

Domestic & General

Gender pay gap report 2017



“Domestic & General is pleased to disclose our gender pay information for 2017.

As a company that aspires to be a world-class service organisation enabled for a smart future, we believe this can only be achieved by being truly inclusive. We have a diverse workforce spread across the UK, and we value the difference that every employee brings to our organisation, enabling them to connect with our equally diverse customer base.

Transparency of gender pay is an important part of ensuring inclusiveness, and a key step in understanding and addressing the root cause of pay gaps.”



Ian Mason
Chief Executive Officer



2017 in numbers

Gender and bonus pay

In line with statutory requirements, the table below shows our mean and median gender pay gap for 2017. These figures are based on hourly rates of pay as of the snapshot date of 5 April 2017. The table also shows the difference in bonuses paid to our male and female employees in the year to 5 April 2017 (i.e. our performance year ended 31 March 2016).

Mean The "mean" is the "average" of all the salaries or bonuses added together and divided by the number of employees.

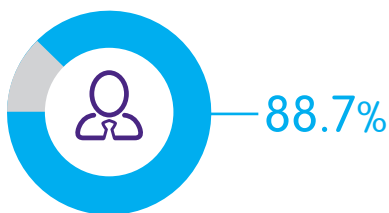
Hourly gap	20.5%
Bonus gap	42.5%

Median The "median" is the "middle" value in the list of salaries or bonuses.

Hourly gap	7.9%
Bonus gap	58.7%

Proportion of colleagues awarded a bonus

Proportion of male employees receiving a bonus:

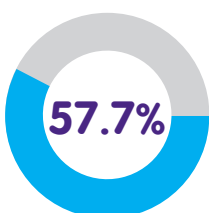


Proportion of female employees receiving a bonus:

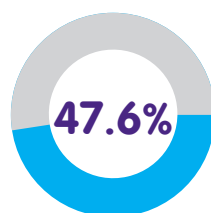


Percentage of female employees in each pay quartile

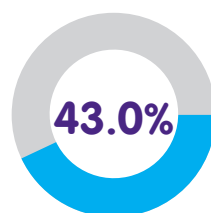
Lower quartile



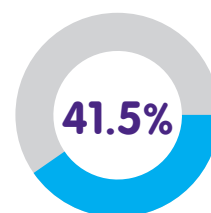
Lower middle quartile



Upper middle quartile



Upper quartile



Why we have pay gaps

At 20.5% our mean pay gap is significantly below the indicative average for the financial services industry*. However, it is still above the overall UK average, and we understand we have further work to do. Due to the shape of our workforce, our median gap is below both the national median and significantly below the median for our industry sector.

In reviewing our data, we have worked to understand the root cause of our gaps and we are confident that the result is not an issue of pay inequality – women and men are paid equally for doing equivalent jobs across our business.

The gender pay gaps that arise are driven by the shape of our workforce. We have a very large frontline customer contact employee base, within which we have a broadly equal distribution of men and women. However, within our senior management population, the greater proportion of roles are held by male colleagues and this distribution is the driver of our overall numbers.

The shape of our workforce drives our bonus gap in a similar manner to our gender pay gap. We pay higher levels of absolute bonus to our more senior employees and a greater proportion of this population is male.

Like other organisations, the requirements in how the bonus gap is calculated can be impacted by the different working patterns of our people. Colleagues who work reduced hours in our business are predominantly women – they receive pro-rata bonus awards to reflect their working pattern, which is not reflected in the bonus gap calculation.

As our calculations demonstrate, we paid a broadly equal proportion of our women and men a bonus for the 2016 performance period. During this year's performance period, we have made several changes to our pay structures and all employees now participate in one of two incentive arrangements.

Our frontline customer contact colleagues now participate in a total reward scheme that offers fixed incentive opportunities, measured against specific performance measures. All other employees participate in a Group-wide bonus plan that operates on a discretionary basis to reward our people based on business performance and each individual's performance and behaviours. As part of our remuneration governance structures, we review the operation of our incentive arrangements to ensure they do not disadvantage or inappropriately favour any particular group of employees.

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*PwC Women in Work Index, Close the gender pay gap (March 2018)



Taking action to close these gaps

Domestic & General is committed to ensuring that our future actions support a reduction in the gaps that exist in our gender pay and bonus levels, and more importantly, ensure we pay all our people fairly for their contribution to our business.

Given that the cause of our gender pay gaps arise from the structural make-up of our workforce, we understand that a key focus in addressing our gaps is ensuring we increase female representation at a senior level.

To achieve this, the recruitment and development of our existing employees is critical, and we have already taken a number of steps to support our efforts:

1. We have changed our recruitment processes to require a diversified shortlist for all senior positions (i.e. those at the level of our Executive Committee or reporting into an Executive Committee member). This means seeking to have a gender balanced candidate pool for these roles.
2. To ensure we harness the talents of all our people, our skills development and succession plans are gender balanced, designed to be inclusive, and encourage the development and promotion of all our people.
3. We will continue to review our policies and processes to ensure all our people can progress and develop within our organisation, with a particular emphasis on those who are underrepresented at more senior levels.

Rewarding and developing every colleague fairly is a critical step in attracting and retaining a diverse workforce to service our equally diverse customer base.

While our gender pay numbers are more favourable than those for our industry, we are not satisfied and know we have more work to do. As we progress towards our aspiration to become a world-class service organisation, we understand the important part that each colleague plays in achieving our goals.

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Declaration

Domestic & General Services Limited confirms that this data is accurate and has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Ian Mason
Chief Executive Officer