

**M&C SAATCHI
UK GROUP
GENDER
PAY GAP
REPORT 2022**



GENDER PAY GAP REPORT

This report shares our gender pay gap snapshot data from 5th April and marks our ongoing commitment to transparently share our gender pay gap data and the actions we will deliver against to reduce the gender pay gap over time.

Whilst there is no statutory requirement to report on the gender pay gap, based on the size of each of our group businesses, we recognise we have a responsibility to our people, the industry and society at large to play a role in driving down the gender pay gap and supporting the progression of women in business.

This year we see moderate improvements in some of our data, and whilst any progress is indeed some progress, we know it is not enough.

Ultimately, our data tells us that we continue to see a disproportionately small number of women in our most senior positions. The key to addressing our gender pay gap is increasing gender equity at leadership levels in our organisation, and every action that we are committing to in this report is in service of that.

The actions we have identified to focus on this year, including reviewing our family friendly policies to provide a more transparent, inclusive and attractive family friendly offer and launching a manager development programme to enable the progression of managers, particularly female, are both key to laying the foundations for systemic change around gender equity in our business.

We know we're still not doing enough and are keen to do more and drive meaningful change.

We're delighted that we have the support of our recently appointed Global Head of Diversity, Equity and Inclusion, Taz Latif, and our newly formed Diversity Equity & Inclusion Governance Board in helping us shape a roadmap of meaningful actions that will create an inclusive and equitable work environment for female talent. Their expertise and oversight will play a key role in holding us to account and ensuring we are focusing in areas where the most positive impact on female talent will be felt.

With investment in the UK People Team to support our DE&I efforts, we are also able to accelerate the analysis of our gender pay gap data, and with this, we intend to bring forward the internal and external dissemination of future reports closer to the snapshot date. In doing so, we aim to provide more recent, and therefore relevant gender pay data to the business to inform our actions for the year ahead.

Richard Thompson
UK Chairman



Charlie Glynn
UK People Director



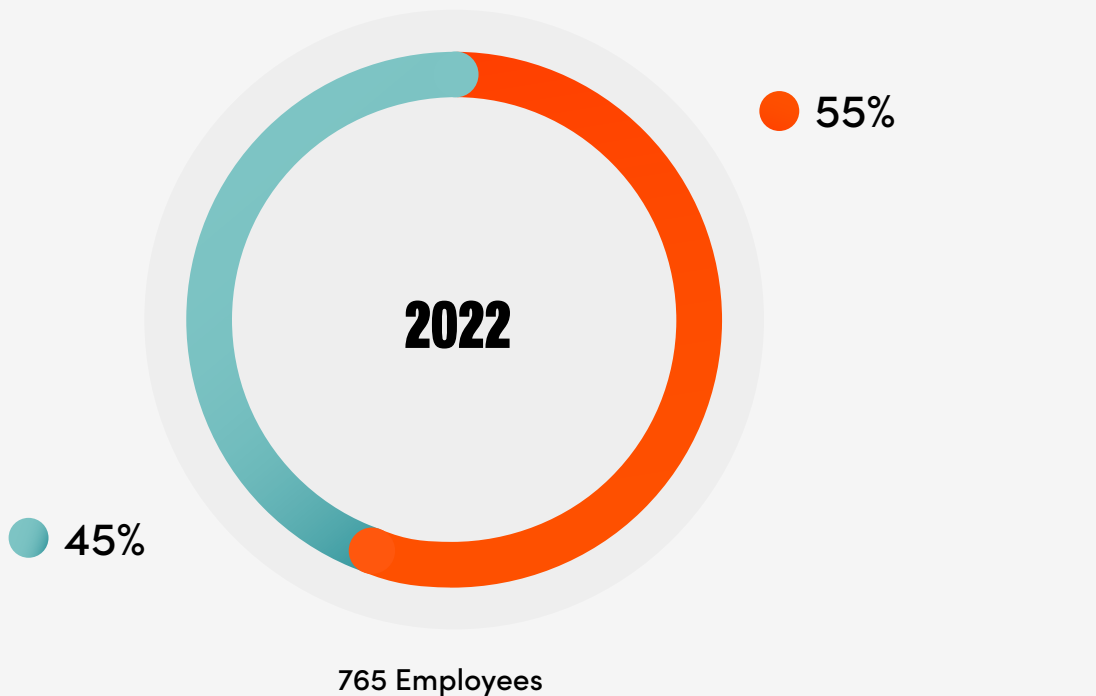
We confirm that the information and data reported are accurate. They follow the UK Government's Equality Act 2010 (Gender Pay Gap information) Regulations 2017.

We share data on all UK employees – including those in our UK businesses and those in global group roles, who are based in the UK.

GENDER BALANCE

The proportion of female and male UK employees at M&C Saatchi Group, as of 5th April 2022 (the snapshot date). There is no significant change in overall representation across the company year on year.

Figure 1



Key: ● Female
● Male

2021
● 54% ● 46%

2020
● 55% ● 45%

GENDER PAY GAP

The mean pay gap highlights the difference in the average hourly rate of male and female pay, as of 5th April 2022 (the snapshot date).

The median pay gap highlights the difference between the midpoints in the range of male and female hourly pay, as of 5th April 2022 (the snapshot date).

The gender pay gap is not the same as equal pay. Equal pay is measured by comparing the pay for employees carrying out the same or similar work, taking into account level and job type. It is a legal requirement.

The gender pay gap is based on average pay differences between men and women across the company*. It does not consider employee level or job type. It shows the mean and median difference in hourly pay.

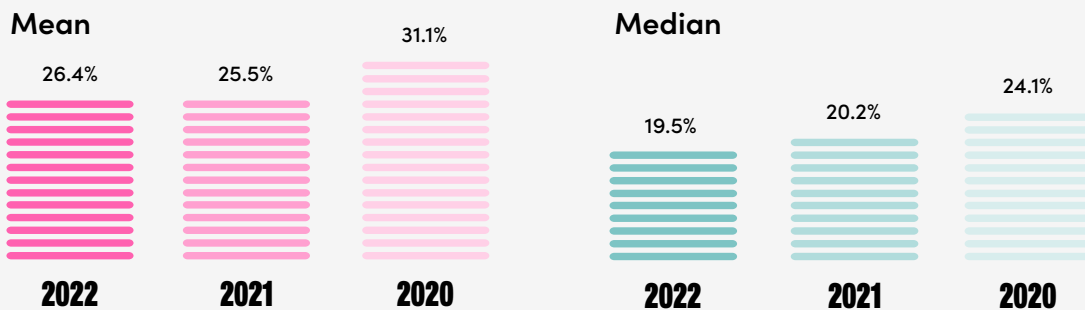
As per Government guidelines, calculations for this report exclude any employees on reduced pay e.g. statutory parental leave, statutory sick pay**.

*Employees included in pay gap reporting for 2022 – 765 employees, 2021 – 724 employees, 2020 – 608 employees.

**Number of employees excluded for 2022 is 24 and 2021 is 21 and 2020 is 128. 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

While the increase to our mean hourly pay gap is marginal, our median hourly pay gap has slightly decreased, continuing a downwards trend over the last four years inclusive of the most recent data.



As of the relevant pay period in 2022, on average women earn 26.4% per hour less than men.

At the midpoint, women earn 19.5% per hour less than men.

PAY QUARTILES

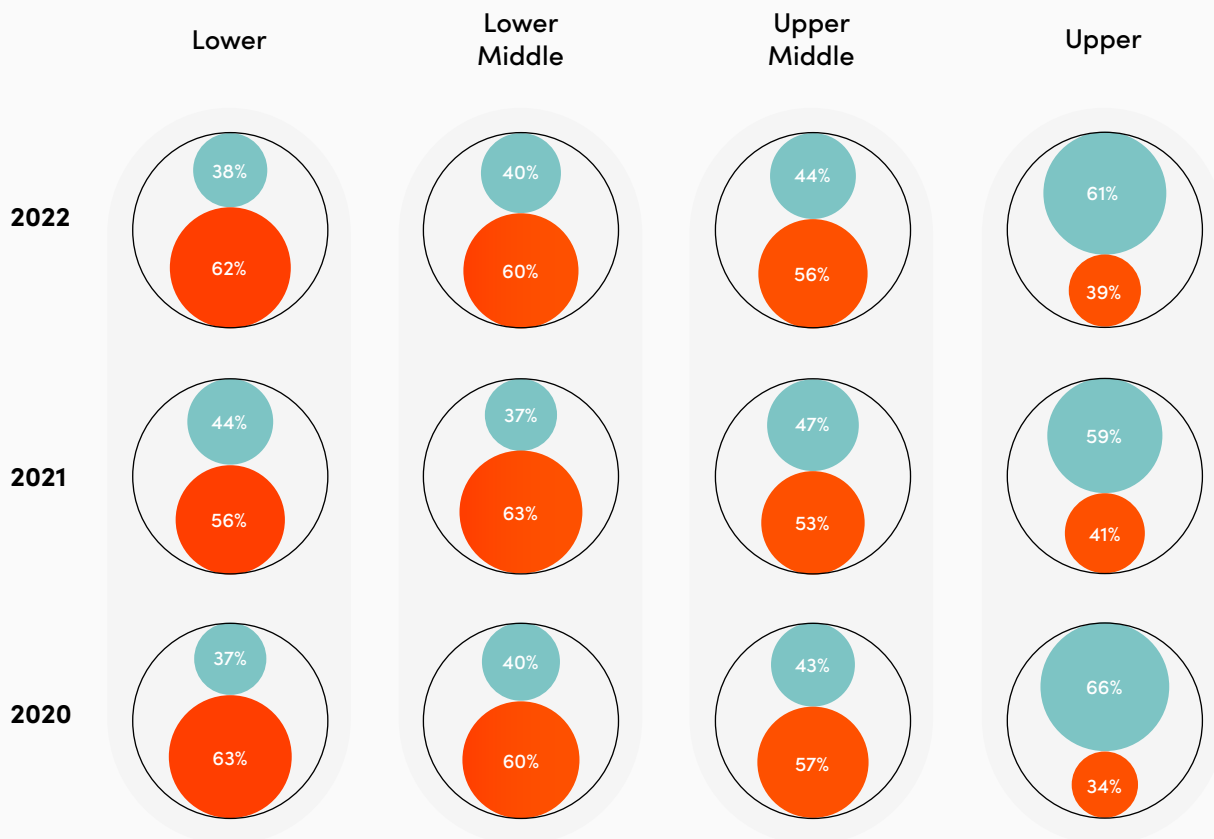
Definition

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 hourly pay as of 5th April 2022 (the snapshot date).

Analysis

Whilst we have seen a 3% increase in the proportion of women in the upper middle quartile, we have seen a 3% decrease in the lower middle quartile. This aligns with our finding that we are losing a sizable proportion of female talent between the ages of 28–40 years old. We anticipate there is a potential link here between family planning and our family friendly policy, and we are reviewing this and how we are supporting working parents as part of our 2023 actions.

Figure 3

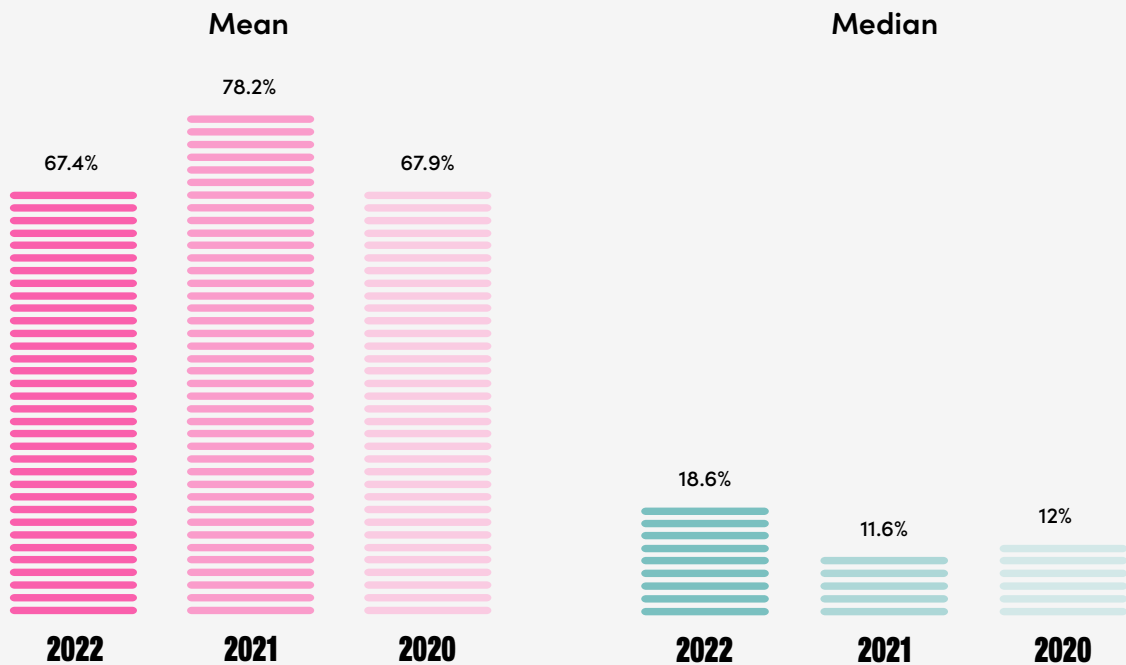


Key: ● Female ● Male

BONUS PAY GAP

This shows the mean and median difference in total bonus payments received by men and women in the 12 months preceding 5th April 2022 (the snapshot date). The bonus gap information is based on the number of employees who received bonuses in 2022 which can be seen in Figure 4.

Figure 4



As of the relevant pay period in 2022, on average, women earn 67.4% less in bonus pay than men.

At the midpoint, women earn 18.6% less in bonus payments than men.

PROPORTION RECEIVING BONUS

Definition

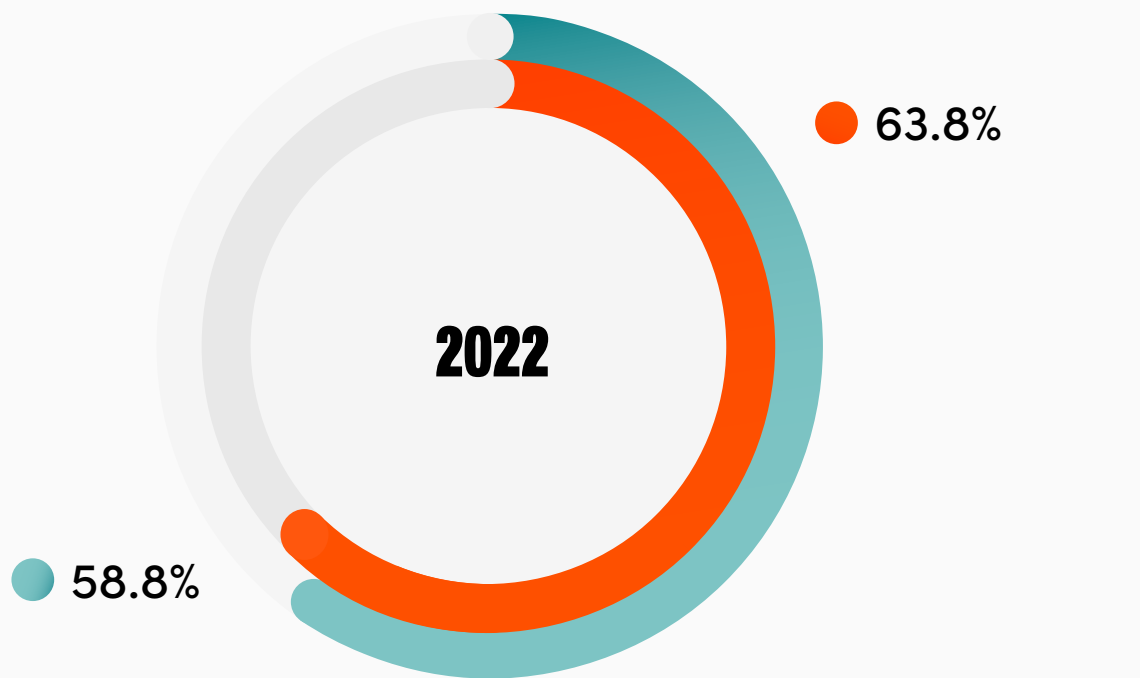
The proportion of male and female UK employees* who received a bonus in the 12-months before 5th April 2022 (the snapshot date):

*2022 – 268 Females, 203 Males
 2021 – 234 Females, 190 Males
 2020 – 138 Females, 89 Males.

Analysis

Whilst women are more likely to receive a bonus than men (+5%), the bonus mean, and median pay gaps continue to fluctuate year on year, and we continue to have a significant mean bonus pay gap. This is driven by the disproportionate number of men in more senior roles who receive sizable bonuses, and the difference in structure and type of bonus schemes across the business. We are going to continue working across leadership to simplify and align on bonus process and policy where we can.

Figure 5



Key: ● Female
 ● Male

2021

● 55.2% ● 58.4%

2020

● 34.2% ● 26.2%



2022 ACTIONS

ACTIONS IN PROGRESS OR COMPLETE FROM 2022:

To provide transparency and drive accountability, we will continue to share progress on actions that we commit to in our reports.

Inclusive Leadership Programme:

having launched Phase 1 of an Inclusive Leadership Programme in 2021 to build awareness of and personal commitment to inclusive behaviours amongst our senior leaders in the UK, we commenced Phase 2 in 2022. This involves our senior leaders gathering insights on their day-to-day inclusive behaviours from those that they work closely with. This is then followed by 1:1 coaching debriefs with an external coach from our DE&I learning partners, Included.

Conscious Inclusion Programme:

a pilot for Conscious Inclusion training was launched in partnership with Fearless Futures, who facilitate transformative learning experiences to actively challenge inequities within business and society at large. 20 senior managers and key influencers within the business joined the pilot programme, to provide constructive feedback and act as first adopters of a culture shift to drive greater inclusivity. We have committed to refining and then scaling this programme to all UK Group employees over the next three years.

Emergency Care Days: an initiative to provide childcare in partnership with our Family Employee Led Network (ELN), and powered by Bright Horizons, was launched to support working parents and carers with urgent care needs, and in doing so helping working parents to navigate the challenges of parenting alongside their careers, recognising the disproportionate impact of childcare responsibilities on women.

OpenHouse: we reviewed OpenHouse, our in-house free 7-week training programme aimed at removing entry barriers to our industry for everyone. We increased the number and breadth of attraction channels, advertising the initiative on specific online communities and job boards to attract more female applicants such as [workingmums.co.uk](https://www.workingmums.co.uk). As a result, we continue to see a high proportion of applicants being female (72%) and a year-on-year increase in female applicants. We also modified our assessment process to be flexible to support those with caring responsibilities, recognising that traditionally such responsibilities impact women more.

We acknowledge that the business, M&C Saatchi UK Group, consists of different companies so we are also sharing business specific reporting with senior leaders to increase transparency and specific positive action at an individual company level as well as at group level.

GOING FORWARD

To ensure we are using recent, relevant data to inform our people strategy and roadmap in a timelier manner, we are committing to publish our 2023 report earlier to identify the next set of relevant actions from more recent data.

For now, we are focusing our attention on progressing with these few, yet vital actions in our UK Group Diversity, Equity and Inclusion roadmap throughout the remainder of 2023.

These priority actions include:

Attrition Analysis: analysing the attrition, leaver and new joiner data that sit behind the changes in pay quartiles, and associated levels and roles in the business to identify any changes in the movement of women in the business.

Female Focus Groups: leveraging the Equals Network, our Employee Led Network focused on equalising the gender experience, to run focus groups to understand the reasons that sit behind women leaving the business at different levels of the business and the blockers to progression of women into senior roles.

Global Manager Development Programme: launching the Global Manager Development Programme in Q2, 2023 with an overarching theme of inclusion and aiming for 50/50 gender split of participation. In doing so, supporting the development of female managers in the business, and building allyship towards women across male participants.

Global Mentoring Programme: this was launched with 50 employees and as it scales and evolves, we will explore how we can use this initiative to support women to progress in our business.

Family Friendly Review: reviewing our UK Group Family Friendly policies to drive greater consistency and transparency around our primary and secondary carer packages and in doing so, a more inclusive approach to our family friendly offerings across the business. As part of this, aiming to offer a more competitive package that supports parents to not have to make a choice between their careers and their families, and helps us attract and retain the best female talent throughout the family planning stages of their lives.

Get Home Safely: launching the Get Home Safely policy that supports women, and any other employees that may feel vulnerable with paid for transportation home when working or attending work events late into the evening.

OpenHouse: reviewing how we can further amplify the impact of this programme by retaining the diverse talent that we recruit. As part of this, we are devising an onboarding approach that supports those who join the business from diverse backgrounds through OpenHouse to ensure they are set up for success.

Figure 1
Gender Balance

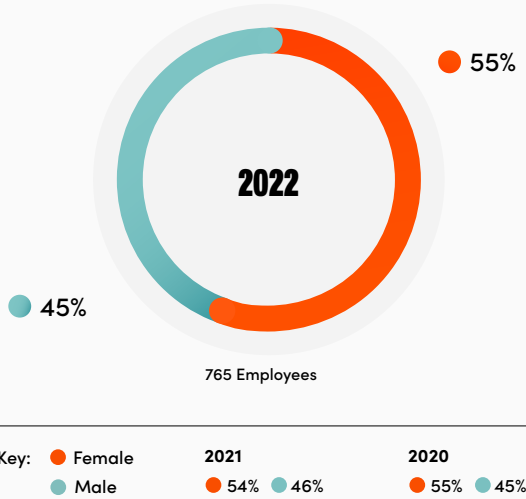


Figure 2
Gender Pay Gap

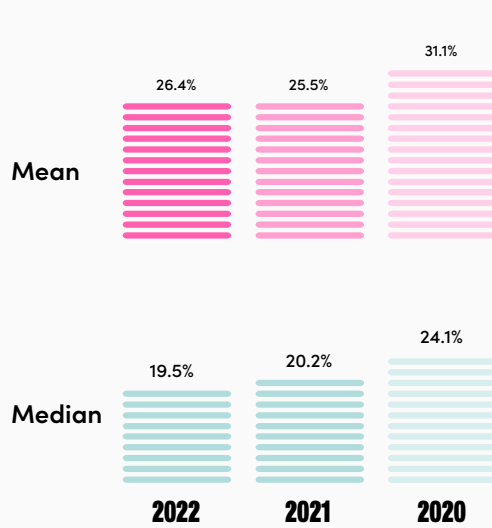
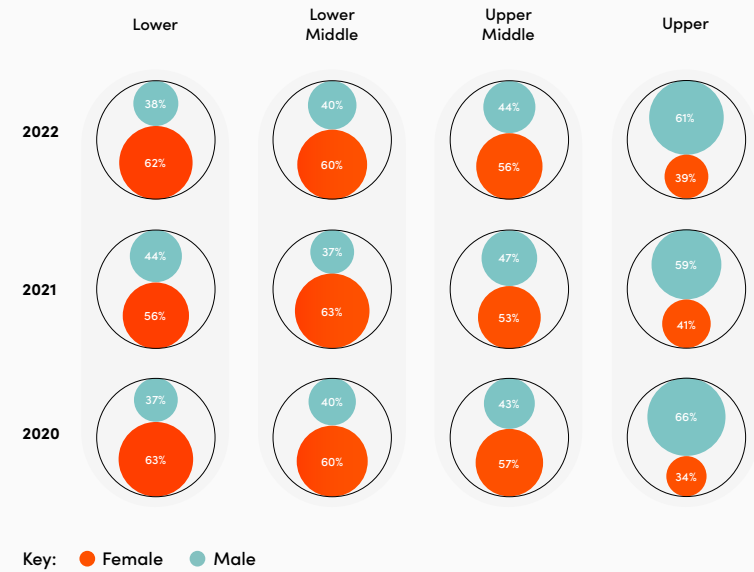


Figure 3
Pay Quartiles



M&C SAATCHI UK GROUP GENDER PAY GAP REPORT 2022

Figure 4
Bonus Pay Gap

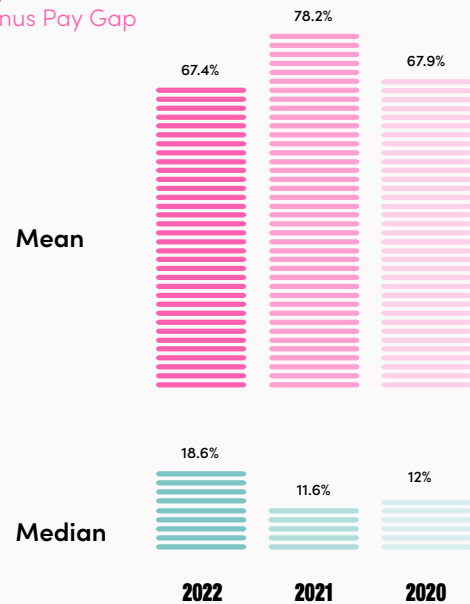


Figure 5
Proportion receiving bonus

