

# 2019 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 businesses 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 we have no equal pay issues across our business.

---

Across the UK business our diversity remained stable at **57%** male and **43%** female, the same as our 2018 report.

## 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. Although we saw some improvement in our 2018 report, there has been little change on this over the past 12 months, which continues to have an impact on the average level of male pay when calculated across the entire business. However, recently announced retirements will provide more opportunity for change, which we hope to see in our next report.

## What our data tells us

Despite the absence of significant change with respect to diversity at the most senior management level, we are pleased to report that we have continued to achieve a further improvement in the overall mean and median pay gap. The mean pay gap reduced to 37% (2018: 38%), with the median pay gap reducing more notably at 18% (2018: 22%). This continues to reflect 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 37%, 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 to 12%, significantly less than the national average of 17% (Source: ONS report Gender Pay Gap in the UK, October 2019). 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 5% higher than men at junior positions (2018: 3%), through to being 7% less than men at more senior positions (2018: 6%).

In 2018 we achieved improvements in the diversity balance between men and women across the whole business and within the quartile bands. Across the UK business in 2019 our diversity remained stable at 57% male and 43% female, the same as 2018. As we have explained in our previous reports, 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. This remains the case; however, we are pleased to see that once again we've achieved improved gender diversity in three of the quartile distributions. The improvement is 5% in each of the lower and lower-mid quartiles, with 2% improvement in the upper-middle quartile. Unfortunately the diversity balance in the upper quartile worsened slightly by 2% which is disappointing, but we believe this is a short term setback which will improve in our next report. It remains our ambition to achieve distribution to levels that are more representative of the general population across all quartiles.



## 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. Bonuses were paid to 76% of women and 81% of men. This data for bonus eligibility is practically the same as in our previous year's reports. In the 2017-18 year we hired 65 new joiners, of which there were slightly more men (52%) than women (48%). This influences the eligibility for bonus data, as more of the men joined earlier in the year than the women, and therefore more of those men met the eligibility rules to be included in the bonus paid at December 2018.

The position on the bonus gap remains more complex. As explained in our 2018 report, 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 valuation at the time the award was made. Because of the complex nature of the tax treatment of these awards there is an impact on the 2019 bonus gap, similar to last year. As a result the bonus gap remains high at 65%, although at least it has improved against the 2018 level of 71%. The extent of influence that these long-term incentive awards, as well as the current predominance of males at senior management levels, has on this aspect of required reporting becomes clearer when we calculate the bonus gap without including these awards. The mean bonus gap improves, reducing to 49% (2018: 50%), but more notable is the median

bonus gap which is considerably lower at 7% (2018: 15%). It is this data which is more representative of the true position regarding bonus payments across the UK business.

## Taking action

In our 2017 report we cited a number of initiatives we were implementing to improve the gender balance across Imagination. These are ongoing and we are continuing to build upon them.

**Career paths:** We have continued 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 2018 report 14% of employees received promotions, of which 58% were male, 42% were female.

**Mentoring programme:** The mentoring initiative that we launched continues with a 2019 programme of 15 mentor/mentee pairs meeting regularly. We received extremely positive feedback about the inaugural programme and the encouraging support and guidance the participants gained from their mentors. We're also very pleased to see the significant contribution it is making to the business, with 50% of the participants from the inaugural programme having been promoted or broadening their experience over the period since the initiative's commencement. The inaugural programme was focussed towards women, and we are pleased to report that of those promotions, 88% were for women. The participant diversity in the current cohort is more balanced and we look forward to their feedback and seeing their progression over the coming year.

**Unconscious bias:** The unconscious bias training was launched in 2017 and remains mandatory for all employees with a short annual refresher module. The training also continues to be mandatory for future joiners.

**Recruitment:** We have continued to ensure recruitment partners submit balanced candidate shortlists for vacancies. At the same time the in-house recruitment team will continue to build a balanced and diverse talent pool of candidates for future vacancies.

**Diversity Group:** We supported employees in the launch of an employee-led Diversity and Inclusivity group which held a number of events over the year to raise awareness of the diversity among our existing employees in the business. Furthermore, we have formed an exciting new partnership with Future Frontiers, an award-winning education charity whose mission is to ensure young people from disadvantaged backgrounds fulfil their potential at school and beyond. Through the programme, our employees coach the children to help them discover and explore careers that inspire them, as well as helping them to work out a plan to achieve their aspirations.

**Data monitoring:** We are also continually monitoring our diversity data and benchmarking our performance against relevant market competitors. We will continue to monitor and track progress, sharing data with team heads and the Diversity and Inclusivity group.

---

*We're pleased to see more positive improvements over the 12 months since our 2018 report.*

*We recognise that there is still further progress to be made and we look forward to achieving this over the coming years.*

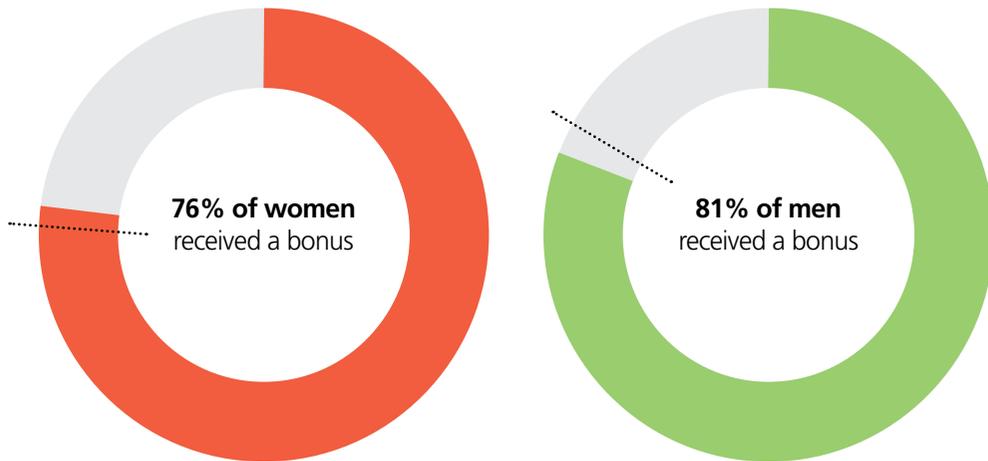
---

### 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 2019. Bonus data is based upon bonus and long term incentive awards made in the 12 months up to 5 April 2019.

	Mean	Median
<b>Pay:</b>	37%	18%
<b>Bonus:</b>	65%	7%
Bonus: (excluding long term incentives)	49%	7%

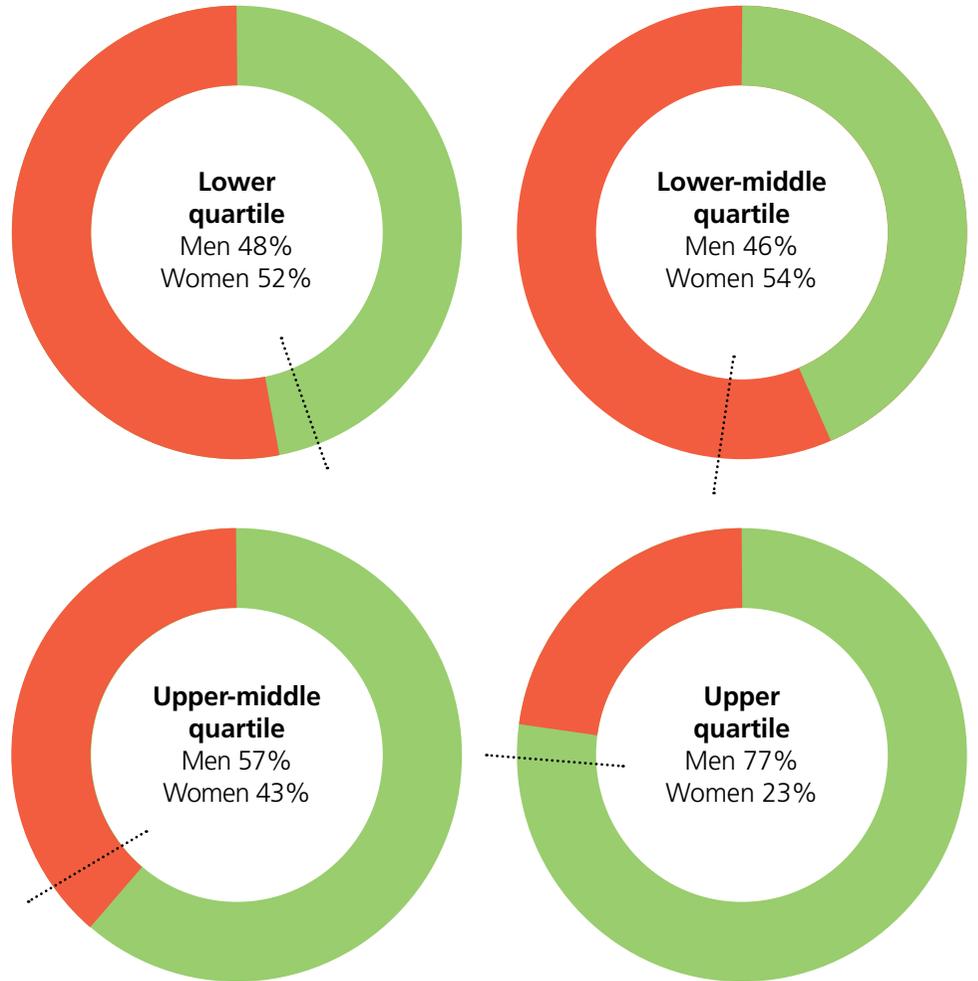
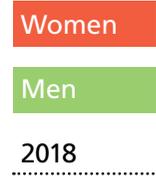
### Percentage of employees receiving a bonus



**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.



Patrick Reid, CEO  
 Claire Dykes, HR Director

