

Royal Mail Property & Facilities Solutions Ltd

2017 Gender Pay Report

We employ approximately 2,800 people across the UK in Engineering, Soft Services or working in a Support function. We firmly believe that every employee plays a vital role in the success of our nationwide company. Our commitment to learning and development is underpinned by a range of learning and personal development opportunities throughout all levels in the business.

We are an equal opportunities employer; having respect for others is an integral part of our culture and one of our core values. Royal Mail Property & Facilities Solutions continues to meet the Investor in People Standard and is proud of its continued success.

April 2017 Total Pay Gap

The Total Pay Gap is the difference between male and female total pay, which includes pay, allowances and bonus. On a mean basis men were paid 28 per cent more than women and on a median basis they were paid 27 per cent more. RMP&FS has two main groups of employees: cleaners, of whom a greater proportion are women, and higher paid engineers, of whom a greater proportion are men. The management teams of these two groups also have similar characteristics. This results in a Total Pay Gap in favour of men.



April 2017 Total Pay Quartiles

These are the percentages of men and women in each quartile, ranked by April 2017 Total Pay hourly rate.

The cleaner and engineer gender profiles drive the quartile percentages, which is why the lower two quartiles have higher female representation and the two upper quartiles have higher male representation.

| Quartile | Male % | Female % |
|--------------|--------|----------|
| Lower | 36% | 64% |
| Lower Middle | 36% | 64% |
| Upper Middle | 58% | 42% |
| Upper | 90% | 10% |

2016-17 Bonus Gap

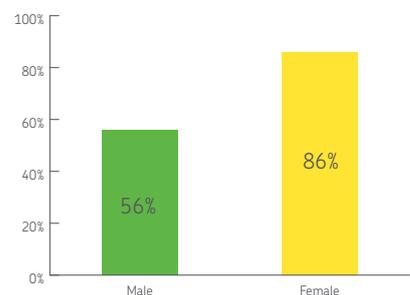
On a mean basis, of those who received a bonus, men received 59 per cent more bonus than women. On a median basis, it was 38 per cent more. The reasons for the bonus differences are:

- The cleaner, engineer and manager gender profiles described above also apply to the bonus gap.
- The bonus calculation is not adjusted for part-time working. Women are more likely to work part-time and therefore receive a smaller bonus based on their part-time hours. This skews the bonus gap in favour of men, who are less likely to work part-time.
- Bonuses generally (not just in RMP&FS) increase with seniority, which can amplify these other two factors.



2016-17 Proportions Receiving a Bonus

56 per cent of men and 86 per cent of women employed in April 2017 received a bonus during 2016-17. The reason for the different bonus proportions is that in the period measured, the majority of engineers – of whom a greater proportion are male – were not eligible for a bonus, whereas the cleaners – of whom a greater proportion are female – did receive a bonus.



Declaration

I confirm that the data is accurate and in line with mandatory requirements.

Martin Gafsen
Group Director of Property & Facilities Solutions