

Gender Pay Gap Report 2021/22

Introduction and overview



Communis* powers brand engagement through outstanding communications, conversations and outcomes – which makes lives better. We are trusted by the world’s biggest and brightest brands and organisations with their most important communications. Right first time, delivered on time, with absolute precision. We currently employ c1100 people in the UK (who are in scope of these regulations), with another c250 outside the UK, spread over more than 60 locations.

Diversity, equity and belonging are very important to Communis, and we aim to be truly representative of the markets we serve and the locations we operate in. We are proud partners of DIAL Global, and signatory of their CEO pledge. Joining their mission to help organisations like ours grow and innovate by building an inclusive culture.

Our work around growing an inclusive and healthy workplace is focussed on creating a business where colleagues can bring their whole selves to work.

The UK gender pay gap regulations require companies employing over 250 people to report annually on their gender pay gap.

***See Appendix One for important update on Communis UK Ltd**

Companies like ours must report their gender pay gap information within one year of a snapshot date (a date in which the information is being calculated). Included here is data on all relevant full pay employees as categorised by the regulations.

This year, the 6th year of gender pay gap reporting regulations, we are publishing data for the 5th April 2022. Continuing our commitment, not only are we sharing our reportable measures in this document, we are also showing our 5-year trend.

In summary, I am delighted that we show a continued reduction in the headline gender pay gap measure, well ahead of the UK average, which demonstrates the progress we have made. I am proud to lead an Executive Leadership Team in Communis, where the composition is 50% men and 50% women.

As Chief Executive of Communis, I can confirm that our data reported here is accurate and correct.

A handwritten signature in black ink, appearing to read 'Phil Hoggarth'. The signature is stylized and fluid.

Phil Hoggarth, Chief Executive

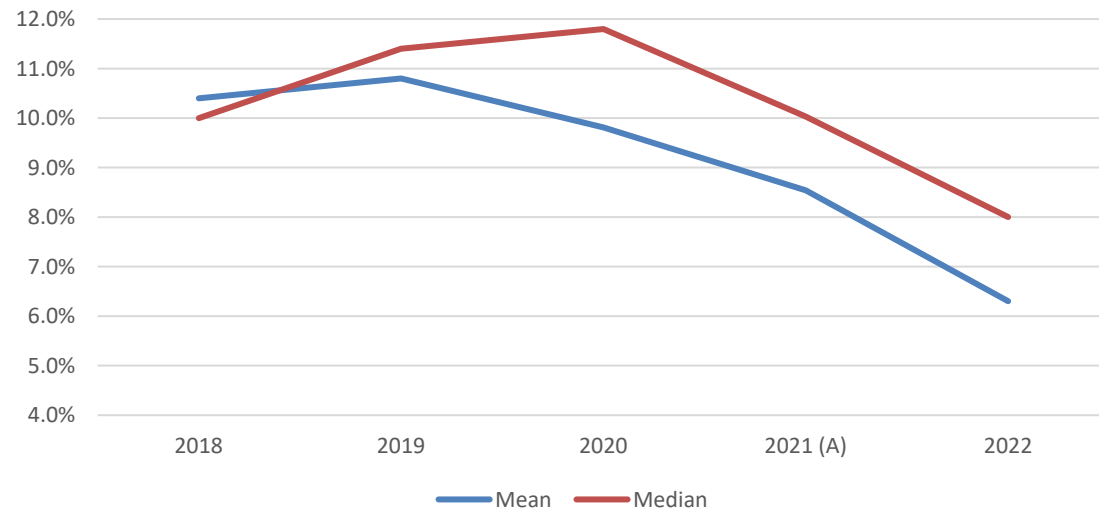
Our Gender Pay Gap

We are moving in the right direction

2022 shows continued positive progress in our ambition to close our gender pay.

	2018	2019	2020	2021(A)	2022
Mean	10.4%	10.8%	9.8%	8.5%	6.3%
Median	10.0%	11.4%	11.8%	10.0%	8.0%

Gender Pay Gap - Mean/Median Hourly Rate

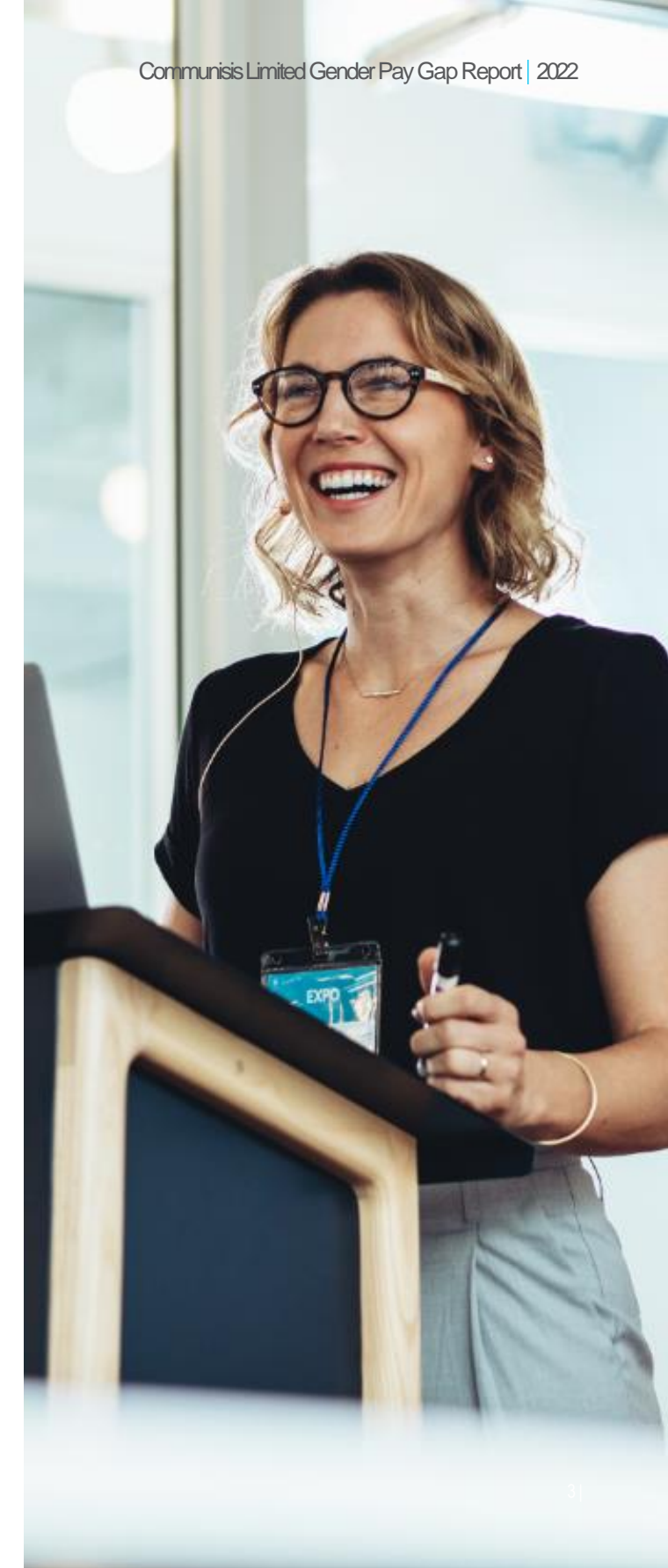


We are happy to see continued trending progress in closing our Gender Pay Gap across the business, reducing the gap itself to 6.3% overall, a 27% improvement on the previous year.

In the 2022 data, we are seeing the impact of our focus on better gender balance at senior levels across our business in the previous years.

The Communis gender pay gap has always been exacerbated by under-representation of women in senior leadership roles and we are proud that following changes made in H2 of 2020, our Executive Leadership team has now reached a 50/50 gender split.

The mean gender pay gap is the comparison of the average hourly rate of women, compared to men. The median gender pay gap shows the difference between the midpoint of the average hourly pay for women, compared to men.

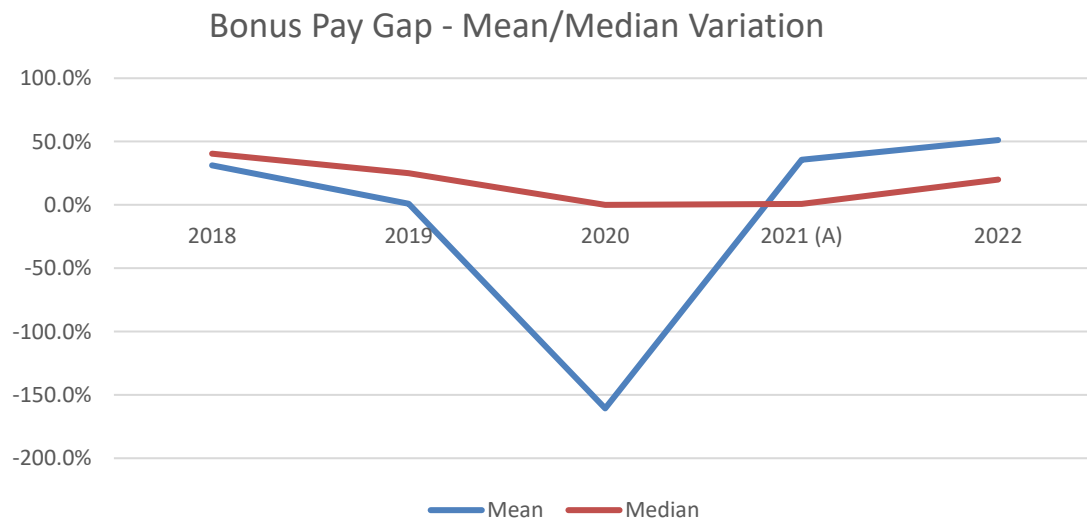


Bonus Pay Gap

Improvement will follow our improving pay gap

As a lagging measure, this data covers the 12 months preceding the snapshot date of April 2022.

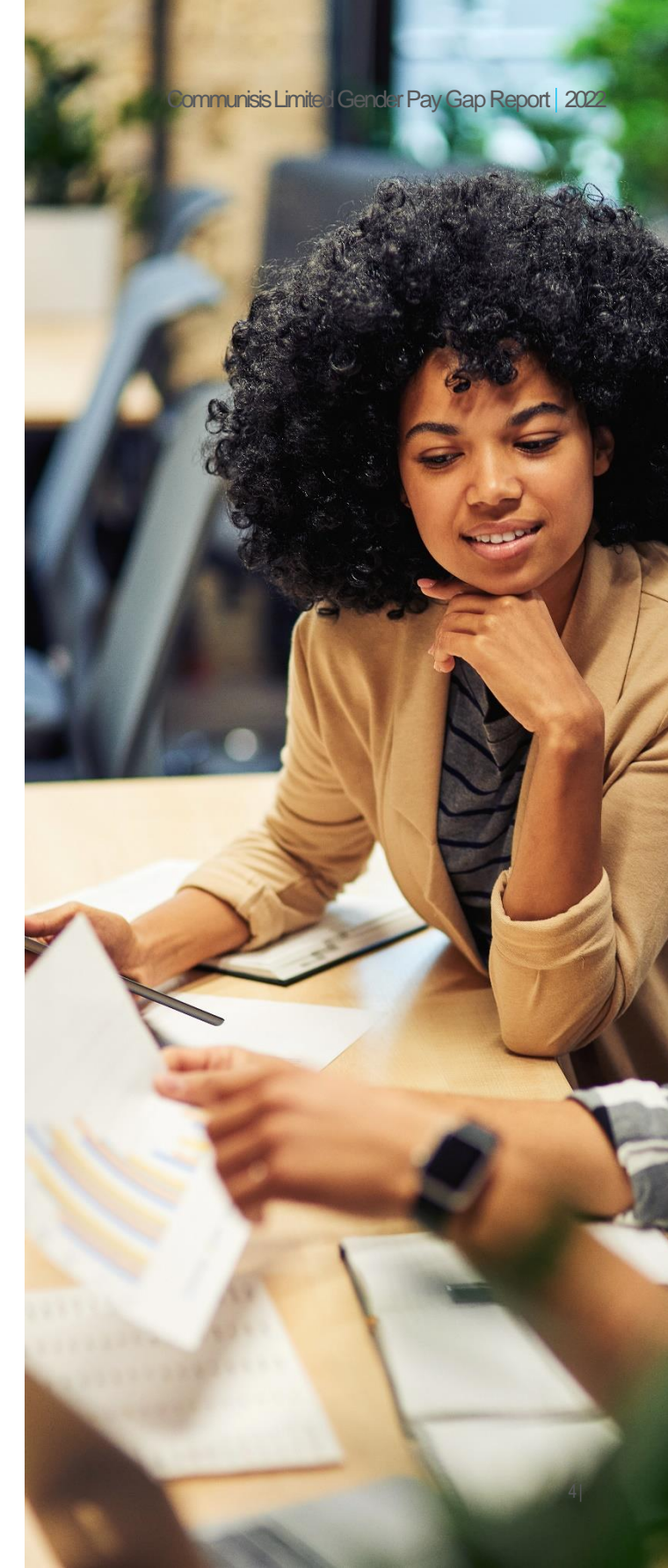
	2018	2019	2020	2021	2022
Mean	31.2%	0.90%	-160.7%	35.6%	51.1%
Median	40.4%	25%	0.0%	0.8%	20.0%



These numbers are less easy to interpret and the trending is materially impacted by corporate activity, market conditions and the impact of COVID-19.

Our gap here is driven by the representation of men in senior positions. Whilst we have a gap in this lagging measure, we anticipate that this metric will also improve over time following the trend of the leading gender pay gap measure and closing due to our efforts.

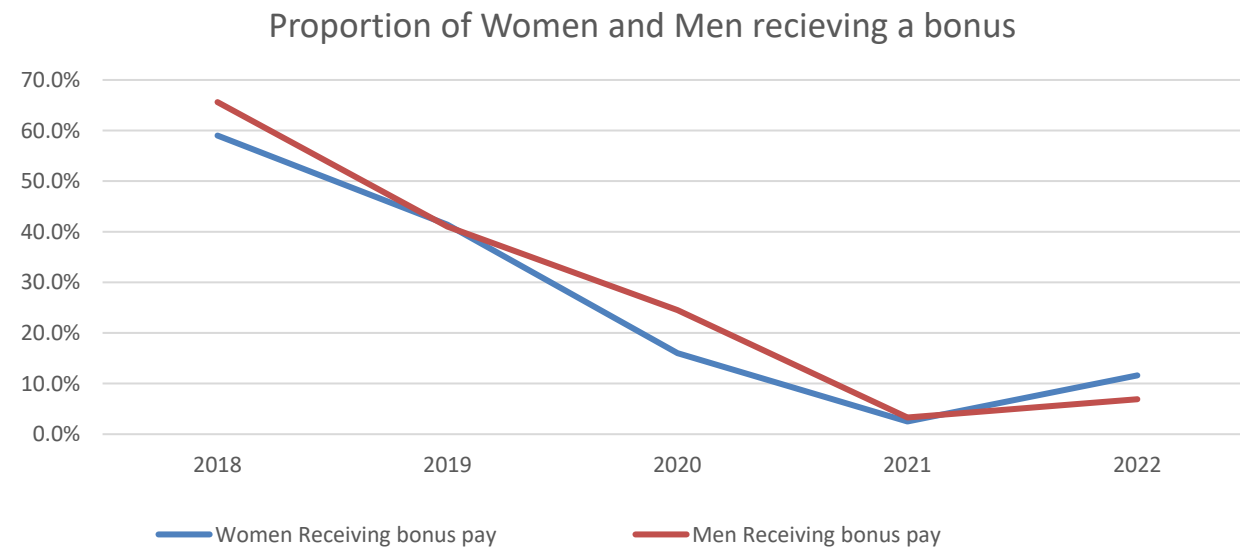
We remain comfortable that we have a fair reward policy and processes in place and continue to focus on review and management of those processes. Our bonus schemes are structured in a way that participation and reward are not impacted by gender.



Bonus Payments

Proportion of women and men receiving bonus pay

	2018	2019	2020	2021	2022
Proportion of women receiving bonus pay	59.0%	41.4%(A)	16.0%	2.5%	11.6%
Proportion of men receiving bonus pay	65.6%	41.0%(A)	24.5%	3.30%	6.9%



In the 2022 snapshot data, we see a higher proportion of women in our relevant full pay employees who are included in our data for this report receiving a bonus.

We have always performed well in having close levels of reward between women and men in this measure.

The work we have done to increase senior female representation has helped us improve this measure.

There is now a higher proportion of female, 'relevant colleagues' than men, who received a bonus in the period covered by this report.



A closer look at pay quartiles

Pay quartiles

These metrics outline the proportion of men and women split by quartiles, where median hourly rate is sorted high to low for relevant full pay employees included in the data for this snapshot date. We recognise the areas we need to focus our efforts on to address the balance across all pay quartiles.

		2018	• 2019	2020	2021	2022
Upper quartile	Women	34.1%	• 30.6%	33.0%	31.4% (A)	28.6%
	Men	65.9%	• 69.4%	67.0%	68.6% (A)	71.4%

		2018	2019	2020	2021	2022
Upper middle quartile	Women	35.7%	33.3%	33.3%	34.4% (A)	36.7%
	Men	64.3%	66.7%	66.7%	65.6% (A)	63.3%

		2018	2019	2020	2021	2022
Lower middle quartile	Women	38.3%	39.9%	38.5%	39.5% (A)	39.6%
	Men	61.7%	60.1%	61.5%	60.5% (A)	60.4%

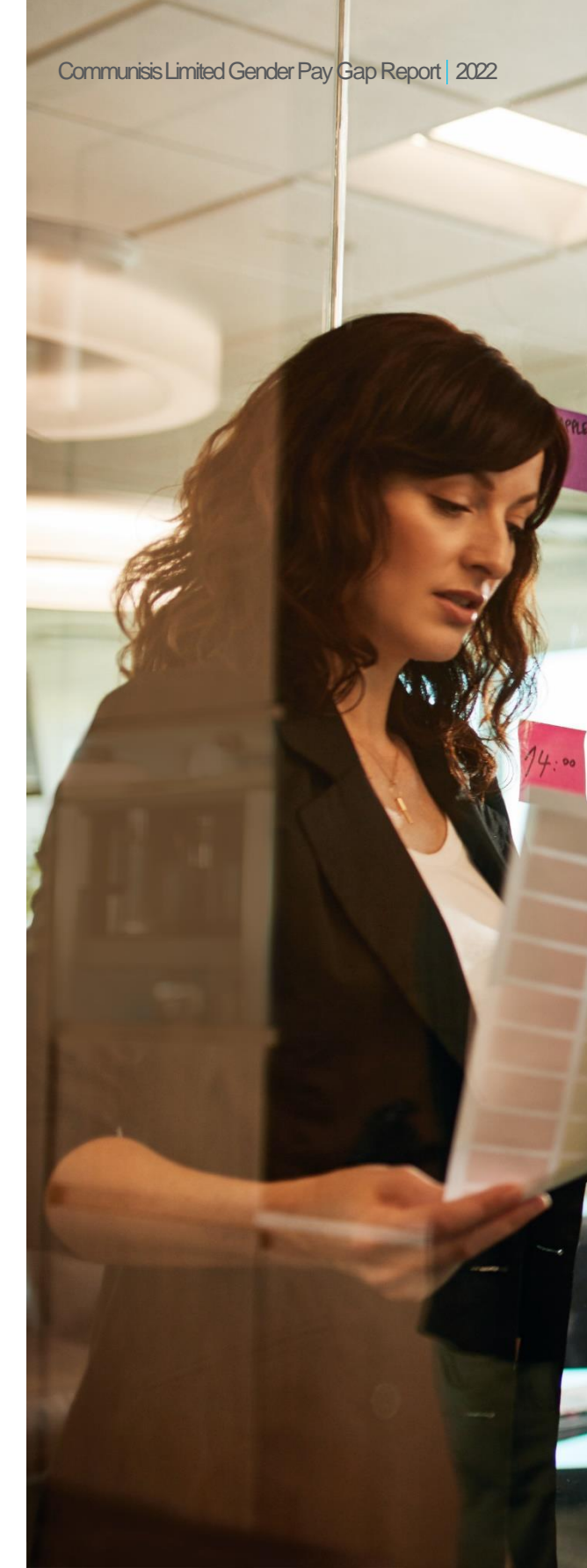
		2018	2019	2020	2021	2022
Lower quartile	Women	46.3%	42.9%	41.4%	41.5% (A)	40.4%
	Men	53.7%	57.1%	58.6%	58.5% (A)	59.6%

Overall, our business is 42% women, 58% men – and an initial target for us is to ensure that is representative across all quartiles, particularly in the upper quartile.

When we look at the current representation levels, we can see that as we move up the quartiles the percentage of women falls. As a result, we will be putting a project in place to understand why and recommend how we can reverse this trend.

We recognise the need to focus on improved performance across the pay quartiles to continue reducing our gender pay gap.

It is important to note, that these pay quartiles only capture 'relevant employees' as defined by the regulations, and do not capture a full business picture. 'Relevant employees' are colleagues who received their normal pay in that period, and for instance excludes colleagues on maternity leave and in receipt of statutory maternity pay.



Closing the gap – Focus on the future

Our work on Diversity and Inclusivity is an embedded part of our Responsible Business Strategy which is formed of core pillars, with ‘Healthy and Inclusive Workplace’ being a key area. Led by our Director of Responsible Business, each pillar has an Executive sponsor.

Our activities in the year leading to this report, and since, are all helping to build an inclusive workplace, this includes improved gender representation at all levels of the business to close our gap further. Key highlights that we have delivered in the period include;

- Raised the profile of our senior female leaders through their hosting of regular ‘listening sessions’. These sessions enable a safe and confidential place where colleagues can share their thoughts and observations on how Communis can improve our Diversity and Inclusivity approach. Topics have included women in business, the menopause, mental health and PRIDE. We have created space for colleagues to see successful women in our business, sharing their own stories and leading the way – we know that this is important in inspiring others to follow in their footsteps
- Used external benchmarking data when agreeing new salaries for all internal promotions/job moves to ensure we pay colleagues fairly and consistently
- Signed the CEO Activist pledge with our partners at DIAL Global, who operate a global community for Diverse Inclusive Aspirational Leaders. This includes completing the McKenzie-Dellis review, which measures progress annually on the 10 holistic DIAL facets. DIAL Global is the only diversity accelerator that looks at 10 holistic facets of visible and invisible diversity including race, gender, sexual orientation, disability, age, mental health, parenthood, nationality, religion and socio-economic status

The logo for DIAL GLOBAL, featuring the word 'DIAL' in a large, bold, white sans-serif font above the word 'GLOBAL' in a smaller, white sans-serif font. The 'O' in 'GLOBAL' has a stylized white smiley face inside it.

Closing the gap – Focus on the future

Continued...

- Improving our Executive Board diversity to be a 50/50 gender balanced team
- Removed the requirements for candidates to provide diversity information on job applications. Our conclusion based on research and the number of our own applicants who selected 'prefer not to say' meant that this was an obstacle to diverse recruitment, rather than helping to drive it. We continue to measure and monitor gender representation through our 'About Me' programme
- We will continue to use gender diverse recruitment panels where appropriate, and in particular where roles would land inside the top quartile of the pay quartiles
- Continued our partnership with PushFar to provide a market leading mentoring platform for all colleagues to easily access quality mentoring support from within our business
- Define a new project to take further specific action on analysis on pay quartiles, and where targeted action can address the challenges we see in the top, and upper middle quartiles

We look forward to updating on progress on plans in future reports.

Appendix One – Reporting conditions

To interpret our gender pay gap information, it is useful to understand the recent corporate history of Communis. In December 2018, Communis was subject to an acquisition by OSG, an American private equity backed group. Prior to Dec 2018, Communis Group was made up of several employing entities, under an overarching PLC organisation, which was FTSE listed.

Based on the regulation requirements of the number of employees, we were only required to report on the entity Communis UK Ltd. However, due to the number of employees we have who are employed by different Group entities, which did not meet the threshold to report, we voluntarily declared our overall Group results for all relevant UK based employees to show our true overall gender pay position.

For the snapshot years of 2019, 2020 and 2021 the reported numbers are for Communis Limited which is now the ultimate employing entity in the UK. Comparison numbers for 2018 are the Communis Group number, allowing for a like for like comparison.

2021 Adjusted Numbers

Impacted by the pandemic and other organisational changes, Communis made several material changes to its structure through the second half of 2020, and first quarter of 2021. Sadly, this meant some colleagues left the business through redundancy as roles were removed from the organisation.

There were also material changes at an executive leadership level. At the snapshot date, a number of those colleagues remained on payroll, although their roles were removed, and they had no active role within the organisation. The adjusted number for 2021 removes this impact to show a true picture of the actual employee base at the time of the snapshot.

All adjusted numbers are followed by '(A)' in the comparison sections of this report. Our full reported numbers for 2021, have been reported to the Government Gender Pay Gap portal, as is our obligation under the legislation, and were published in our Gender Pay Gap Report for 2020/21.

On December 28th 2023 Communis UK Ltd entered administration. Parts of Communis Group including the Brand Deployment business were acquired by Paragon. These businesses included colleagues who were included in this Gender Pay Gap Report, which remains valid for the reporting date. For the 2024 report the employee group will be reviewed and amended to meet the regulation requirements.

Gender Pay Gap Report 2021/22

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BRAND DEPLOYMENT
A Paragon Company