

AO Gender Pay Gap Report 2019



From April 2017, all big businesses in the UK are required to report yearly on their gender pay gap. The reference date for the statistics disclosed in this report was 5th April 2018.

At AO, we have always aimed to be a business that supports future generations as well as our existing employees. Our ambition is to be a business that:

- Inspires its people by creating role models to engage and support diversity.
- Empowers people to thrive by creating an environment where people feel truly understood and valued.
- Enables our people with the tools and encouragement to succeed.

We are pleased with the progress we have made towards achieving this ambition over the last 12 months and we are determined to do what it takes to continue to grow further in this area, by introducing a range of initiatives over the next year.

We are planning on taking further steps to increase female representation on the senior team, as well as across the business in sectors such as IT and logistics.



“It’s essential that we have a diverse workforce here at AO and also a truly inclusive culture. However, for me, this isn’t just about gender. It’s about treating everyone who works for us and with us fairly, with dignity and respect; irrespective of their gender, sexual orientation, background, age or disability. Ensuring we have people at the table from all different types of backgrounds is vital, as I believe that is the best way for us to achieve success in all aspects of our business.”

I confirm that the data published in this report is accurate

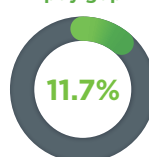
John Roberts, Chief Executive Officer

Our Gender Pay Gap

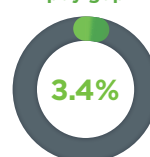
Across our UK Business as a whole

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

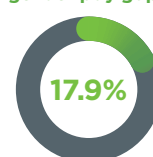
Mean gender pay gap



Median gender pay gap



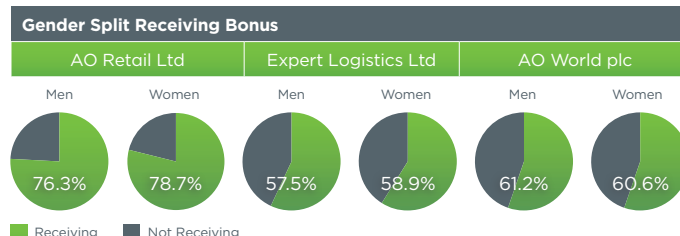
UK national median gender pay gap*



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

Hourly Rate		
	Mean	Median
AO Retail Ltd	15.3%	15.2%
Expert Logistics Ltd	6.6%	1.7%
AO World plc	36.8%	29.8%

Bonus Pay		
	Mean	Median
AO Retail Ltd	43.7%	64.5%
Expert Logistics Ltd	-16.5%	0%
AO World plc	82.0%	0%



Gender split in each pay quartile		
AO Retail Ltd		
Lower	51.2%	48.8%
Q2	53.5%	46.5%
Q3	58.0%	42.0%
Highest	71.1%	28.9%
Expert Logistics Ltd		
Lower	75.6%	24.4%
Q2	78.6%	21.4%
Q3	82.8%	17.2%
Highest	87.3%	12.7%
AO World plc		
Lower	40.3%	59.7%
Q2	69.4%	30.6%
Q3	62.5%	37.5%
Highest	83.1%	16.9%

*2018 Annual survey of hours and earnings, Office for National Statistics



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.

The gender pay gap 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 number of women we have on our senior leadership team across our organisation has had a significant effect on our gender pay gap. We want to change this as we believe our senior leadership team should be representative of the wider AO group.

We know we have inspiring women working at every level in our business, but we are also aware that there's more for us to do before there is true equal representation.

Because of this, we have reviewed our recruitment processes as well as our

internal processes and developed mentoring programs to encourage more women to excel within the business. We are delighted to set this tone from the top as we have recruited two additional female non-executive directors to our PLC board in the last 18 months



What have we done over the last 12 months?

Over the last 12 months, we have taken steps to understand how AO can become a more diverse place to work.

One of the biggest initiatives we implemented, was creating a team of ambassadors, whose role was to spend time around the business, talking to AO-ers over a nine-month period. Their aim was to better understand what it's like to be an employee at AO, with a focus on our female employees' experiences. We also received feedback on this topic in our annual people survey.

What emerged from this exercise were several key themes for us to focus our next steps on including leadership mentors and training, internal policies

and procedures and improved communications across the group. Following this initial exercise, we've been working on an actionable plan that covered each of these areas.

We will spend the next 12 months implementing further changes within the business that will make AO a more diverse and inclusive place for all.