

Gender Pay Report

2019

dunnhumby's spirit of community and the diversity of our people's skills, backgrounds and experiences makes us the business we are. We continuously seek to build an environment of inclusion, equality and respect because we know that will make us the best business we can be.



dunnhumby



At dunnhumby we're committed to building an environment that reflects the societies in which we operate and where every individual can be their true self at work.

Monitoring our gender pay data highlights some of the areas we still need to address. The analysis shows dunnhumby's gender pay gap has increased this year and the main driver of this is a higher proportion of men in more senior roles.

Defining the gender pay gap vs equal pay

The gender pay gap

The gender pay gap measures the difference between men and women's average pay within an organisation, regardless of their role or work level. In detail, it is the percentage difference between the gross hourly earnings for all men and the gross hourly earnings for all women. The pay gap is expressed as women's pay as a percentage of men's earnings. The data is calculated by grouping all male and all female pay together (i.e. all grades and job roles) to find the median and mean hourly rate.

Equal pay

Measuring equal pay compares the pay of men and women who perform the same role or roles of equal value. During the dunnhumby annual salary review, we actively check job families and job roles to ensure dunnhumby pays all colleagues performing the same or equivalent roles equally.

In the past year we've made progress in hiring more women and our overall female representation across the business has increased. We know that there's often a smaller candidate pool of females for senior roles, particularly within the technology space, so we're taking deliberate steps to build a long-term pipeline of future female leaders. Such steps include introducing balanced shortlists, gender neutral job descriptions and flexible working policies.

Our recruitment and promotions data show these actions are starting to deliver change but, due to our relatively small population, we know we are likely to see some year on year fluctuations. We continue to strive to create long term, sustainable balance at all levels of the business, but most crucially with our senior leaders, and are investing in female returnships, shared parental leave and maternity support to deliver this change.

We're committed to creating a diverse and truly inclusive workforce built on mutual respect, where everyone can fulfil their personal and professional potential, so collectively we make better-informed decisions, boost our innovation and address challenges from different perspectives.

I can confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Guillaume Bacuvier
dunnhumby Chief Executive Officer

Understanding the pay data in this report

Pay in this report is defined as: normal pay taken on a snapshot date (salary and allowances) plus any bonus pay paid to male and female relevant employees during the 12 months prior to the snapshot date. The pay data for those on reduced pay due to maternity leave, sabbatical leave, colleagues who joined or left the company during the middle of a month (and therefore received pro-rated payment) etc. are not included in the analysis.

The pay data for this report was taken from the April 2019 payroll. The annual bonus data from the 2017/18 performance year (paid in May 2018) is included in this report, as well as other qualifying bonus payments made between 6 April 2018 and 5 April 2019.

To calculate our gender pay gap, the pay data was taken from 759 UK employees, with a male/female split of 416 (55%) / 343 (45%).

dunnhumby UK gender pay gap



*UK national median gender pay gap is 17.3% (Office of National Statistics).

In 2019, our median (middle value) gender pay gap was 21.9% and our mean (average) gender pay gap was 22.0%.

Understanding dunnhumby UK bonus gap

How is UK bonus pay gap defined?

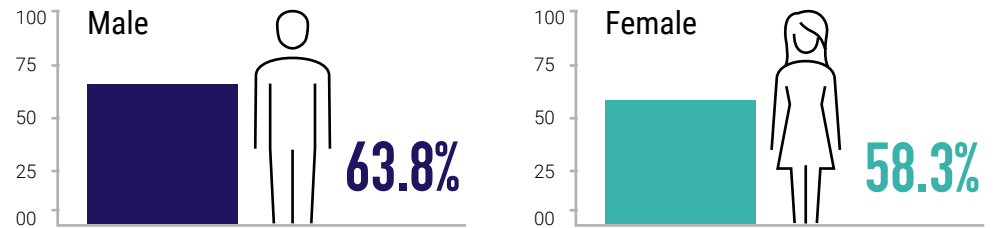
UK bonus pay gap refers to any bonus pay paid to male and female relevant employees during the 12 months prior to the snapshot date, expressed as a percentage of the bonus pay paid to male relevant employees. It is calculated before deductions are made at the source but after salary sacrifice, and includes cash, vouchers, securities and securities options, together with any remuneration relating to profit sharing, productivity, performance, incentive or commission.

dunnhumby UK bonus gap

For calculating the dunnhumby UK bonus pay gap the annual bonus data was captured from the 2017/18 performance year (paid in May 2018), as well as other qualifying bonus payments made between 6 April 2018 and 5 April 2019.

For the annual bonus period 2017/18 every employee who was eligible received a bonus. We do not differentiate on issuing bonus based on gender, therefore the difference in percentages of those who received a bonus is due to eligibility (new joiners for the period, fixed term contract or underperformance).

Percentage of employees receiving bonus pay



- **Males:** 63.8% were eligible and received a bonus for the 2017/18 performance year. The remaining 36.2% were primarily new joiners for the period, or a very small proportion were ineligible because they were on a fixed term contract, or due to underperformance.
- **Females:** 58.3% were eligible and received a bonus for 2017/18 performance year. The remaining 41.7% were primarily new joiners for the period, or a very small proportion were ineligible because they were on a fixed term contract, or due to underperformance.

Median and mean dunnhumby UK bonus gap



The mean bonus gap is still lower compared with Year 1 (40.0%) but it has increased compared to Year 2 (23.4% to 35.7%). This difference in the mean gap is caused by there being a higher proportion of male employees in senior roles, who either received LTI (Long Term Incentive) payments from previous years and/or were not eligible to bonus in Year 2 due being new joiners for the period. There have been non- standard and "one-off" payments tied to hiring and investment for the long term which have affected the output data.

When looking at the median bonus gap (which separates the higher half from the lower half of the analysed population) we can see that our bonus gap has been decreasing since Year 1 (25.5%).

We know our gender diversity strategies will take time to deliver meaningful change and may result in short term fluctuations as we strive to create a long term, sustainable balance at all levels of the business but most crucially at the level of our senior leaders.



How do we compare?

We've looked at a selection of more than 10 relevant competitors in the Customer Data Solutions, Media and generalist data and analytics industries to benchmark against, and better understand how we compare. Note: these are not all necessarily direct commercial competitors but could be viewed as competitive from an employment perspective.

Below you can find how dunnhumby compared to the industry average (taken from the relevant competitors identified) from reports published in 2019. Pay data was taken from the 2017/18 period (reports published in 2019) and reflects the UK region of each organisation included. The pay gap data for all UK companies with over 250 employees is available on the UK Government website.

Gender pay gap comparison with industry average (2017/18 data):



Industry average (13 organisations)

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Bonus pay gap comparison with industry average (2017/18 data):



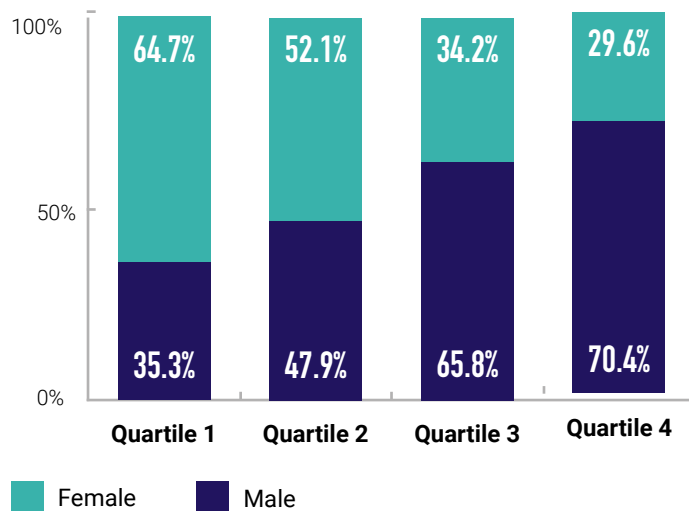
Industry average (13 organisations)

dunnhumby

Pay quartiles

The pay quartiles chart ranks all employees pay from lowest to highest and then divides it into four equal groups with the first group (Quartile 1) being the lowest paid. The quartiles do generally follow our grading system 1-7, however, we cannot assign grades to each quartile i.e. Quartile 1 is not a direct reflection of G1-2, because our salaries by grade can vary based on skillset and role.

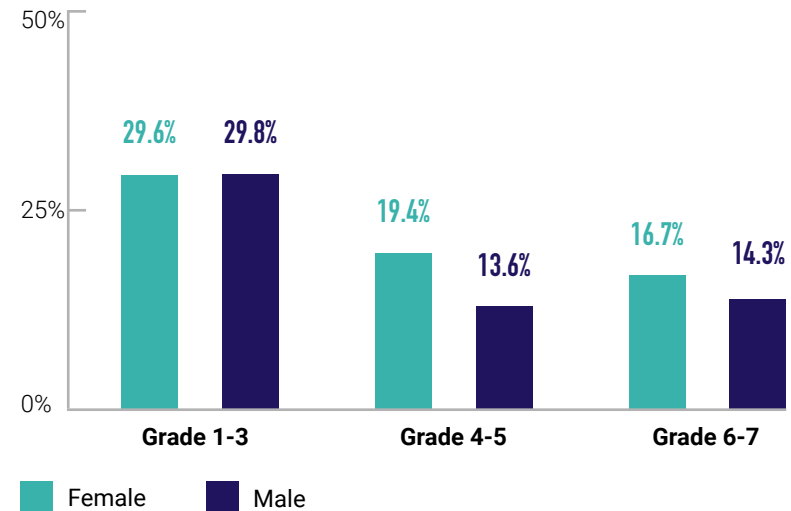
At the time this data was taken, the analysis shows there are proportionally more males than females in the highest paid quartile – a key driver of our gender pay gap.



UK Recruitment

Over the period of May 2018 to April 2019 we hired 104 Female employees compared to 99 male employees in the UK.

The percentages below highlight the rate of new hires from May 2018 to April 2019, relative to the population, i.e. the percentage of the overall population in each grade group. For example, 19.4% of all UK females at grades 4-5 were new recruits during this period. Continuing the trend from last year, we've hired a higher percentage of females into grades 4-7 which is a positive step in helping us redress the balance at senior levels.

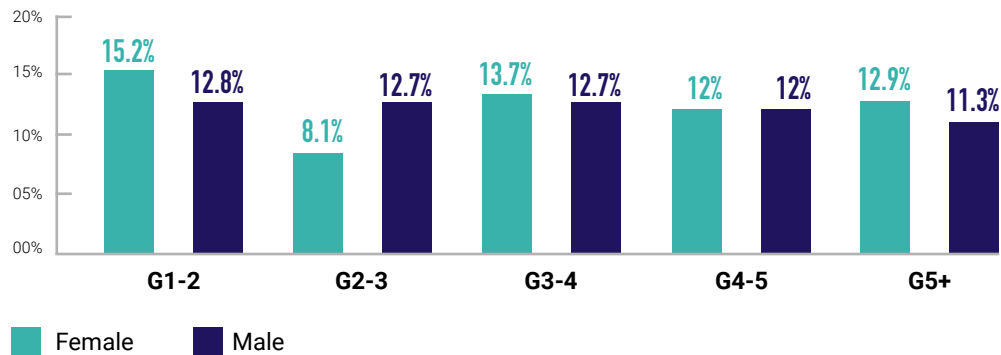


UK Promotions

Promotions in this report are defined as a change in grade and role, and not a change in role within the same grade band.

Below you can find the proportion of promoted employees from May 2018 to April 2019. The percentages are shown as a proportion of the pool per gender, not of the total employee population. For example, 13.7% of all UK females at grade 3 were promoted to grade 4 during this period.

The analysis shows we broadly promote the same proportion of men and women relative to the population size. This is a positive shift from last year's data, particularly in relation to the senior roles.



Actions we're taking to close the gap

The under-representation of women at our senior levels is a global and long-term challenge we are committed to addressing. We know that both recruitment and retention are key to increasing the diversity of our workforce over time, and we've taken significant steps to improve our pipeline of female talent and create an inclusive environment where everyone can thrive.

Attracting diverse talent

- **Global diversity KPI** – dunnhumby has a gender diversity KPI, with a target to increase the number of females at senior levels by 2% year on year. This goal is reported against on a monthly basis and provides focus for the initiatives to reduce the gender disparity that's at the root of our gender pay gap.
- **Balanced candidate shortlists** – as part of our ongoing commitment to diversity and inclusion we've set clear shortlist requirements for both our internal and external recruitment partners. We closely track our new hire gender split and are proud that we have achieved a female new joiner rate of 45% to date in 2019.
- **Inclusive recruitment practices** – to ensure gender neutrality our job descriptions have been analysed using Textio technology to ensure any male or female bias is removed from the wording. We've also expanded our content on social media to showcase our diverse talent and be open about our commitment to flexible working practices.
- **Diversity partnerships** – we've continued our partnership with Women in Data (WiD) UK to celebrate women in the data science sector. Our partnership with Vercida.com, an inclusive and accessible jobs platform, helps us engage with candidates who have placed diversity and inclusion at the top of their agenda. Additionally, we've recently signed a new partnership with Women Returners, who will help us create a returnship programme specifically aimed at women who have taken a career break.

Supporting working families

- **Enhancing our Shared Parental Leave offering** – to improve uptake of shared parental leave we have removed the financial constraints by matching our offering with our maternity leave entitlement. This offers families the opportunity to share up to 50 weeks of leave, creating more choice and enabling greater gender equality at home and at work.
- **Review of Family Leave policies** – this year we've refreshed our Family Leave, Adoption Leave and Parental Leave policies. As part of the review we lowered the qualifying period for full maternity benefit from two years to one year meaning more women are able to benefit from our enhanced maternity pay.
- **A workplace that works for you** – in addition to strengthening and refreshing our Flexible Working policy, from 1 November 2019 we've added a flexible working statement to all our new job adverts. This is a global initiative, and our aim is to showcase our inclusive working culture to attract the best and brightest talent to dunnhumby. By ensuring our flexible working approach is communicated clearly, we want to demonstrate that we support all our employees to balance their careers with their commitments and interests outside of work.
- **Parental Leave Buddies** – as part of our commitment to enable our employees to balance a successful career with their personal commitments outside work, we've created a parental buddy scheme. Volunteers from across the business who have personal experiences of parental leave offer personalised support to those currently embarking on parental leave.

Sustaining a culture of belonging

- **Introducing new employee networks** – in 2019 we expanded our diversity network groups. As well as our Women's Network, we now have groups representing our LGBTQ+, BAME, parent & carers and mental health & well-being communities. As well as providing a support network for their community, these groups work together to foster an inclusive culture, supported by allies.
- **Mentoring** – in 2019 we ran our first female mentoring scheme, matching individuals up with senior dunnhumby leaders to support their growth and development. As a result of taking part, participants reported increased confidence and career motivation and we're reviewing feedback and plans to expand this pilot for 2020.
- **D&I data gathering workstream** – as a data science organisation we understand the value and importance of making data-drive decisions. In 2019 we've run four pieces of research on perception of equality at dunnhumby covering gender, LGBTQ+, BAME and mental health & wellbeing. We continue to use this research to inform our strategic D&I plans.
- **Unconscious bias awareness training** – we introduced unconscious bias training for all UK people managers, and ran a session with our entire Executive team. We're now opening the training up to all grades as we focus on developing inclusive behaviours throughout the organisation.



Our D&I Vision

dunnhumby's spirit of community and the diversity of our people's skills, backgrounds and experiences makes us stronger. We continuously seek to build an environment of inclusion, equality and respect because we know that will make us the best business we can be.



dunnhumby is the global leader in Customer Data Science, empowering businesses everywhere to compete and thrive in the modern data-driven economy. We always put the Customer First. Our mission: to enable businesses to grow and reimagine themselves by becoming advocates and champions for their Customers.

With deep heritage and expertise in retail – one of the world's most competitive markets, with a deluge of multi-dimensional data – dunnhumby today enables businesses all over the world, across industries, to be Customer First.

The dunnhumby Customer Science Platform is our unique mix of technology, software and consulting enabling businesses to increase revenue and profits by delivering exceptional experiences for their Customers – in-store, offline and online. dunnhumby employs over 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas working for transformative, iconic brands such as Tesco, Coca-Cola, Meijer, Procter & Gamble, Raley's, L'Oreal and Monoprix.



Contact us to start the conversation

dunnhumby.com