



ENGINE

Gender Pay Gap Report



INTRODUCTION

At Engine, we're committed to creating a workplace that supports and reflects our fundamental belief in diversity and inclusivity.

Ensuring that we provide the same pay and opportunities for men and women is an important part of this commitment.

We provide equal pay for equal work. That means we rigorously review pay across the company to ensure that all employees are paid fairly and equally for the work that they do. But we know we currently have more men than women in senior positions (which tend to have higher salaries), creating a Gender Pay Gap.

We're aware of the imbalance in senior roles at Engine, and are actively working to fix it through our Better with Balance scheme. While there is still a lot to do, we are making good progress and remain committed to achieving our goal of a 50/50 gender split across Engine leadership roles by 2020.

GENDER PAY GAP AND EQUAL PAY

The gender pay gap is the difference between the average hourly earnings of all men and women in an organisation irrespective of role.

This is different to Equal Pay which sets out that Men and Women working in the same or similar role must be paid equally for the work that they do.

We are proud to say that at Engine we have a strong track record in paying men and women who work in the same, or similar role, equally. We review, benchmark and conduct regular Equal Pay audits, to ensure parity in relation to remuneration and promotion.

When we map the male and female salaries against years of experience, we see an almost perfect alignment of the "line of best fit" across the population. This demonstrates that we pay men and women similar amounts for similar experience levels.



GENDER PAY GAP METHODOLOGY

We have calculated Engines gender pay gap according to the UK governments methodology:

Our relevant pay period is April 2017.

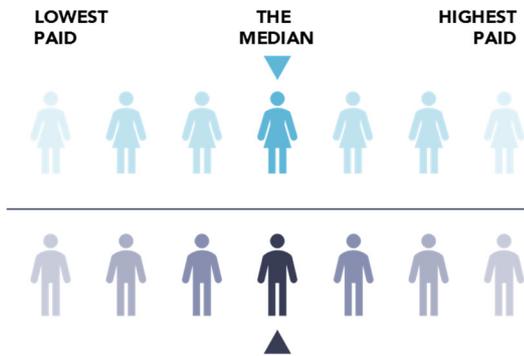
Our 'snapshot date' is 5 April 2017.

Only Engine employees receiving their full rate of pay (i.e. those not receiving SSP, SMP, ShPP, SAP, SPP) and who are employed on the snapshot date (5 April 2017) are included in our calculations.

Any employees employed on 5 April 2017 who are part-time have had their pay / bonus payments prorated to a full time equivalent.

Our report includes calculations using both the **mean and the median**.

THE MEDIAN is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median gap is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages.



THE MEAN commonly known as the average, is calculated when you add up the wages of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male and mean female pay.



Source: Guardian

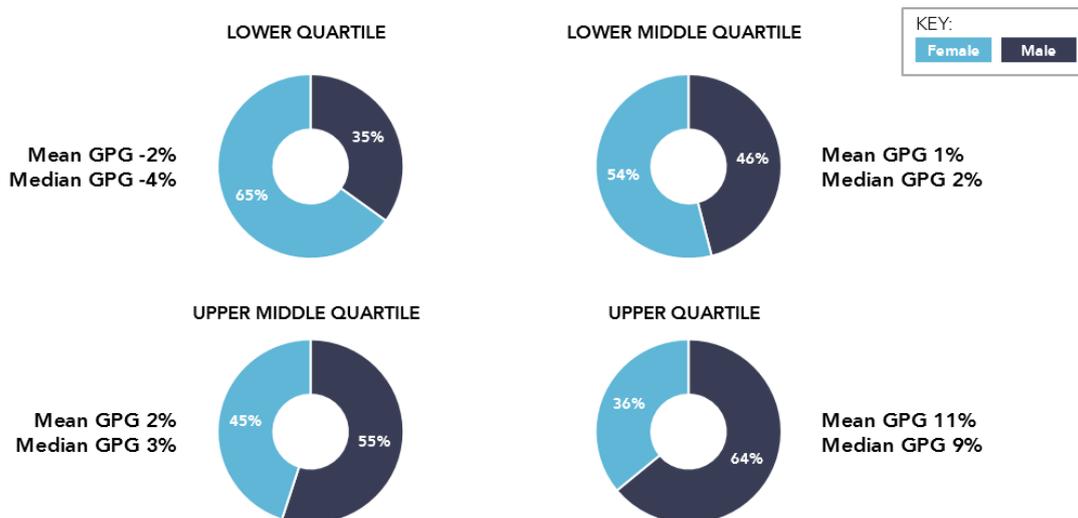
GENDER PAY QUARTILES

The Chart below illustrates the proportion of male and female employees who fall within the four quartiles that we are required to report on.

For clarity, the percentages do not show salary differential, only the % of men and the % of women employees within each band.

Although it's not a legal requirement, we have also chosen to include the mean and median pay gap within each quartile.

This data shows that for the different quartiles of our population, we have extremely low levels of gender pay gap, except for the senior level quartile. This increase can be due to higher numbers of male employees than female employees in senior positions.



GENDER PAY GAP

Because senior roles tend to have higher average pay than junior roles, AND because we have demographic imbalance (more men in senior roles than women), these two factors combine to create our Gender Pay Gap.

The charts below illustrate the mean and median gender pay gap across Engine based on hourly rates of pay.



WHAT ARE WE DOING TO ADDRESS OUR GPG?

Our Gender Pay Gap is created by our demographic imbalance. We have more men in senior roles than women in senior roles. Therefore, the solution is to address this imbalance by getting more women into senior roles.

Taking a proactive approach to tackling our demographic balance at this level will have a positive effect on our Gender Pay Gap, but this will take time.

We have created a short film which confirms our Gender pay gap, explains what causes it and most importantly highlights what we're doing to fix it.

GENDER BONUS GAP REPORTING

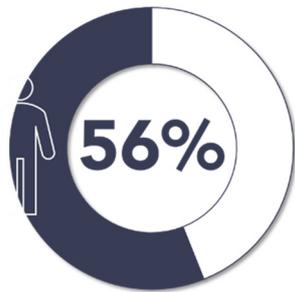
As well as reporting our Gender Pay Gap data we are also required to publish Engines Gender Bonus Gap Data. Our gender bonus reporting must outline the:

- Difference between male and female median and mean bonus pay
- Proportion of men and women receiving a bonus

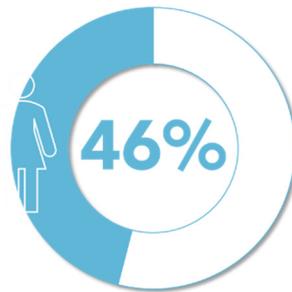
The data must include all bonus, commission, STIP, LTIP payments for the period 1 April 2016 up to 31 March 2017 made to all employees. LTIP payments are long term incentive plans – and are given to senior members of staff to reward long term improvements in commercial performance.

Engines Bonus Gap data is illustrated in the charts below.

Proportion of MALES receiving bonus

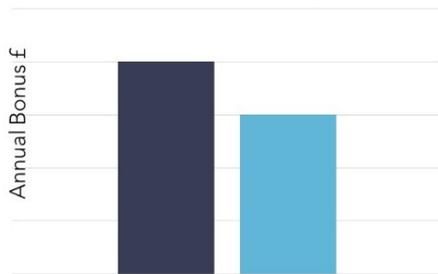


Proportion of FEMALES receiving bonus



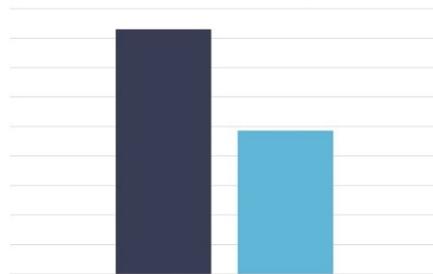
25%

Median Bonus Gap



42%

Mean Bonus Gap



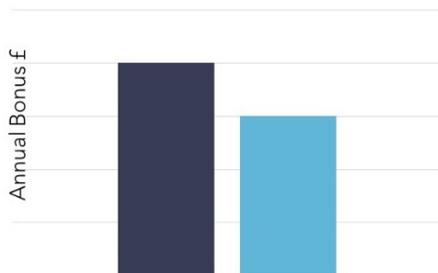
Male Female

Our 2016/2017 GBG has been skewed by some LTIP payments made to a few senior employees, which due to the demographic at this level were primarily male.

However, LTIPs are paid infrequently, and therefore using data which includes these payments does not represent a "normal" year. We have therefore shown the data excluding LTIP payments below as this provides a more representative picture of what we would usually see in other years.

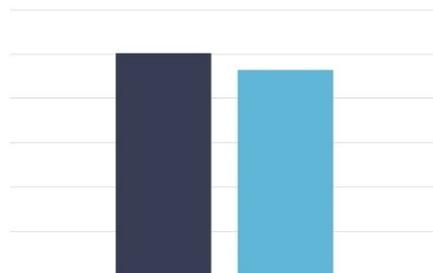
25%

Median Bonus Gap V2



7%

Mean Bonus Gap V2



Male Female

IN SUMMARY

Engine pay equal pay for equal work

Our imbalance of men and woman at senior levels creates our gender pay which is currently 28% Median and 24% Mean.

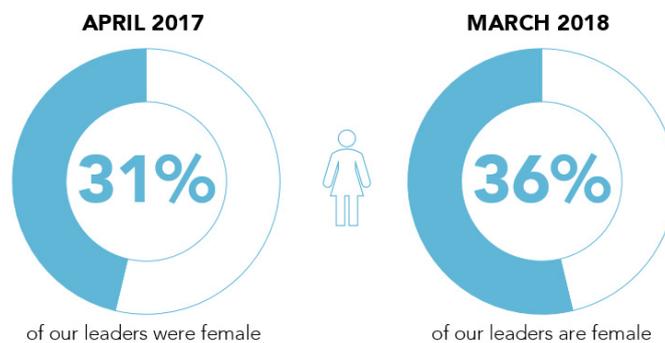
BETTERWITHBALANCE2020
ENGINE

We have already made steps to proactively address this through our **Better with Balance 2020** (BwB 2020) initiative.

The Five Strands of BWB 2020 are:

GET IN	GET ON	GET SEEN	GET BACK	GET OVER IT
50:50 shortlists for our senior roles over £70k	Sponsorship of high performing female team members	Platforming / showcasing our female talent	More proactive support / engagement for those going on and returning from Maternity and Adoption leave	Unconscious Bias training for all

We've already seen good progress with an 5% increase in women holding Leadership roles over the last year.



In addition, we are tackling some key pinch points.

Our Partnership with Creative Equals is firmly focused on how we can improve Gender Diversity across Creative roles at Engine – particularly at Leadership level where historically there has been very low levels of female representation. We've completed an independent deep dive of all our data to review what we need to focus on and what specific actions we will take to create the greatest impact.

Our Partnership with the Industry Diversity Task Force and particularly our participation in the first Industry ide Census gives us an excellent start point to understand the diversity of our current employee population and will give us more detailed insight to inform and shape Engines Diversity strategy for 2018 and beyond.