

SAATCHI & SAATCHI

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— Gender
pay gap report

2021

———— A statement from Chris Kay, CEO, Saatchi & Saatch



We have a simple ambition to be the most influential creative company in modern Britain. Tackling the gender pay gap is both a moral imperative for us and drives the impact our work has on the society we live in.

We shrunk our median gender pay gap year-on-year from 20.3% in 2019 to 16.7% in 2021. We're moving in the right direction, but the gap will only close with sustained commitment.

In 2021 we adopted a new set of family friendly policies that include paid leave and support for pregnancy, adoption, surrogacy, menopause and miscarriage. Over the last year we have continued to build on existing programmes and initiatives including Saatchi Women, which assists our female employees with the tools and techniques they need to progress, and Saatchi Family, which fosters the conditions for parents and carers to thrive in the workplace.

Saatchi Ignite, Saatchi Open and Saatchi Home, our programmes aimed at inspiring, enabling and progressing more diverse talent from across the UK, are making a tangible difference and opening up the advertising industry to people with different perspectives, experiences and backgrounds.

We're making steady progress on tightening our gender pay gap further and are constantly reviewing our policies to that goal. We recognise there's much more to do, and are committed to driving change and creating the right conditions for all our talent to thrive.

Chris Kay, CEO, Saatchi & Saatch

The Gender Pay Gap explanation and results

The gender pay gap is the difference in average pay between men and women in an organisation. Saatchi & Saatchi Group Limited's mean Gender Pay Gap for 2021 is 18.5%.

The gender pay gap is different from Equal Pay which is defined as "the right for men and women to be paid the same when doing the same, or equivalent, work" (Equality Act, 2010).

The following has been calculated using the Government guideline calculations to determine our Gender Pay Gap for 2021.

| | Salary Pay Gap | Bonus Pay Gap |
|--------|----------------|---------------|
| Mean | 18.5% | 27.6% |
| Median | 16.7% | 38.1% |

| % M/F | Male | Female |
|--------------|--------------|--------------|
| Upper | 57.1% | 42.9% |
| Upper/Middle | 55.3% | 44.7% |
| Lower/Middle | 45.6% | 54.4% |
| Lower | 37% | 63% |

| Bonus | Male | Female |
|------------|------------|--------------|
| % received | 24% | 21.7% |

What does our Gender Pay Gap data tell us?

The data shows that we have continued to shrink our median gender pay gap from 20.3% in 2019 to 16.9% in 2020 and 16.7% in 2021. We narrowed our mean gender pay gap from 27.3% in 2019 to 17.4% in 2020, rising slightly to 18.5% in 2021.

We continue to have more female employees than male employees overall. However, we have more male employees in the upper and upper middle quartiles than female employees, whereas we have more female employees in the lower middle and lower quartiles.

The salary pay gap is calculated using full pay relevant employees only (please see FAQs for more information on this point) and proportionally we have more full pay relevant males in the 2021 report than there were in 2020's report, and fewer full pay relevant females in the 2021 report than there were in 2020's report. This explains the slight change in our mean pay gap.

After strong financial results in 2019, Saatchi was able to give a gesture of good will payment to all employees, hence the median bonus gap being 0%. In 2020, due to Covid-19 this was not repeated; and explains the increase of the median bonus pay gap to 38.1%.

Progress and our plan to close the Gap

We know that the gender pay gap will only close with a long term, sustained commitment and we have continued to create important foundations in 2021, foundations we want to go from good to great in 2022.

To achieve our goals, we recognise the importance of unifying our approach to DE&I.

The strategic drivers behind Saatchi's DE&I commitments are:

- Ensuring we always welcome difference and build a culture of belonging
- Creating the conditions for all our talent to thrive, powering us all up to see how good we can be
- Recognising the deep systemic challenges that has created inequality needs to create equally systemic solutions to accelerate change
- Holding each other to account for our actions and behaviours with knowledge building, training and a platform for open conversation
- Governing our DE&I initiatives and their progress; driving meaningful change. Initiatives include: Saatchi Women, Saatchi Family, Saatchi Ignite, Saatchi Open & Saatchi Home

Progress and our plan to close the Gap (cont.)

Our two cornerstone initiatives to address our gender pay gap are:



Saatchi Women

We understand the need to build specific solutions to help accelerate women in our agency (and industry) and to drive positive change and we focus on three core areas:

Confidence, Identity & Voice

In 2021, a cohort of 30 women attended the Shine4Women programme that delivers clarity, confidence and connection for female leaders

Work-life Balance

We launched Saatchi Time-Out which is protected time every day for talent to use

Reward & Progression

We introduced and embedded new structured approaches to performance reviews and salary reviews

We work in partnership with experts to provide an external perspective, help shape our approach, and deliver training for our talent. Partners include Shine4Women, WACL and the Advertising Association, via their 'All In' platform.

In 2022, a core area that we're seeking to address is that of unconscious bias and how this manifests, to break down barriers to any talent entering and thriving in the industry - in particular the women who make up 50% of the Company. Through a Saatchi Rise & Saatchi Women collaboration, we'll be running a series of awareness and educational pieces with keynote speakers to accelerate the pace of change.



Saatchi Family

To create the conditions for all parents and carers to progress we ran an in-depth study in 2021 to better understand the critical pressure points - the result provided clear insights that helped to reframe the role our agency could play in the parent and carer journey; from family planning through

to miscarriage and adoption, from maternity and parental leave return to work, to additional leave requirements and beyond. In 2022 we will continue to embed and improve on our policies and practices and, where appropriate, to use data to track our progress.

Progress and our plan to close the Gap (cont.)

Underpinning all of our DE&I initiatives is a constant and watchful eye on our processes and practices that relate to our talent. That means constantly reviewing the smart practice and rigour in how we hire, grow, and retain talent.

Hire

Key for us is ensuring we're being smart about how we attract and source talent. This means working with new specialist partners such as Commercial Break and Brixton Finishing School and every recruitment partners are aligned to our DE&I agenda, ensuring balanced and diverse shortlists across all roles.

Grow

We need our employees to be able to bring their best self to work, as we know self-belief fuels creative self-expression and happier talent. We want all talent to unlock their potential, through challenging themselves to step out of their comfort zones and supporting their growth through structured and tailored development. We're keen that all talent progress, and in particular we're ensuring the women in the agency get access to programmes run by Saatchi Women to accelerate their growth.

Retain

We continue to find ways to improve our hybrid working environment, including enhancing our practices to enable even more flexibility and help employees balance life and work. In line with this approach employees currently have the flexibility to work from our offices twice a week, and remotely – either from their home or other suitable locations that provide creative inspiration.

A statement from Annette King, CEO, Publicis Group UK



Gender equity is a strategic priority for Publicis Groupe. We aim to have women occupying 45% of senior leadership roles by 2025. In the UK, we have a strategy in place to achieve this target and continue to make good progress in reducing the Gender Pay Gap across our agencies.

Four out of the five agencies that report their Gender Pay Gap, Zenith, Starcom, Saatchi & Saatchi, Digitas and BBH, are led by women and within our Publicis Health division, which reports its Gender Pay Gap as one entity, two of our three agency leaders are women.

In the past year, we've restated our commitment to DE&I, building on our core 'Viva La Difference' principle, and outlined our strategy to build a

consciously inclusive culture that actively welcomes and values difference. In 2021, we introduced a range of policies and programmes to help attract more women into our business and create the conditions for them to thrive. These cover menopause, maternity, paternity, shared parental leave, adoption, surrogacy, pregnancy loss and fertility.

I'm confident that, initiatives like these will help attract more women into our business and create the conditions for them to thrive, no matter what their responsibilities outside work, reducing our Gender Pay Gap over the coming years.

Annette King, CEO, Publicis Group UK

FAQ and Definition

What is the gender pay gap?

The gender pay gap is the difference in average and median hourly earnings between men and women. This is calculated by looking at all employees' salaries across an organisation, regardless of their job role or level. Gender pay gap reporting was introduced in April 2017 for organisations with more than 250 employees at the snapshot date (5 April each year).

Does a gender pay gap mean an equal pay issue?

No. Gender pay is different to equal pay which is defined as "the right for men and women to be paid the same when doing the same, or equivalent, work". It is illegal to pay people differently for the same or equivalent work because of their gender and has been since the Equal Pay Act was introduced in 1970.

Why do we have a gender pay gap?

A gender pay gap can be caused by a number of factors such as having more men than women in high earning roles or more women working part-time.

What is the reporting period?

The salary data is taken from a snapshot of payroll on 5 April 2021 and the bonus data covers the 12 months leading up to that date.

Which employees are included in this report?

The figures cover all employees who have a permanent or fixed term contract (full or part time) and are paid through our payroll system. The data does not cover employees who are being paid a reduced rate or not being paid due to being on maternity, paternity, adoption, shared parental leave or an unpaid sabbatical for example).

How have you calculated bonus payments?

Bonus calculations include performance incentives, commission payments and stock option payments.

Has salary sacrifice been included in this year's report?

On the snapshot date of 5 April 2021 our highest earners had made a temporary salary sacrifice of between 10 and 20 per cent and this is reflected in the numbers reported.

What is the median pay gap?

This is calculated by listing all employees' hourly pay from highest to lowest, and then comparing the midpoint (the number that falls in the middle) for men with the midpoint for women. The difference between the two is the median pay gap, shown as a percentage.

What is the mean pay gap?

This is calculated by adding up all employees' hourly pay and dividing it by the number of employees. The pay gap is the difference between the mean (average) figures for men and for women, which is reported as a percentage.

What is the bonus gap?

The mean and median bonus gaps are the difference between the mean and median bonus pay received by male and female employees in the 12 months ending on 5 April 2021. This applies to all employees, even if they're not in full pay on the snapshot date. We also report on the percentage of male and female employees that receive a bonus in the year.

What is a pay quartile?

Employers must sort their full pay employees into a list based on hourly pay, in highest to lowest order, and then split this list into four equal parts which shows how many men and women fall into each of the pay quartiles.