

TOMRA & MUNRO t/a Future Thinking Gender Pay Gap Report 2018

Introduction

I am delighted to present this Gender Pay Gap Report for Future Thinking in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Calculations for the metrics are based on the **12th March 2018** as a “snapshot date” in time, while bonus gap metrics cover the whole year March 2017-2018. Definitions of what is meant by “pay” and “bonus” in this context are set out in the Regulations, as are detailed instructions on how the figures should be calculated which FT has adhered to (<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>). This report contains the following detail for Munro (Munro Market Research) & TOMRA (The Oxford Market Research Agency) entities – the two UK entities which make up the trading business of Future Thinking UK:

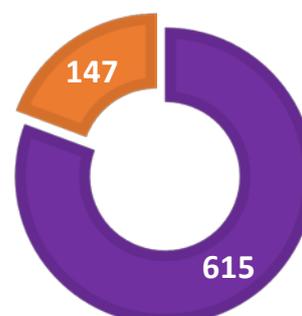
- mean gender pay gap in hourly pay
- median gender pay gap in hourly pay
- mean bonus gender pay gap
- median bonus gender pay gap
- proportion of males and females receiving a bonus payment
- proportion of males and females in each pay quartile**

**Note that each part time or casual worker must count as one employee for gender pay gap reporting purposes no matter how many hours they work in a year.

While Future Thinking UK employs a total of 762 workers, only 64 MUNRO staff and only 45 TOMRA staff are permanent employees; such a large amount of casual workers will invariably skew the figures in this report. In addition, MUNRO does not technically qualify for reporting as a single employing entity employing only

TOTAL NUMBER OF FTUK WORKERS (INCLUDING CASUAL STAFF)

■ TOMRA WORKERS ■ MUNRO WORKERS



147 workers overall (the requirement is 250+). However, in the interests of illustrating the complete picture of the UK business, the figures for Munro are also shown.

The Figures:

TOMRA

TABLE 1.	Gender		
	Male	Female	Gap
Mean Salary	£20,349	£15,994	21.4%
Median Salary	£14,625	£14,625	0%
Proportion of M/F receiving a bonus			
	12.80%	0.90%	
Mean Bonus Pay	£32.50	£1.74	94.5%
Median Bonus Pay	£200	£200	0%



All staff (including casuals on 'as & when' contracts) have been listed out from the lowest up to the highest earners and then sub-divided into four quartiles (upper-quartile, upper-middle quartile, lower middle-quartile and lower-quartile) to demonstrate how the distribution of males and females varies.

It should be noted that the industry in which Future Thinking operates typically contains a wide range of functional disciplines and levels of professional seniority, from Board level senior executive professionals, through to casual 'as & when' workers who offer their labour to the business via 'as & when' contracts, without mutuality of obligation. The regulations require all types of workers to be included in the calculations. This accounts for the relatively large difference in the overall gender pay gap

figure for TOMRA for the purposes of the regulations (mean gap at 21.4%).

If we isolate the permanent employee base at TOMRA instead, which would arguably be a more accurate depiction of the distribution of salary costs in the business between men and women, the mean gender pay gap is actually -0.3% meaning women are paid more than men. Please see table below:

TABLE 2.

TOMRA Salaried staff only	Male	Female	All	Gender Gap
	20	29	49	
Mean salary	£42,419	£42,539	£42,486	-0.3%
Median salary	£35,550	£34,000	£34,578	4.4%

MUNRO

TABLE 3.	Male	Female	Gender Gap
Mean Salary	£35,114	£29,888	14.9%
Median Salary	£14,918	£14,625	1.9%
Proportion of M/F receiving a bonus	18.2%	10.8%	
Mean Bonus	£845	£515	39.1%
Median Bonus	£325	£425	-30.8%

The differential between the mean and median pay gaps in Munro and TOMRA is largely due to the preponderance of executive Board level staff within Munro. In addition, there just so happens to be a greater amount of junior research level roles occupied by women in Munro, as well as the fact that the majority of the Finance team, including their junior roles occupied by women, sit in Munro, London head office.

It is important to note that gender pay gaps do not take into account factors such as job type, typical, scalable / flexible ways of operating which are industry-specific (such as the use of casual, 'as & when' workers for telephone and field interviews in the market research industry in which we operate) or different levels of seniority. We have reviewed our gender pay gap numbers in detail and the gender pay gaps that are visible in each of our UK entities (Munro & TOMRA) result from the distribution of a high proportion of women in the telephone and field interviewing areas with 'as & when,' casual worker status (some of whom may not have even worked for Future Thinking in the last 6-12 months but have requested to remain contactable for work as and when it becomes available. Telephone and Field interviewers are typically paid at the minimum wage – currently £7.50 per hour (Yr from April 2017). The regulations require employers to calculate the annual equivalent salary for every single worker on a contract with Future Thinking.

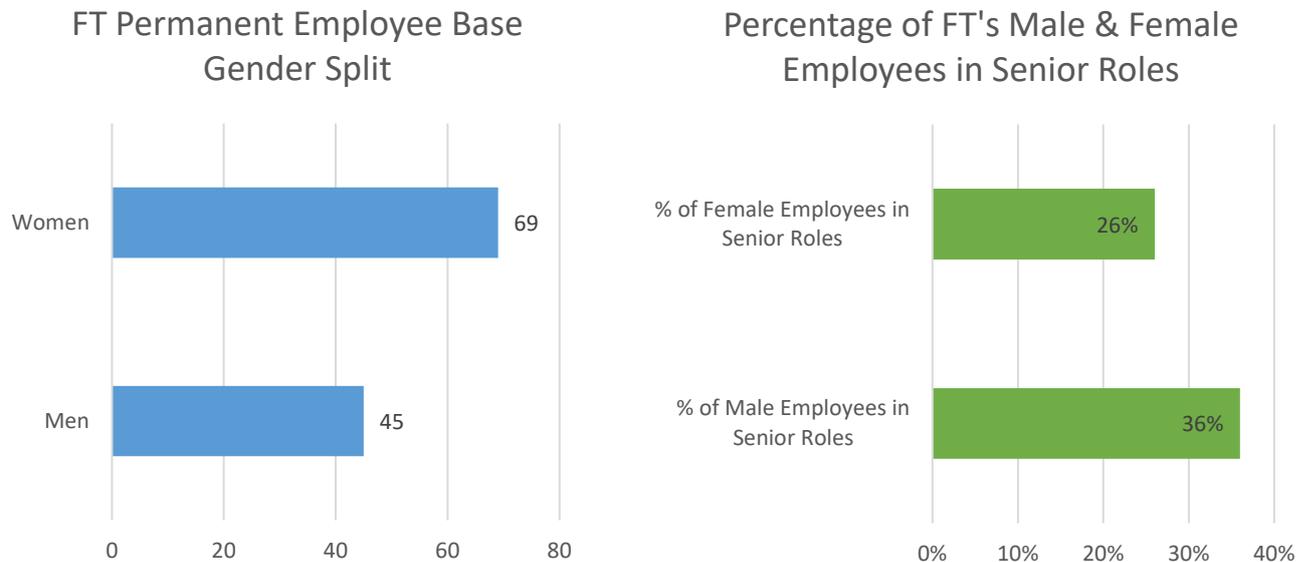
TABLE 4.

Munro Salaried staff only	Male	Female	All	Gender Gap
Mean salary	£59,346	£50,083	£53,556	15.6%
Median salary	£48,669	£40,680	£42,000	16.4%

It is also important to note that the gender pay gap is not the same as equal pay. We are confident that men and women at Future Thinking are paid equally for doing the same job. We operate salary bands which are benchmarked against our competitors and all casual workers are paid statutory minimum wage rates. This is why the median pay gap in the TOMRA entity is 0%.

The majority of Future Thinking's permanent employee base is actually made up of women, as is typical of the market research industry. However, women operating at 'Head of' or Research Director level and above account for 26% of the female population, compared to 36% of the male employee base (see charts below). Future

Thinking's HR department will act to address this difference through targeted leadership succession and coaching practices.



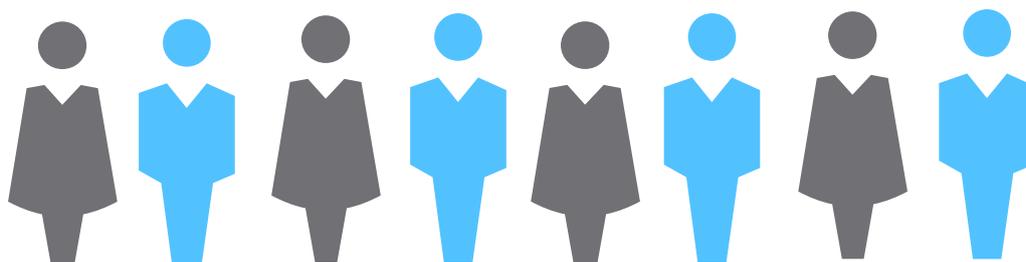
We know that our gender pay gaps are driven by two main factors:

- I. The slightly higher proportion of men in more senior leadership positions, including Board level (higher paid roles).
- II. The very much higher proportion of women in more junior roles such as the casual, 'as & when' field and telephone interviewer roles (lower paid roles).

We know we have more to do to encourage women in to senior leadership and Board positions. However, where Future Thinking has long excelled is in its support of staff with childcare commitments. We enable employees and workers to find patterns of working which fit around their responsibilities at home through a range of flexible working practices including casual 'as & when' contracts, without mutuality of obligation (this means that workers on such contracts are not required to attend work unless they decide to do so, contrary to the controversial zero hours contracts cited in the news). In addition, 25% of Researchers and 1 in 4 staff overall have a part time or job sharing flexible working arrangement at Future Thinking.

24% of Research Execs (core business) work part time; most often on a 3 day week contract. 28% of Operations and Business Support Staff are part time; most often on a 4 day week.

Meaning a total of 25% or 1 in 4 Future Thinking employees works part time on a flexible working basis.



What does Future Thinking do currently to support Equality & Diversity?

Future Thinking is focused on creating a range of policies and initiatives to improve gender diversity, increase female representation and enable women to fulfil their career aspirations. These include:

- Operating modern flexible working policies and practices.
- Creating new career opportunities to attract and retain diverse talent.
- Conducting transparent and fair recruitment practices.
- Leadership Succession Planning to include a 50% female quota (Quartile 4) by 2021.
- Providing a 'Women in Business' orientated career coaching and mentorship programme to encourage female aspiration in market research, sponsored by Adele Gritten, UK Managing Director (author of industry articles on the subject).
- Supporting new and existing mothers/primary caregivers to return to and succeed at work and promoting Shared Parental Leave.
- Providing training for staff in understanding and adhering to ethical, equal and fair practices in the course of their work.
- Working to incorporate Gender Diversity Targets as part of FTUK's KPIs.
- Encourage open dialogue and review of flexible and part time working arrangements to ensure both the needs of the business and of the individual are being met. For example, client needs may dictate that a part time worker increases their hours temporarily and they can take the hours back in the school holidays to spend more time with their children.
- Supporting wider societal issues through external strategic partnerships and FT's CSR Programme.

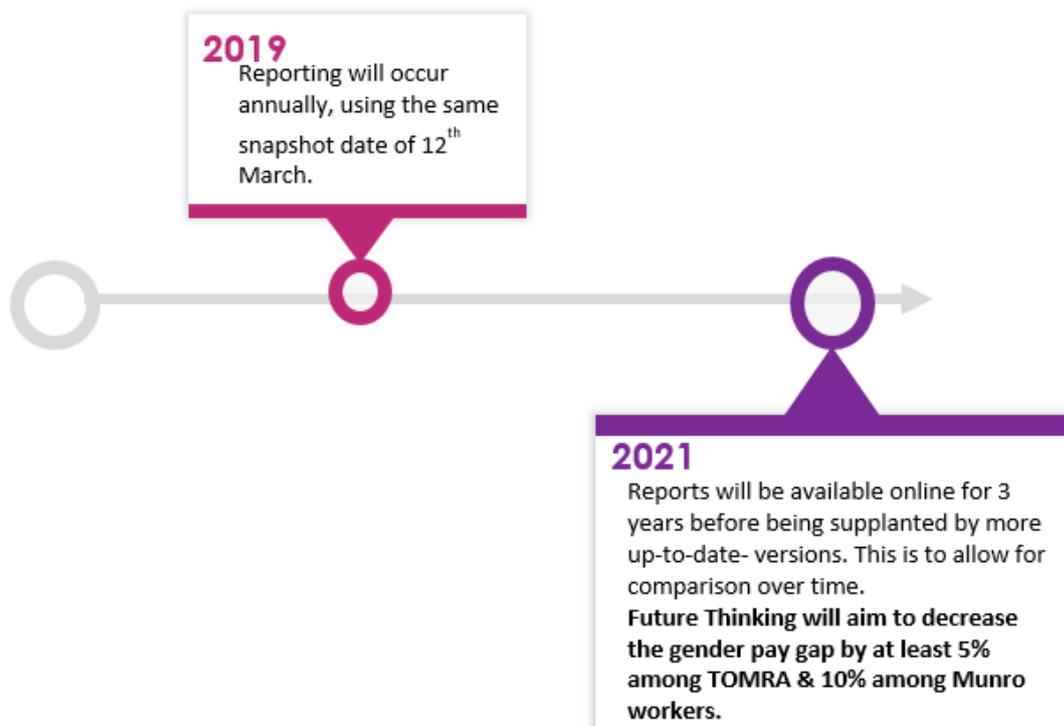


Our operating structure provides colleagues with multiple ways to find new internal career opportunities across the Group. By making it simple for colleagues to move internally, we hope to successfully retain and develop internal talent. More broadly, we have policies and practices in place to ensure that all recruitment decisions are fair and candidate shortlists are diverse. We already regularly review succession plans to ensure that we have a diverse internal pipeline to key accounts and/or the Senior Management Team. An increased focus on female mobility within the business as a global Group will help to address the gap further.

Future Thinking has always understood that providing a workplace that encourages colleagues to achieve their personal and professional goals is key to supporting and retaining staff. We aim to do this through our progressive maternity, paternity, adoption and shared parental leave policies which go beyond the statutory requirements. Our Equality & Diversity training, available to all staff via our e-learning platform, supports the continued elimination of bias from our people processes. In addition, we appreciate that flexible working is not just about supporting women with childcare commitments; our policies support colleagues in all stages of their lives in achieving an optimal work and life balance, helping them with parenthood, sabbaticals, studies, caring and outside interests.

So What Next?

The HR team will now set a number of KPIs to work on closing the gender pay gap and further support women to meet their career goals at Future Thinking and beyond. Please see the diagram below for details about future reporting requirements:



Written Statement:

This gender pay gap report is a true and accurate reflection of the pay and remuneration figures of all Future Thinking workers as at the snapshot date. I am delighted to be the lead on gender equality at such a supportive and forward thinking company.



Emma Rudd
Group HR Director.