



# Gender Pay Report

As at 5<sup>th</sup> April 2017

**THG**

IDEAS WITH MOMENTUM®

This report follows the latest methodology set by the UK Government and covers the period April 2016-2017, comparing what all male and female employees are paid on average across the business and measuring the difference between male and female averages. This provides a snapshot of the difference in hourly pay levels of women compared to men. It doesn't take account for their level in THG. It's also distinct from "equal pay" which looks at the individual level and is about ensuring that men and women are paid the same for carrying out the same work, or work of equal value.

Introduction

As at 5 April 2017 THG had an employee base comprising 59% men and 41% women. This split of employees has changed little in the past few years and stems from our heritage in the games, entertainments and sports nutrition sectors. Sports nutrition, gaming and entertainments are traditionally male-dominated sectors and our early employees tended towards more men than women. We've also built in-house a world-leading technology platform through a strong core of technologists who build and maintain our 140+ websites. The technology sector as a whole is male-dominated and there is competition for talent, particularly in the north west of England where we are based, and so technology roles tend to attract higher than average salaries and bonuses. Our Technology Division comprises 92% men and 8% women, whilst our Lifestyle and Consumer Division (home to our legacy websites) comprises 72% men and 28% women.

This sets the context for our gender pay gap reporting in the below table. It shows our pay gap as at 5 April 2017 and in the 12 months' prior for bonus payments.

	Mean:	Median:
Pay:	11%	6%
Bonus:	46%	4%

THG's pay gap of 11% compares favourably to the national average for the private sector of 15.9% (House of Commons Briefing Paper 7068 dated 12 Mar 18), particularly when you consider THG's history in male-dominated markets. Our gender pay gap of 11% (mean) and 6% (median) reflects that we have more men than women in our senior and more highly paid technical roles.

When we exclude our Technology Division from the calculations the mean pay gap falls to 2% and demonstrates that our technology division is a significant factor in our gender gap:

**THG Gender Pay Gap (excluding Technology Division)**

	Mean:	Median:
Pay:	2%	-6%
Bonus:	40%	-35%

THG awards bonuses quarterly, and pays them in January, April, July, and October. The chart below shows that in the year up to 5 April 2017 a greater proportion of women were awarded bonuses than men.

	Received a Bonus	Did not Receive a Bonus
Male	71%	29%
Female	76%	24%

Tenure at THG also plays a part in understanding our gender gap. THG rewards those who are committed to pushing forward their roles and driving results; and it's natural that those who have served with THG through its many years of sustained growth will be the most highly paid. The table below shows the ratio of men and women in each quartile and you can see that the upper quartile comprises 72% men and 28% women. This upper quartile contains those in the most senior roles, but also those who have served the longest with us. To illustrate this, the average tenure in the upper quartile is 2.4 years, whereas it is 1.3 years in the lower quartile.

	Upper quartile	Upper middle quartile	Lower middle quartile	Lower quartile
<b>Men:</b>	72%	53%	58%	57%
<b>Women:</b>	28%	47%	42%	43%

When bonus awards are considered the gender pay gap of 46% (mean) and 4% (median) reflects that those in more senior roles tend to attract a greater proportion of bonus pay. As we consider like for like roles though across our business, such as our Customer Service Advisors or Warehouse Operatives we see that our gender pay gap becomes negligible. In the case of our Customer Service Advisors it is (1%), Production Operatives (-1%) and Fulfilment Operatives (2%).

	Mean pay	Median Pay	Mean Bonus	Median Bonus
<b>Accounts Payable Clerk</b>	2%	2%	14%	25%
<b>Customer Services Advisor</b>	1%	0%	22%	25%
<b>Fraud Analyst</b>	-3%	0%	20%	10%
<b>Production Operative</b>	-1%	-2%	-19%	0%
<b>Fulfilment Operative</b>	2%	2%	-5%	-8%

THG is also a very broad company, with roles ranging from highly technical website and database development, through marketing to our operatives in our warehouses. We are organised into Divisions, and when we look at our Divisional breakdown it is easier to see that our gender gaps emerge in Technology, our legacy Lifestyle and Consumer Division and in our Health Division, home of our sports nutrition brand, Myprotein.

	Mean pay	Median Pay	Mean Bonus	Median Bonus
Beauty Division	15%	18%	25%	14%
Central Division	12%	11%	65%	24%
Health Division	26%	11%	54%	43%
Lifestyle Division	21%	13%	49%	1%
Ops, Production & Customer Services	5%	2%	-6%	0%
Technology Division	30%	26%	46%	20%

THG offers high potential employees the opportunity to develop their careers rapidly, regardless of their gender, background or education. Our transparent meritocracy considers everyone from the most senior to the most junior on what they deliver, every day. In the last year THG has invested heavily in beauty brands with acquisitions such as Illamasqua, GLOSSYBOX and ESPA. We've grown our senior female talent and have made internal promotions to Divisional Chief Executive Officer, Managing Director and General Manager from amongst the great female talent in THG.

We confirm that our data has been calculated in accordance with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Matthew Moulding **Group CEO**

Quentin Naylor MBE **Group People Director**