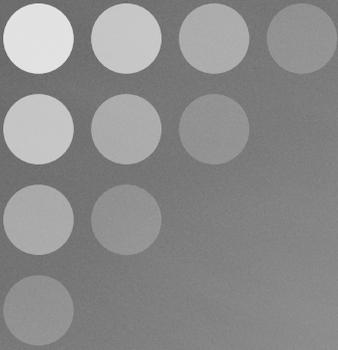


essence



**2021**

**ESSENCE UK GENDER  
PAY GAP REPORT**

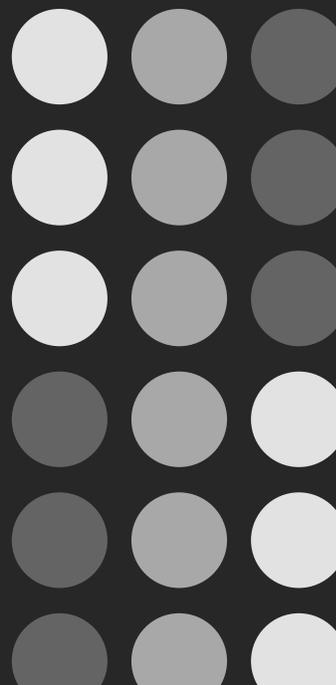
# A note from our Global CEO, Kyoko Matsushita.

Since becoming Global CEO in October 2019, my focus has been on building a company that thrives on diverse viewpoints and innovation. We know it's critical that Essence represents the diversity of the cities and countries that we work and live in.

The path to success will mean including new people, welcoming divergent viewpoints, and being appreciative – at every level of our business – of the gender and cultural contexts that make each of us unique. This means creating a working environment where all Essentials are able to reach their full potential.

We've set ambitious global goals to achieve gender parity across our leadership teams to ensure women and men have equal power, status, and opportunity across the business. As the numbers in this report make clear, while we have made some progress, we still have work ahead of us, and it is imperative that we achieve our goals.

**Kyoko**



# A note from our EMEA CEO, Ryan Storrar.

In 2021, we continued to work toward our gender balance goals with some success. The numbers in this report show a decrease from our median gender pay gap recorded in April 2020 of 21.4% to 16.8% in April 2021. Also, our representation of women in our senior team (quartile 4) has increased to 45% which is a notable increase from 35% in 2019. While our numbers have improved somewhat, we still have progress that we need to make to reach our objectives. Making further progress will be a priority in the next year and beyond.

Since April 2019, we have implemented a number of initiatives to create a more inclusive working environment at Essence, including “Return on Women,” an initiative to support women; additional support for returning parents; as well as ASCEND, which brings Essentials together to talk about diversity, career development and personal growth. Initiatives such as these will help us develop future senior female leaders in the longer term.

We have continued to nurture and develop our senior female talent in 2021. One we are particularly pleased to confirm is the promotion of Anna Berry to EVP, UK Managing Director. We have also recruited our Chief People Officer, Jacquie King, who joins the EMEA leadership team.

Additionally, we are continuing to review our ways of working and processes to ensure we retain and develop our talent. We have been very successful in recruiting female talent into the junior ranks of our organisation and this is illustrated by 58% and 61% representation in quartiles 1 & 2 respectively. Continuing to recruit, nurture and develop our junior talent is a key tenet of our plan for ensuring we have a balanced and diverse workforce in the long term. They, along with the rest of our brilliant leadership team, will be a driving force for growing and attracting diverse talent, creating a more inclusive workplace and going on to achieve greater things for our clients and people during 2022 and beyond.

**Ryan**

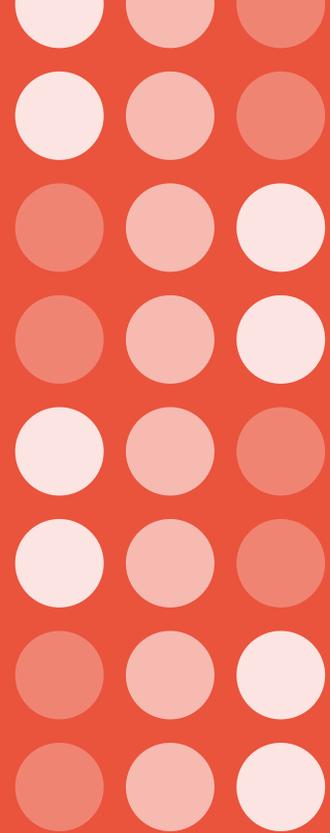


A handwritten signature in white ink, appearing to read 'Ryan Storrar', positioned to the right of the portrait.

# What is the Gender Pay Gap?

Gender pay gap reporting is a UK Government initiative that measures the difference (median and mean) in hourly rate of pay between all men and women within an organisation. It looks at earnings irrespective of the roles performed or the seniority of any individual. It is important to note that the Gender Pay Gap is not the same as an Equal Pay analysis. The latter measures the difference in salary of male and female employees that do the same or similar jobs and is a legal requirement in the UK.

UK companies with 250+ employees are legally bound to collect their figures each April.



# Definitions.

## GENDER PAY GAP VS EQUAL PAY

Equal Pay means men and women being paid the same salary for carrying out the same or similar work, which is a legal requirement. This report, which follows UK Government regulations that came into force in April 2017, is about the Gender Pay Gap: the difference in hourly pay between all men and all women in a workforce.

A gender pay gap is the result of gender imbalance – for example having more men than women in senior roles.

## PAY GAP

The difference (median and mean) in hourly rate of pay between all men and all women in an organisation, expressed as a percentage of men's earnings – at the snapshot dates of 5 April 2020 and 5 April 2021.

## MEDIAN PAY GAP

The difference between the midpoints in the ranges of men's and women's pay.

## MEAN PAY GAP

The difference in the average hourly rate of men's and women's pay.

## BONUS GAP

The percentage difference (median and mean) in total bonus payments received by men and women in the 12 months preceding the snapshot dates of 5 April 2020 and 5 April 2021.

## PROPORTION RECEIVING BONUS

The percentage of men and women who received a bonus in the 12 months preceding the snapshot dates of 5 April 2020 and 5 April 2021.

## PAY QUANTILES

Shows the proportion of men and women in different pay bands, with the workforce divided into four equal parts (quantiles).

# Quartiles.

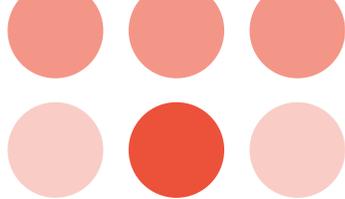
On 5 April 2021, Essence’s workforce in the UK was approximately 50:50 men and women which was very similar last year.

The following table shows the proportion of men and women in Essence’s UK workforce in different pay bands, divided into four equal parts (quartiles):

		5 Apr 2019	5 Apr 2020	5 Apr 2021
Proportion of Males and Females in each Quartile (Senior to Junior)		M/F Split	M/F Split	M/F Split
<b>SENIOR</b>  <b>JUNIOR</b>	<b>Quartile 4</b>	65:35	64:36	55:45
	<b>Quartile 3</b>	51:49	54:46	50:50
	<b>Quartile 2</b>	50:50	44:56	39:61
	<b>Quartile 1</b>	52:48	43:57	42:58

The quartile distribution shows the underrepresentation of senior women (Quartile 4) in Essence’s UK business at the time of both our 2020 and 2021 snapshots. We are doing considerably better across our other bands.





# Gender Pay Gap.

On 5 April 2021 (the snapshot date), Essence Global Ltd's UK median gender pay gap was 16.8%, a decrease from the 5 April 2020 Median Pay Gap, which was 21.4%.

Essence's 2021 Gender Pay Gap, albeit slightly improved, reflects both the smaller number of women in Essence's most senior leadership positions in the UK and the fact that people in senior roles are typically paid more.

While the figures were tracking in the right direction in 2019, the median pay gap increased in 2020. However as you will be able to see, have now reduced slightly in 2021, due in part to:

- Between 2020 and 2021, Essence hired more women in Quartiles 1 and 2 (most junior quartiles) than men, meaning that a greater proportion of women are in the lower paid brackets, affecting the overall median distribution.
- More men being hired during that time in the senior quartile.

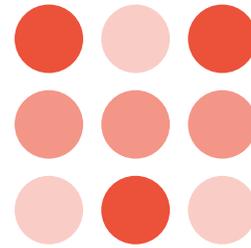
# Gender Bonus Gap.

On the snapshot date of 5 April 2021, 67.3% of men received a bonus and 58.3% of women received a bonus. The median bonus gender pay gap was 3.8%, a decrease from 12.1% on 5 April 2020.

The decision to award a bonus to an employee is determined by a number of factors, regardless of gender, like an employee's contractual agreement and qualifying status for eligibility (such as start date and performance).

Similar to the gender pay gap, Essence's bonus pay gap represents the smaller number of women in the most senior leadership positions at Essence in the UK, as senior roles are more likely to have higher bonus earning potential.

# We recognise the need for **significant** improvement.



While between 2018 and 2019 we made progress on reducing the gender pay gap, we recognise we have work to do to reach our ultimate ambition of gender balance and equity at all levels of the organisation.

At the start of 2018, we joined the global Paradigm for Parity Action Plan, a coalition focused on achieving a new norm in the corporate world: one in which women and men have equal power, status, and opportunity.

In 2019, we set up Return on Women (RoW), a programme designed to support women's development at Essence. These, along with other initiatives detailed below, helped us make inroads on increasing female representation between 2018 and 2019.

Since the April 2020 snapshot date to our April 2021 snapshot date, we've begun to make some progress in the right direction - reducing the mean pay gap by 7.7%. This can be attributed to the promotion of women to more senior positions, and fewer men in the upper quartiles, achieving a better distribution of male:female ratio across quartiles.

Snapshot Data	5 April 2019	5 April 2020	5 April 2021
Median Gender Pay Gap	8.6%	21.4%	16.8%
Mean (Average) Gender Pay Gap	22.4%	22.4%	14.7%

# Our Plan.

Given these results, our challenge and opportunity continues to be increasing the proportion of women in our leadership team. As we all know, the last two years have been difficult. One of the challenges COVID-19 dealt us was a hiring and promotion freeze in 2021, which meant we were not able to make as much progress as we'd like in that area. We have also had to deal with the war for talent and tremendous growth challenges. Hiring has become increasingly difficult due to a shortage of candidates. However, as things stabilise and normalise, the attraction, development and promotion of diverse talent remains at the top of our agenda.

By the end of 2022, our aim is for our regional leadership teams globally to get to 50:50 female/male ratio. We have also taken proactive steps to ensure better representation of women in our senior leadership teams over the last 12 months and are on track to achieve balanced representation in both our Leadership and Executive Committee groups.

In London, we have established a number of Essence Community Groups, representing different groups of people within Essence. The most prominent of these groups are RoW (Return on Women), representing women across the agency; The Essence Village, representing Black, Asian and Mixed Heritage employees; and Pride@Essence, representing LGBTQIA+ employees.

Since their establishment, each group has delivered a series of initiatives to highlight the value of diverse thinking, celebrate key cultural moments and celebratory events, and recognise significant contributing factors to improve diversity in the UK & beyond.

The responsibility for change rests heavily on the agency as a whole, especially its leadership, while the role and contribution of the Community Groups will remain critical to success.

For each of these Community Groups, we have established a number of pledges and commitments that support improved representation of under-represented groups at all levels, but particularly at senior levels. We have restructured our performance-development philosophy, empowering Essentials in their personal and professional growth to build diverse, engaged and fulfilled teams. A goals-centric approach will focus on Essentials not only carrying out great work, but also contributing to the wider Essence community.



# Our Plan.

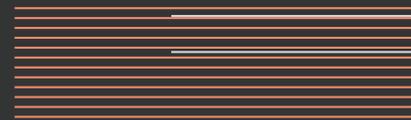
In 2020, we created a global Inclusion Collective at Essence to shape our diversity and inclusion policies and bring Essence’s community group leads and Global Management Team members together in a non-hierarchical structure to break down barriers to understanding and action. This group reviews annual inclusion goals and reports our progress on a quarterly basis. At the same time, we are rolling out a Career Advocacy Program which will open up access to career-development resources for under-represented groups, including women.

Additionally, programmes such as our unconscious bias training for all talent and management teams and ASCEND, which brings men, women and gender non-binary people together to talk about diversity, career development and personal growth, as well as training for the global leadership and talent teams, have been put in place to help us improve gender representation.

We have introduced Courageous Conversations, a reverse-mentoring programme consisting of a series of small-group forums to promote awareness, education, and understanding. Courageous Conversations allows Essentials to step into the role of “mentee” to better understand the life experiences and professional challenges faced by Essentials who will act as “mentors” in the conversation.

We have launched a series on covering in the workplace to highlight and reduce the pressure people feel to hide their identities in order to fit in at work.

Finally, we partner with GroupM and WPP in the Walk the Talk programme, whereby senior female leadership from across the WPP network have been empowered to step into bigger roles.

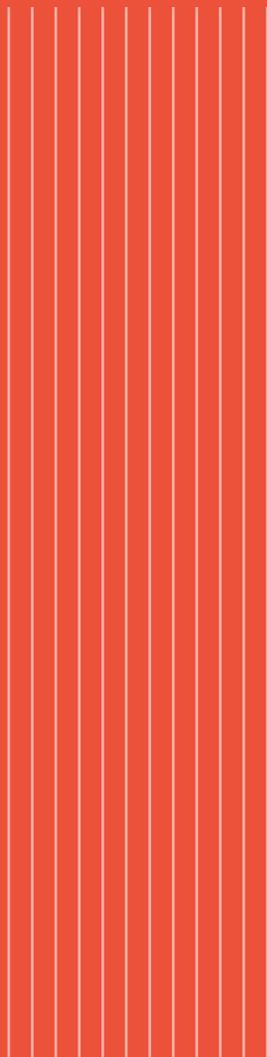
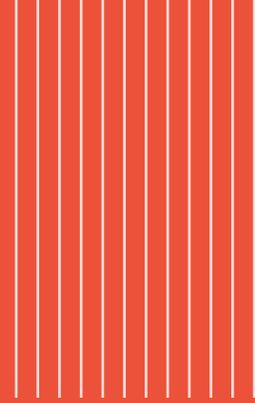


# Return on Women (RoW)

RoW was launched in November 2019 with the ultimate goal of achieving a better gender balanced Exco and Leadership team by supporting women in their development journey. RoW seeks to redress gender imbalance and support women throughout the organization.

## There are five parts to the RoW programme:

- **LISTEN** - While there is a lot of research into the challenges faced by women at work, we wanted to hear directly from our employees (of all genders) to find out about their personal experiences, including barriers to progression into the top tiers and perceived gender inequality. In February 2020, with the help of an external partner, we conducted a series of focus groups to gather robust qualitative data to further understand our employees' needs, identifying a number of key areas on which to give women additional support.
- **ACCELERATE** - Following the feedback from the LISTEN sessions, a female acceleration program for those on the cusp of achieving leadership positions (Account Director +) has been developed and will take place in 2021. The research-based programme encourages discussion about what participants see at Essence and will take a coaching (not telling) approach.
- **RoW MENTORING** - We will also be launching a female-focussed mentoring programme as part of RoW, pairing women with senior leaders at the agency to gain different perspectives and discover signposting opportunities for ongoing development and career growth.
- **EVENTS** - Additionally, we will continue to run a schedule of monthly keynotes with external speakers and panellists to educate and inspire future female leaders.



# Returning Parents.

Essence is also developing a support programme for parents returning from maternity/paternity leave, offering guidance and an advice support network to make their transition back to work as smooth as possible. In addition, Essential maternity/paternity returners also have access to GroupM's Back in the Game, a structured network of events and programmes to support people returning to work after long periods of leave.



# Key female senior promotions.

**APRIL 2021**



**HIOT SHAWL**

Hiot joined us in 2018 as a Client partner on our L'Oreal account and was then promoted to VP, Client Partner for L'Oreal last year.

**SEPT. 2021**



**SARAH ISMAIL**

Sarah has been with Essence since 2012 when she joined Essence as an Account Manager. In September, we were pleased to promote Sarah VP, Client Partner focusing predominantly on our Google account.

**OCT. 2021**



**BARBARA HENAO**

Barbara joined Essence in 2018 as a Senior Director, leading the Google Analytics team. We were pleased to promote Barbara to VP, Analytics in October.

**NOV. 2021**



**ANNA BERRY**

Following Anna's promotion to SVP, Head of Client Services in October 2020, we have since been able to support Anna's progression within our Leadership team and was successfully promoted again into the role of Managing Director, EMEA in November 2021.

**NOV. 2021**



**JANE CARTWRIGHT**

As one of our longest serving Essentials, Jane has been with Essence since 2009, working primarily on Google over that time in our Client Services team. Jane was promoted to VP, Client Partner in November.

# Statutory information.

Median gender pay gap (difference)		21.4%	<b>16.8%</b>
Mean Gender Pay Gap (difference)		22.4%	<b>14.7%</b>
Median Bonus gender Pay Gap (difference)		12.1%	<b>3.8%</b>
Mean Bonus gender Pay Gap (difference)		35.3%	<b>37.5%</b>
Quartile 4 (top quartile)	Male	64%	<b>55%</b>
	Female	36%	<b>45%</b>
Quartile 3 (upper middle quartile)	Male	54%	<b>50%</b>
	Female	46%	<b>50%</b>
Quartile 2 (lower middle quartile)	Male	44%	<b>39%</b>
	Female	56%	<b>61%</b>
Quartile 1 (lower quartile)	Male	43%	<b>42%</b>
	Female	57%	<b>58%</b>
% Men who received a bonus		73.3%	<b>67.3%</b>
% Women who received a bonus		69.5%	<b>58.3%</b>



## *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.

Signed by

**RYAN STORRAR | CEO, EMEA**