

Our 2018 gender pay gap report

Our people and culture have always been a huge priority at AO. Any success we experience comes from our people being who they are, loving what they do and striving to reach their full potential. We know this will only happen if we create a working environment where people feel equal, as well as supported on their journey through the business.

All big businesses in the UK are required to report on their gender pay gap as of April 2017. We are encouraged to report that our mean gender pay gap is better than the national average.

Gender pay gap vs. unequal pay

The gender pay gap is a measure that shows us the difference in average earnings between men and women across the business. A positive percentage indicates how much higher pay is for men in comparison to women and a negative percentage indicates the opposite.

This is a different measurement to equal pay, which refers to men and women in the same role performing equal work and receiving the same pay for that work.

The Mean gender pay gap in our UK business* is 6.5%

The Median pay gap is -2.9%

While we are satisfied that this tracks ahead of the UK average (17.4%), as a business we are committed to understanding the drivers of this further.

*This comprises AO World PLC, AO Retail Limited, Expert Logistics Limited, AO Recycling Limited, Elek Direct Limited and Electrical Appliance Outlet Limited



Hourly pay rate

2017 Annual Survey of Hours and Earning, Office for National Statistics.

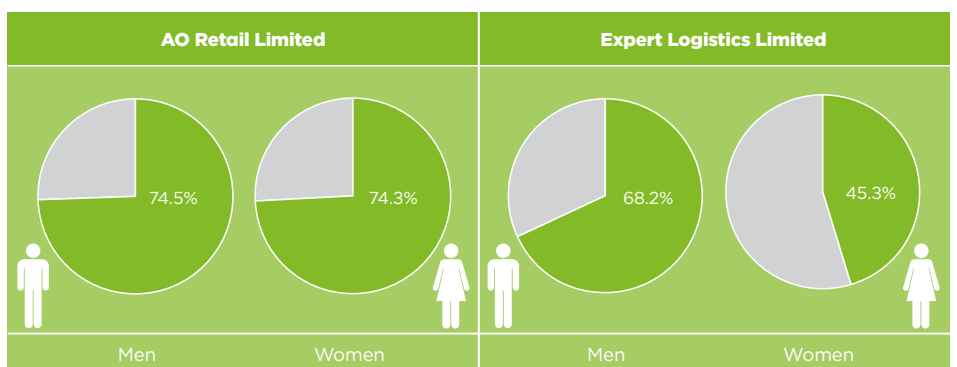
	Mean	Median	Mean National Average
AO Retail Limited**	11.9%	8.2%	17.4%
Expert Logistics Limited**	0.7%	-0.7%	17.4%

Bonus pay

	Mean	Median
AO Retail Limited**	43.5%	55.8 %
Expert Logistics Limited**	-8.3%	0%

Gender split receiving bonus

Received bonus
Did not receive bonus



Gender split in each pay quartile



	AO Retail Limited		Expert Logistics Limited	
Lowest	52.2%	47.8%	80.5%	19.5%
Quartile 2	54.1%	45.9%	86.4%	13.6%
Quartile 3	60.8%	39.2%	75%	25%
Highest	64.6%	35.4%	85.6%	14.4%

**entities that we are required to report on under the The Equality Act 2010 (Gender Pay Gap Information) Regulation 2017.

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What causes our gender pay gap?

There are a number of factors that drive it and we are working hard to understand what these are. Initial insights gathered have centred around two key areas:

- The large percentage of women who work in part-time roles within our customer contact centre; an employment option that we are proud to offer.
- The makeup of our senior leadership team which is predominantly male.

When it comes to bonuses, the gap is mainly down to (i) our sales employees being incentivised on performance, with these roles tending to be filled by men and (ii) bonuses received by our senior team, the majority of which are male.

2018 will focus on research and resulting actions, which will enable us to build a more diverse team across all levels of the organisation but particularly within the senior leadership team. A series of workshops will be carried out over the next 12 months with our people to help us further understand our position. All action plans will be built on insight, focused on creating an inclusive environment and delivered to effect real change.



Statement from Michael Bates, Group Customer, Brand and People Director.

“Our people and culture are central at AO and we have always tried to create an environment that is both fair and equal. While we are encouraged by our gender pay gap being better than the national average and confident that our employees are paid equally for equivalent roles across the business, we are committed to understanding how we can improve our position further, ensuring that everything we do is right for our people.”

I confirm that the data published above is accurate.

A handwritten signature in black ink, appearing to read 'Michael Bates', followed by a horizontal line.

Michael Bates

Group Customer, Brand and People Director.

