

AO Gender Pay Gap

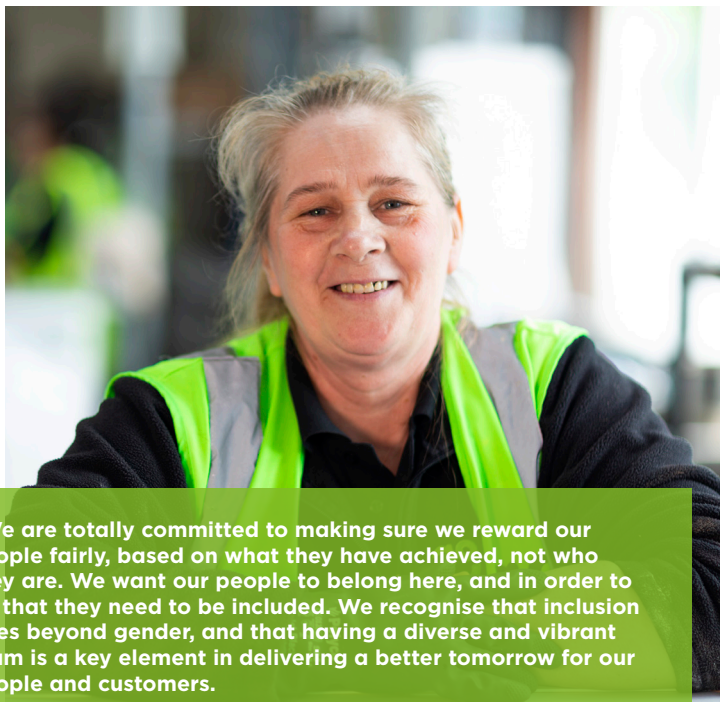


All big businesses in the UK are required to report annually on their gender pay gap. The reference date for the statistics disclosed in this report is 5th April 2019.

At AO, we care about our people, it's one of our values, it's how we do things. We have made good progress with our diversity and inclusion initiatives. We also recognise that someone's gender does not define them, that's why we are making steps to make AO more inclusive.

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.



"We are totally committed to making sure we reward our people fairly, based on what they have achieved, not who they are. We want our people to belong here, and in order to do that they need to be included. We recognise that inclusion goes beyond gender, and that having a diverse and vibrant team is a key element in delivering a better tomorrow for our people and customers."

"I am pleased with our progress so far. Our senior leadership team are putting even more focus on increasing inclusion at AO over the next 12 months. This will help us be bolder and even more driven in our approach"

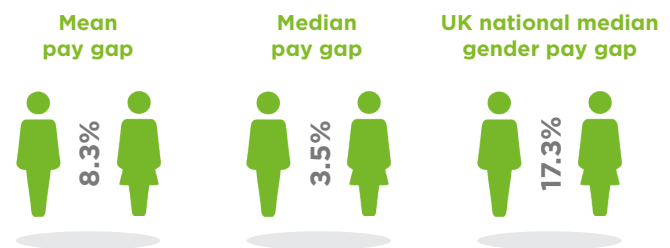
"I confirm that the data published in this report is accurate"

John Roberts,
Founder and Chief Executive Officer

Our Gender Pay Gap

Across the UK business¹ our gender pay gap is lower than the UK national average²

but we know that we need to increase our gender balance in leadership roles to have a positive impact on closing the gap.



AO Gender Pay Gap statistics

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

Gender Pay Gap Statistics

	AO Retail Ltd	Expert Logistics Ltd	AO World Plc
Mean ordinary gender pay gap	12.6%	4.9%	33.4%
Median ordinary gender pay gap	7.5%	3.1%	29.5%
Mean bonus gender pay gap	45.4%	-2.5%	95.5%
Median bonus gender pay gap	50.8%	46.9%	0%

Proportion of males and females receiving a bonus payment



Proportion of males and females in each pay quartile

	AO Retail Ltd		Expert Logistics Ltd		AO World Plc	
	M †	F †	M †	F †	M †	F †
Lower Quartile	49.5%	50.5%	77.9%	22.1%	49.3%	50.7%
Second Quartile	54.5%	45.5%	75.9%	24.1%	56.9%	43.1%
Third Quartile	52.8%	47.2%	81.2%	18.8%	84.7%	15.3%
Upper Quartile	65.1%	34.9%	87.1%	12.9%	79.5%	20.5%

¹ AO World PLC, AO Retail Ltd, Expert Logistics Ltd, AO Recycling Ltd, Elek Direct Limited and Electrical Appliance Outlet Ltd
² 2019 Office of National Statistic Annual Survey of Hours and Earnings Report

Closing the Gender Pay Gap

Last year in our report we talked about appointing a team of ambassadors to reach out into the business and really understand what we can do to become more inclusive. We have used these findings to design and deliver several actions, which has helped us reduce our gender pay gap. This means we have:



Our next steps:

1. Developing a diversity and inclusion strategy and action plan to describe where we want to be in 3-5 years
2. Forming a working group of AO leaders to drive inclusion and transform the AO employee journey
3. Making our recruitment approach more inclusive for everyone
4. Improving clarity and transparency on pay and reward
5. Collecting regular insight and feedback to break down potential barriers around gender diversity
6. Redesigning family and maternity leave to support fathers as well as mothers
7. Increasing awareness of our flexible working options and shining a light on leadership roles working flexibly

Over the next 12 months we hope to build on the success of our actions by focusing on steps that are proven to have an impact, driven by our people, strengthened by insight and underpinned by the AO values.