M&C SAATCHI WORLD SERVICES GENDER PAY GAP REPORT 2021

GENDER PAY GAP REPORT

M&C Saatchi World Services is M&C Saatchi Group's global and social issues business. We specialise in driving critical global and social change, protecting the planet and transforming lives for the better.

M&C Saatchi Group is made up of a number of smaller businesses, that individually had remained under the threshold of statutory reporting. Since 2018, we have chosen to report aggregated UK figures as part of our commitment to improving diversity and narrowing the gender pay gap.

As World Services now has more than 250 employees, for the first time we have a statutory obligation to publish a separate gender pay gap report.

This report shares our gender gap for 2021 – using snapshot data from 5th April. We've also shared data for 2020 and 2019 for comparative purposes.

Whilst we are pleased to see our mean and median pay gaps continue to be on a downward trend, we acknowledge that our gender pay and bonus gaps are still significant because of the disproportionate number of men in the most senior roles in our organisation.

With that, we recognise that our progress to date is not enough and we have more work to do, particularly around increasing the proportion of women in senior roles and addressing our gender bonus gap.

We understand the complexities inherent in making these changes, however, we are committed to tackling our challenges head on.

Together with the management team, we will continue to place Diversity, Equity and Inclusion (DE&I) at the heart of how we operate.

Our World Services and UK Group DE&I strategies, and the work of our Employee Led Networks, including the Equals (gender focused) and Family networks, will help us on this journey.

We confirm that the data and information presented in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

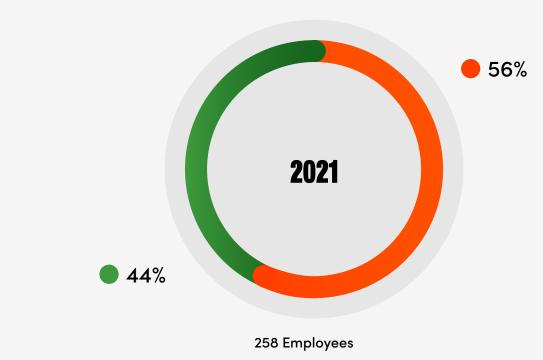
Marcus Peffers
CEO World Services

Charlie Glynn
UK People Director

GENDER BALANCE

As of the 5th April 2021 (the snapshot date), the proportion of male and female employees at M&C Saatchi World Services is as follows.







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 gap looks at the average of hourly pay for male and female employees.

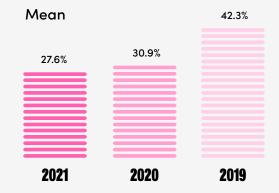
This report is based on the total full pay received by male and female UK employees* during April 2021 (the relevant pay period).

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 and Limited Liability partners. Five employees were excluded in 2021**.

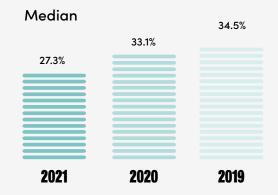
*Employees included in pay gap reporting for 2021 – 253 employees, 2020 – 184 employees, 2019 – 160 employees

**Number of employees excluded for 2020 is 7 and 3 for 2019. The 2020 exclusions included employees on furlough leave under the Coronavirus job retention scheme and not topped up to their usual full pay.

Figure 2



As of the relevant pay period in 2021, on average women earn 27.6% per hour less than men.



At the midpoint, women earn 27.3% per hour less than men.

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 3



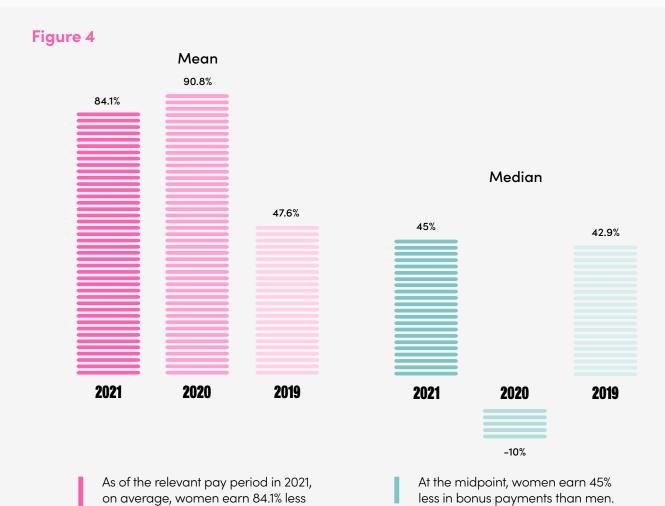
Key: Female Male

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 the number of employees who received bonuses in 2021 which can be seen in Figure 5.

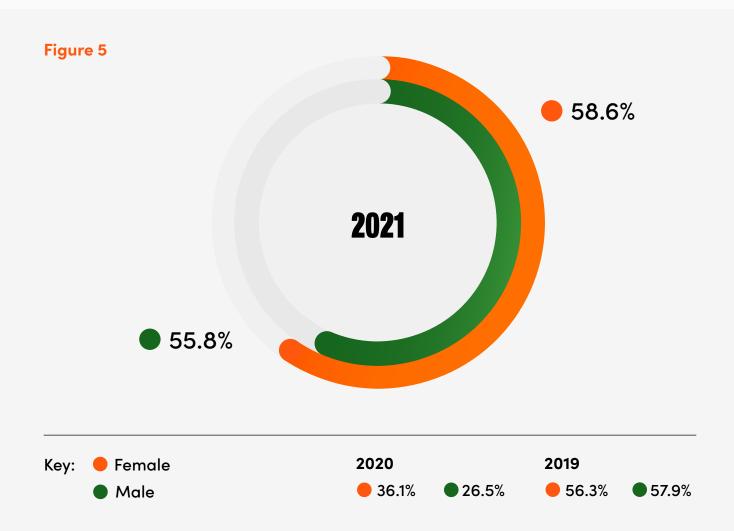
in bonus pay than men.



PROPORTION RECEIVING BONUS

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

*2021 – 85 Females, 63 Males, 2020 – 39 Females, 22 Males, 2019 – 49 Females, 44 Males.



UNDERSTANDING OUR PAY GAP

When we collected our data on 5 April 2021, 56% of our employees were women and 44% were men.

Our mean gender pay gap was 27.6% and median gender pay gap was 27.3%. We are pleased to observe an ongoing downward trend since 2019. Over this three year period, we have seen a close to 15% improvement in the mean gender pay gap and a 7% improvement in the median gender pay gap.

We are heartened to observe an ongoing increase in the proportion of women in the upper pay quartile since 2019 – from 28% to 33% (figure 3). This demonstrates a welcome increase in the proportion of women occupying our most senior positions

We also note an increase in the proportion of women receiving a bonus from 56.3% in 2019 to 58.6% in 2021 (figure 5).

Whilst there has been an increase in the proportion of women in the upper pay quartile, this proportion remains lower than the overall proportion of women in the business. We also continue to see women over-represented in the lower and lower middle pay quartiles. We will continue our efforts to address this imbalance and increase the number of women in senior positions over time, and to achieve greater balance between the genders in the lower and lower middle pay quartiles.

Though we have seen more women than men receive bonuses this year, the gap in mean average bonus pay between men and women remains sizable at 84.1% in 2021. The significant gap in the mean average reflects the disproportionate number of men who occupy senior positions and have been awarded significant bonuses.

Moving forward we remain committed to reviewing and evolving our remuneration practices, as well as increasing the number of women who occupy senior positions to address this imbalance in bonus pay across the genders.

Overall, we are pleased to recognise an improvement in our gender pay gap whilst recognising that the gap continues and ongoing interventions are necessary to reduce and eliminate it overtime.

We are committed to stepping up our efforts around DE&I and further embedding the UK Groupwide DE&I strategy.

We will evolve our strategy and roadmap over time and provide regular updates both internally and externally on our progress.

ACTIONS TAKEN AND GOING FORWARD

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

- Delivering a World Services' Lived
 Experience Survey and qualitative
 research to better understand
 employees' experiences and
 perceptions on diversity, inclusion
 and discrimination across M&C Saatchi
 UK World Services to feed into
 a targeted programme of DE&I activity.
- Supporting the creation of, and implementation of, the UK Group DE&I strategy that fosters an inclusive environment and values difference with a roadmap of planned actions and interventions.
- Cocreating and delivering a leadership development journey for our CEO to drive inclusive behaviours and foster an inclusive culture.
- Mandating diverse candidate shortlists for all senior roles.
- Introducing the Connected Talent Initiative to provide more internal career development opportunities
- Supporting the Group Employee Led Networks.
- Offering Domestic Abuse training for colleagues.

- Supporting two World Services' colleagues to Co-Chair the Equals network that delivered International Women's Day 2021 events.
- Working closely with DEI focused recruiters to bring in a more diverse team.

Going Forward

Reducing our current pay gap remains a priority for us.

Our actions for 2022 will include:

- Creation of a DEI committee in World Services.
- A World Services specific DE&I strategy that will support gender inclusivity at all levels.
- Participation in Group wide Apprenticeships schemes to encourage the hiring of talent from under-represented groups including women.
- Embedding of the Group wide DE&I strategy.
- We will continue to openly share our findings and insight with the wider business.

M&C SAATCHI WORLD SERVICES UK GROUP GENDER PAY GAP REPORT 2021





