



2018 GENDER PAY GAP REPORT

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INTRODUCTION

Edelman is committed to a diverse and inclusive workforce where everyone is valued equally, and all employees feel respected. We have robust processes in place to ensure our approach to pay and reward is based on fairness and that our people are treated equally.

We have identified a gender pay gap when we compare the overall average pay and bonuses of our male and female staff. While our gender pay gap is lower than the current ONS national average, we are committed to developing a range of policies to address the business issues raised through the gender pay reporting regime.

The gender pay gap is measured by comparing the overall female population of the firm with the overall male population, rather than looking at like-for-like roles. In our case, this entails comparing a significantly larger group of female employees with a smaller group of male employees.

While this is true of many organisations, we recognise that the overall composition of our UK business is different from many other industries in the UK. The PRCA recently revealed that the demographic makeup of the PR industry is 66 percent female and 34 percent male, which is very close to our 64:36 split.

At Edelman UK we have achieved 50:50 gender balance at the top of the organisation. However, in weighting terms, the majority of female members of staff sit in junior to mid-level bands. We are committed to promoting and developing the next generation of leaders and ensuring there are opportunities for everyone at Edelman to progress in their careers.

In 2018, we introduced company-wide flexible working guidelines in recognition of the different needs, responsibilities, and commitments employees may have outside of work. The aim of the policy is to support fair and equal treatment of all our employees. We have also made further investment in specific initiatives to address career management and leadership development for those in middle and senior management roles, alongside informal and formal mentoring schemes for all employees.

We continue to strengthen recruitment practices by ensuring female candidates are sought for all disciplines, and shortlists and interview panels are gender balanced. And each member of the Edelman UK executive committee has been given a personal objective and a departmental plan, relating to diversity and inclusion.

We strongly support the legislation requiring organisations with 250 or more employees to publish data on the gender pay gap. While the metrics only tell part of the story, it is our view that the conversations they are promoting, both in our own firm and more broadly, are helpful.

WE BELIEVE THIS IS A STEP IN THE RIGHT DIRECTION TOWARD MAKING THE UK A FAIRER SOCIETY.

SIGNED

Ed Williams

CEO Edelman UK,
Vice Chairman, Europe



Carol Potter

President and CEO,
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We confirm that the information and data reported are accurate.

WHAT IS GENDER PAY? WHAT IS EQUAL PAY?

THE GENDER PAY GAP

is the difference in average pay and bonuses between men and women, irrespective of role.

EQUAL PAY

is the legal right for men and women to be paid the same when doing the same or similar work or work of equal value.

WHAT ARE WE REQUIRED TO REPORT?

The government requires employers to report both the mean and median gender pay gaps and bonus gaps in their workforce, as well as information on the proportion of men and women awarded a bonus, and the proportion of men and women when divided into four groups (quartiles) from lowest to highest pay. Mean and median calculations were used when comparing bonuses for men and women from 6 April 2017-5 April 2018, in line with the government's reporting requirements.

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 pay and mean female pay.

OUR NUMBERS

PAY GAP

The table below shows our overall mean and median gender pay gap based on hourly rates of pay as at the snapshot date of 5th April 2018. We have a median (middle) gender pay gap of 13.40% (compared with 10.36% in 2017) and a mean gender pay gap of 20.62% (compared with 21.33% in 2017). The current ONS national average is 17.9% median.

GENDER PAY GAP

Difference between men and women's average hourly rate of pay:

Median:	13.40%
Mean:	20.62%

BONUS GAP

Of the 212 bonuses paid, the majority were discretionary ad hoc bonuses paid to junior/mid-level staff – a larger share of whom are women. So, while a larger share of female employees received bonus pay in 2018 (45.08% vs 40.70% for men), we still had a median and mean gender bonus gap favourable towards men. If we were to remove these discretionary ad hoc bonuses altogether, the gap would decrease considerably. However, these bonuses are much valued and are an important way of recognising the hard work of our employees and so we intend to continue rewarding them.

RECEIVED A BONUS

Percentage of men and women being paid a bonus in the twelve months before the snapshot date:

Female:	45.08% (142)
Male:	40.70% (70)

GENDER BONUS GAP

Difference between men and women's bonus pay:

Median:	73.03%
Mean:	50.51%

PAY QUANTILES

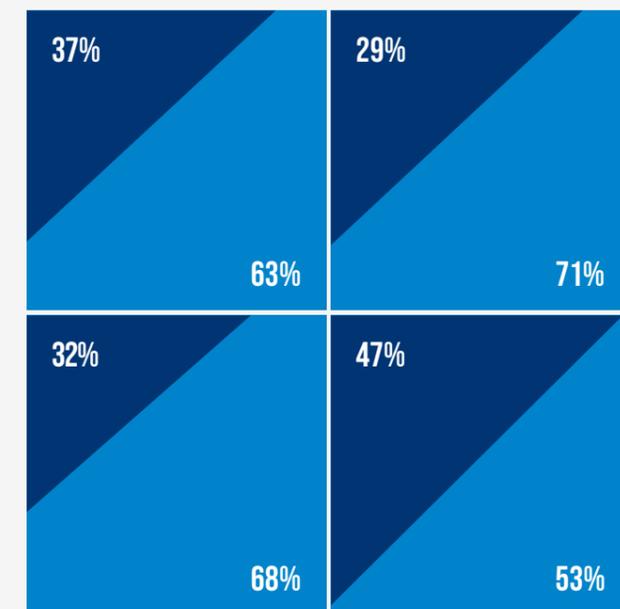
Edelman is made up of 64% women and 36% men. The total population of 475 was divided into the four pay groups seen here, each containing approximately 119 employees.

The data shows there are more women than men in every pay quartile.

Lower Quartile	37% (44) male, 63% (75) female
Lower Middle Quartile	29% (34) male, 71% (85) female
Upper Middle Quartile	32% (38) male, 68% (81) female
Upper Quartile	47% (56) male, 53% (62) female

■ Male ■ Female

Lower Quartile Lower Middle Quartile



Upper Middle Quartile Top Quartile

OUR COMMITMENTS

We have robust processes in place to ensure our approach to pay and reward is based on fairness and that our people are treated equally.

We do have a gender pay gap when we compare the overall average pay and bonuses of our male and female staff. What is evident in our data is that our gap is driven by the shape of our business with women outnumbering men two to one until higher grades at which the weighting becomes 50:50.

This tells us two things. First, we need to work harder to move female colleagues through the firm, to improve on the 50:50 ratio we have at senior levels. Second, we need to explore why we attract fewer men, particularly at junior to mid-levels, compared to women. The actions set out here start to address these challenges.

RECRUITMENT

We will be continuing to strengthen our recruitment practices so we have gender balanced shortlists across all-levels. This will run alongside our regular structured performance reviews, which include robust processes around our compensation planning to ensure all pay and promotion decisions are fair. We will also be rolling out further training for all hiring managers which is designed to address unconscious bias.

PARENTAL SUPPORT

Anyone who is a parent knows the balancing act that takes place every day between work and home. To go some way to tackling this, last year we introduced company-wide flexible working to help accommodate other commitments and responsibilities outside work. In addition to a competitive enhanced maternity policy we offer, we have developed a working-parents group to help shape family friendly policies, as well as a re-onboarding programme for returning parents. Furthermore, we re-launched our unpaid sabbatical policy which supports our employees in achieving personal goals and fulfilling “out of work” passions.

DATA & TRACKING

We will continue to rigorously track and analyse data to help shape our HR policies. Each team has individual departmental objectives and plans to help our leaders develop and implement company-wide and team-specific commitments relating to diversity and inclusion.

OUR ROLE AS THE INDUSTRY LEADER

As a leader in our industry, we also have a responsibility to promote this issue externally. This is why we have developed a new partnership with United for News – a global multi-stakeholder coalition of media, private industry and NGOs, led by the international non-profit Internews, in collaboration with the World Economic Forum, whose aim is to increase the number of women and female subject matter experts in the news. As part of this Edelman has committed to 50:50 gender balance for Edelman spokespeople, ensuring equal numbers of men and women speak externally on behalf of our business. And, whilst we do not decide whether our clients nominate men or women as spokespeople, we will encourage them to have gender balance by providing research, insights, and strategic advice so they see the importance of doing so.

