

**M&C SAATCHI
UK GROUP
GENDER
PAY GAP
REPORT 2023**



GENDER PAY GAP REPORT

This report shares our gender pay gap snapshot data from 5th April 2023. It marks our ongoing commitment to share transparently our gender pay gap data and the actions we will deliver to reduce the gender pay gap over time.

Whilst there is no statutory requirement to report on our gender pay gap based on the size of each of our group businesses, we recognise that we have a responsibility to our people, the industry and wider society to drive down the gender pay gap and support the progression of women and underrepresented gender identities in business.

This year we have seen a marginal improvement in our gender pay gap, but the progress is insufficient.

The actions we identified to focus on last year, including reviewing our family-friendly policies to provide a more transparent, inclusive and attractive family-friendly offer were launched and have been a positive step forward in meeting the needs of both parents and caregivers at M&C Saatchi Group. This year, we will be looking to build upon that progress by taking additional meaningful actions that drive down our gender pay gap in 2024.

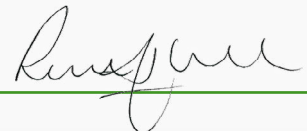
We'll continue to accelerate the pace of analysis of our gender pay gap data, and with this, we intend to bring forward the internal and external dissemination of future reports closer to the snapshot date.

In doing so, we aim to provide more recent, and therefore more relevant gender pay data to the business to inform our actions for the year ahead.

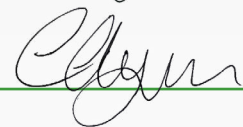
Whilst government reporting regulations mandate reporting in traditional binary categories (male and female), we are committed to acknowledging and embracing colleagues of all gender identities.

Therefore, as part of our aim to foster maximum gender inclusivity, from this year we have broadened our analysis to encompass binary, non-binary and other identities. For the purposes of this report, we now refer to women and underrepresented gender identities as Under-Represented Groups (URGs). The aggregated URG data protects the confidentiality of employees who identify as non-binary and other identities. We will continue to ensure that actions born out of our gender pay gap data are inclusive and supportive of the barriers and challenges faced by women and underrepresented gender identities.

Richard Thompson
UK Chairman



Charlie Glynn
UK People Director



Marcus Peffers
UK CEO



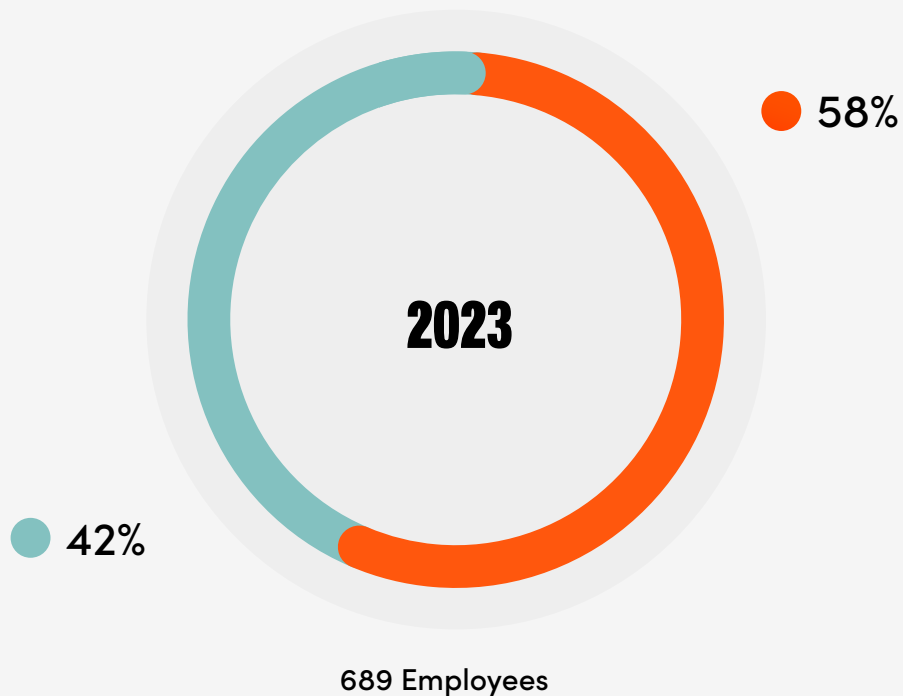
We confirm that the information and data reported are accurate. However, we've manually removed bonus payments paid in April 2023 affecting hourly pay. All bonus payments will continue to be reflected in the bonus gender pay calculations for the relevant reporting period. We share data on all UK employees – including those in our UK businesses and those in global group roles, who are based in the UK.

GENDER BALANCE

The proportion of Under Represented Groups (URGs) and Men at M&C Saatchi Group, as of 5th April 2023 (the snapshot date).

We continue to see an increase in the number of URGs overall at M&C Saatchi Group.

Figure 1



Key: ● URGs
● Men

2022*

● 55%

● 45%

2021*

● 54%

● 46%

*2022 and 2021 representative of Female / Male data

GENDER PAY GAP

The mean pay gap highlights the difference in the average hourly rate of Men and URGs' pay, as of 5th April 2023 (the snapshot date).

The median pay gap highlights the difference between the midpoints in the range of Men and URGs' hourly pay, as of 5th April 2023 (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, considering level and job type. It is a legal requirement.

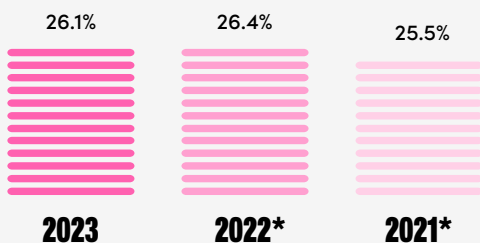
The gender pay gap is based on average pay differences between Men and URGs across the company*. It does not consider employee level or job type. It shows the mean and median difference in hourly pay. This report excludes any employees on reduced pay e.g. statutory parental leave, statutory sick pay**.

*Employees included in pay gap reporting for 2023 – 689 employees, 2022 – 765 employees, 2021 – 724 employees.

**Number of employees excluded for 2023 is 17, 2022 is 24 and 2021 is 21.

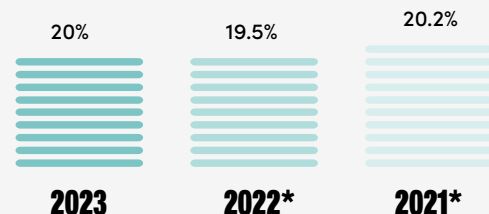
Figure 2

Mean



As of the relevant pay period in 2023, on average URGs earn 26.1% per hour less than Men.

Median



At the midpoint, URGs earn 20% per hour less than Men.

*2022 and 2021 representative of Female / Male data

PAY QUARTILES

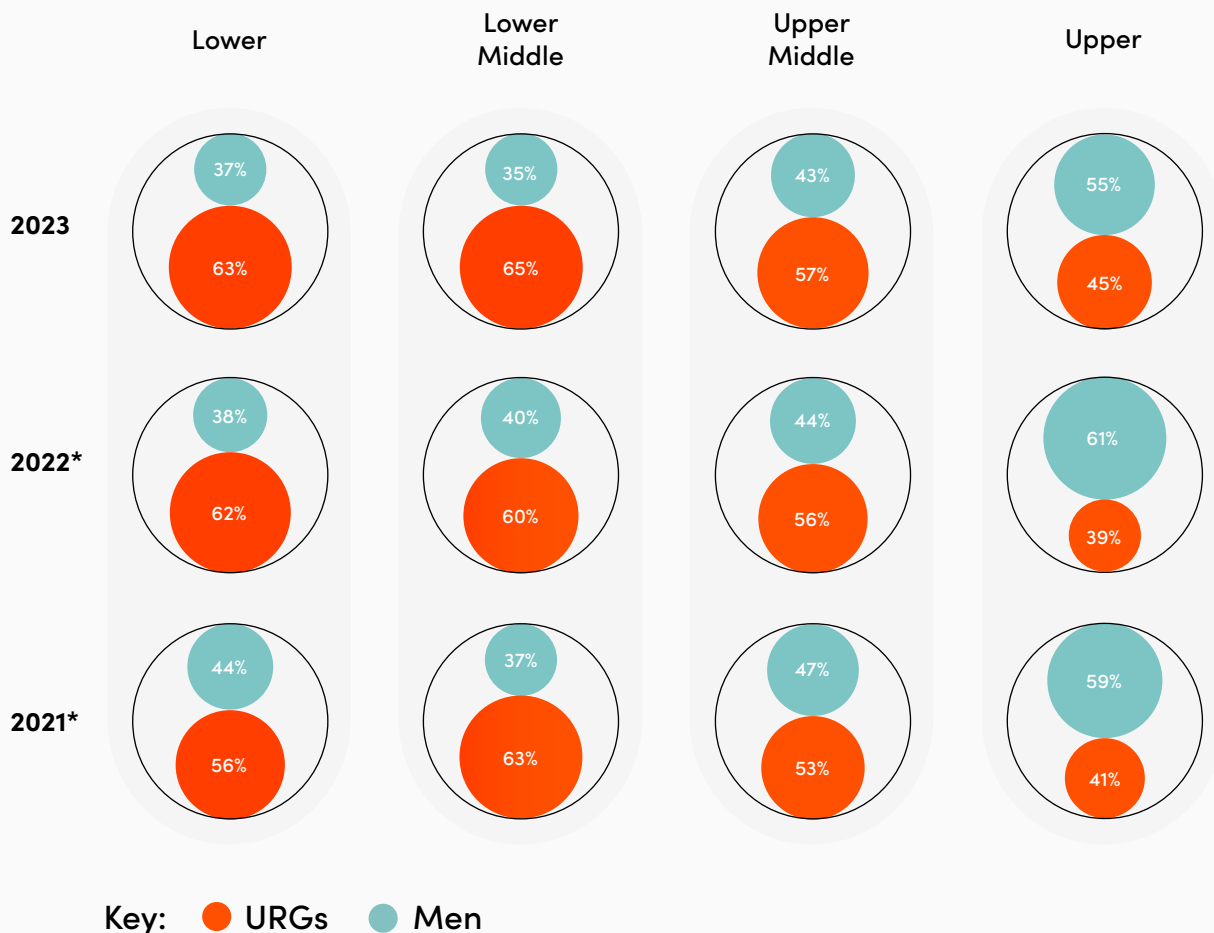
Definition

Pay quartiles show the proportion of Men and URGs in different pay bands, with the workforce divided into four equal parts (quartiles). The pay quartiles are based on hourly pay as of the snapshot date.

Analysis

There has been some fluctuation in representation across quartiles. We're pleased to see an increase in URGs in our upper pay quartile (+6%), however, we note an increase in URGs in the lower pay quartile (+5%) where URGs are already overly represented. This is an imbalance that we will continue to address through our recruitment practices.

Figure 3



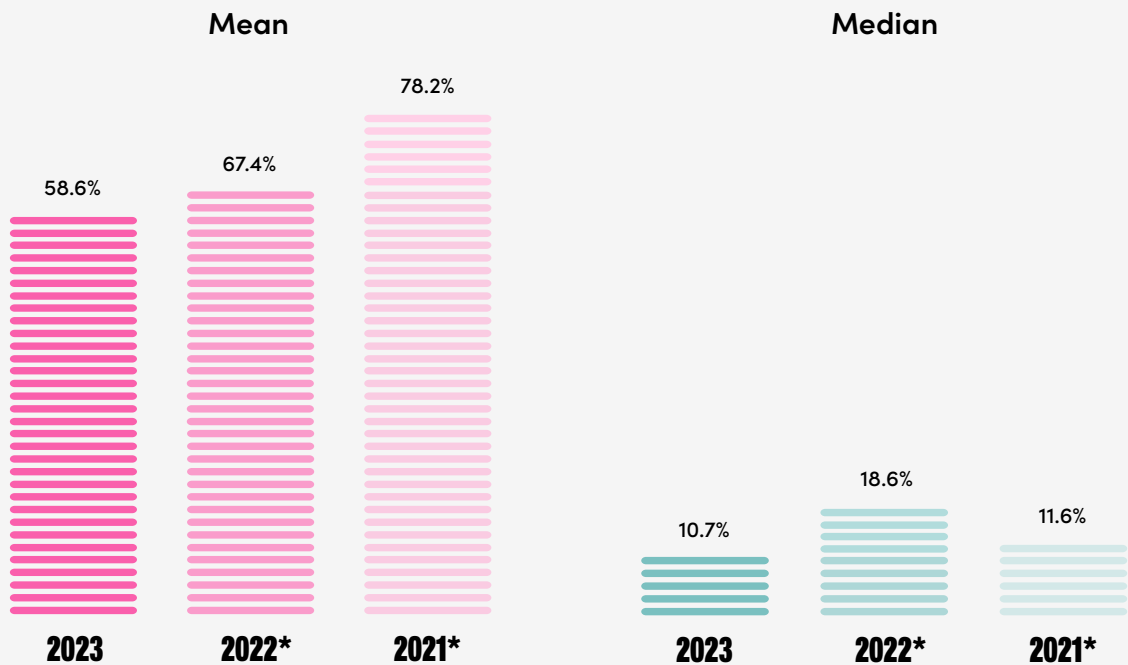
*2022 and 2021 representative of Female / Male data

BONUS PAY GAP

This shows the mean and median difference in total bonus payments received by Men and URGs in the 12 months preceding the snapshot date.

The bonus gap information is based on the number of employees who received bonuses in 2023 which can be seen in Figure 5.

Figure 4



As of the relevant pay period in 2023, on average, URGs earn 58.6% less in bonus pay than Men.

At the midpoint, URGs earn 10.7% less in bonus payments than Men.

*2022 and 2021 representative of Female / Male data

PROPORTION RECEIVING BONUS

Definition

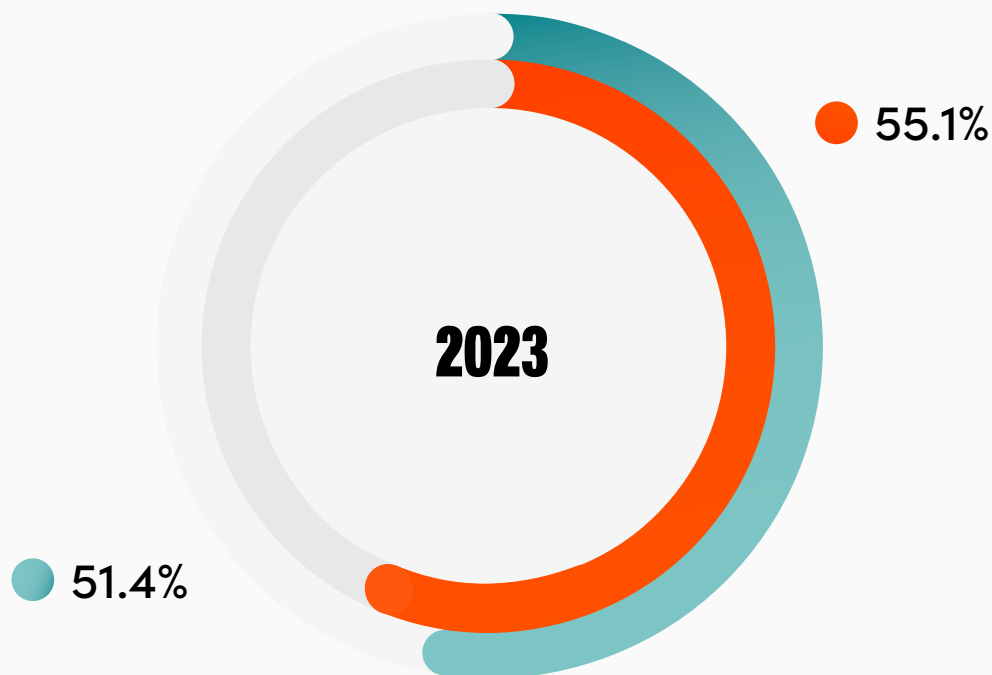
The proportion of Men and URGs employees* who received a bonus in the 12-months before the snapshot date:

*2023 – 220 URGs, 149 Men
 2022 – 268 Females, 203 Males
 2021 – 234 Females, 190 Males

Analysis

We see a reduction in both the bonus mean and median which represents our lowest bonus mean and median in 7 years since reporting began. However, we recognise that both the bonus mean and median fluctuate year on year, and that the mean bonus pay gap is significantly higher than we would wish it to be. This is due to the disproportionate number of Men in more senior roles who receive bonuses, and the difference in bonus structure across companies. We have already begun work to simplify and align on bonus process and policy across all group businesses to ensure more consistency and governance.

Figure 5



Key: ● URGs

● Men

2022*

● 63.8% ● 58.8%

2021*

● 58.4% ● 55.2%

*2022 and 2021 representative of Female / Male data

2023 ACTIONS

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

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. **Status: Complete – will be fed targeted development support for women.**

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. **Status: Paused – we reviewed qualitative data from our annual engagement survey and found sufficient insight to inform our female focussed initiatives for 2023.**

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. **Status: Complete – with 67% female participation.**

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. **Status: Ongoing.**

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. **Status: Complete.**

Get Home Safely: launching the Get Home Safely policy that supports women, and employees that may feel vulnerable with paid for transportation home when working or attending work events late into the evening. Provided ready access to a business app for easy use to business-paid taxis alongside this. **Status: Complete.**

OpenHouse: 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. **Status: Ongoing – we maintained a high percentage (73%) of female applicants and also started to measure the number of applicants who identified as transgender.**



2023 ACTIONS (CONTINUED)

In addition to the commitments on the previous page. Our gender-equality employee network (Equals) ran a panel discussion with Hertility, who offer at-home hormone and fertility testing kits to raise awareness of the impact of hormones on women at work, and provided free access to fertility testing kits for a limited number of employees.

We are happy to share that in 2023, to reflect our belief that all women and menstruating bodies should have access to safe sanitary items, we started to provide free sanitary products in all gender neutral and women's bathrooms.

We also ran a panel discussion with Lisa Snowdon, a public advocate on the topic of menopause, to raise awareness within the business on how to better support women through this vital stage of life at work and home.

These initiatives have spurred our commitment to explore female targeted health interventions and a revised Menopause policy next year.



GOING FORWARD

We will focus on these few, yet vital actions in our UK Group DE&I roadmap throughout 2024.

Menopause

Relaunching our Menopause policy to clarify and amplify the support we offer to women experiencing the menopause.

Family Friendly Review - part 2

Launching Family Friendly Part 2 with specific interventions aimed at supporting working parents, post primary & secondary carer leave and carers.

Sponsorship

Piloting an under-represented groups sponsorship initiative, including women and under-represented gender identities who will be sponsored by senior leaders.

Recruitment

Developing inclusive hiring and positive action planning. This began with all current hiring managers having attended inclusion training and the end to end recruitment process being reevaluated.

Self identity data collection

Running a campaign to encourage all employees to provide self-identity diversity demographics to support greater understanding around representation of our talent, as part of our global Human Resource Information System (HRIS) rollout.

Figure 1
Gender Balance

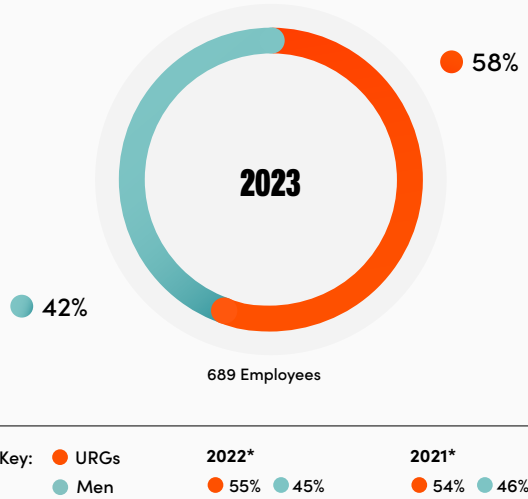


Figure 2
Gender Pay Gap

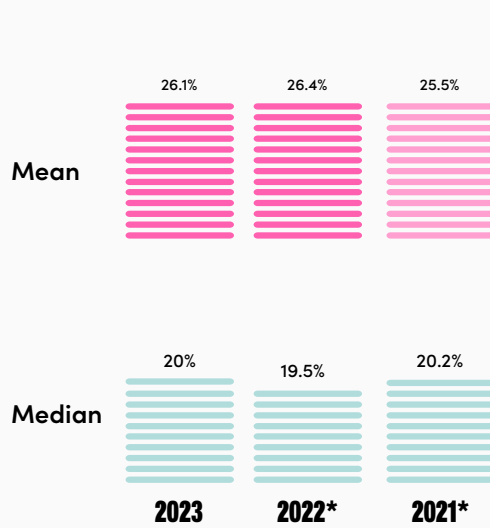
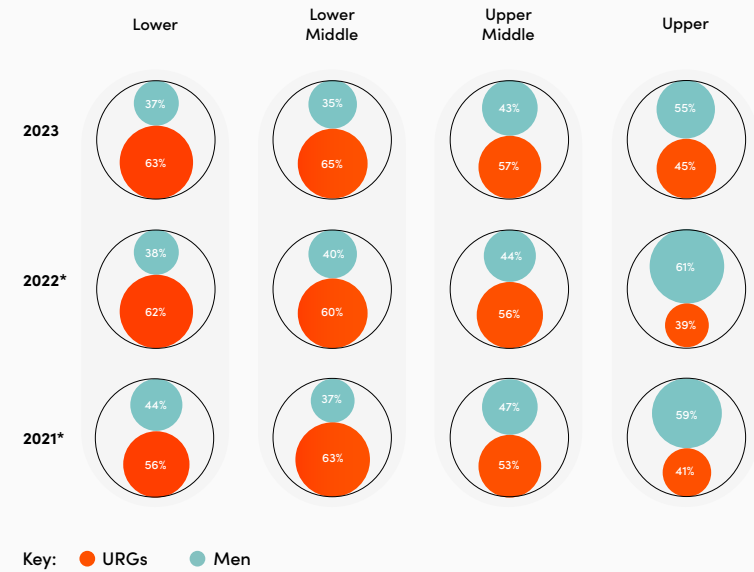


Figure 3
Pay Quartiles



M&C SAATCHI UK GROUP GENDER PAY GAP REPORT 2023

Figure 4
Bonus Pay Gap

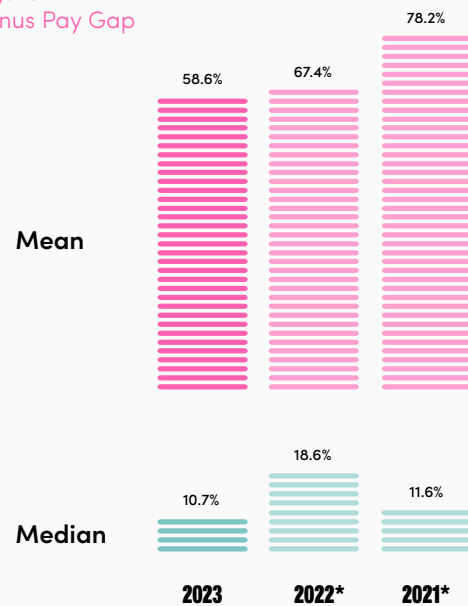
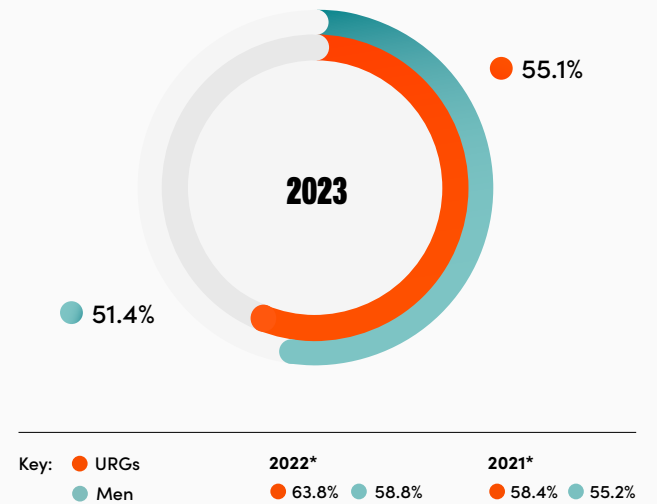


Figure 5
Proportion receiving bonus



*2023 data representative of URGs / Men. 2022 and 2021 data representative of Female / Male