



Gender Pay Gap Report

Published April 2023*

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

Introduction from our Founder and Chief Executive Officer

AO comprises a diverse range of operations from a nationwide logistics network to our industry-leading recycling plants to our offices. As such, our ambition is to reflect the wide-ranging communities that we serve by being an inclusive, diverse and equality-driven employer where everyone can succeed, grow their career and be rewarded for their efforts.

Last year we made significant progress in narrowing the gender pay gap in our business. There's more to do but our progress this year is an indication of our passion and energy.

There's no doubt this diversity of thought and contribution makes AO a better business for our customers and our employees.

We'll continue to accelerate our progress by attracting a more diverse range of AOers to our business, which can only benefit our culture, ways of working and ultimately our performance.

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. At AO our reward strategy is based on a gender-neutral approach to pay across all levels of the business.

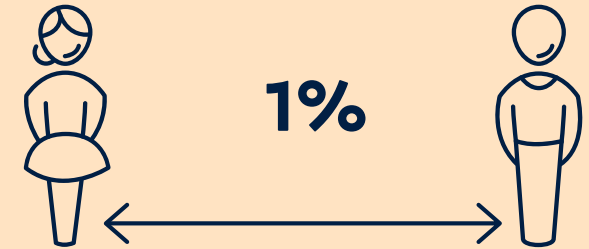
The median pay statistics are calculated by ranking all AOers from the highest paid to the lowest paid and taking the pay of the person in the middle; so, the median gender pay gap is the difference between women's median pay (the middle-paid woman) and men's median pay (the middle paid man). It does not compare the pay of men and women doing the same role.

The mean pay statistic is the average salary across the entire business, so the mean gender pay gap is a measure of the difference between women's mean pay and men's mean pay. This figure is heavily influenced by the numbers of men and women in different roles.

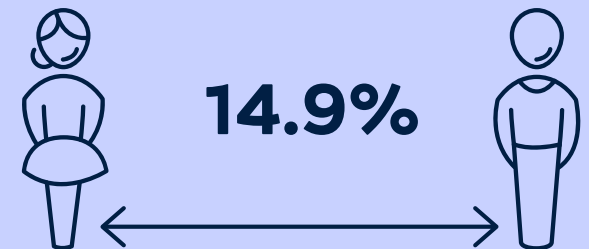
Understanding our Gender Pay Gap?

Across the UK group business we have made significant progress in bringing our median gender pay gap to 1% in comparison to 3.4% in the previous year, and significantly lower than the UK national average median of 14.9%. Our mean gender pay gap is higher at 5% due to a lack of females in senior Director and Executive roles and roles that are more highly paid across all work levels and business areas, and this is also reflected in our mean bonus pay gap. Female representation has improved by 6% in our professional specialist and junior Manager roles (WL2) and 2% in our senior Management roles (WL4) mainly because of a reduction in overall number of roles at these levels in this reporting year. Last year did however see a decline in female representation at senior Executive level due to a small number of women leaving the business.

AO UK Group Median Gender Pay Gap



UK National Median Gender Pay Gap



AOers

Across our workforce females are underrepresented at all levels. Overall, 72% of our roles are filled by males and females are disproportionately found in the lower pay quartiles. Almost 50% of our workforce are logistics based frontline roles where it's challenging to attract female employees into manual jobs, we do however strive to raise visibility of female role models in manual positions to help to attract and retain females.

The pie charts opposite show how female underrepresentation is proportionately circa 33% across most levels, with no representation in more senior Executive roles (work level 6 is our CEO). Since the data reference date, we have restructured our leadership team (WL5) this now reflects 29% female representation.

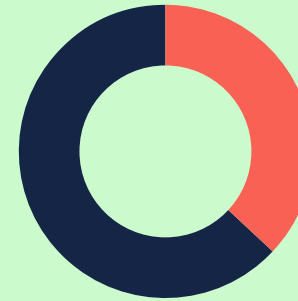


Work level 1



Female population 768 (28%)
Male population 2003 (72%)
YOY female representation - 3%

Work level 2



Female population 211 (37%)
Male population 367 (63%)
YOY female representation + 6%

Work level 3



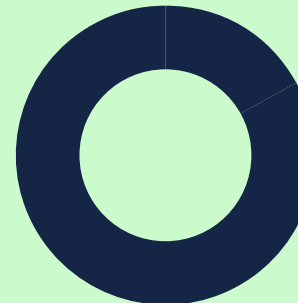
Female population 44 (36%)
Male population 77 (64%)
YOY female representation - 1%

Work level 4



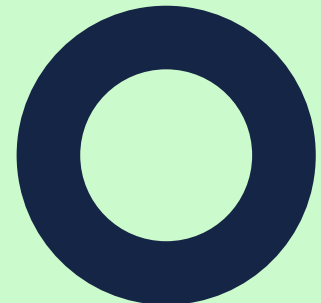
Female population 9 (32%)
Male population 19 (68%)
YOY female representation + 2%

Work level 5



Female 0%
Male population 4 (100%)
YOY female representation - 17%

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

	UK Group Average	AO Retail Ltd	AO World Plc	Expert Logistics Ltd	AO Recycling Ltd
Mean Ordinary gender pay gap	5%	18%	37%	7%	28%
Median Ordinary gender pay gap	1%	20%	31%	5%	8%
Mean bonus gender pay gap	19%	48%	87%	-85%	100%
Median bonus gender pay gap	0%	42%	0%	0%	0%

The lack of female representation in higher paid roles in support office functions is reflected in our bonus pay gap, however despite the high percentage of males in our Logistics business, mean bonus payments for women in this area of the business are significantly better than for males.

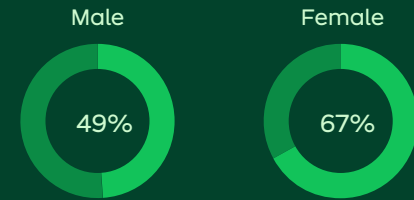
Gender split in each pay quartile

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay.

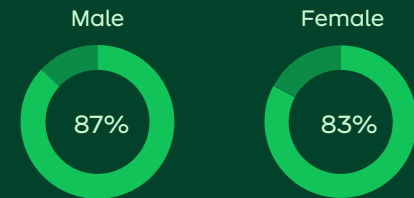
	UK Group Average		AO Retail Ltd		AO World Plc		Expert Logistics Ltd		AO Recycling Ltd	
	M	F	M	F	M	F	M	F	M	F
Upper Quartile	70%	30%	67.5%	32.5%	67%	33%	93%	7%	92%	8%
Third Quartile	71%	29%	54%	46%	68%	32%	83%	17%	71%	29%
Second Quartile	73%	27%	50%	50%	59%	41%	84%	16%	83%	17%
Lower Quartile	68%	32%	47%	53%	34%	66%	70%	30%	68%	32%

Percentage of AOers receiving a bonus by Gender

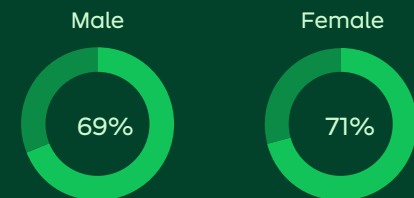
UK Group Average



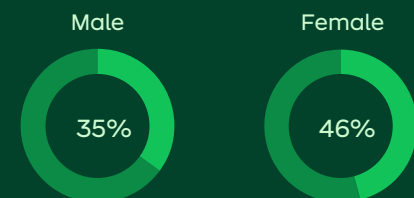
AO Retail Ltd



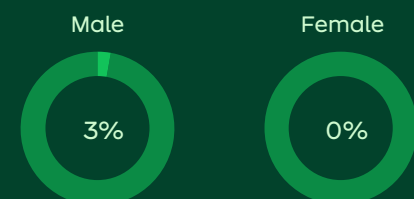
AO World Plc



Expert Logistics Ltd



AO Recycling Ltd



Closing the Gender Pay Gap

Whilst our overall group gender pay gap is very positive, we recognise that there is still work to do particularly in attracting females to higher paid support office and Tech roles in our AO Retail and AO World businesses. We are committed to ensuring our vacancies are attractive and open to female candidates. We will continue to work hard to address challenges in attraction and recruitment of women to our majority front line roles, and through a review of our structures and consistent positive support and development opportunities we will address any barriers to progression for women into senior roles.

Inclusion

Our inclusion strategy is defined and provides the roadmap for further change. We recognise that inclusion goes beyond just gender, and we are aware of the need to attract more people from underrepresented groups through our positive attraction campaigns. 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.





*Large 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 2022.