



ERS' Gender Pay Gap

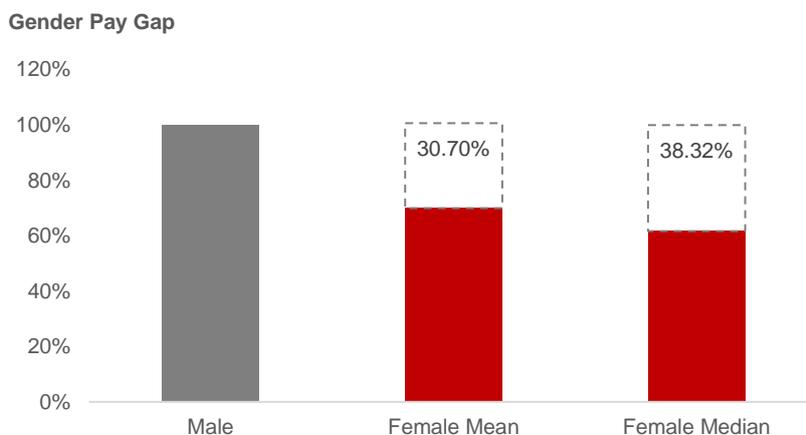
We are committed to employing and retaining enthusiastic, driven and passionate people who are able to flourish in a flexible and inclusive work environment. We believe that discrimination or exclusion based on any individual protected characteristic represents a waste of talent and a denial of opportunity for self-fulfilment.

Gender Pay Gap

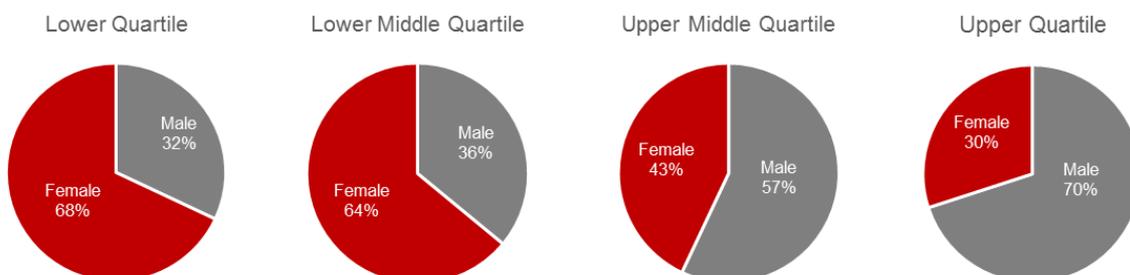
We are confident that men and women are paid equally for carrying out equivalent jobs at ERS. We have a robust process in place, including annual benchmarking, using independent external market salary data, to ensure pay levels are reviewed fairly and consistently.

In line with the gender pay reporting regulations the following data is taken from a snapshot date of 5 April 2017.

Our analysis shows that, like many other companies, we have a higher proportion of men than women in our more senior, highly paid roles. Women currently hold 32% of senior leadership roles and make up 30% of our Executive team. This drives a gap between the average amount paid to men, compared to the average amount paid to women.



Proportion of male and female employees in each pay quartile



Our roles have been divided based on pay into four equally sized quartiles to illustrate the relative proportions of women and men (the first quartile are the lowest paid roles and the fourth are the highest paid). This highlights that 30% of our highest paid roles are held by women and 68% of our



lowest paid roles are also held by women. This unequal distribution of men and women through our business is the main driver of our gender pay gap.

The location of our employees also affects our gender pay gap. Our offices are split across three locations; London, Brentwood and Swansea. Swansea is the largest office housing our Operations centre and a predominantly more junior workforce whilst our Executive team, corporate functions and most senior roles reside in London. Since London salaries universally attract a higher weighting compared to roles based in South Wales this serves to further compound our gender pay gap.

Bonus Pay Gap

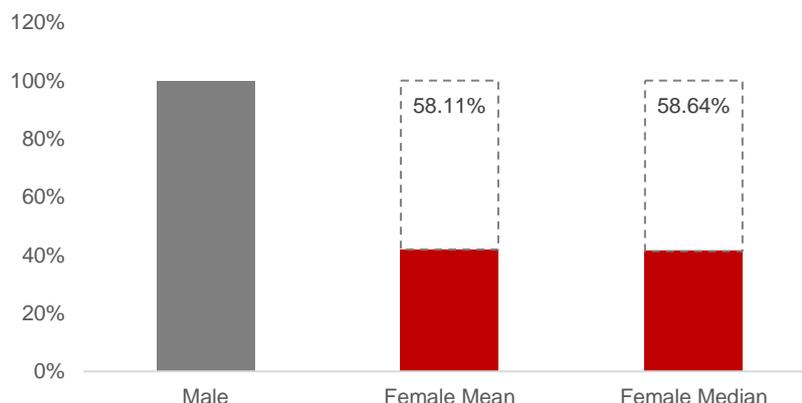
All of our employees have the opportunity to share in ERS' success by participating in a Performance Profit Share (PPS) plan. Our analysis shows that there is equal opportunity to earn a bonus with 73% of women and 75% of men receiving a bonus.

Proportion of males and females receiving a bonus



As with pay, since there is a higher proportion of men in senior level roles which attract higher variable pay; men's bonuses are, on average, larger than women's bonuses.

Bonus Pay Gap



The regulatory gender bonus pay gap calculations do not allow us to take into account the fact that bonuses for employees who work reduced hours are pro-rated for the hours worked and 97% of our



part time workforce are women. This provision of flexible working arrangements is a key element in our approach of supporting and encouraging women to stay in the workforce.

What are we doing to improve the position?

Achieving a better gender balance at all levels, and therefore improving our gender pay gap, is a priority for ERS

ERS has a significant number of technical roles (e.g. IT, Actuary, Engineering) predominantly occupied by males and we are actively exploring how to attract more women into these roles.

We have a strong gender balanced pipeline with women making up 55% in our talent pool, with a significant portion considered capable of operating at Executive Committee level in the next three to five years. We are committed to supporting and investing in targeted development plans to enable realisation of this potential.

61% of our front line managers are currently females. The majority of these women were internally promoted to these roles and we will continue to invest in and identify future management potential from our junior workforce.

The gender pay gap is a complex issue with a variety of overlapping causes so it's unlikely to be successfully tackled by one initiative or activity, but we are committed to keep pushing for change and championing this at all levels in our business.

A handwritten signature in black ink, appearing to read 'Ian Parker', with a horizontal line underneath.

Ian Parker

ERS CEO