper pay quartile remains static at 34% (figure 3), a level that is considerably lower than the overall proportion of women in the organisation. Given that the single biggest factor impacting our gender pay gap is representation of women in senior positions, we are committed to address this imbalance.

At the other end of the pay scale, we see the proportion of women in the lower pay quartile increased to 63% female, a level

which is higher than the overall proportion of women in the organisation. Given an overall increase of female representation in our organisation, we accept that in the short term this may mean increased representation in the lower quartile as many of our entry level roles are occupied by women. At the same time, we are mindful of the need to minimise any systemic or unconscious gender bias when hiring for junior and/or administrative roles and ensure that we avoid over-representing women in what might be deemed traditionally female-roles.

Whilst we observe a meaningful drop in the median bonus pay gap, there remains a sizeable gap in the average bonus pay between men and women, a gap which has also increased in the last 12 months.

Overall, we recognise that a gender pay gap continues to exist and that ongoing work is required to drive down any such gap and face into any systemic barriers to doing so.

In summary, the data continues to underscore the persistent and widespread challenge that exists within our business and wider industry. To address this we are committing to a range of targeted actions including actively sponsoring the progression of women into our most senior positions, in order to realise the many benefits of truly diverse leadership.



ACTIONS SO FAR

We have sought to address gender representation and the gender pay gap with the following recent actions:

- Devising a group wide Diversity, Equity and Inclusion strategy which values difference and fosters an inclusive culture across all areas of operation.
- Implementing family friendly packages to further enhance our maternity and paternity leave.
- Introducing returner workshops to support parents returning from family leave.
- Launching new policies to recognise the additional support that may be needed by our diverse workforce – Menopause, Working Parent & Domestic Abuse training.
- Celebrating International Women's Day and introducing the Diamond Award to recognise stand-out performance amidst female and non-binary employees.
- Broadening the scope of our employee led network (Equals and Family) to focus on issues all genders face whilst continuing to shine a light and raise the profiles of our female and non-binary employees. Our equals and family networks are funded by the company and supported by senior sponsors.
- Rebranding of our graduate programme to Open House to provide online training to a more diverse future talent pool which now welcomes applications from non-graduates and graduates alike.
- Accreditation by the London Healthy Workplace which acknowledges a healthy, happy and productive place to work.

GOING FORWARD

Reducing our current gender pay gap is a priority for us. As part of our DE&I strategy, we will focus on the following action areas to reduce our gender pay gap over time and foster a diverse, equitable and inclusive place of work.

Attraction	Progression	Culture	Governance
<p>Review our employee value proposition to ensure it is an enabler to attracting female talent to our organisation.</p> <p>Review recruitment processes and systems, and upskill hiring managers to promote inclusive practices.</p>	<p>Invest in programmes of support, development and mentorship that enable our female talent to progress in careers across the group.</p> <p>Identify any systemic barriers to female talent progression.</p>	<p>Continue to provide ongoing learning for all, as we shape an inclusive lived experience, where our female talent can realise their potential and feel they belong.</p> <p>Create the conditions for Equals, (our female and non-binary focused, employee led network), to succeed and be influential.</p>	<p>Establish an effective governance framework and processes to ensure a fair, consistent and transparent application of pay and bonus across the organisation.</p> <p>Appoint a Group Reward Director to have oversight of remuneration practices and a group-wide reward strategy.</p>

Given our commitment to address any gender pay challenges identified at pace, we intend to prioritise progress on our Gender Pay Gap Report 2021. In doing so, we will feed findings into our overarching DE&I strategy and ensure we are prioritising the most impactful actions we can take as an organisation. We will also continue to openly share our findings and insight with the wider organisation.

Beyond that, we also commit to reviewing our approach to data collection and categorisation for future reports to ensure it is inclusive and representative of all genders including non-binary genders.

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Figure 01 / Gender Balance

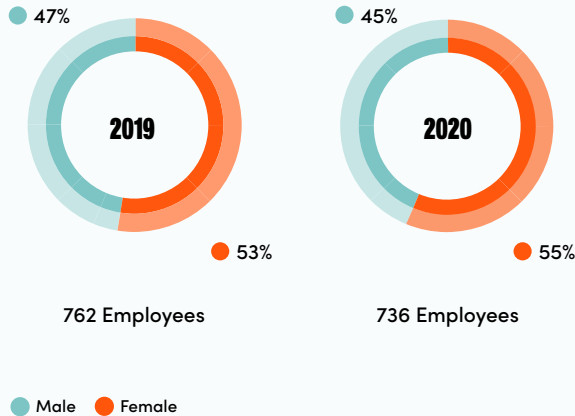


Figure 02 / Gender Pay Gap

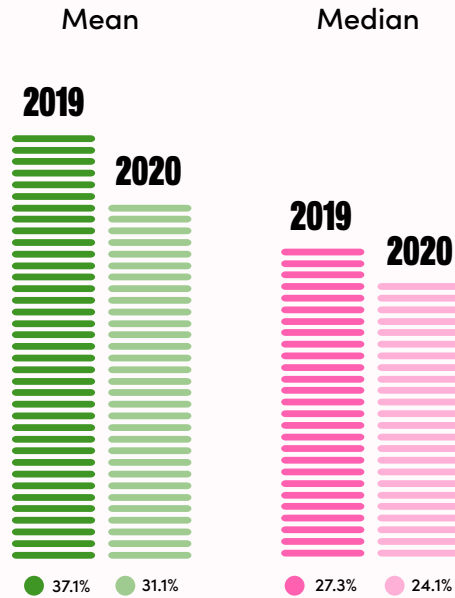


Figure 03 / Pay Quartiles

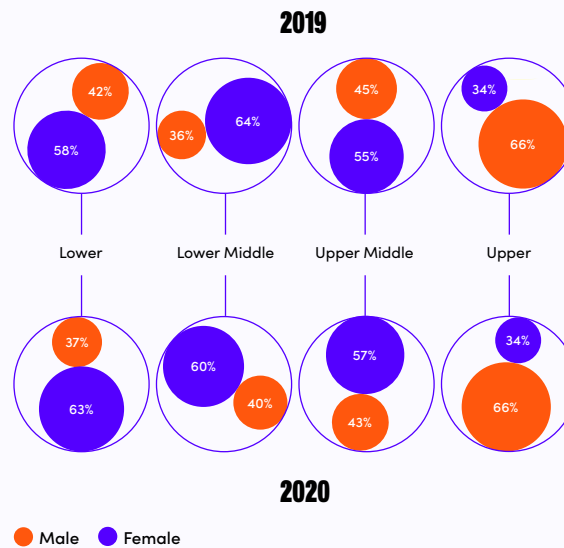


Figure 04 / Bonus Pay Gap

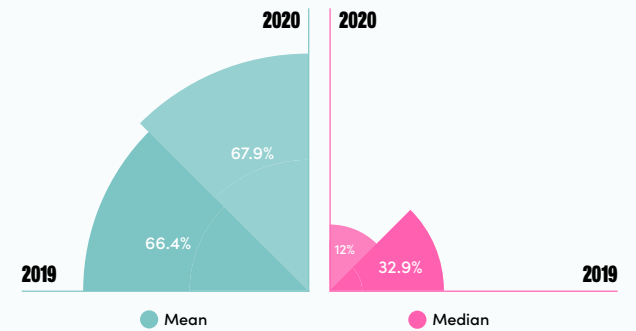


Figure 05 / Proportion receiving bonus

