Gender Pay Gap Report

Rexel UK

Reporting period: April 2017 to March 2018
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Introduction from our UK and Ireland HR Director

The electrical wholesale industry typically presents some legacy challenges with regards diversity in its broadest sense. Many of these challenges are deep rooted in our industry’s DNA and take time to influence and change. At Rexel, we remain committed to improving our diversity, as we understand the value and benefits this brings for customers, colleagues and the business in general.

When we look across our industry, the submissions of gender pay gap reports last April made interesting reading, particularly for those companies we consider to be our competitors. From a sample of our ten closest competitors, Rexel recorded the lowest median bonus gap and the 2nd lowest median pay gap - both of which were negative in value; meaning women were paid comparatively more than men for the given period. From an average (mean) comparator position, we ranked 5th and 4th respectively in these categories. This shows us that we are responding favourably to the legacy trends affecting diversity in our industry, and are making progress.

We will use the findings from this year’s gender pay gap report to further strengthen our people plan, which aims to foster a more inclusive and diverse workplace, where all individuals can thrive and build the careers they want.

We understand that long term change will take time, and will require both attitudinal and behavioural changes to be successful. However, we believe we have a strong starting point, (not just versus our closest competitors, but in the wider UK context) as we work to develop a business that more closely reflects our customer base now and in the future.

Best Regards

What Is Gender Pay? Gender Pay is not to be confused with equal pay

**Gender Pay**

Gender pay is the difference between the average or median earnings of men and women, expressed relative to men’s earnings, across all roles in an organisation as a whole.

**Equal pay**

Equal pay, looks at the pay of women versus men, for doing work of equal value.
How is the gender pay gap calculated?

The mandatory gender pay gap reporting guidelines require companies to publish the following six data sets:

1. Mean gender pay gap
2. Median gender pay gap
3. Mean gender bonus gap
4. Median gender bonus gap
5. Proportion of men and women receiving bonuses
6. Proportion of men and women in each quartile of the organisation’s pay spectrum

1. & 2. The first two measures look at the mean (average) and median (the mid point in a data set, when all values are ordered sequentially) hourly pay for women as a proportion of the hourly pay for men. In addition to base salary, this also includes other elements of pay, including; bonus, allowances and reductions for salary sacrifice items.

3. & 4. The third and fourth metrics look at the mean and median actual bonus amount paid to women as a proportion of the bonus paid to men in the same period.

5. Item five looks at the proportion of each gender who actually received a bonus within the reporting year (April 2017 to March 2018)

6. After assessing the spread of pay from lowest to highest within the organisation, four equal sized quartiles or ranges are established, from Q1 (lowest pay) to Q4 (highest pay). This measure looks at the proportion of men and women in each of these quartiles (Chart 1).
**Explaining the results**

Our **mean gender pay gap** has increased by 1.65 percentage points over the previous year to 6.02%, which in real terms is a very modest shift, but is still a shift in the wrong direction as far as our expectations are concerned. We will look to carry out further exploratory work to understand the root cause of this movement, to see what measures we can take to mitigate and reverse this trend going forward.

Our **median pay gap** is almost completely flat, at -0.05%; showing almost perfect parity in pay between men and women- a result we are particularly pleased with, given the current pressures arising from our sector norms and organisational make-up (82% of our population is male).

The year’s **mean gender bonus gap**, at 23.7% shows little movement from last year, but our **median bonus gap** has further widened in favour of women, from -2.2% to -5.6%. Whilst from a gender perspective, this could be viewed as a good trend, we would be keen to reach a more balanced position, but understand that the difference in roles typically held by men vs women in our organisation, dictates to a degree, the bonus earning potential of each population.

We stand by the view that the ‘median’ is the statistical measure of most relevance, as it removes the impact of outlying extremes within the data sets. On a median basis, we continue to demonstrate a strong gender position, for both pay and bonus; both of which fall in favour of our female colleagues.
Rexel UK: Our gender pay position 2018

Quartile Split
The required quartile analysis in Chart 1 shows a result that broadly follows our overall population split, which for the reporting period was 82% male and 18% female. Given the gender split and the nature of our sector, the findings are not surprising, so we have also included a secondary set of quartiles (chart 2), which offers a better view of pay positioning.

Proportion of gender split in each quartile

Chart 1

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male Proportion</th>
<th>Female Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>83.75%</td>
<td>16.25%</td>
</tr>
<tr>
<td>Q2</td>
<td>79.85%</td>
<td>20.15%</td>
</tr>
<tr>
<td>Q3</td>
<td>80.10%</td>
<td>19.9%</td>
</tr>
<tr>
<td>Q4</td>
<td>83.25%</td>
<td>16.75%</td>
</tr>
</tbody>
</table>

Chart 2 looks at the distribution of each gender population across the four quartiles. This shows a broadly equal split across the quartiles for both men and women. There are proportionally less women than men in the lowest paid quartile. The largest proportion of women sit in the second and third highest paid quartiles, whilst the largest proportion of men are in the lowest paid quartile (Q1).

Distribution of each gender across the quartiles

Chart 2

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male Proportion</th>
<th>Female Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>25.62%</td>
<td>22.24%</td>
</tr>
<tr>
<td>Q2</td>
<td>24.42%</td>
<td>27.59%</td>
</tr>
<tr>
<td>Q3</td>
<td>24.50%</td>
<td>27.24%</td>
</tr>
<tr>
<td>Q4</td>
<td>25.46%</td>
<td>22.93%</td>
</tr>
</tbody>
</table>