

Gender Pay Reporting Statement March 2018

1. Introduction

As of April 2017, The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (“the Regulations”) requires all organisations that employ over 250 employees to carry out gender pay reporting and report annually on their findings.

The gender pay gap is a measure of the difference in pay received by men and women. It is expressed as a figure representing women’s pay as a percentage of that received by men. In April 2017 the overall national gender pay gap was 18.4% as reported by the Office for National Statistics in its Annual Survey of Hours and Earnings.

The gender pay gap generally is typically affected by a number of factors, such as women statistically being more likely to work part-time in lower paid in lower paid sectors, less likely to work overtime, and less often being appointed to senior roles.

2. Sony DADC’s policy

Sony DADC is fully committed to a policy of treating all of our employees and workers equally and no employee or worker will receive less favourable treatment because of their sex or by reason of any other protected characteristic. We are fully compliant with equal pay for equal work legislation and men and women are paid equally for equal work and/or work of equal value.

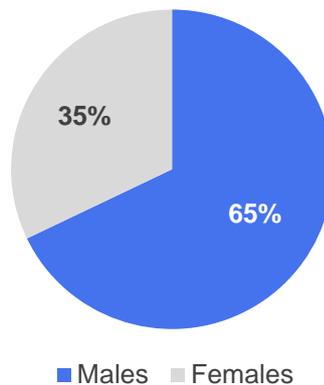
Salaries are awarded based on the skill level required for the position and the level of seniority in the organisation, irrespective of sex or any other protected characteristic. Roles are benchmarked internally to ensure parity and external benchmarking tools such as Towers Watson are also utilised to ensure we aligned with market rates. Sony DADC is committed to and will continue to ensure that men and women are paid equally for equal work and/or work of equal value.

3. Sony DADC's workforce

Gender split

Sony DADC's overall workforce consists of significantly more males than females. As demonstrated by the below chart:

**Employee Gender
Percentage of total employees**



Such a split between males and females is not particularly unusual in a manufacturing and distribution environment, however, it is something that we are looking to improve upon. Our gender pay gap results should be considered in the context of this percentage split as does influence the results.

Gender distribution

The below table shows the gender distribution at Sony DADC across four quartiles as at 5th April 2017: Upper (containing 69 employees), Upper Middle (containing 68 employees), Lower Middle (containing 68 employees), and Lower (containing 69 employees):

Quartile Pay Bands (% in quartile)	Upper	Upper middle	Lower middle	lower
Males	72%	69%	60%	68%
Females	28%	31%	40%	32%

Given the overall proportion of males to females within the company is 65% to 35%, there is a fairly broad consistency of gender distribution across all quartiles and, therefore, across seniority levels within the company.

However, there is a comparative over-representation of women in the Lower Middle quartile and a comparative under-representation of women in the Upper Quartile, which again influences our gender pay gap results.

4. Gender Pay Gap Results

Results

As per the requirements of the Regulations, the following results have been calculated based on a snapshot date of 5th April 2017.

Gender Pay Statistics	
Mean Ordinary Pay Gap	8.7%
Median Ordinary Pay Gap	7.4%
Mean Bonus Pay Gap	-3.1%
Median Bonus Pay Gap	-1.4%

Ordinary Pay

Sony DADC's overall median gender pay gap for ordinary pay is 7.4%. Whilst this is clearly significantly lower than the national average of 18.4%, Sony DADC is committed to improving the position further.

As such, we will continue to make steps to encourage more women into our organisation and to encourage a higher percentage of women into the "Upper Quartile" of employees. Indeed, we are pleased to report that in period between the snapshot date and this report being published:

- the business has seen 15% of female employees promoted;
- the percentage of females in Senior Management roles has increased to 38%; and
- 33% of new hires are female.

We are, therefore, confident that our progress in this regard will continue and are fully committed to making sure it does.

Bonus Pay

The statistics regarding bonuses demonstrate that both the mean and median bonuses paid to women were greater than those paid to men.

The percentage of colleagues awarded a bonus are as follows:



This shows a difference of 4% between the proportion of males and females that were awarded a bonus in 2017 for the financial year 2016. However, both the mean and median bonuses paid to women were greater than those paid to men. This has resulted in a negative bonus pay gap in this regard.

Bonus awards are based on three elements: company performance in the financial year, individual performance against objectives, and management discretion (to allow for the consideration of circumstances outside of the individual's control that may have impeded performance against targets).

It is encouraging that there is no gender pay gap in relation to bonus payments. However, Sony DADC has always and will continue to work to ensure that all bonuses are allocated fairly based on the performance of the aforementioned standards.

5. Conclusion

I should conclude by re-iterating that Sony DADC is fully committed to a policy of treating all its employees and workers equally. Whilst this report demonstrates that there is no gender pay gap in relation to bonus payments, we do look forward to continuing and building upon our work in further narrowing both the mean and median pay gap in relation to ordinary pay, which, I believe, exists simply due to the composition of our workforce.

I confirm the information provided in this report is accurate.

Russell Taylor
Director
Deputy Vice President and CFO, Sony DADC International