



# Gender Pay Gap Report

Published April 2022\*

All big businesses in the UK are required to  
report annually on their gender pay gap.



# Introduction from our Founder and Chief Executive Officer

*“We’re proud of AO’s inclusive environment where everyone can succeed, grow their career and be rewarded for their efforts. There’s no doubt that as well as being simply the right thing to do, this diversity of thought and contribution makes AO a better business for our customers and is at the heart of our success.*

*Whilst we’re pleased that our gender pay gap is below the median for the industry we know that there is more for us to do. We are taking action to close the gap including: inclusive policy and practice – reviewing our policies to make sure that they’re in line with best practice standards, encouraging the development of employee network groups and transparent recruitment.*

*Our focus on developing a diverse and inclusive culture will continue to be a key focus for us this year.”*

***I confirm that the data published in this report is accurate***

**John Roberts**





# What is the Gender Pay Gap?

The gender pay gap is a measure that shows the difference in average earnings between men and women across the whole business. A positive percentage indicates that men, on average, are paid more than women and a negative percentage indicates the opposite.

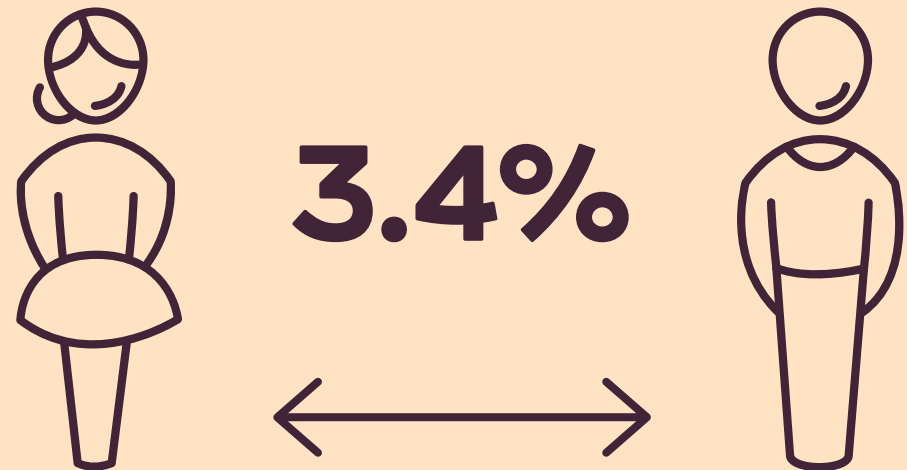
The gender pay gap is a different measure to equal pay. Equal pay is the right for men and women to be paid the same when doing the same, or equivalent, work.

# Understanding our Gender Pay Gap?

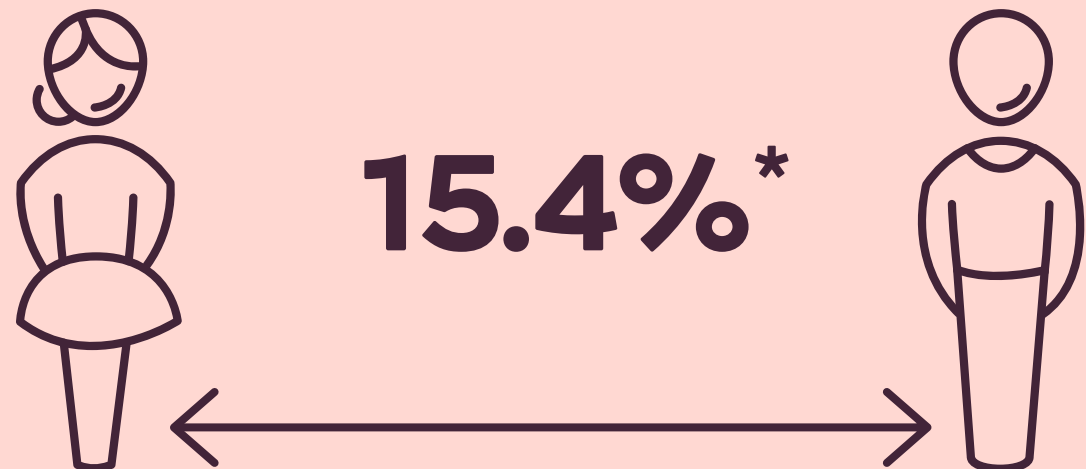
Across the UK business our gender pay gap remains lower than the UK national average median of 15.4%. As we continue to work towards a more balanced gender split across our workforce, we hope to eliminate the gaps altogether.

Our mean pay gap is a little higher than our median pay gap because we have some highly paid male outliers across all work levels and areas. However, the lack of female representation in the top roles remains the primary driver for our pay gap, and this is also reflected in our bonus pay gap. We continue to improve our female representation at work level 4, our senior managers, to ensure our vacancies are attractive and open to female candidates and that we build a pipeline of female talent.

## AO UK Group Median Gender Pay Gap



## UK National Median Gender Pay Gap



# AOers

Across our workforce females are underrepresented at all levels. Overall, 69% of our roles are filled by males and females are disproportionately found in the lower pay quartiles. The pie charts opposite show how female underrepresentation increases as the roles get more senior (work level 6 is our CEO).

AO has grown significantly over the last 12 months, with recruitment focusing on both frontline roles to support current growth, and also senior specialists to support future plans. New frontline roles have been logistics-based, where it's challenging to attract female employees into manual jobs. We hope that having enough visible female role models in manual positions will not only help to attract and retain females, but also encourage and support females to develop their career with us. It will take time for recent changes to significantly impact on the overall gender pay gap, but positive changes have been made.



Work level 1



Female - 31%  
Male - 69%

Work level 2



Female - 31%  
Male - 69%

Work level 3



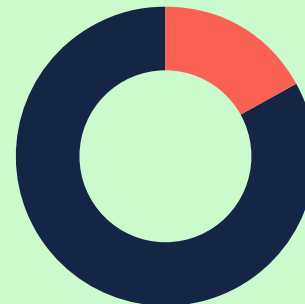
Female - 37%  
Male - 63%

Work level 4



Female - 30%  
Male - 70%

Work level 5



Female - 17%  
Male - 83%

Work level 6



CEO and Founder (1 AOer)  
Male - 100%

Male

Female

# AO Gender Pay Gap Statistics

We are required to report on the following entities under the Equality Act (2010) Gender Pay Gap Regulation 2017.

## Overall

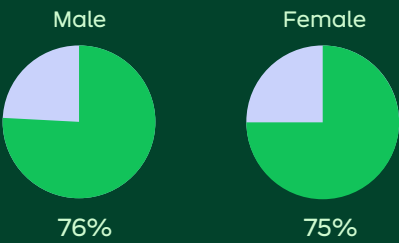
	AO Retail Ltd	AO World Plc	Expert Logistics Ltd	AO Recycling Ltd
Mean Ordinary gender pay gap	18%	23%	4%	18%
Median Ordinary gender pay gap	22%	23%	5%	9%
Mean bonus gender pay gap	36%	85%	1%	100%
Median bonus gender pay gap	20%	0%	0%	0%

## Gender split in each pay quartile

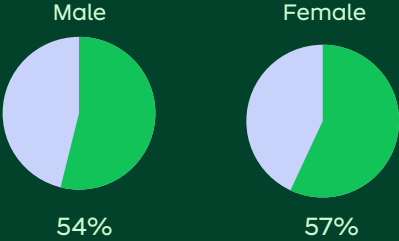
	AO Retail Ltd		AO World Plc		Expert Logistics Ltd		AO Recycling Ltd	
	M	F	M	F	M	F	M	F
Upper Quartile	69%	31%	74%	26%	88%	12%	92%	8%
Third Quartile	59%	41%	75%	25%	81%	19%	83%	17%
Second Quartile	50%	50%	65%	35%	76%	24%	83%	17%
Lower Quartile	44%	56%	45%	55%	77%	23%	75%	25%

## Percentage of AOers receiving a bonus by Gender

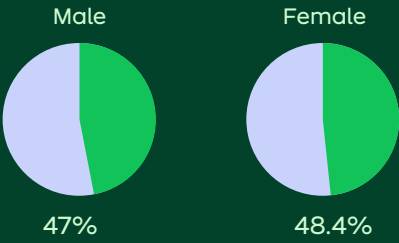
### AO Retail Ltd



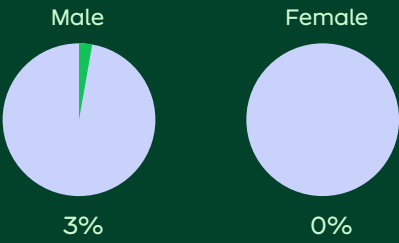
### AO World Plc



### Expert Logistics Ltd



### AO Recycling Ltd



# Closing the Gender Pay Gap

## Changes to Recruitment Practices

Our strategy is to raise the bar on talent at AO. Our hiring managers have been given more support and the right tools to ensure our recruitment process is robust and identifies the right candidates, based on AO values, behaviours, and skills. We've enhanced our processes so that they're truly collaborative, and we make sure there's a skilled 'bar raiser' in all senior-level interviews.

The launch of the mission, purpose and values in May 2021 has been complemented by AOs newly defined People Proposition. It makes sure the needs of candidates and AOers are matched. Now, AO is better equipped to offer meaningful work, flexibility in where they work, and fair and equitable pay and benefits. All of this adds value to line managers who are credible, capable and consistent.

## Changes to Pay Approach

In 2020, we implemented a new grading framework, which means all AOers now have a work level and better understand how their role fits into the organisation. We are now able to assess the relative size and complexity of roles in AO and can benchmark salaries in a more objective and accurate way. This is enabling us to be much clearer about what fair pay looks like for each role and enables us to target pay increases appropriately, which has helped to reduce the AO median gender pay gap by 15% since 2020.

In addition, we have made changes to our annual salary review process to ensure everybody gets the opportunity to have a pay conversation with their manager.



# More to do...

We'll continue to build on progress we've made so far.

## Inclusion

Our inclusion strategy has been defined and provides the roadmap for further change. We recognise that inclusion goes beyond just gender, and our plans look to drive positive change for all.

We want all AOers to bring their whole self to work, unleash their full potential, and have a feeling of safety and belonging when they do. It's how we'll create a great place to work and contribute to a high performing team. The Inclusion Advocates Group launched in November 2021 with CFO sponsorship. It provides support and challenges us to deliver true change. We're well-equipped to lead on inclusion agenda initiatives and will build one plan with clear goals and trackable milestones going forward.

## How we hire

We always hire on talent, but we'll work hard to make sure everyone has the same opportunity to join us, and that no one is disadvantaged at any stage in the process.

Our recruiters will have the skills, networks, and understanding to help us build a diverse team at all levels. To achieve that, they'll do these three things...

- Produce balanced shortlists
- Support hiring managers on reducing unconscious bias during the hiring process
- Build a pipeline of diverse and talented candidates

We're raising the bar on how we recruit to reflect the diverse customers that we serve.

## Our Values and Company Culture

We lead with our refreshed values which were reintroduced to the business in May 2021. They help us create an inclusive environment where we celebrate differences and recognise them as our superpower.

We are navigating our bias for the office to improve connectivity and create a formal position on the future of remote working. Home working poses challenges to our culture that we'll need to consider for our future.

## Collecting Data and Launching New Initiatives

To understand what's happening in our business, we've started collecting data so we know where we can improve. As we improve our people systems, we will gain greater clarity on the make-up of the organisation.

We will use this information, along with results from our "Your Voice, Our Future" Engagement Survey, to understand issues and define what we might do to improve them. Based on this insight, we will design and trial new ways to increase our diversity at all levels of the business.

## Leader and business engagement

We have senior and board level inclusion and wellbeing sponsors, who help to drive the agenda as a business priority. We are also aware that it's everyone's responsibility to help drive inclusivity forward, which is why we are focussed on building strong affinity networks that can inspire and raise awareness.

## Changes to Senior Leadership Team

We recognise the biggest driver of our pay gap is the lack of female representation at senior levels. As the business has restructured during the 2021/22 financial year there has been a sustained focus on achieving a more balanced gender split at our WL4 (Director) level, through both new hires and promoting within the organisation. This, along with actions we have taken to harmonise benefits, reconfirm our commitment to closing the Gender Pay Gap and we will report on the impacts of these actions in next year's report.



\*All data accurate as of 5th April 2021