

HAVAS UK

2021 DIVERSITY PAY GAP

REPORT

# FOREWORD

At Havas we believe great businesses are built on great cultures.

We are taking tangible and concrete steps to create a genuinely inclusive culture. That means providing opportunity for all of our people to succeed. We want to be a place where people come to do their best work and have the best times of their career. We believe the benefits to our business of greater inclusion and equality are proven and unequivocal.

There are a range of agencies that collectively make up the Havas UK Group, our “UK Village”, in total employing over 1,500 people throughout the UK. In the spirit of the transparency articulated in our DE&I Charter, plans and activity, our approach in compiling this report has been to apply the analysis to every Havas agency within the UK Group and voluntarily report collectively, as opposed to only for the Havas Media Limited legal entity, which is required to report gender pay gap information under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

At the end of this report, we have included a matrix to clearly show the full list of agencies that fall under the scope of our reporting.

We are committed to continuing to build an inclusive culture; that’s why we created ‘All In’. It ensures a culture full of diverse points of view, equitable opportunities, and a safe space to learn, self-reflect, and have courageous conversations.

I hope that by transparently publishing this report, we continue to live up to those commitments and hold ourselves to account.

**Chris Hirst, Chairman Havas UK & Global CEO, Havas Creative**



# AT A GLANCE

## OUR 2021 GENDER PAY GAP

For 2021, our median gender pay gap is 13% and our mean gender pay gap is 21%.

Our gender pay gap is largely driven by the fact that there are fewer women than men in the most senior positions, particularly in senior leadership, which attract higher levels of pay and bonus.

We have retained our focus on ensuring more women occupy senior leadership positions by restating our commitment in the 2020 update of our Diversity, Equity and Inclusion Charter which you can read at the end of this report. We have met our target of 50% females in senior management to date, and our ambition now is to have 50% in C-suite and/or the most senior roles in the UK by 2025.

We will make progress towards our updated goal by maintaining focus and accountability, with recruitment initiatives to attract more diverse people, development programmes to keep them moving up, and more transparent data and reporting like this.

## OUR 2021 ETHNICITY PAY GAP

In our first year of voluntary ethnicity pay gap reporting for the UK Group, our average ethnicity pay gap is 15% and the ethnicity bonus gap is 33%. The main factor contributing to the gap is that there are proportionally fewer Black, Asian and Ethnic Minority employees in senior roles which attract higher pay and bonuses.

Our Executive DE&I Committee, together with our All In Ambassadors and Agency Leaders, are driving meaningful action through our DE&I Charter to build a more balanced and inclusive place to work for everyone.

Part of the challenge is not having all the data. We are really pleased that 70% of our people have now declared their ethnicity, and we look forward to seeing that increase even further. Having accurate data enables us to continue to track progress against our goals and ambitions to ensure the actions we take continue to create meaningful change for our people and society.

## EQUAL PAY VS PAY GAP

We are confident that we pay all our people equally for work of equal value. In fact, we pledged it as part of our DE&I Charter. We conduct regular pay audits to ensure this remains true and have mechanisms in place to ensure non-discriminatory principles in how we apply pay. We do have a gender and ethnicity pay gap, which is calculated differently. It is quantified as the difference in the average pay and bonuses of all employees across our organisation.



# AT A GLANCE

## GENDER AND ETHNICITY PAY GAP REPORTING EXPLAINED

Following the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, all UK companies with 250 or more employees are required to report gender pay gap information on an annual basis. Whilst there is currently no provision within the Equality Act to give guidance for ethnicity pay gap reporting, we have adopted the same approach as outlined for gender.

Based on the requirements stipulated in the Equality Act, the pay gap is the difference between the average hourly earnings of the group analysed (in this case either all men and women or all White and Black, Asian and Minority Ethnic employees) in a company across salary and bonus.

The pay gap is not the same as equal pay.

The pay gap can be driven by a number of factors including, crucially, having smaller female and Black, Asian and Minority Ethnic representation in the most senior roles in our business.

### MEDIAN CALCULATOR

LOWEST PAID

1

2

3

4

5

6

7

1

2

3

4

5

6

7

MEDIAN

HIGHEST PAID

The median is the figure that falls in the middle of a range when the pay of all employees is lined up from smallest to largest. The median gap is calculated based on the difference between the midpoint of the range of Black, Asian and Minority Ethnic employees' pay and the midpoint of the range of White employees' pay.

### MEAN CALCULATOR

SUM OF BLACK, ASIAN AND MINORITY ETHNIC HOURLY RATE OF PAY

1

+

1

+

1

TOTAL NUMBER OF BLACK, ASIAN AND MINORITY ETHNIC EMPLOYEES

SUM OF WHITE HOURLY RATE OF PAY

1

+

1

+

1

TOTAL NUMBER OF WHITE EMPLOYEES

VS

The mean is calculated by adding up the pay of all relevant employees and dividing the figure by the number of employees.

The mean ethnicity pay gap is calculated based on the difference between mean pay of Black, Asian and Minority Ethnic employees and mean pay of White employees.

## MEDIAN VS MEAN

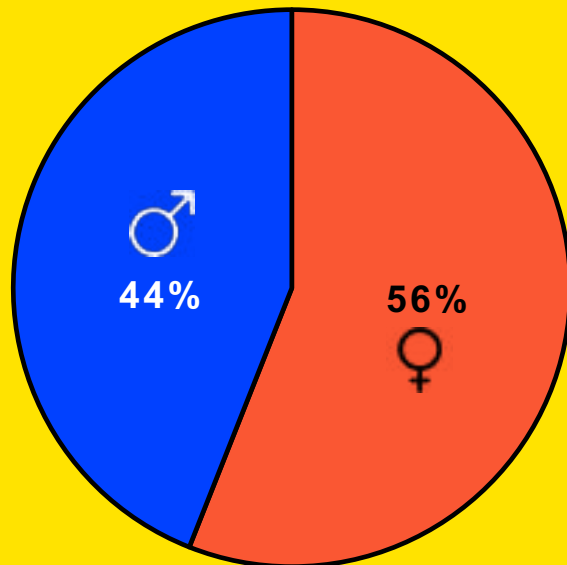
Throughout this report, we have highlighted the median numbers above the mean. Guidance from the Office of National Statistics suggests that median pay gap is a better indicator of a "typical individual" and that this measure is less prone to influence by a few individuals with disproportionately higher incomes, thereby making them outliers.



# OUR TEAM MAKE UP

## % FEMALE AND MALE EMPLOYEES

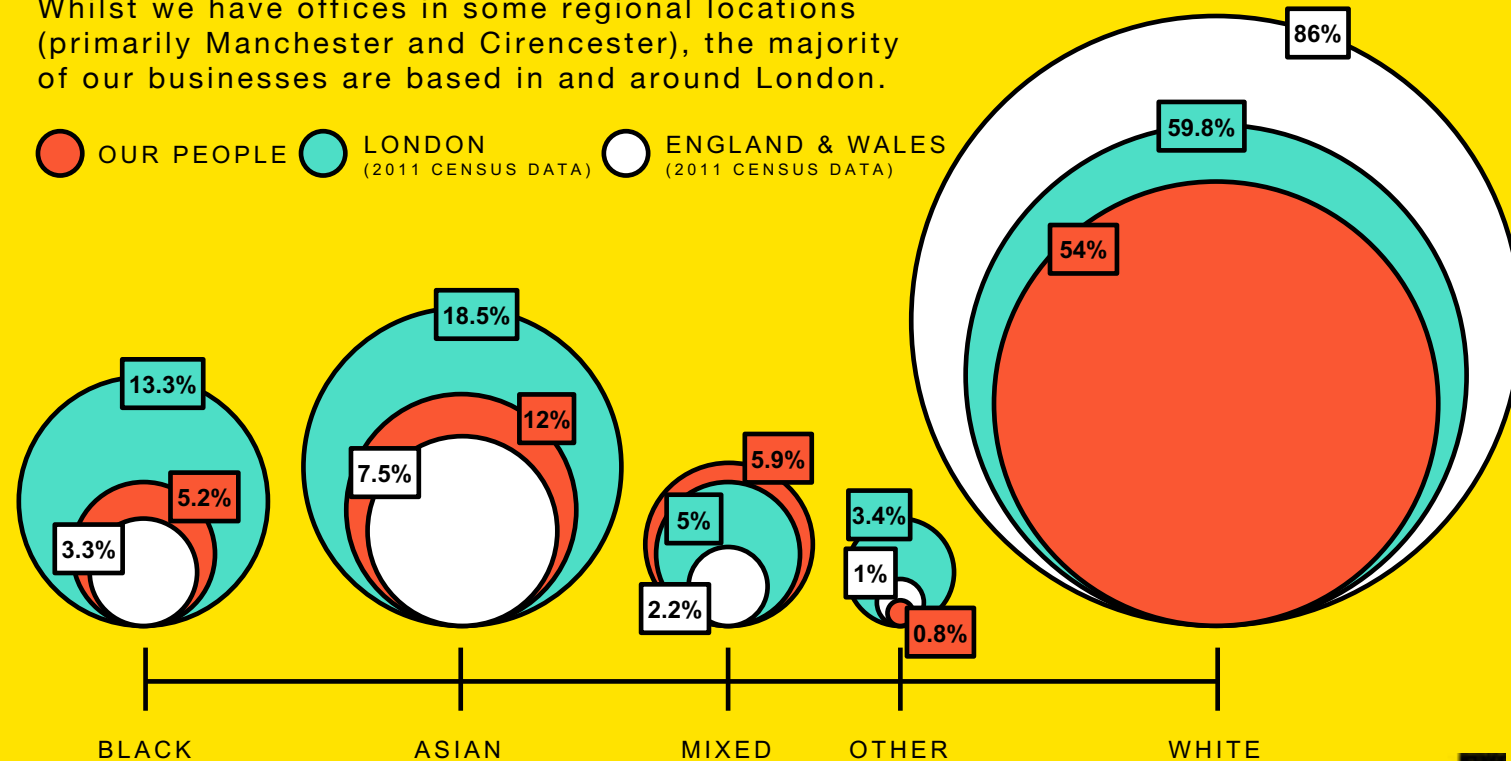
Our overall team is made up of 56% women and 44% men. However, as experienced by many other companies within our sector, there are fewer women at the most senior, executive level, where pay and bonuses are highest. This creates a gender pay gap.



## % BLACK, ASIAN, MINORITY ETHNIC AND WHITE EMPLOYEES

24% of our declared population identify as being from a Black, Asian or Minority Ethnic background. Whilst we have offices in some regional locations (primarily Manchester and Cirencester), the majority of our businesses are based in and around London.

OUR PEOPLE LONDON (2011 CENSUS DATA) ENGLAND & WALES (2011 CENSUS DATA)



# DELIVERING OUR ALL IN ACTION PLAN

## OUR ALL IN STRATEGY

In 2016, we created our first ever Diversity & Inclusion Charter which marked the beginning of our formal diversity, equity and inclusion strategy, All In.

Since then, we have made significant progress to create a fairer and more equitable workplace. But we know we have more to do. So, in 2020, we reaffirmed our commitment to diversity, equity and inclusion through the creation of our first DE&I Committee.

This executive-level Committee is responsible for governing and progressing all our DE&I work in order to realise the change we need.

The following areas of focus ensure we are 'All In' this work together.

## DATA & TRANSPARENCY

We will start by collecting an accurate data set to track, measure and hold ourselves accountable. It is vital that we are also transparent about our commitments and our progress. This will ensure our people know where we stand.

## EDUCATION

We have a robust DE&I training programme in place. We will ensure it is implemented for all leadership and staff and developed further to ensure we can also provide this knowledge and training to our partners and clients in future.

## RECRUIT, RETAIN, REWARD

We will continue to explore non-traditional recruitment paths and track our existing programmes to enable access to new talent. We know that some employees are under-represented, under-utilised and under-served; lacking the access and resources for their advancement. We will continue to develop our programmes to ensure we reward, retain and progress them at Havas.

## ADVOCACY & ALLYSHIP

We need to make sure the voices we use internally and externally are diverse. We need to advocate for the talent we have in our businesses that currently do not have a voice. We will develop training and support programmes for marginalised and minoritised people to equip them to represent us.

## OUR WORK IN PRACTICE

We believe we must drive representation by putting out inclusive communications for our clients - from embedding practices early on in our process, to using diverse suppliers. We will continue to create programmes such as Press Pause and our Talent Casting Principles, to help support our clients to make a meaningful difference through our work together.

# DELIVERING OUR ALL IN ACTION PLAN

## OUR FIVE AREAS OF FOCUS HAVE LED US TO TAKE THE FOLLOWING ACTIONS IN 2020:

- We reaffirmed our commitment to diversity, equity and inclusion with the launch of our Executive DE&I Committee and Charter, setting out our commitments over the next five years.
- We began a concerted communications campaign to encourage all our employees to share information about their ethnicity with us to ensure we have a clear picture.
- We partnered with Creative Equals to open source our anti-discrimination initiative Press Pause; a formal framework through which employees are empowered to positively challenge and talk about anything that has concerned them in the moment.
- We became a founding member of Unstereotype Alliance; a UN Women's initiative to tackle harmful stereotypes in advertising.
- We produced the All In Alphabet; a series of short-form videos as a learning tool to equip us all to have more inclusive, courageous conversations.
- We delivered four Havas Doorway events with some of our partner schools and community groups). We had over 80 young people attend across the year, driving awareness and accessibility of our industry.
- Havas Pride, in partnership with Durex and Havas London, hosted a roundtable to discuss the importance of positive LGBTQ+ representation in advertising.
- We released our first All In Podcast episodes; a platform giving visibility to the diverse voices and causes that matter to the people in our business. Hosted by our All In Ambassadors, we had courageous conversations about LGBT History, celebrating 50 years since Stonewall, the importance of internships and apprenticeships for accessing diverse talent, as well as the importance of allyship and the role men play in supporting women and taking part in the work to drive equality.
- We delivered over 80 hours of our bespoke All In Workshop covering bias, privilege, equity, intersectionality and anti-racism practice.
- To celebrate Black History Month, we partnered with Blanguage to co-create a content series called 'Black is' and developed the 'Way Back When' history short series to remind ourselves of Black British History.
- In May, the world was shaken by the murder of George Floyd and the present reality of racism was made clear on a global scale. In response, we shut down all operations and had a day of reflection to contemplate our roles in improving racial justice and diversity, and, for those that needed it, time to grieve and to find comfort and support through their own lived experiences of racism.

# DELIVERING OUR ALL IN ACTION PLAN

## IN 2021 WE WILL CONTINUE TO BUILD ON THIS PROGRESS WITH THESE ACTIONS CONFIRMED SO FAR:

- HKX Platform, aimed at entry level candidates from diverse backgrounds, will help bring at least 30 individuals into our business on a 6-month paid internship programme.
- We will launch at least two new Employee Resource Groups to drive action around our DE&I Charter, specifically in the areas of female leadership and disability.
- We will deliver more Havas Doorway immersion day experiences to drive awareness of and accessibility to our industry whilst building key networks and communities.
- Partnering with DIAL Global and Ipsos MORI, we will contribute to the McKenzie-Delis Packer Review to share insight related to DE&I policies, priorities and experiences in the UK workplace, to help develop a benchmark for UK businesses and advance and prioritise this fundamental agenda.
- We have implemented key metrics around the recruitment of new roles, committing to 50/50 male/female and 25% Black, Asian and Minority ethnic shortlists for every role by 2025.
- For every job posting on a conventional job board, we will by default also post on at least one partner site to drive more diversity in our candidate pools.
- We will launch our Manager Unbias Resources to provide a consistent toolkit to ensure that potential bias is challenged systemically at key stages of the employee lifecycle where potential barriers are known to exist.
- Our global Femmes Forward programme will run in 2021 for mid-level women in our business, with the aim of helping them accelerate the progression of their careers. The programme delivers learning and inspiration and creates an empowering community that allows us to continue supporting more of our talented women.
- Every agency within the UK Group now has a dedicated All In Ambassador to drive action in line with our Group commitments and ambitions.
- To cement the strategic importance of our All In plans and drive accountability at senior level, every agency leader within the UK Group must now report their progress against the DE&I strategy in their quarterly commercial forecast meetings.



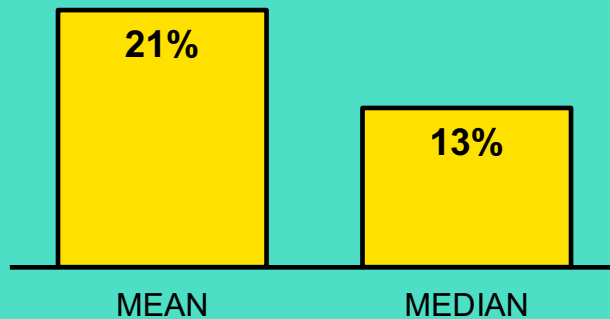
# GENDER PAY DATA

## SHARING OUR GENDER PAY GAP DATA

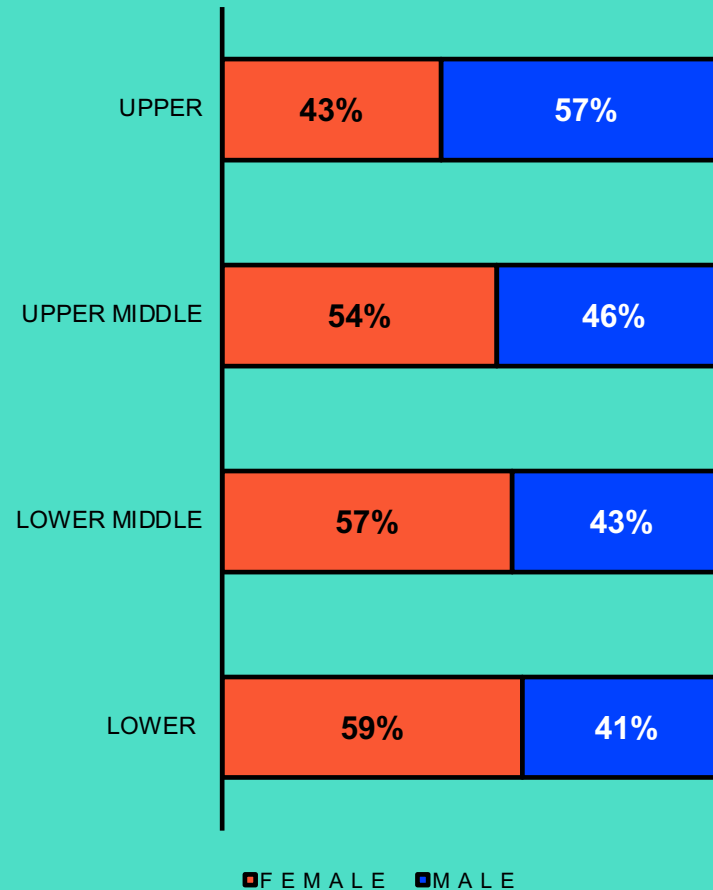
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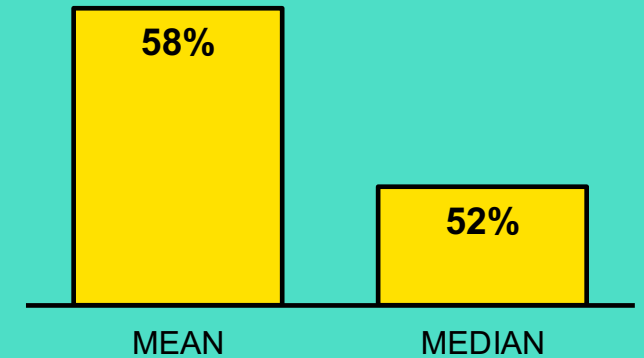
## HOURLY OVERALL PAY GAP



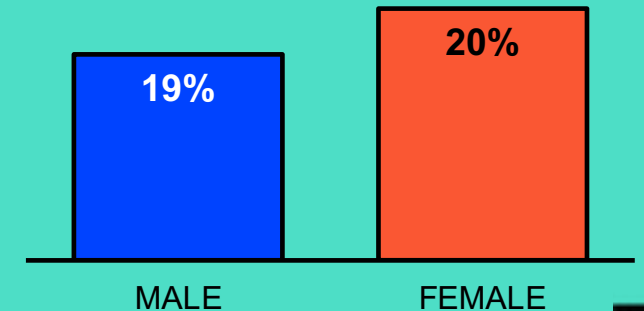
## % OF FEMALES AND MALES IN EACH OF FOUR PAY QUARTILES



## BONUS PAY GAP



## % OF EMPLOYEES RECEIVING A BONUS PAYMENT



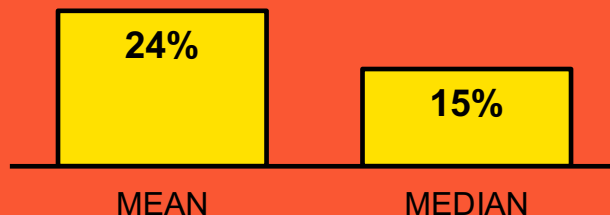
# ETHNICITY PAY DATA

## SHARING OUR ETHNICITY PAY GAP DATA

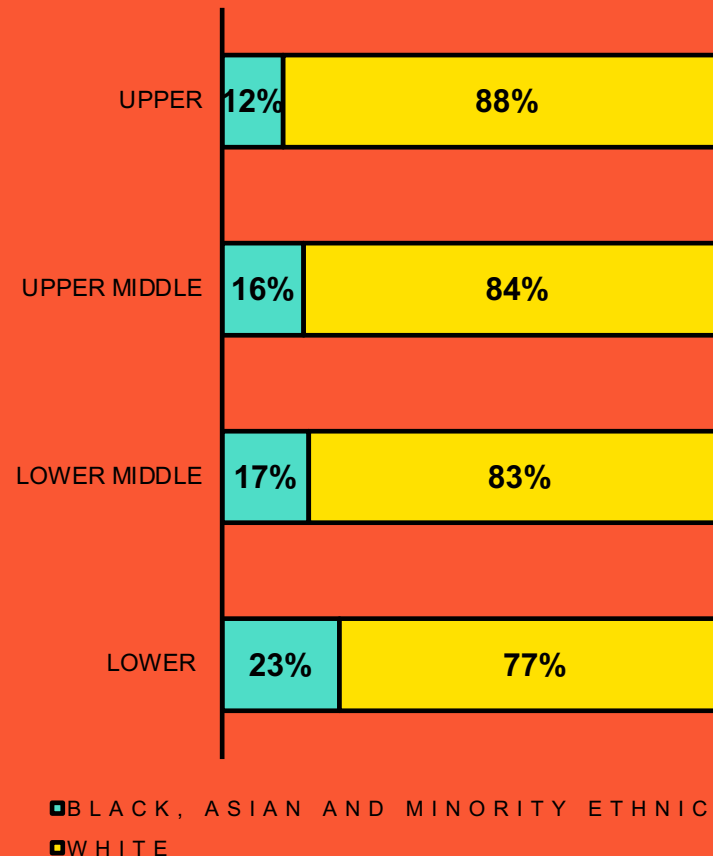
When we remove the undeclared population from our data used for ethnicity pay reporting, 19% of our people have identified as being from a Black, Asian or Minority Ethnic background.

In our first year of voluntary ethnicity pay gap reporting for the Media and Creative Groups, our average ethnicity pay gap is 15% and the ethnicity bonus gap is 33%. The main factor contributing to the gap is that there are proportionally fewer Black, Asian and Ethnic Minority employees in senior roles which attract higher pay and bonuses.

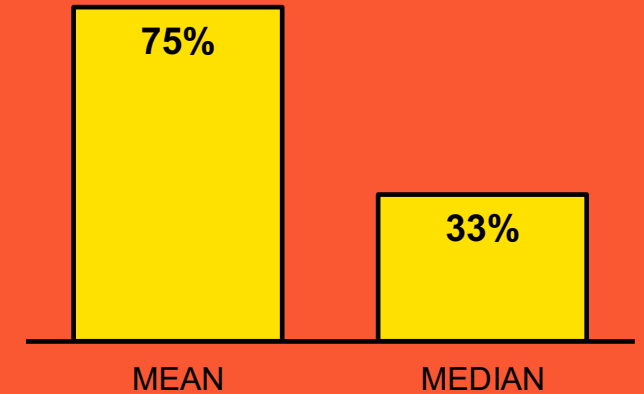
## HOURLY OVERALL PAY GAP



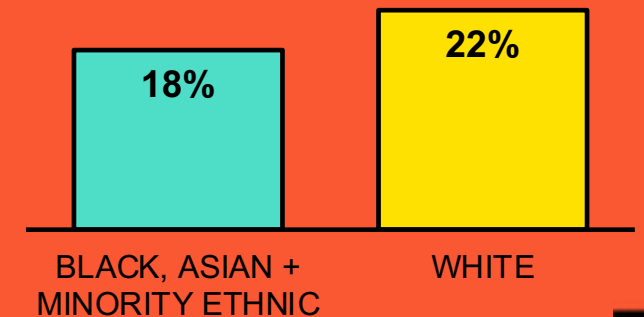
## % OF BLACK, ASIAN AND MINORITY ETHNIC EMPLOYEES IN EACH OF FOUR PAY QUARTILES



## BONUS PAY GAP



## % OF EMPLOYEES RECEIVING A BONUS PAYMENT



# APPENDIX 1 - STATUTORY DISCLOSURE

STATUTORY DISCLOSURE

Havas Media Limited is an individual company with over 250 employees. Detailed below is their individual company gender pay gap data.

COMPANY	MEDIAN GENDER PAY GAP	MEAN GENDER PAY GAP	MEDIAN BONUS GENDER PAY GAP	MEAN BONUS GENDER PAY GAP	QUARTILE 1 (LOWER QUARTILE)		QUARTILE 2 (LOWER MIDDLE QUARTILE)		QUARTILE 3 (UPPER MIDDLE QUARTILE)		QUARTILE 4 (TOP QUARTILE)		% MALES WHO RECEIVE A BONUS	% FEMALES WHO RECEIVE A BONUS
					MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE		
HAVAS MEDIA LIMITED	0%	10%	25%	43%	48%	52%	43%	57%	47%	53%	49%	51%	27%	25%

Declaration

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Chris Hirst, Chairman Havas UK & Global CEO, Havas Creative



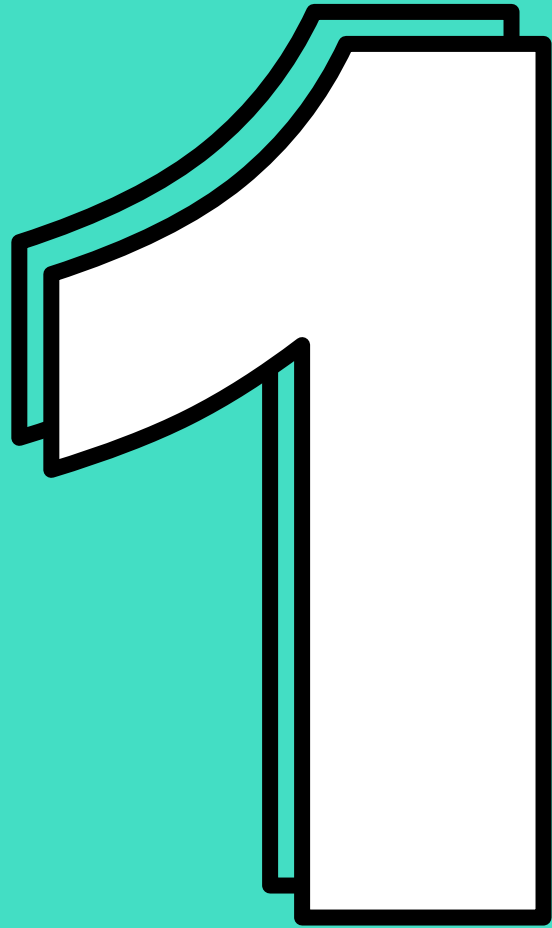
# APPENDIX 2 - REPORTING AGENCIES



CREATIVE GROUP	MEDIA GROUP
<p>           Cake            Cicero/AMO            Conran Design Group            Ekino            Gate One            Havas CX Helia, London            Havas CX Helia, Cirencester            Havas London            Havas People            Maitland/AMO            One Green Bean         </p>	<p>           Havas Media UK, London            Havas Media UK, Manchester            Havas Media International            Havas Entertainment            Havas Market            Havas Media Global            Organic         </p>

- Pay and gender data based on April 2020 snapshot as described by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- Ethnicity data based on November 2020 snapshot as reported in Campaign School Reports.

# APPENDIX 3 - UK GROUP DIVERSITY, EQUITY, AND INCLUSION CHARTER

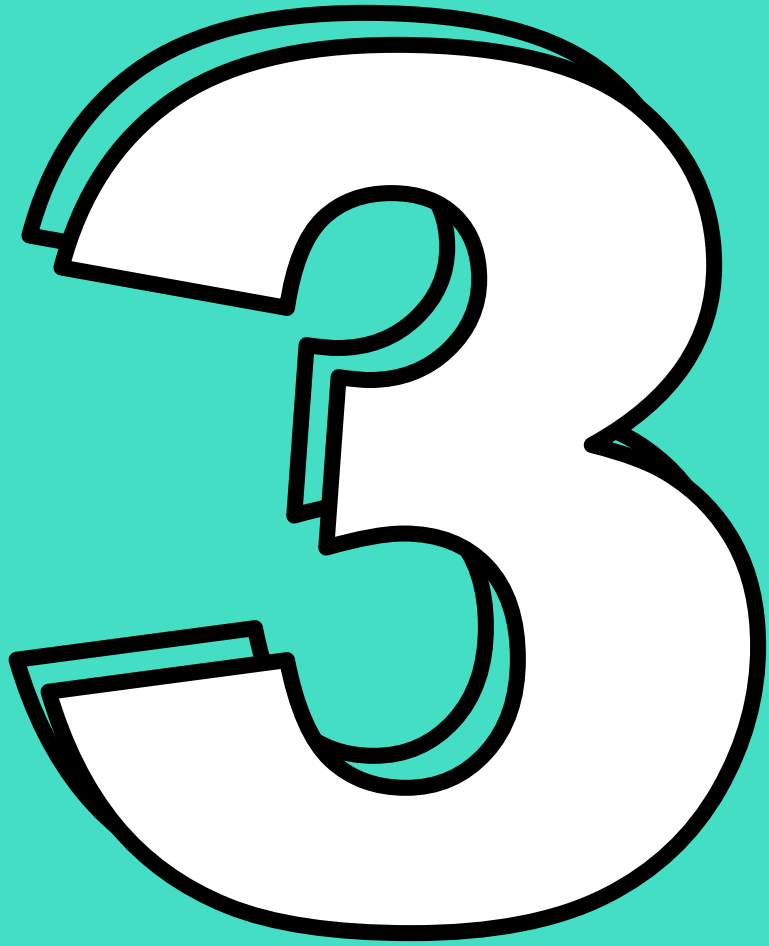


**We have met our target of 50% females in senior management in Havas UK, now we commit to 50% in C-suite and/or the most senior individuals in our businesses by 2025.**



**We recommit ourselves to achieving 25% Black Asian Minority Ethnic employees by 2022. We extend this commitment to include at least 10% Black Asian Minority Ethnic employees in senior management by 2025.**





**We hereby extend the UK Government's equal pay legislation beyond simply looking at gender.**

**At Havas UK, every person in the same role, with the same level of skills, experience, competence and contribution to our business, is paid the same.**





**We will actively develop and support programmes (both informal and formal) designed to remove the advancement hurdles faced by women and Black Asian Minority Ethnic employees.**



**We commit to developing and growing our diversity education programmes and tools. This includes a commitment that all new and existing staff, leadership & C-suite will go through our All In training programme. All staff will complete Havas University diversity training.**



**We commit to providing industry access to diverse talent through our placement schemes, partnerships with external organisations, and recruitment practices. Long List candidates for consideration should be 50% female; 14% Black Asian Minority Ethnic.**





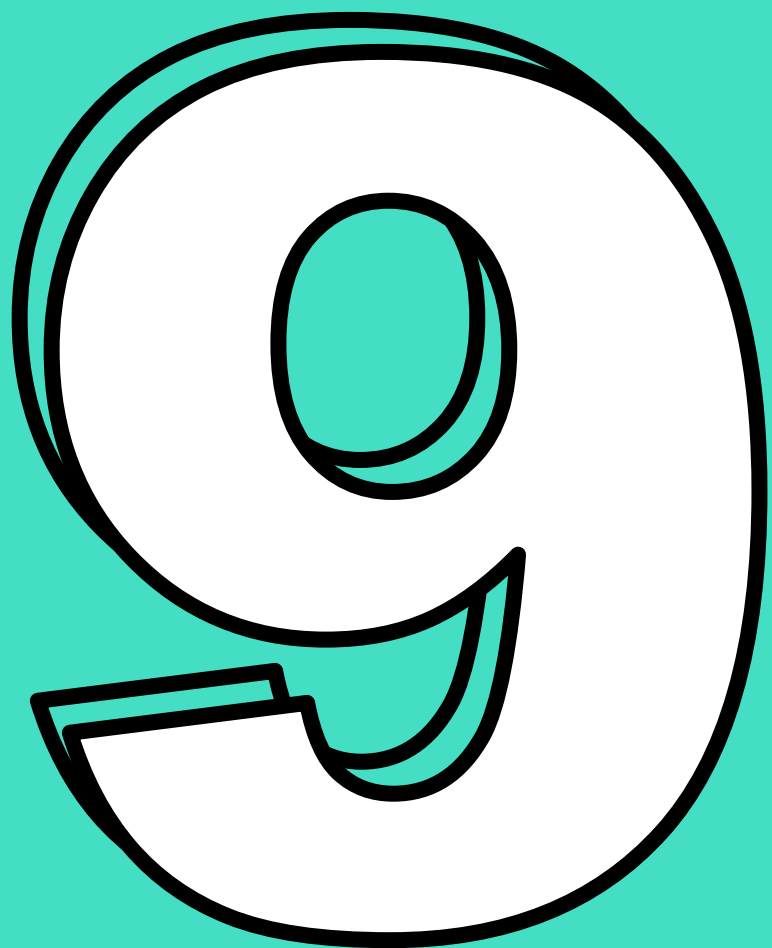
**We commit to partnering with external organisations, charities, and businesses to educate young people from a range of backgrounds and cultures about our industry and the Havas story, to help them see us as a viable career choice.**



**We commit to amplifying diverse voices\* both within our business and the industry through partnerships, PR, thought leadership and events/speaking opportunities.**

**\*Marginalised and minoritised communities**





**We commit to embed inclusive practices across our work and to improve representation throughout the creative and media process by working with diverse suppliers, diverse media owners, and partners promoting diverse working practices.**

# 10

**We commit to communicating our progress regularly to the whole business to ensure transparency and accountability.**



