

2018



dunnhumby
GENDER PAY REPORT

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.





At dunnhumby we are committed to building an environment that reflects the societies in which we operate and where every individual can be at their best regardless of who they are. 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.

Monitoring our gender pay data – and more importantly – understanding the factors that contribute to differences can help achieve that. **I'm pleased to report dunnhumby's median gender pay gap has reduced from 19.9% in year 1 (2016/17 data) to 18.1% in year 2 (2017/18 data), and the mean has reduced from 22.7% to 20.3%.**

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.

Our analysis shows the key driver impacting our current gap is due to there being a **lower proportion of women than men in senior roles**. I'm pleased to report that the number of women in the top quartile (see page 4) has increased from 38 to 46 individuals, as we continue to focus on increasing female representation in senior positions through internal promotion and external hiring. We're actively working to make progress in this area – since November 2017 we have kicked off a number of initiatives all with the purpose of reducing the disparity in the number of women and men in senior roles. Find more detail on these actions on pages 5-6.

To reduce the pay gap we need to make long-term, sustainable change to improve the gender balance at senior levels, as the right thing to do for our future success as a business. We know it will take time, but we're confident that by understanding the pay gap and responding with clear, positive and inclusive actions guided by our values, we'll continue to create a community of inclusion and respect.

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

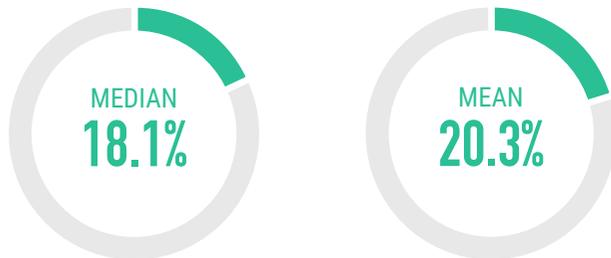
Pay in this report is defined as: normal pay taken on a snapshot date (salary and allowances) plus bonus. The pay data for those on reduced pay due to maternity leave, sabbatical leave, colleagues who joined or left the company during the middle of a month (and therefore received pro-rated payment) etc.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

The pay data for this report was taken from the April 2018 payroll, and reflects bonus payments made within the previous 12 months.

The bonus data was taken from the 2016/17 performance year (1 March 2016 – 28 February 2017), when bonus payments were made in May 2017.

To calculate our gender pay gap, the pay data was taken from 703 UK employees, with a male/female split of 402 (57%) / 301 (43%).

dunnhumby UK gender pay gap



*UK national median gender pay gap is 17.9% (Office of National Statistics).

In 2018, our median (middle) gender pay gap was 18.1% and our mean (average) gender pay gap was 20.3%.

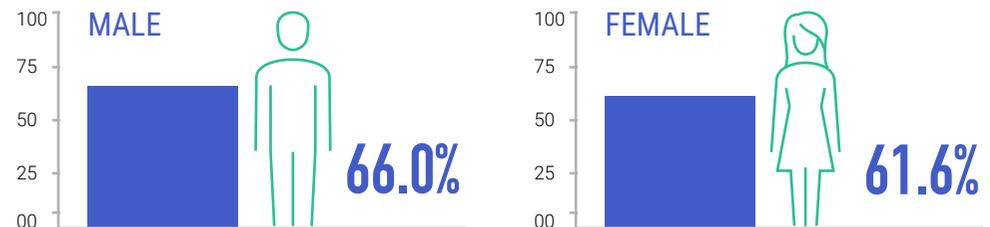
dunnhumby UK bonus gap

dunnhumby runs a bonus programme for all permanent employees because we believe we work best when we work together, and want to ensure our people are rewarded fairly for their efforts in helping us achieve our strategic goals.

For the bonus period 2016/17 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, as the figures below are calculated based on total number of employees regardless of eligibility as explained here:

- The bonus data submitted for analysis is reflective of bonus payments made in May 2017, therefore any new joiners from 1 December 2016 would not have been eligible.
- A larger proportion of new joiners during this period were female, and therefore there was a higher percentage of females ineligible for a bonus.

Percentage of UK employees receiving a bonus



- ➔ **Males:** 66% were eligible and received a bonus for the 2016/17 performance year. The remaining 34% 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:** 61.6% were eligible and received a bonus for 2016/17 performance year. The remaining 38.4% 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.

Understanding the median and mean bonus gap



- The mean bonus gap has reduced significantly compared to year 1, from 40.0% to 23.4%. This was primarily because of an increase in average bonus pay for females across the workforce – the main reason for this is due to an increase in females in senior roles (see further detail on pages 4-5).
- The bonus gap is caused by there being a higher proportion of male employees in senior roles, and these roles reward a higher bonus in percentage terms.

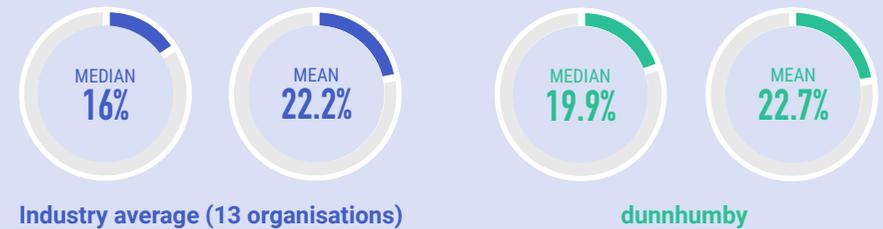


How do we compare?

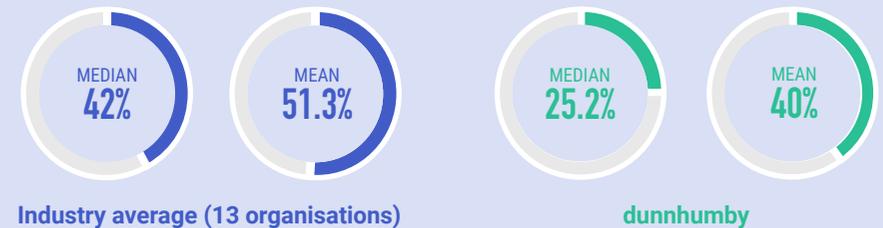
For this year's report we've looked at a selection of more than 10 relevant competitors in the Customer Data Solutions, Media and generalist data and analytics industries to benchmark against, and better understand how we compare. Note: these are not all necessarily direct commercial competitors but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

The tables below show how dunnhumby compared to the industry average (taken from the relevant competitors identified) from reports published in 2018. Pay data was taken from the 2016/17 period (**reports published in 2018**), and reflects the UK region of each organisation included. You can also find the pay gap data for all UK companies with over 250 employees listed on this [UK Government website](#).

Gender pay gap comparison with industry average (2016/17 data):



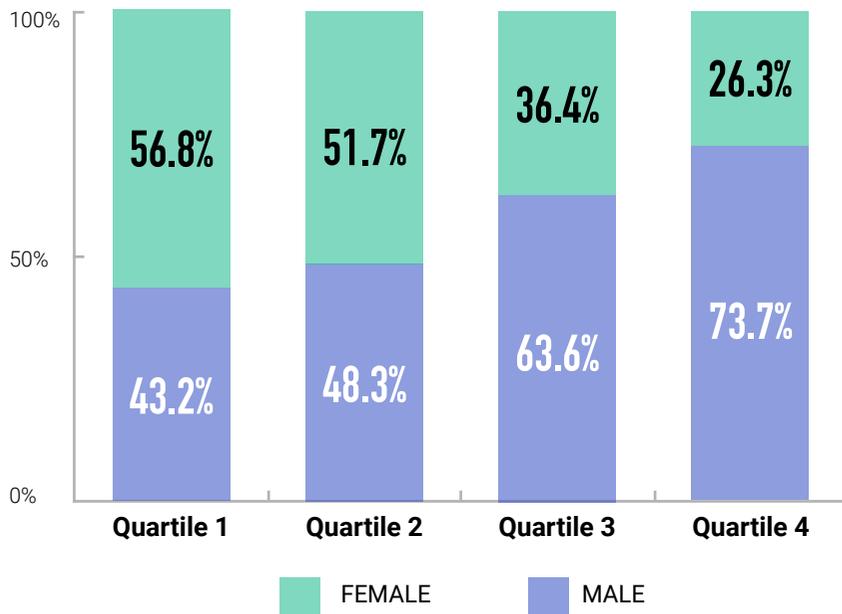
Bonus pay gap comparison with industry average (2016/17 data):



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.

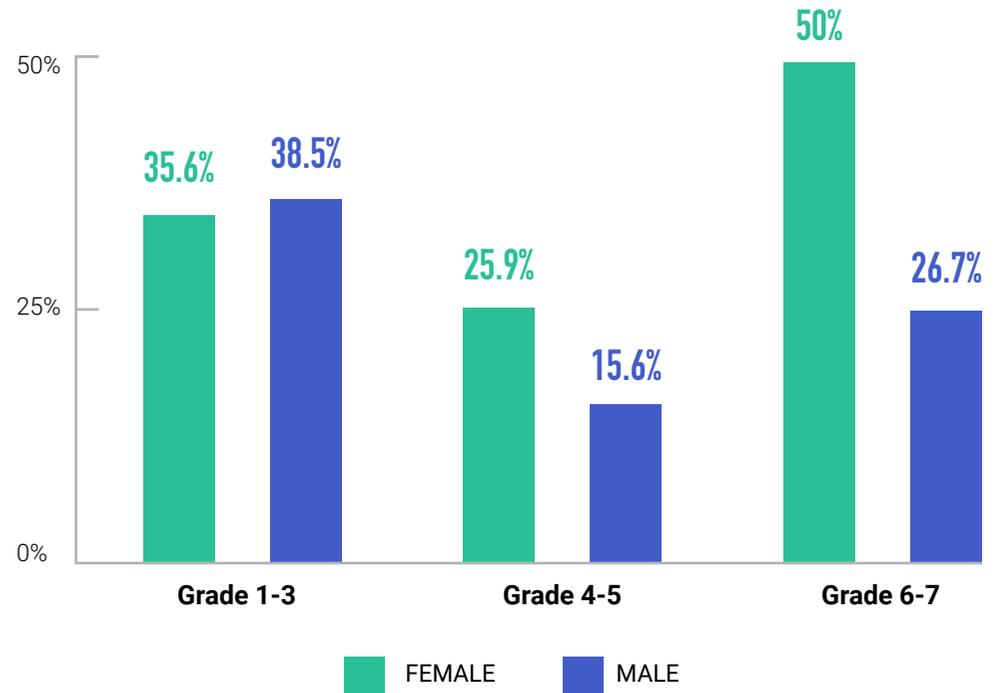


UK Recruitment

In this year's report we also wanted to analyse the recruitment and promotion data over the period May 2017 – 30 April 2018.

Overall, the data showed we hired an almost equitable number of males and females. The data below is based on total number of UK new hires equating to: 33.4% of the UK female population were new hires, and 29.9% of the UK male population were new hires.

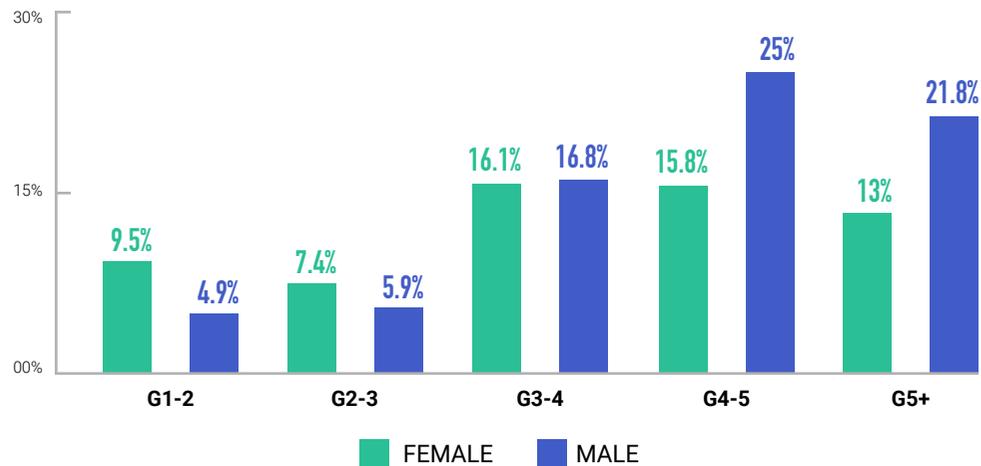
When split by grade it shows proportionally there was a higher percentage of females hired into grades 4-7. This is a really positive step in helping us achieve a greater gender balance, particularly in more senior roles from grade 4+. The percentages below highlight the rate we're hiring relative to the population, i.e. the percentage of the overall population in each grade group. For example, 35.6% of all UK females at grades 1-3 were new recruits during this period.



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. This data was taken from May 2017 – April 2018, and the percentages are shown as a proportion of the pool per gender, not of the total employee population.

The analysis below shows that when looking at promotions across grades 1-3, proportionally there was a slightly higher percentage of female promotions than male. However, the balance switches when you look at promotions from grade 3 and above, where proportionally there was a higher percentage of male promotions.



Overall the data shows a fairly equal number of promotions across the workforce (9.3% of female population / 10.6% of the male population), however a core area we need to focus and improve on is the number of females promoted into senior roles.



Actions we're taking to close the gap

We recognise it is important to have a diverse workforce at all levels, particularly in more senior roles with greater decision-making ability, and understand the importance of improving our gender balance.

It will take time to reduce our gender pay gap, there is no quick fix which is why we've focussed our efforts on core areas to help us make real, tangible progress. We're confident that by taking clear, positive and inclusive actions, we'll achieve a greater gender balance at all levels of our business.

Support and attract female talent

- **Global diversity KPI** – for the first time dunnhumby has a gender diversity KPI, with a target to reach 40% females at more senior levels across the company globally. This goal has helped provide focus for the initiatives to reduce the gender disparity that's at the root of our gender pay gap.
- **Inclusive recruitment practices** – we require 50:50 gender balanced shortlists from all external recruitment agencies, and all our job descriptions are now checked using Textio technology to ensure any male or female bias is removed from the wording. From March 2019 our internal recruitment team will have a target of obtaining at least two out of five individuals on a shortlist must be female.
- **STEM (Science, Technology, Engineering & Mathematics) internship programme and balanced graduate recruitment** – it's true there is a smaller candidate pool of females for senior roles particularly within the technology space, so we are focussing on building the pipeline. Our overall graduate recruitment is now 50:50, and in 2018 we ran a very successful STEM internship programme with five female undergraduates taking part in the London office. Encouraging women into STEM careers will continue to be a focus area in 2019 and beyond.
- **Partnership with Women in Data (WiD) UK** – working with WiD UK to promote women in the data science sector and dunnhumby as a great place to build a career in tech. We believe this partnership will help further advance our D&I initiatives internally and encourage women in data at every stage of their careers.
- **Mentoring** – in 2019 we'll kick off our female mentorship pilot, matching mentees up with senior dunnhumby colleagues to offer guidance and career advice. The aim is for the pilot to test the programme structure and content with a specific group, and then reuse it for other targeted mentorship programmes. We'll also use the programme content to create guidelines and encourage those who would like to start their own mentoring relationships internally.

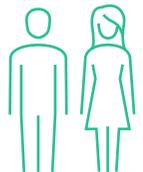
Equip and empower our leaders

- **Unconscious Bias Awareness training** – mandatory training has been rolled out for all UK people managers.
- **Executive sponsorship for diversity and inclusion** – the D&I steering group includes three Exec team members who champion the D&I strategy from the most senior level of our business, and act as key decision makers on changes to policy, creation of employee-led networks, and sponsorship decisions.

Sustaining an inclusive culture

- **D&I data gathering workstream** – qualitative and quantitative research to give our people a voice about the issues to be addressed, to help shape the D&I strategy and initiatives that come out of it to promote equality and inclusion. In 2017-18 we ran three pieces of research on the following topics – perception of gender equality at dunnhumby, family leave, and one to one interviews on key themes from the perception survey. We'll continue to use research and data to gather in depth insights to inform all D&I plans.
- **dh Women's Network** – our employee-led Women's Network continues to run events that inspire and engage women and men on topics anchored on creating a culture of inclusion. Providing our people with opportunities to connect, network, discuss topical ideas, personal development and to learn from role models. A powerful grass-roots movement we're beginning to set up across all our regions globally.
- **Internal and external blog** – our 'Discover' series communicates employee stories from right across our global business about inclusion, diversity and belonging, making people aware and engaged around these issues.

- **Partnered with Lean In to launch dunnhumby Lean In Circles** - small groups who meet regularly to learn new skills, share ideas, seek advice, and show solidarity through support. Groups cover a range of areas including: unlocking potential, future leaders, expanding your network and health & wellbeing.
- **Supporting working parents** – using research to understand colleague experiences and perspectives on how dunnhumby supports working parents, including the run up and duration of family leave, and importantly, the process of returning to work. We also conducted a full policy and practice review and refresh, to help ensure a consistent experience for all our people.
- **A workplace that works for you** – creating and enabling a flexible working environment is a core tenet of breaking down barriers to ensure every individual can fulfil their career potential. We're in the process of strengthening our Flexible Working policy, practices and culture to ensure they are consistent with our vision for D&I, using insights from the data gathering workstream.



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