

**GROUPON** UK

MyCityDeal Limited

# **GENDER PAY GAP**

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**REPORT 2019**

## INTRODUCTION



### **CLAUDINE KOURKOUMELIS** Groupon VP, Human Resources

Diversity and inclusion are priorities for Groupon; these are core values that sit at the heart of our brand. This is not simply about compliance. We know it makes good business sense. A diverse and inclusive organisation reflects and represents our customers and our merchants. This gender pay report focuses on the male/ female pay gap for a sample section of our business but is part of a bigger, ongoing conversation at Groupon that affects us all.

As a business, we provide equal pay for equal work. However as the stats show in this report, females within leadership roles continue to be under-represented and so we need to work even harder to address this with a renewed laser-focus.

This is not an easy or a quick fix. We all need to work harder to remove the obstacles that women face in the workplace, from the recruitment process to benefits and training, through to recognition and rewards.

One of the key initiatives put in place last year was the launch of an internal program to connect females and other under-represented employees with senior leaders to provide guidance and support to help in their professional development, reverse mentor and feel more connected to

Groupon to aid in our retention efforts. This is something we're proud of and will continue to do, along with other initiatives outlined in this report.

We have seen some improvements in our figures this year, and we believe that the institutional frameworks we have already introduced and are developing further will slowly move us in the right direction. This is our goal at all times.

It is worth pointing out that some of our female leaders who are in key leadership positions managing the UK & International businesses are not covered by this analysis; I am one of these and this does skew our data results. However, we need action plans, not excuses. We know there is more work to be done across the business and we are determined to get this right.

Gender representation at all levels and in all disciplines is an area that Groupon has focused on in recent years, and is a catalyst for change. We are all accountable.

*Claudine Kourkoumelis*

## WHAT DATA DO WE HAVE TO REPORT FOR GENDER PAY?

As an employer of over 250 people in the UK, Groupon is publishing the following information for employees in our MyCityDeal business employed on 5th April 2019:

1. Proportion of male and female employees in each pay quartile (the male/female ratio for each quartile is provided)
2. Average or mean hourly gender pay gap
3. Median hourly pay gap by gender
4. Average bonus gender pay gap
5. Median bonus gender pay gap
6. Proportion of male and female employees receiving a bonus payment

## HOW ARE THE PAY QUANTILES CALCULATED?

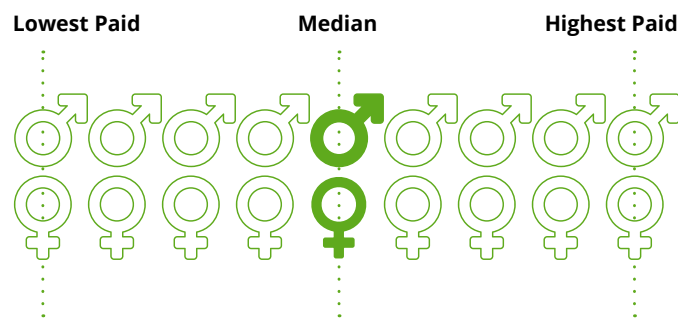
The pay quartile percentages are calculated by listing the rate of pay for each member of the team, low to high, then splitting that list into four equal quartiles. The percentage of male and female staff in each quartile is reported.

## HOW ARE THE MEDIAN AND MEAN PAY GAPS CALCULATED?

The mean (this is the average) gender pay gap is the difference between the average pay of male and female employees.

The median (consider this as the middle) gender pay gap is calculated as follows:

- ▶ Imagine if all of our female employees stood in a line ranging from lowest to highest paid;
- ▶ We then line up the male employees in the same way;



The median gender pay gap is the difference in pay between the middle female employee and the middle male employee.

The median is a more appropriate statistical metric than the mean for pay analysis, because it is less influenced by data outliers.

## GENDER PAY GAP VS EQUAL PAY - THE DIFFERENCE

Whilst both the gender pay gap and premise of equal pay for equal work deal with the disparity of pay received by females in the workplace in comparison to males, they are two different issues.

- ▶ Equal pay for equal work means that male and female employees in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.
- ▶ The gender pay gap is a broader measure of the difference between male and female's average earnings across an organisation regardless of their area of work. It is expressed as a percentage of male's earnings.

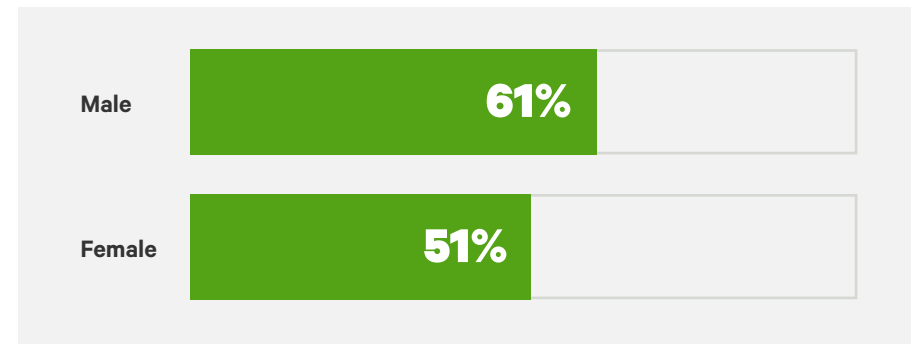
We have a compensation framework in place at Groupon that is based on market data. The market data is used to determine what the salary is for each role. We regularly review employee pay versus market data, and internal analysis shows that we are paying competitively against the market and in a gender neutral manner.

## OUR DATA AT A GLANCE

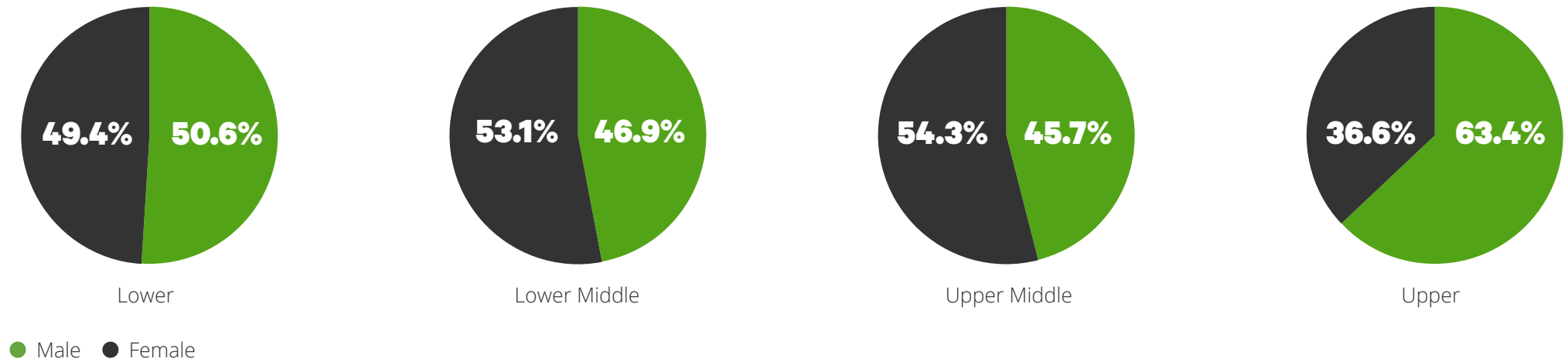
### Hourly Pay and Bonus Gender Gap

	Pay	Bonus
Median	<b>9.3%</b>	<b>26.9%</b>
Mean	<b>17.9%</b>	<b>21.3%</b>

### Percent Receiving a Bonus by Gender



### Quartile Analysis



## OUR DATA EXPLAINED

### Gender Pay Gap

Our median gender pay gap

**9.3%**

Our mean gender pay gap

**17.9%**

This year we saw increases in both the median and mean hourly gender pay gaps which increased by 6.1 percentage points and 12.3 percentage points respectively, compared to 2018.

We also saw a decline of 7.7 percentage points in the representation of females in the upper pay quartile which contributed to the widening of the gender pay gap since last year. The reason for this decline in female representation was due to the large percentage of male employees at the level of Director and above (91%, 10 out of 11 employees) who joined Groupon after the 2018 snapshot date. These outliers in the Upper Quartile drastically affected our results.

When we exclude roles at Senior Manager level and above the pay gap improves dramatically, with the median and mean both reducing to 0.3%. This metric is representative of our upper pay quartile and the gender proportion disparity within it. Therefore, this continues to emphasize that the pay gap is driven by gender representation within that upper pay quartile. Although our figures appear to have worsened this year, we continue to pay men and women in the same job, the same pay for the same work.

### Bonus Pay Gap

Our median bonus pay gap

**26.9%**

Our mean bonus pay gap

**21.3%**

Recipients of bonus payments in 2019 continued to be skewed towards males in the business, but the percentage of recipients receiving bonuses ultimately declined within both genders compared to 2018. We did see an improvement at the mean level which reduced by 9.6 percentage points from 2018. However the median bonus continued to increase by another 2.5 percentage points up to 26.0% in 2019, due to the increased number of high paid males in leadership positions in the upper pay quartile continuing to keep the median high.

In summary, we saw gaps increase across the board in regards to hourly pay and bonus pay gaps, due to changes in management positions that adversely affected our upper pay quartile. However, we know that we continue to pay men and women, in the same job, the same pay for the same work, which is evident when Senior Managers and above are removed from the population.

**WHAT DID WE DO TO ADDRESS THE GAP IN 2019?**



**COREY FLOURNOY**  
**Global Head of Inclusion and Diversity**

*"Groupon continues to reinforce and expand its belief in its core value of Respect, Integrity and Inclusion through programming and initiatives that support the retention, development and advancement of diverse talent, including women in leadership and technology at all levels of the company. We are proud to operate as a global company that strives to eliminate unconscious biases and unfair processes while implementing supportive programming to ensure women have access and opportunity for greater career success and progression."*

Following last year's Gender Pay Gap Report, we have continued to weave Inclusion & Diversity into everything that we do. Below are a number of actions that we have taken to drive Inclusion & Diversity within Groupon during 2019:

1. The Intentional Inclusion workshop was delivered across 50+ sessions for 1,000+ employees globally, and participants were notified of follow-up engagement opportunities in the months following the training. The GREAT Leadership Program successfully launched its first cohort of 15 diverse high performers representing 5 offices globally. Within this group of high performers there were 12 female employees, one of whom is based in the London office. The cohort has so far received internal VP+ mentorship, external coaching and manager training to aid in professional development and career growth. One cohort member received a mid-year promotion, and multiple others were nominated for promotions at year-end.
2. In 2019, Talent Acquisition delivered the new Interview Training to all recruiters and hiring managers across all locations in EMEA. Since then, they have continued to provide this training to all newly hired and newly promoted managers on a regular basis. Feedback from interviews has been consistently monitored for any potential bias in the training or the interviews, and has been addressed immediately if it has arisen. All of our Role Profiles have been 'Textiod', which propels us to further attract diverse talent for all opportunities by actively continuing to promote language that is more gender-conscious and is proven to attract both males and females. As a result, 85% of all senior leadership roles in 2019 had at least 2 female candidates at 2nd or final stage interviews.
3. The five Global Pillars – Careers, Collaborators, Communications, Community, Culture – launched successfully in 2019 with leadership representation in both North America and International. Highlights included the Careers Pillar's training and panel discussion to promote internal career mobility, with in-person and virtual attendees around the

world; the Communications Pillar's I&D Newsletter, compiled and sent to all employees 3 times during the year; and the Culture Pillar's global celebration of holidays such as Diwali to raise awareness and promote cultural understanding. In addition, the Pillars contributed to the first-ever Global I&D Month, which saw participation from 18+ offices in 4 weeks of programming for cross-office collaboration and cultural celebration.

4. Following the successful launches of our Internal Talent Marketplace (ITM) in Poland and EMEA Goods in early 2019, ITM was successfully launched globally in May 2019. The launch focused on a "Groupon First" mentality for hiring managers to think of internal talent first and for employees to think about internal opportunities first when they consider their next career move. Since the launch in May, we have seen a 64% increase of internal applications and a 117% increase in internal transfers YoY.
5. For a number of years, a Flexible Working Policy that offers employees greater flexibility when balancing the demands of parenting and working has been in place in Groupon. The flexible working arrangement allows for part-time, flexi-time, working from home and compressed hours for employees depending on their individual situations. In 2019, this policy continued to provide parents with a great tool to help manage the balance between work and life outside of work.
6. We have continued to utilise our Groupon Pulse surveys to assess our diversity efforts globally. In our UK office, there are some insights related to gender that we are working on. Males are more inclined to leave due to compensation reasons and females are more inclined to leave due to career opportunities and work life balance. The results of this survey allow us to identify further areas for improvement and a general understanding of what is valued by our employees varies by gender.

**WHAT WILL GROUPON DO TO CONTINUE ADDRESSING THE GAP IN 2020?**



We place a high value on diversity at Groupon. Respect, Integrity & Inclusion is one of our key values as we believe that we should solve problems the right way, together. We don't just want to win, we want to win the right way. We'll celebrate difference and the ways it can change how we work and lead to bigger wins. We'll work across the company realising that success isn't a zero-sum game. We'll invite diverse perspectives and make sure we take on challenges in an honest, open and respectful manner, making sure that we also continue to challenge ourselves.

In Groupon, we are confident that male and female employees are paid equally for doing equivalent jobs. However, the data shows that we can still do more to address the gap, particularly by increasing female representation at senior levels, for which we have a clear game plan:

1. The I&D team will continue to expand the number of participants in the Intentional Inclusion workshop as well as pilot a new session for managers to address systemic bias in the workplace and proactively support the advancement and equity of underrepresented employees. In mid-2020, the "graduation" of the first GREAT Leadership Program cohort and the launch of a new diverse cohort will happen concurrently. The I&D team will implement program improvements driven by extensive feedback throughout the first cohort's experience, including greater representation from EMEA / APAC.
2. In Q1 2020, we plan to conduct a review of our Internal Talent Marketplace (ITM) to assess the 2019 wins and additional opportunities to further enhance the ITM program. As a

global organisation, we will strive to continually make it easier for our employees to progress their career at Groupon through new policies, transparent communications and better use of our internal technology and resources.

3. As has always been the case, Groupon will always hire the right person for the right role, irrespective of gender. However, we want to ensure that we continue to source and identify a diverse range of applicants for all of the positions that we advertise. In 2020, we want to continue to have at least 2 diverse (female) candidates for the 2nd round interview on at least 75% of all Director and above searches. By surpassing this goal we hope to continue to address some of the issues we are having in our Upper Pay Quartile and the imbalance of diversity at Director and above levels.
4. The Flexible Working Policy program will continue to be in place as this is a valuable program to help working parents, particularly women, manage work-life balance. As of January 2020, in Groupon UK, 56% of those with remote-working arrangements are Females. And 100% of those working part-time are Females.
5. We will continue to use our established compensation

framework for 2020, to ensure our pay programmes are gender-neutral.

Specifically, this includes the following:

- We will engage with a 3rd party provider to conduct a statistically rigorous global pay review to ensure there are no systematic pay biases. This will be conducted after the annual compensation review in Q1 2020. Similar reviews conducted in previous years indicated no systemic pay biases, and we are confident the result will be the same for this year.
- We will further iterate on our manager training.
- We will continue to evaluate our jobs to ensure they are levelled properly.
- We will review Annual Bonus Plan eligibility and update eligibility as supported by market practice.



## TO CONCLUDE

Groupon is committed to being an employer that actively promotes diversity, inclusion and equality.

In 2018, we identified that we had a gender pay gap driven by representation of females at senior management levels. Unfortunately, due to changes in senior management, we still have a much larger representation of males than females, at the Senior Manager level and up in 2019. For example, 10 of the 11 Director level and above roles we have hired since the snapshot of Y2018 have been male, which has changed the population of our Upper Pay Quartile and adversely impacted our results.

However, when we exclude roles at Senior Managers level and above, the gap declines dramatically, with the mean and the median both reducing to 0.3%. Therefore our issue continues to be one of representation, not of equal pay. Groupon has and will continue to pay men and women, in the same job, the same pay for the same work.

These results demonstrate we must continue to think creatively when trying to attract a wider and more diverse talent pool for leadership positions. We must continue to leverage the gains we have made using our Internal Talent Marketplace to actively grow, develop and create opportunities for all of our employees. And, we must continue to live our values of Respect, Integrity & Inclusion to ensure we are building a more diverse team that will result in a creative, successful and sustainable future.

## DECLARATION

Groupon's relevant business in the UK is registered as MyCityDeal Ltd. This report has been produced with pay data for employees of MyCityDeal Ltd.

We confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Maneesh Limaye, Global Head of Compensation & Benefits



Rachel George, Director - Treasury

