



Halfords Media (UK) Ltd.

April, 2019

UK Gender Pay Reporting for Halfords Media (UK) Limited

In April 2017, Parliament introduced The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which requires all UK employers of 250 or more employees to post to their website certain gender pay information for employees who were employed by the UK entity as of the 5th of April of each applicable year.

As of the 5th of April 2018, Halfords Media (UK) Limited had 358 relevant employees.

Halfords Media (UK) Limited is an indirect UK subsidiary of The Stars Group Inc., a leading provider of technology-based products and services in the global gaming and interactive entertainment industries. Halfords Media (UK) Limited is based in London, and is a satellite office of The Stars Group, primarily employing staff within Marketing, Customer Support and Business Intelligence functions.

When recruiting and for internal review, all roles within The Stars Group, Halfords Media (UK) Limited included, are graded and benchmarked. Throughout the course of employment all employees are encouraged to develop their skills and progress through the pay scale for their particular grade (i.e. level of seniority), role and job function. This is irrespective of gender and focused around length of service and performance. Halfords Media (UK) Limited has robust processes in place to ensure pay levels are reviewed using a fair and consistent approach. Based on an internal analysis for the required period, the mean and median gaps between the average male and average female's hourly rate of pay for those employed by Halfords Media (UK) Limited was 20.9% and 30.1%, respectively, in favour of men. Compared to our 2017 figures, this is an increase in the mean gap of 1.1% and a decrease in the median gap of 0.9%.

These figures reflect the average male and female employee overall and do not take into consideration specific roles, levels or grades. That said, we believe the increase in the mean pay gap but not the median is likely due to, in part, the hiring of a male executive officer member in our UK office. As the mean simply takes an average of all male salaries, it has increased due to the additional male executive, whereas the median takes more of a central view and so is less affected by outliers. If we remove this male executive officer from the calculations, the mean gender pay gap is lower than it was in 2017, coming in at 19.0%.

The Stars Group recognises that in order to promote a fairer pay distribution across genders, we should not look to exclude any executives, even if they could be considered outliers, as a lack of female representation in the most senior roles is a key driver of the gender pay gap. This is why we are continuing our focus on increasing the number of female employees, particularly among

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senior management positions and the executive team. Additionally, as part of the group-wide talent management programme, diversity and inclusion is consistently discussed and reviewed.

Halfords Media (UK) Limited participates in The Stars Group's annual bonus plan and structure, which is based on a combination of the performance of the individual and that of The Stars Group. Additionally, bonus payments include ad-hoc rewards, long-service rewards, a baby bounty programme and an employee share purchase programme, which includes an employer match component. Potential bonus as a percentage of salary increases with grade within the business. As there are more men in senior positions within Halfords Media (UK) Limited than there are women, this leads to an increase in the gap for bonus pay on a gender basis.

Halfords Media (UK) Limited paid bonuses to 92.4% of women and 89.9% of men. This is a 2.0% increase in the percentage of women receiving bonus and a 1.3% reduction in the percentage of men from 2017. The only Halfords Media (UK) Limited employees who did not receive a bonus were those who started after a specified cut-off date during the year, did not work during the year over which their performance is assessed (for any reason), or whose performance did not meet the required standards for their role. Based on an internal analysis for the required time period, and not taking into consideration specific roles, levels or grades, the mean and the median pay gap for bonuses were 44.2% and 44.9%, respectively, in favour of men, which is an increase of 0.2% on the mean and 0.9% on the median from 2017. Set forth below is a chart showing the hourly rate of pay by quartile.

Hourly rate of pay by quartiles

	Male	Female
Lower Quartile	47.7%	52.3%
Lower Middle Quartile	64.0%	36.0%
Upper Middle Quartile	67.4%	32.6%
Upper Quartile	76.7%	23.3%

This year, the bonus gap has increased slightly, in part due to the hiring of a male executive officer in the UK office. We are, however, encouraged to see that the proportion of women in the upper pay quartile has increased from 19.0% in 2017 to 23.3% in 2018.

We had hoped that the increase in female representation this year would have a positive impact on the bonus gap for 2018. However, a gap remains between the bonus opportunities of the most senior females and the most senior males. Over time we expect to see an increase in female representation in senior roles and more females moving up within the quartile, resulting in a more even distribution at the top end and therefore larger female bonus opportunities and a smaller bonus gap.



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Interestingly, 30% of the women in the upper pay quartile were recent hires. We are pleased to see that we are making progress with encouraging women to enter at more senior roles in the group and hope that as they move up through the company, this will start to have a positive impact on our bonus gap over the next few years.

Group-wide we are also starting to see improvements and we are pleased to announce that in our Isle of Man office, The Stars Group has appointed its first female senior executive to the executive board. We hope that this news will encourage a further increase in women transitioning into senior roles in all our subsidiaries globally.

How to minimise the gap

To aid Halfords Media (UK) Limited, and The Stars Group as a whole, to bridge these gaps, we have committed to, among other things, the following actions and initiatives:

- Continue to review family friendly policies, such as maternity, paternity, shared parental leave and flexible working schedules
- Provide the opportunities for the creation of in-house networking programs to help employees broaden their networks and improve on their potential career progression
- Create and implement a diversity strategy in line with corporate social responsibility strategies, including creating a policy and training for managers highlighting the advantages of having a diverse workforce
- Continue to monitor pay data to ensure consistency across performance related pay increases for men and women
- Review the delivery of learning and leadership programs to ensure they provide equal opportunities for all individuals to progress
- Update and deliver unconscious bias and inclusion training across the business
- Continue to review and improve recruitment processes including: a review of all role profiles to ensure the wording and style are gender neutral, a balance in the ratio of males and females involved in the interview process, a review of our employer brand, a review of all agency suppliers that we engage with and ensuring that they also have a strong commitment to diversity and are providing us with a mix of applicants
- Enhance current internal mentoring programmes
- The creation and implementation of a leadership strategy and focus on diversity and inclusion
- Setting up of volunteer groups to engage employees from across the business in our commitment to diversity and inclusion

Furthermore, The Stars Group has recognised a need to increase the number of female employees, particularly among senior management positions and executive ranks, and to include diversity in its talent management program. For more information about this and other



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initiatives around diversity, please see The Stars Group Inc.'s most recently filed Annual Information Form, including under the heading "Human Resources", and Management Information Circular, including under the heading "Diversity", both of which can be found [here](#).

I confirm that the data contained in this report is an accurate representation of Halfords Media (UK) Limited.

Matt Garratt
Director, People Services



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