

# 2018 Gender Pay Report

**IMAGINATION**

**Imagination is committed to being a diverse and inclusive employer across its global business. We are passionate about our talent and committed to paying people fairly and equally.**

**In line with UK legislation, this report sets out the gender pay data for the UK business. The report is relevant to the UK business only and is not reflective of our broader global business.**

## Introduction

In 2017, the UK government introduced a requirement for UK business to analyse the difference in pay between men and women according to a number of prescribed criteria. For gender pay reporting the total pay for all men and all women across the organisation is analysed, with the gap being the overall difference between the average pay for a woman versus that of a man, shown as a percentage. The results are not reflective of pay differences at an individual employee level.

Gender pay reporting is not the same as Equal Pay, which is a legal requirement for men and women performing the same roles or work of equal value to be treated the same. We remain confident that male and female employees are paid the same for similar roles across our business.

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Across the whole UK business our diversity improved to **57%** male and **43%** female (2017: 59% male, 41% female).

## Business context

In our 2017 report we set out the context of the business, which was founded in London. We explained that many of the senior management roles, which have contributed to the growth of the business since its founding, have been and continue to be held by long-serving men. This has not changed over the comparably short period of 12 months since our first report and continues to have an impact on the average level of male pay when calculated across the entire business.

## What our data tells us

We are pleased to report that we have achieved a reduction in the overall mean and median pay gap. **The mean pay gap improved to 38%** (2017: 41%), with the improvement in the median pay gap more notable at 22% (2017: 28%). This is certainly an encouraging achievement, although we appreciate that there is still significant room for further improvement over the coming years.

In our last report we explained that the high overall mean pay gap, currently 38% as detailed above, is largely due to having more long-serving men in senior management and board positions. When we exclude these positions the average pay gap improves considerably to 11%, significantly less than the national average of 18% (Source: ONS report Gender Pay Gap in the UK, October 2018). We have continued to analyse pay gaps at various levels across the business. These have not changed substantially over the past 12 months, with the average hourly rate for women ranging from 3% higher than men at junior positions (2017: 2%), through to being 6% less than men at more senior positions (2017: 6%).

We have achieved improvements in the diversity balance between men and women across the whole business and within the quartile bands. Across the UK business our diversity improved to 57% male and 43% female (2017: 59% male, 41% female). As we explained in the 2017 report, we employ more women than men in junior to mid weight positions, and more men than women in the senior and head of function positions. Although this is still the case, we're very pleased to see that we've achieved an improvement in the gender diversity balance in all four of the quartile distributions. The improvement is 3% in the lower and lower-mid quartile positions, increasing to 6% in the upper middle quartile, and 3% improvement in the upper quartile. We're not complacent though; it is still our ambition to improve distribution to levels more representative of the general population across all quartiles.

# Women

# Men

50%

## Bonuses

All employees have equal opportunity to earn a bonus under the eligibility rules of the scheme in operation, which solely relate to a consistently applied minimum service requirement. During our 2016-17 financial year 60% of new hires were women, 40% were men. This contributed to a lower proportion of women than men being eligible for a bonus payment at December 2017. This data for bonus eligibility is practically the same as in our previous year's report.

The position on the bonus gap is more complex this year. In 2017 some long term incentive awards of a one off nature were made to some members of the global management team, the recipients of which in the UK were all males. These awards only have a realisable value if the valuation of the company increases above the award valuation. This has resulted in the mean bonus gap increasing this year to 71% (2017: 52%). When we calculate the bonus gap without including these long term incentive awards, the mean bonus gap improves slightly compared to the 2017 figures, reducing to 50% (2017: 52%).

## Taking action

In our 2017 report we cited a number of initiatives we were implementing which have helped to improve the gender balance across Imagination. These are ongoing and we'll build upon them this year.

We continue our focus on helping employees to fulfil their potential. The career paths implemented in 2017 have helped individuals progress and grow within the business. Since our 2017 report 10% of employees received promotions, of which 52% were female, 48% male.

The mentoring programme launched in September 2018 and continues with 15 pairs meeting regularly. It is too early to measure the impact of the programme, although feedback from the participants has been very positive.

Unconscious bias training was launched and made mandatory for all employees. The training continues to be available for future joiners.

We encouraged recruitment partners to ensure balanced candidate shortlists for vacancies. As indicated above we hired more women than men over the relevant 12 month period, with 60% of new recruits being women. We aim to build upon this and retain and grow those recruits through the initiatives outlined already. At the same time the in-house recruitment team will continue to build a balanced and diverse talent pool of candidates for future vacancies.

We have supported employees in the recent launch of an employee-led Diversity and Inclusivity group. We look forward to supporting the group in raising awareness of the importance of diversity within the business. Furthermore, we'll support the group with initiatives that will help us improve the gender and diversity balance for the benefit of the organisation as we grow.

We'll continue to monitor and track progress, sharing data with team heads and the Diversity and Inclusivity group.



*We're pleased to see the positive improvements in this report. We recognise that there is still further progress to be made and we look forward to achieving this as the business continues to grow.*

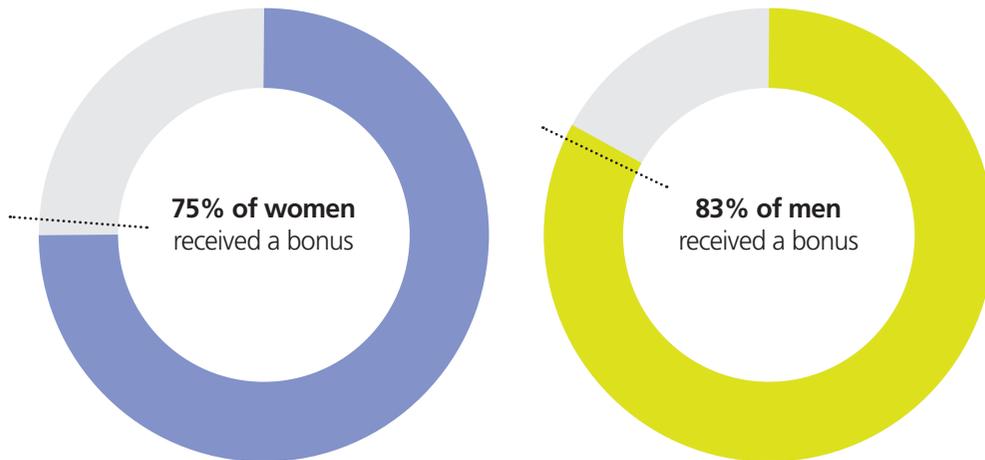


### Pay and bonus gap across the overall business

Below is the mean and median hourly gender pay and bonus gap at the snapshot date of 5 April 2018. Bonus data is based upon bonus and long term incentive payments made in the 12 months up to 5 April 2018.

	Mean	Median
<b>Pay:</b>	38.0%	22.3%
<b>Bonus:</b>	71.6%	15.0%
Bonus: (excluding long term incentives)	50.5%	15.0%

### Percentage of employees receiving a bonus

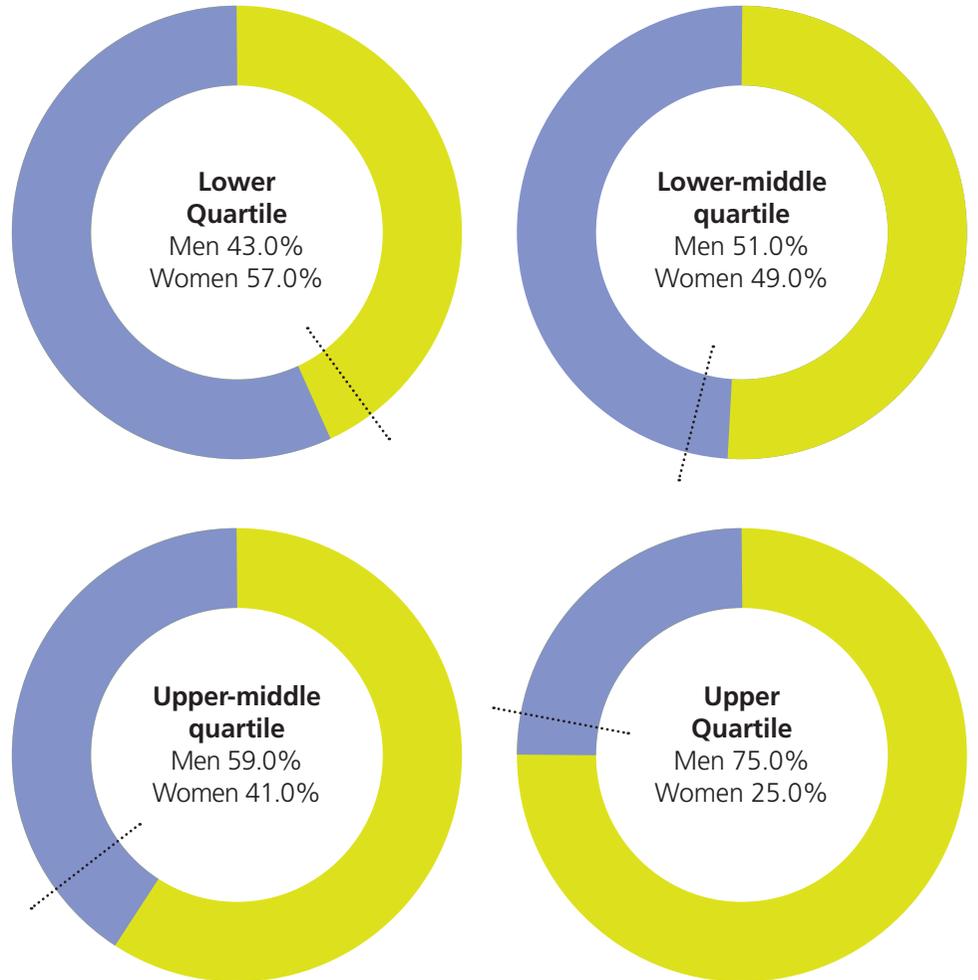


**Mean:** the average, the gap being the difference in average hourly pay by gender  
**Median:** the mid-point, the gap being the difference between the male and female hourly pay mid-points when all pay is listed highest to lowest by gender.

### Pay Quartiles

These help us to understand the gender distribution of employees across the company from lowest to highest paid, split into four equally sized quartiles

Women  
Men  
2017



Patrick Reid, CEO  
 Claire Dykes, HR Director

