

ROYAL MAIL PROPERTY & FACILITIES SOLUTIONS LTD

2023 GENDER PAY REPORT

INTRODUCTION

Royal Mail Property & Facilities Solutions Ltd is a subsidiary of Royal Mail Group Ltd. We currently employ approximately 2,500 people across the UK in Engineering, Soft Services or working in a support function to support the Royal Mail Estate. We firmly believe that every employee plays a vital role in the success of our nationwide company.

Our approach to Diversity, Equity and Inclusion is aligned to Royal Mail Group Ltd's vision to be the employer of choice for a diverse workforce, building an equitable, inclusive, and

accessible culture where our colleagues, customers and communities are enabled to thrive and belong. This allows us to align more closely, demographically, to the communities and societies the employees of Royal Mail serve on a daily basis.

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 we are proud of its success.

OUR GENDER PAY GAP CALCULATIONS

Our gender pay gap shows the differences in pay between men and women and the distribution of men and women in each pay quartile. It has been prepared in line with Government guidelines and is based on rates of pay as at 5 April 2023. The bonus gap is based on bonuses paid in the 12 months to 5 April 2023.

These calculations cover Royal Mail Property & Facilities Solutions Ltd only. A separate report for Royal Mail Group Ltd is on the International Distributions Services plc website.

OUR TOTAL PAY GAP

Our total average pay gap remains in favour of men at 24.4%, although continues to improve compared to previous years. We have seen our median total pay gap increase to 25.1% which is largely impacted by a pay award effective April 2023 and other one-off lump sum awards.

Our pay gap is mostly driven by our two main groups of employees with a high proportion of cleaning roles occupied by women compared to higher paid engineers predominantly filled by men. The management teams of these two groups also have similar characteristics, which results in the overall total pay gap remaining in favour of men.

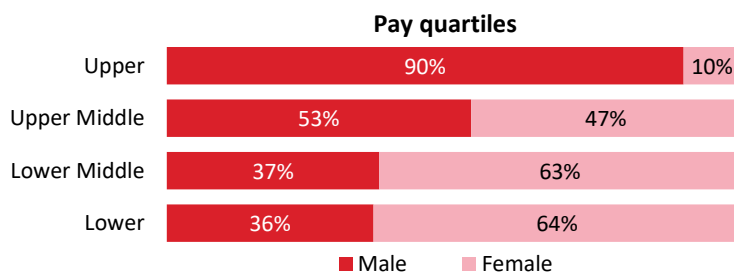
Total Pay Gap

| | April 2023 | April 2022 |
|--------|------------|------------|
| Mean | 24.4% | 25.2% |
| Median | 25.1% | 18.8% |

Pay quartile analysis

The total pay quartiles show the percentage distribution of men and women in each pay quartile.

The quartiles have seen minimal movement from last year and are driven by the cleaner and engineer gender profiles. This is why we see the lower two quartiles with higher female representation and the upper two quartiles with higher male representation.



OUR BONUS GAP

We have seen a slight increase in our mean bonus gap to 52%, which is largely as a result of the higher proportion of men in managerial, bonus eligible roles, and the gender profile characteristics of the management population previously described of which around one third are female.

The median bonus gap reduced to 46.5% and we saw an overall reduction in the proportion of both men and women receiving a bonus compared to 2022.

Bonus gap

| | April 2023 | April 2022 |
|--------|------------|------------|
| Mean | 52.0% | 50.7% |
| Median | 46.5% | 53.8% |

Proportion receiving a bonus

| | April 2023 | April 2022 |
|--------|------------|------------|
| Male | 8.8% | 9.0% |
| Female | 8.4% | 9.4% |

Declaration

I confirm that the data and information contained in this report is accurate.



Stuart Davies
Managing Director RM Property & Facilities Solutions Ltd