

Royal Mail Property & Facilities Solutions Ltd

2018 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.

In April 2018 RM PFS established a Diversity Steering Board in order to better understand our diversity position, and to review what action we can take to address our gender pay gap. We are introducing measures to ensure women are better represented in shortlisting and conversion to interviews. In addition, we hold Regional Focus groups around diversity and all recruiting Managers are asked to complete unconscious bias training. The aim of this action is to help reduce the gender pay gap overall in the coming years. The positive action has already led to an appointment ratio of 20% female in recent Manufacturing apprentice recruitment, and we are continuing to review how to make our front-line engineering apprenticeship opportunities more appealing to female candidates.

April 2018 Total Pay Gap & Pay Quartiles *at 5th April 2018*

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 29.5 per cent more than women and on a median basis they were paid 31.4 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.

The Total Pay Quartiles are the percentages of men and women in each quartile, ranked by April 2018 Total Pay hourly rate. The cleaner and engineer gender profiles also drive the quartile percentages, which is why the lower two quartiles have higher female representation and the two upper quartiles have higher male representation.

Our Total Pay Gap on both a mean and median basis has increased slightly since 2017. This is due to a small change in the proportions of male and female employees in the lower middle quartile. We believe our approach to recruitment and development will improve the balance of male and female employees in our workforce, and our gender pay gap in future.

April 2018 Total Pay Gap

	2017	2018
Mean	27.5% <small>(male > female)</small>	29.5% <small>(male > female)</small>
Median	26.6% <small>(male > female)</small>	31.4% <small>(male > female)</small>

April 2018 Total Pay Quartiles

Quartile	2017		2018	
	Male	Female	Male	Female
Lower	36%	64%	36%	64%
Lower Middle	36%	64%	39%	61%
Upper Middle	58%	43%	58%	42%
Upper	90%	10%	90%	10%

2017-18 Bonus Gap & Proportions Receiving a Bonus *in 12 months preceding 5th April 2018*

There has been a significant decrease in the proportion of employees receiving a bonus compared to 2017. This is due to the removal of the Cleaners bonus as part of a negotiated pay review which now means the majority of frontline employees do not receive a bonus.

15 per cent of men and 12 per cent of women employed in April 2018 received a bonus during 2017-18. The reason for the different bonus proportions is that in the period measured, there were more males in senior roles which are more likely to be eligible for a bonus.

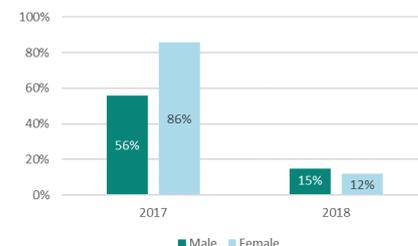
On a mean basis, of those who received a bonus, men received 41 per cent more bonus than women. On a median basis, it was 29.3 per cent more. The reasons for the bonus differences are:

- The 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

2017-18 Bonus Gap

	2017	2018
Mean	58.5% <small>(male > female)</small>	41.0% <small>(male > female)</small>
Median	37.5% <small>(male > female)</small>	29.3% <small>(male > female)</small>

2017-18 Proportion Receiving a Bonus



Declaration

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

Martin Gafsen
Group Director of Property & Facilities Solutions