

**M&C SAATCHI
UK GROUP
GENDER
PAY GAP
REPORT 2021**



GENDER PAY GAP REPORT

This report shares our gender pay gap for 2021 – using snapshot data from 5th April 2021. As per previous years, we share data on all UK employees – including those in our UK businesses and those in global group roles, based in the UK.

Whilst we are pleased to observe an ongoing improvement in our gender pay gap, we recognise the gap is still significant and we have more work to do.

For the first time, we see an increase in the proportion of women in the upper pay quartile, and therefore our most senior positions. We are heartened by our progress in the right direction whilst also acknowledging that there continues to be a disproportionate number of men in the most senior roles in our organisation. We appreciate the complexities inherent in changing this, however, this is a challenge we are committed to tackling.

Together with our Global Chief People Officer, Executive Committee and Board, we will continue to implement our Diversity, Equity & Inclusion (DE&I) Strategy, placing it at the centre of our people plans, in order to create an inclusive and equitable work environment for female talent.

Recent appointments of a Global Head of DE&I and UK People Projects Lead will support this implementation by equipping us with the right specialist resource and expertise to maintain our pace of meaningful change. This investment and strategic focus underscores our operating principle that Diversity of Thought is a creative necessity, and we are committed

to doing all that it takes to support the progression of female talent within the group and addressing the gender pay gap over time.

Whilst we have committed to publishing our gender pay gap report since 2017, this year will mark the first year that any M&C Saatchi Group business meets the threshold for individual statutory reporting. M&C Saatchi World Services' gender pay gap data is reported within its own individual report, as well as being included in this overall report.

As a business, we have always believed transparency is key in enabling greater comparison, learning and meaningful change, and we welcome the opportunity to now report on one of our larger group businesses in more detail. We continue to honour our commitment to report on all smaller businesses that individually remain under the threshold for statutory reporting as part of this group report.

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.

Richard Thompson
UK Chairman



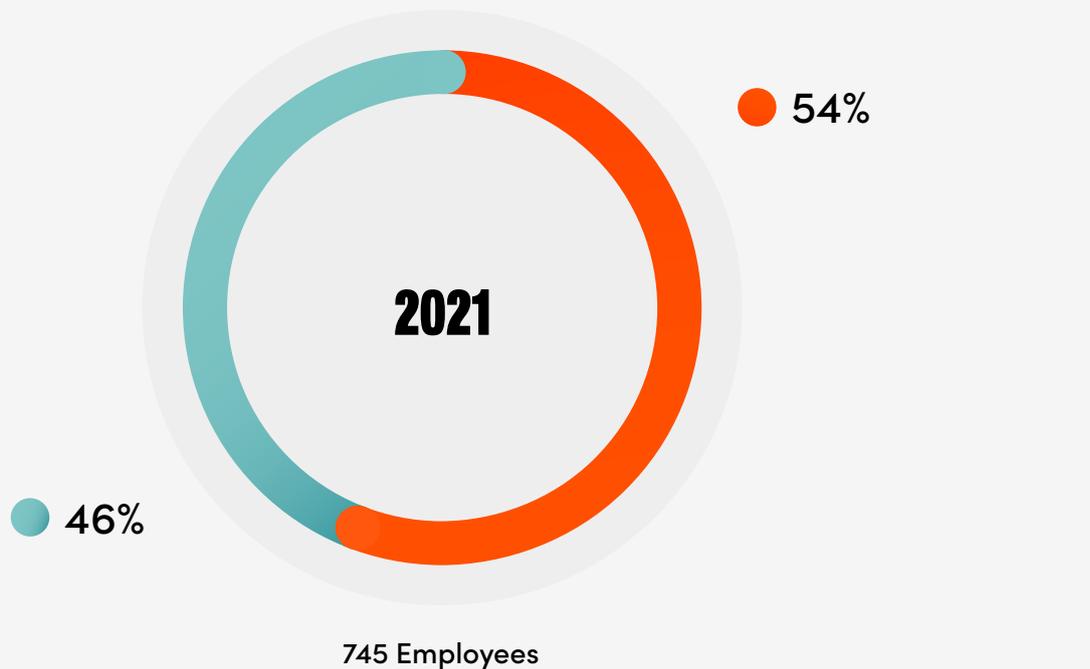
Charlie Glynn
UK People Director



GENDER BALANCE

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

Figure 1



Key: ● Female
● Male

2020
● 55% ● 45%

2019
● 53% ● 47%

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.

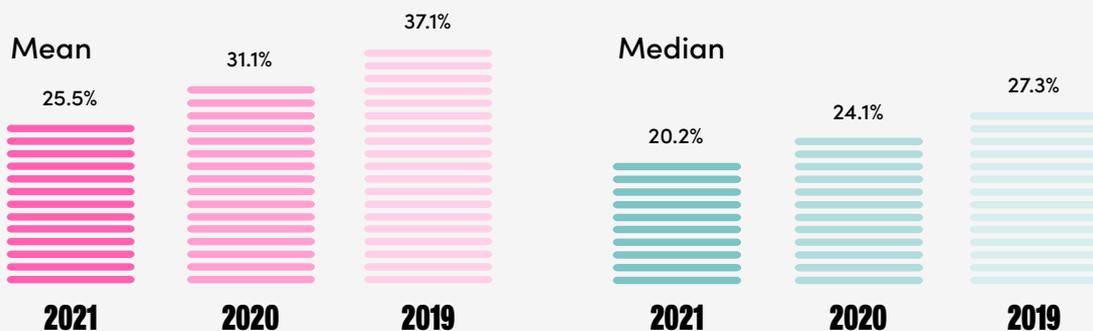
This report is based on the total full pay received by male and female UK employees* during April 2021 (the relevant pay period).

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. 21 employees were excluded in 2021**.

*Employees included in pay gap reporting for 2021 – 724 employees, 2020 – 608 employees, 2019 – 738 employees.

**Number of employees excluded for 2020 is 128 and 24 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



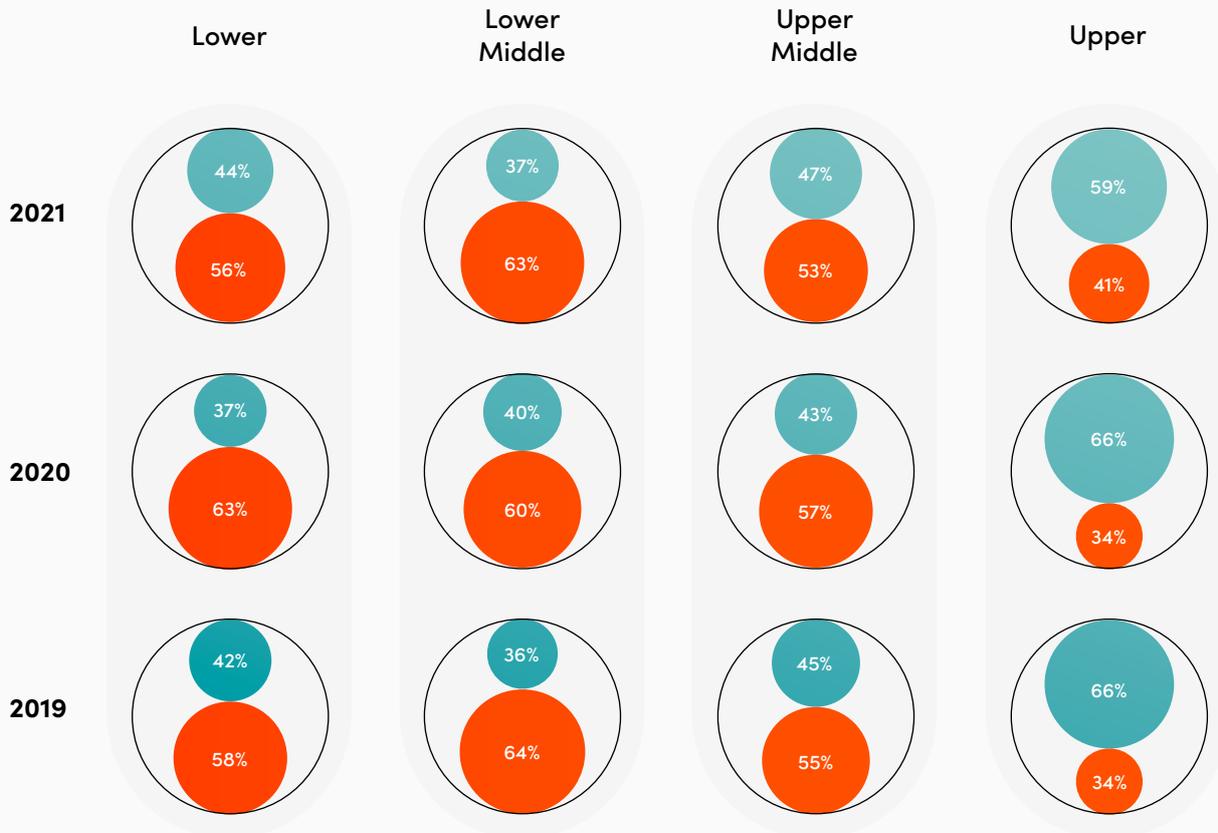
As of the relevant pay period in 2021, on average women earn 25.5% per hour less than men.

At the midpoint, women earn 20.2% 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



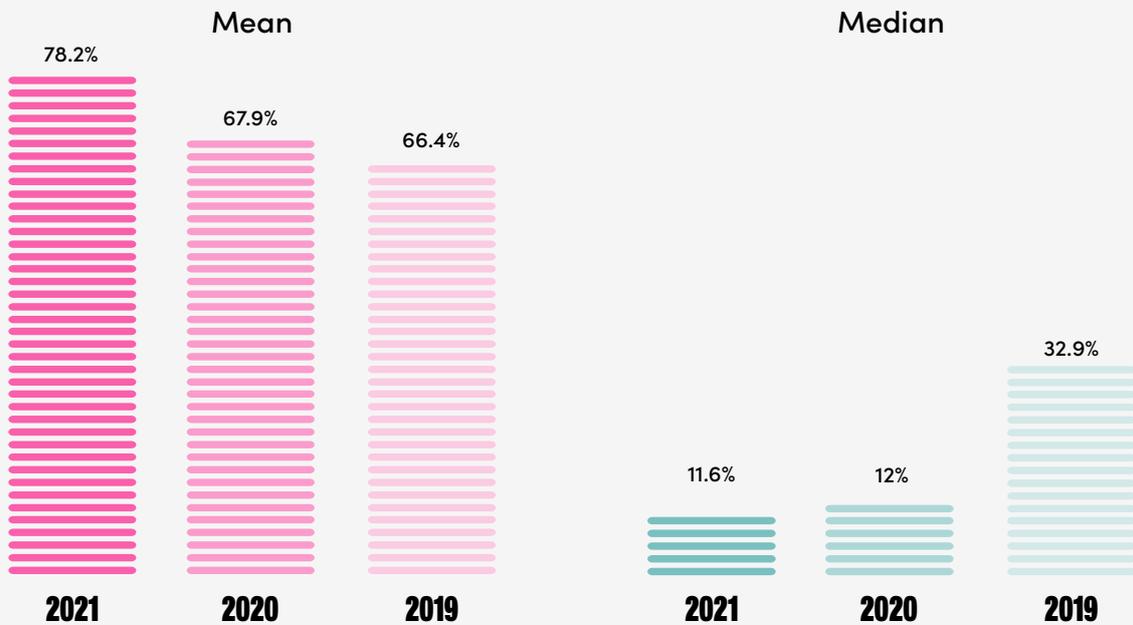
Key: ● Female ● Male

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.

Figure 4



As of the relevant pay period in 2021, on average, women earn 78.2% less in bonus pay than men.

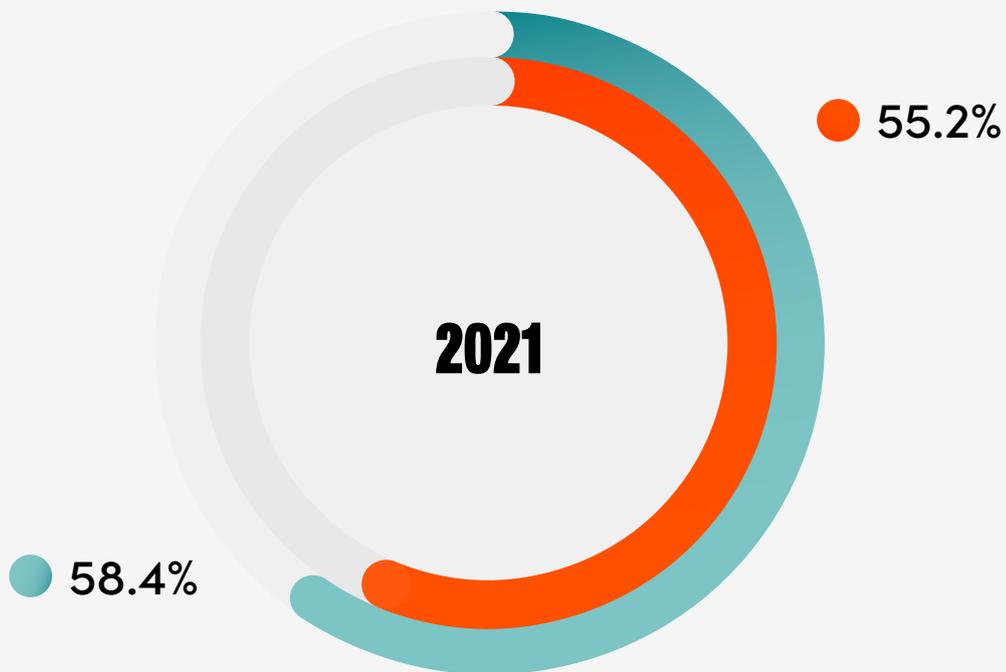
At the midpoint, women earn 11.6% less in bonus payments than men.

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 – 234 Females, 190 Males, 2020 – 138 Females, 89 Males, 2019 – 150 Females, 106 Males.

Figure 5



Key: ● Female
● Male

2020
● 34.2% ● 26.2%

2019
● 36.9% ● 29.8%



UNDERSTANDING OUR PAY GAP

We are heartened to observe ongoing progress in key areas for our UK Group. Our mean and median pay gaps for 2021 are at the lowest levels since we began reporting in 2017, continuing a downwards trend since 2019.

For the first time, we are pleased to see an increase in the proportion of women in the upper pay quartile from 34% to 41% (figure 3). This highlights 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 36.9% in 2019 to 58.4% in 2021 (figure 5).

We acknowledge areas where no or insufficient progress has been made in the last 12 months, and in some cases where we have seen a step backward.

Whilst we have seen 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.

Furthermore, the mean bonus pay gap between men and women has increased from 67.9% to 78.2% in the last 12 months which reflects the disproportionate number of men who occupy senior positions and have been awarded significant bonuses.

We are committed to stepping up our efforts around DE&I to address the persistent inequity that exists between men and women in the workplace and have commenced a comprehensive roadmap of targeted action focused around four pillars: Our People, Our Culture, Our Industry and Our Society.

As part of this, we will increase the number of women in senior positions by minimising any systematic or unconscious bias when promoting or hiring. We are also committed to reviewing remuneration practices to ensure a fair, consistent and transparent application of pay and bonus across the organisation.

We will evolve our strategy and roadmap over time and provide regular updates to our internal colleagues and externally on our progress.



ACTIONS TAKEN IN 2021

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

- Cocreating and delivering a leadership development journey for our CEOs to drive inclusive behaviours and foster an inclusive culture.
- Delivering the Lived Experience Survey to better understand employees' experiences and perceptions on diversity, inclusion and discrimination to feed into a targeted programme of DE&I activity.
- Equipping our Employee Led Network CoChairs & DE&I Leaders with the confidence & tools to become change makers.
- Introducing the SHINE initiative to celebrate ethnic minority female and non-binary employees making a positive impact across the agency.
- Devising a UK Group DE&I strategy that fosters an inclusive environment and values difference with a roadmap of planned actions and interventions.
- Mandating diverse candidate shortlists for all senior roles.
- Inspiring employees through International Women's Day 2021 with spoken word poetry, panels on allyship, a personal brand workshop and charity initiatives.
- Offering Domestic Abuse training for colleagues.
- Encouraging allyship and exploring masculinity in the workplace through in-person workshops and panel discussions in partnership with Utopia.
- Providing half-term entertainment, and primary carer and boundary setting workshops to support parents during the lockdown and help them transition to hybrid working.
- Running 10x Let's Talk Series on topics including financial wellness, positive activism, intersectionality, self-promotion, mental resilience and hormones in the workplace.
- Introducing the Connected Talent Initiative to provide more internal career development opportunities.

GOING FORWARD

Reducing our current pay gap remains a priority for us. We are committed to addressing our gender pay challenges by focusing on the following actions across our four strategic pillars.

Our actions include:

OUR PEOPLE

- Launching targeted mentoring and/or development schemes to remove the barriers to progression for under-represented groups.
- Conducting an Equal pay review.
- Reviewing our internal promotion and progression processes.
- Reviewing our employee value proposition to ensure it is an enabler to attracting female talent to our organisation.

OUR CULTURE

- Conducting 360 reviews of our Senior Leaders against our Inclusive Leadership behaviours and leadership commitments to DE&I.
- Delivering conscious inclusion training for all.
- Introducing emergency care days, launching the getting home-safely policy and celebrating International Women's Day 2022, in collaboration with our Employee Led Networks.

OUR INDUSTRY

- Reviewing all external partnerships to maximise our access to diverse talent pools.
- Reviewing the Open House application process to ensure there are no systematic barriers to women applying.

OUR SOCIETY

- Launching a checklist to ensure DE&I is considered as part of the creative and production process.
- Supporting under-represented groups through Saturday School and Mentor Black Business.

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Figure 3
Pay Quartiles



Figure 4
Bonus Pay Gap

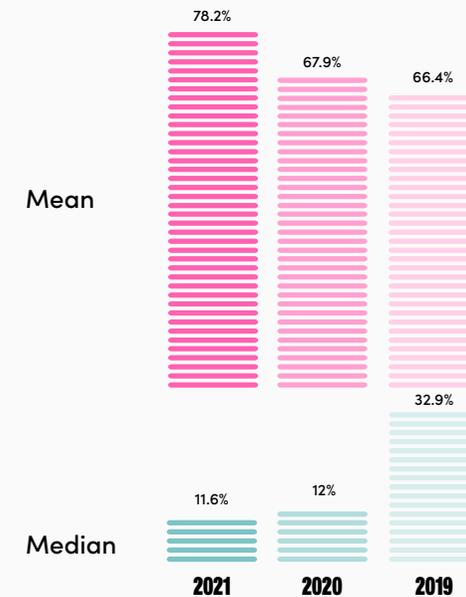
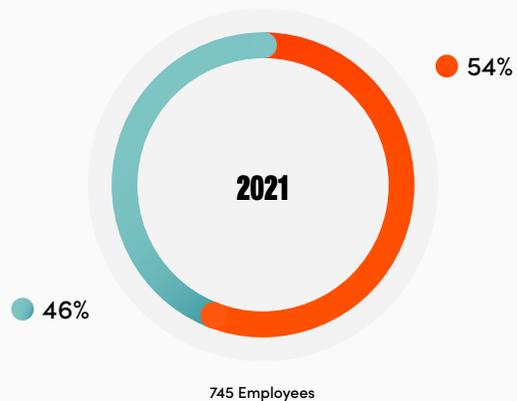


Figure 1
Gender Balance



Key: ● Female ● Male

Year	Female	Male
2020	55%	45%
2019	53%	47%

Figure 2
Gender Pay Gap

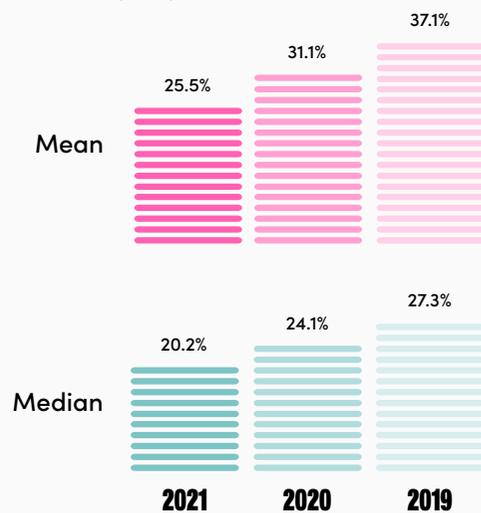


Figure 5
Proportion receiving bonus

