

GENDER PAY GAP REPORT 2019

At Thomsons we're passionate about creating brilliant careers for all of our talented people. A key driver of our passion is supporting the development of women in the workplace, because we understand that when women are successful in their careers, both businesses and society thrive.

We are a values-led organisation, where our values of 'being brilliant together', 'challenging everything, delivering excellence' and 'maximising potential' are part of our unique culture. Our people stay true to these values every single day they come to work at Thomsons.

This commitment to ensuring that all our people can 'maximise their potential' means that we believe they should be rewarded fairly and have equal opportunities for recognition, reward and career development. This includes looking further than wider societal norms, and driving gender parity forward.

Our parent company, Mercer, also champions the advancement of women, both inside and outside the organisation. Mercer are widely recognised for their extensive global gender parity research and consulting practice "When Women Thrive" which aims to drive business performance by increasing the representation and advancement of women through a holistic focus on their careers, health and financial wellbeing. This commitment is evident through Mercer's continued EDGE certification, now with the ASSESS level awarded in 2019 and Mercer's inclusion on The Times UK Top 50 Employers for Women list for three years in a row.

Like many organisations we still have more to do, and we are on a continuous journey to further women's progression in the workplace.

The gender pay gap regulations

Now in the third year of reporting the regulations, Thomsons is pleased to continue monitoring the details of our gender pay and bonus gap - ensuring that any gaps are regularly identified, discussed and closed over time. To support this we have continued to recruit more women into senior positions, benchmarked all of our roles to market rates, and by undertaking continuous monitoring of male and female gender balance when it comes to pay rises, promotions and bonus payments. We have also introduced a new HRIS system, Workday, to continue to support our aims with better data control to provide further insights into our reporting.

Before looking at the outcomes for the 2019 year, it is important to provide clarity that equal pay and the gender pay gap are not the same thing. The gender pay gap shows the gap between the mean and median earnings of women and men within a company. The bonus pay gap shows the gap between the mean and median bonus paid to women and men. In other words, gender pay gap and bonus pay gap look at the mean and median across the entire company for women and men. This is different from equal pay, which relates to differences in individual pay between women and men holding specific jobs.

MEAN AND MEDIAN PAY GAP

It is worth noting that the small number of people within our organisation (320 in the UK) means that any changes to our population in terms of gender or seniority can make an impact and increase or reduce our gender pay gap year on year.

Metric	2018	2019	Difference
Mean Gender Pay Gap Comparison	19.01%	24.76%	^5.75%
Median Gender Pay Gap Comparison	13.97%	18.92%	^4.95%

Despite all of our efforts and activities in 2018/19, the figures show an increase in both our mean and median pay gap.

MEAN AND MEDIAN BONUS GAP

Like our pay gap, both our mean and median bonus gaps increased over 2018/19 and this was largely influenced by legacy contractual schemes that were in place. Our approach to bonus is split between company performance and individual performance and we have improved how we monitor this area for further parity.

Metric	2018	2019	Difference
Mean Gender Bonus Gap Comparison	22.73%	68.85%	^46.12%
Median Gender Bonus Gap Comparison	23.34%	31.77%	^8.44%

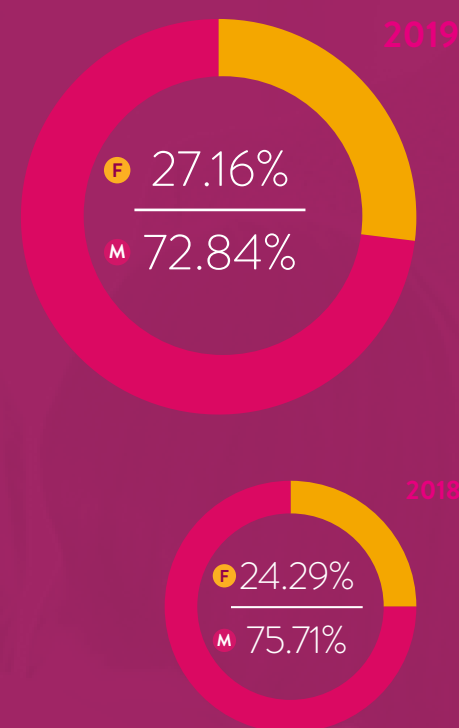
QUARTILES

We have seen an improvement in our top quartile for pay with movement towards a larger female population. The rest of the quartiles have shown

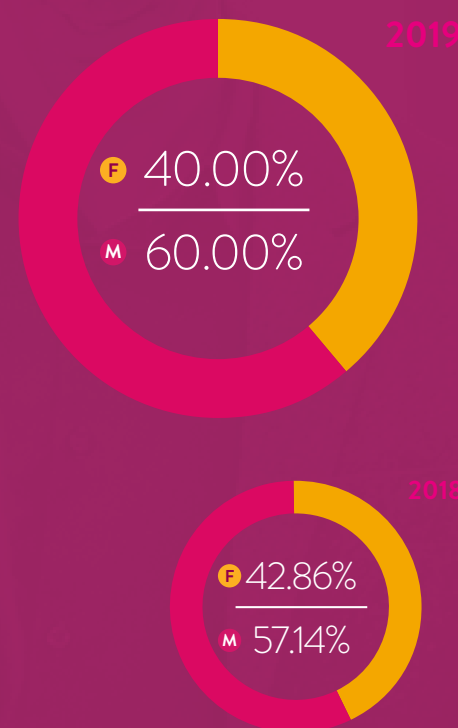
small variations but largely remain similar to previous years, and again this is influenced by our small population of people.

F FEMALE **M** MALE

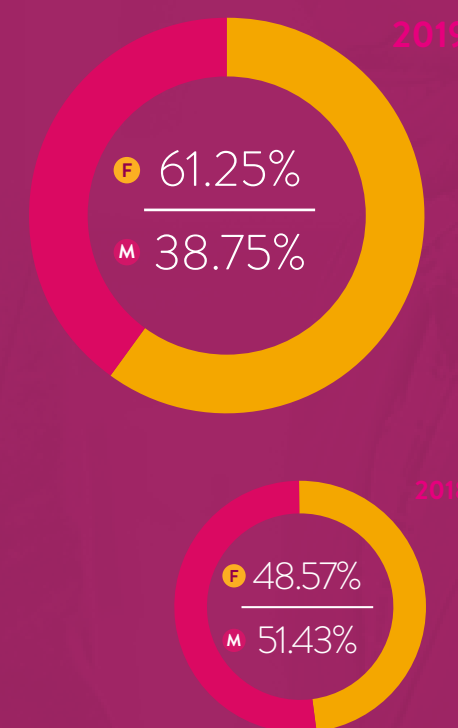
TOP QUARTILE



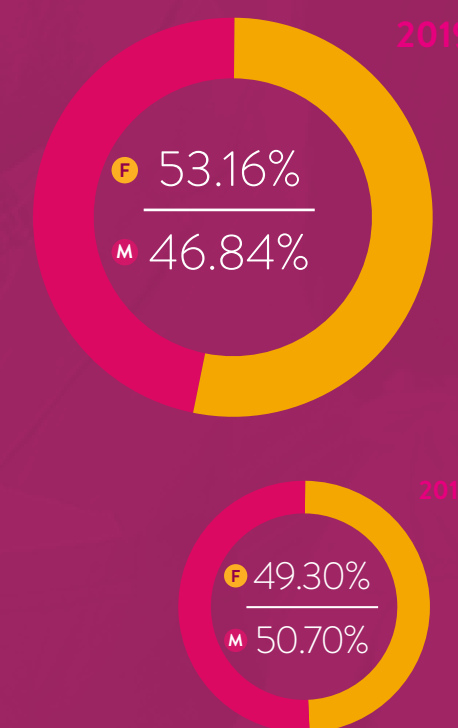
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



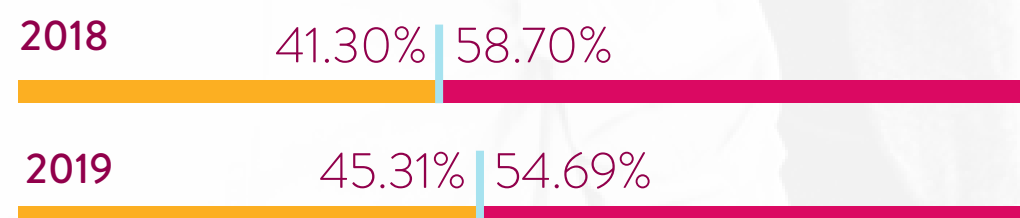
LOWER QUARTILE



MALE/FEMALE SPLIT

The male/female split has shown an improvement. This is supported by our recruitment over the measurement period which is equally split between male and female gender.

Male/Female split within Thomsons Online Benefits



F FEMALE **M** MALE

2019 PERCENTAGE OF FEMALES AND MALES RECEIVING A BONUS



F FEMALE **M** MALE

ACTIONS TAKEN IN 2018

2018 was a productive year in terms of actions that we have taken on to help positively influence our Gender Pay Gap. The plan we put in place included unconscious bias training for all of our people, a review of pay across the business in an annual salary review and supporting gender parity activities through our Diversity and Inclusion group, Everybody Thrives. Activities run by the Everybody Thrives group - made up of over 45 volunteers from across the company - have included events to raise awareness for our Gender Parity Chapter such as International Women's Day, and supporting our Parents and Carers Chapter with events, support for more inclusion for carers within our community and working closely with Mercer on their fantastic diversity and inclusion initiatives events too.

ACTIONS FOR 2019

We are already well underway with our actions and initiatives for 2019, providing regular updates to the entire business on measures that we have put in place. Thomsons is dedicated to helping all of our people to maximise their potential through training and development, providing a flexible working culture as the norm, including advertising all of our new roles as having the option of flexible working at the outset. We will continue to support the amazing work that our passionate and dedicated Everybody Thrives champions do on their mission to enable every Thomsons' person to bring their whole self to work every day.

Thanks to these initiatives, we will continue to improve on the awareness and inclusivity of the organisation, but we still have more to do. We will continue to work closely with our parent company Mercer on this to make strides as we progress through 2019 and beyond.

Declaration: I confirm the gender pay gap data contained in this report for Thomsons Online Benefits is accurate and has been produced to meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, reading "Stephen Read".

Signed: Stephen Read