

ERS' Gender Pay Gap



ERS remains committed to attracting and retaining the best people by giving equal opportunities for all to flourish in an inclusive work environment and removing any potential barriers to career progression regardless of gender. We believe that discrimination or exclusion based on any protected characteristic represents a waste of talent, leads to a lack of diverse thoughts and viewpoints and hinders the development and wellbeing of our employees.

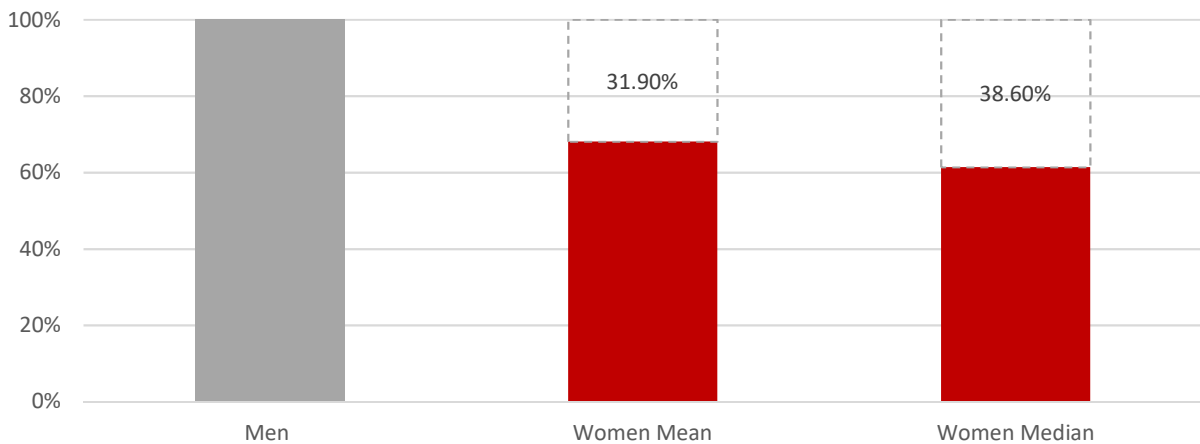
Our robust process for ensuring pay levels are reviewed fairly and consistently across our workforce gives us confidence that men and women are paid equally for carrying out equivalent jobs at ERS.

This is the second gender pay report published by ERS and in line with regulations is based on a snapshot of data from the 5th April 2018.

Gender Pay Gap

Our analysis shows that, like many other companies, our gender pay gap is driven by the fact that we have a higher proportion of men than women in more senior, higher-paid roles.

Gender Pay Gap



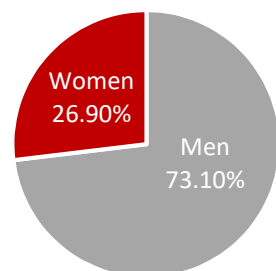
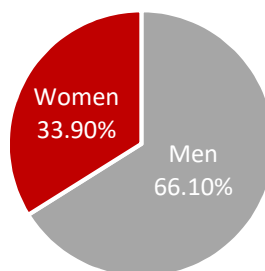
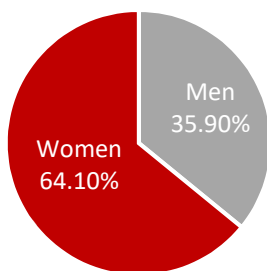
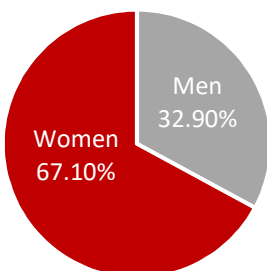
Proportion of women in each pay quartile

Lower Quartile

Lower Middle Quartile

Upper Middle Quartile

Top 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 confirms that 26.9% of our highest paid roles are held by women whilst 67.1% of our lowest paid roles are also held by women. This distribution of men and women through our business is the main driver of our gender pay gap.

The split location of our employees across London and Swansea remains a factor that affects our gender pay gap. Our Operations Centre in Swansea is our largest office with 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 disproportionately serves to further compound our gender pay gap.

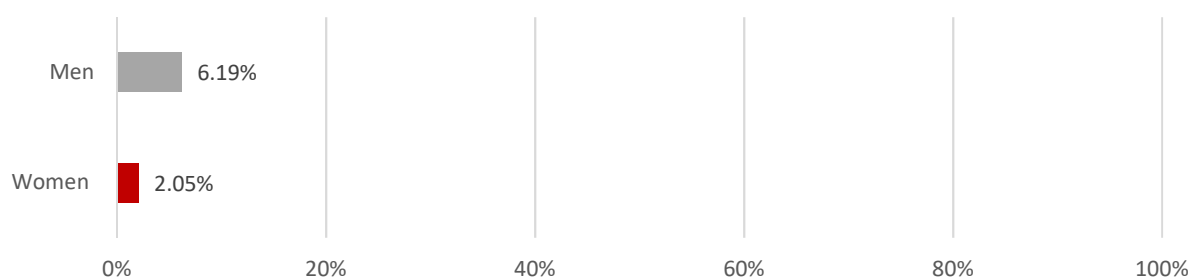
Bonus Pay Gap

We operate a Performance Profit Share (PPS) plan that applies to all permanent employees with the objective to reward employees for contributing to the success of our company when the company and individual targets are met. Bonus payments are paid in the March of the succeeding year once the end of year accounts have been finalised. As a consequence of us not achieving our 2017 financial plan, we did not make any bonus awards in 2018.

Under the PPS plan, employees in our most senior levels have 30% of their award automatically deferred to future years providing continued employment. Therefore, a small number of employees received the deferral element of their 2016 bonus award which was paid in March 2018.

Since there is a higher number of men in senior level roles, the proportion of men who received a deferred bonus payment in 2018 was higher than that of women.

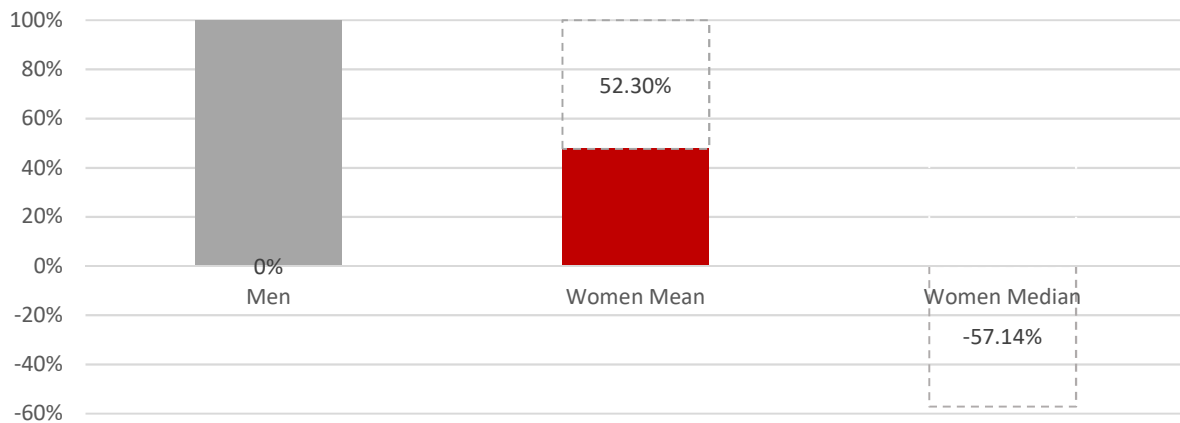
Proportion of men and women receiving a bonus



Due to the significantly lower number of bonuses paid compared to prior years, the analysis of the mean and median data for bonus pay is not comparable to prior years, specifically the median data (which reflects the middle value, or the midpoint of bonus payments, when listed in order) shows that in the reporting year the median value of bonus payments to women was greater than that for men.

The mean data shows that men on average, received larger bonus awards than women which can be attributed to the higher representation of men at senior roles.

Bonus Pay Gap



What are we doing to improve our position?

ERS continues to have a strong gender balanced pipeline with women making up half of our talent pool of individuals considered as having the potential and capability to operate at Executive level within the next three to five years.

High potential individuals identified through our talent review receive support and investment in targeted development plans. During the course of the last year all of the women included in this process have been given a developmental secondment or earned a merit-based promotion. This includes my own promotion to the Executive team increasing the representation of women at this level to 38%. Additionally, during this time 15% of our workforce have received some form of merit-based lateral development move or promotion; 45% of which were women.

ERS has a significant number of higher paid technical roles (e.g. IT, Actuary, Engineering) which are predominantly occupied by men. The number of women in our IT team is growing and we continue to explore how to attract more women into these types of roles.

We continue to offer flexible working arrangements to support and encourage women to manage their work life balance and enable them to stay and thrive in the workforce.

The gender pay gap is a complex issue which cannot be successfully tackled by one initiative alone. It will take time for the work we are doing to be reflected in our figures. This however does not discourage us, and we remain committed to championing inclusion at all levels in our business.

I confirm the data set out in this report is accurate.

Lauren Edwards
ERS HR Director