

GROUPON UK

MyCityDeal Limited

GENDER PAY GAP

REPORT 2021

INTRODUCTION



CLAUDINE KOURKOUMELIS
Chief People Officer, Groupon

Diversity, Equity 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, equitable and inclusive organisation best 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 believe in and provide equal pay for equal work. However, as the statistics show in this report we continue to have a disproportionate number of males to females in leadership positions in the UK, which significantly impacts our results in hourly pay and even more so in bonus pay.

We need to work even harder and with greater precision to address this ratio. There is no quick fix. We all need to work harder to remove the obstacles that women face in the workplace, from the recruitment process, benefits, training and flexible working, through to recognition, rewards and promotion.

Last year was a year like no other. The impacts of COVID-19 were unprecedented but as a business we remained committed to our foundations of inclusion and diversity. We continued to source and identify a diverse range of applicants for all of the positions that we advertised, especially at Director and above levels, to specifically target our representation issues at more senior levels. We also celebrated the “graduation” of the first GREAT Leadership Programme cohort, which was designed to provide high performing employees with access to mentorship, external coaching and manager training to aid in their professional development and career growth. Of the 15 selected high performers, there were 12 female employees, one of whom was based in the London office. We are pleased to be rolling this programme out again in 2022. On top of these actions, we have continued to roll out programs designed to cultivate a more inclusive Groupon including Intentional Inclusion and the “Are We in a Relationship?” Authentic Allyship workshops.

It is worth highlighting that some of our female leaders holding key leadership positions managing the UK & International businesses are not covered by this analysis. I am one of these and these inclusions would drastically change our data results at the leadership level.

Within the wider organisation, women are well-represented. From 2019 to 2020 we saw an increase of women in leadership from 29.6% to 35.3%. Our current Senior Leadership Team includes myself (CPO), Melissa Thomas (CFO), Jill Balis (CMO) and Barbara Weisz (SVP) - the latter of whom leads the International Organisation. While these leaders are not based in the UK, having such representation at the top of our business reassures us that our commitment to diversity, equity and inclusion is powerful and that we now need to ensure this is reflective throughout the rest of the organisation.

Additionally, as part of our continued commitment to a more inclusive Groupon, we have launched a standalone page for our Social responsibility and inclusion, equity and diversity updates on our new corporate website. This space will continue to provide a deeper look into the work we are undertaking to drive an inclusive culture and keep these issues at the front of our mind, for our people.

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 2020:

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?

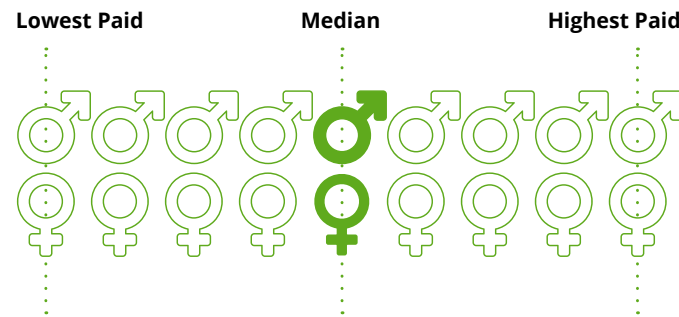
The pay quartile percentages are calculated by listing the rate of pay for each member of the team, low to high, then splitting that list into four equal quartiles. The percentage of male and female staff in each quartile is reported.

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.

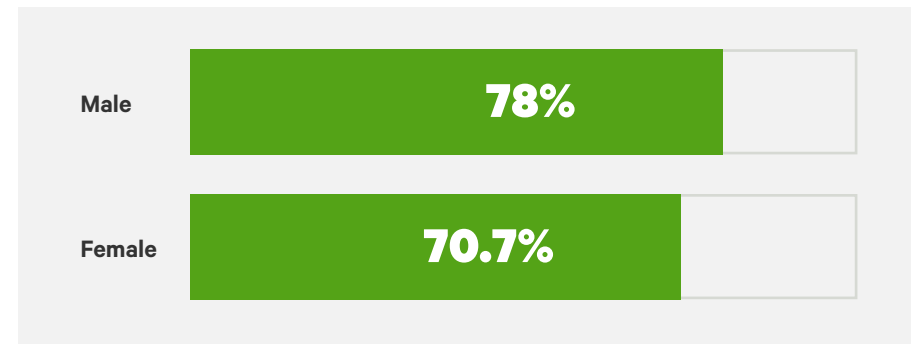
We have a compensation framework in place at Groupon that is based on market data. The market data is used to determine what the salary is for each role. We regularly review employee pay versus market data, and internal analysis shows that we are paying competitively against the market and in a gender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

OUR DATA AT A GLANCE

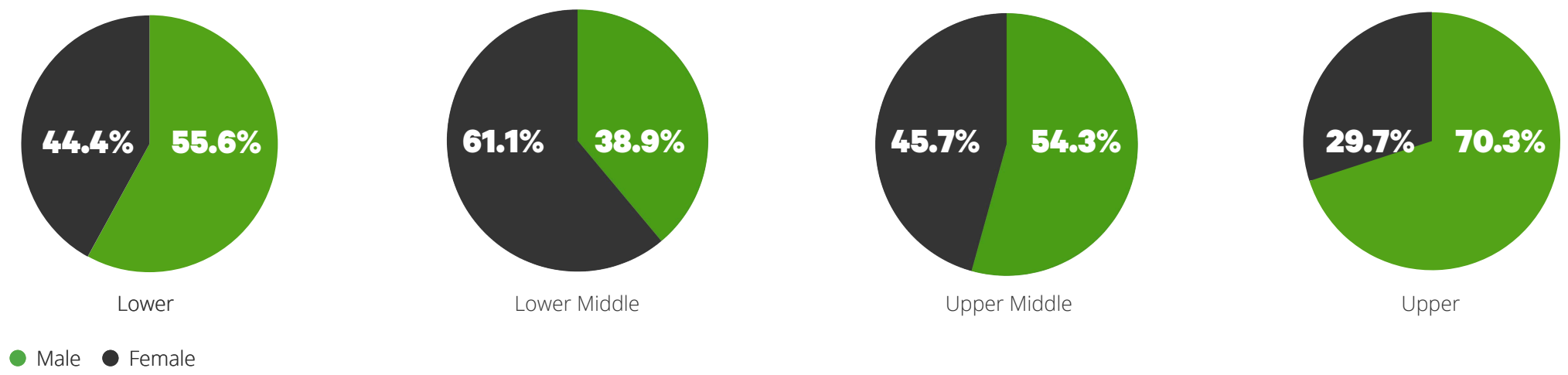
Hourly Pay and Bonus Gender Gap

	Pay	Bonus
Median	20.6%	54.2%
Mean	26.2%	50.1%

Percent Receiving a Bonus by Gender



Quartile Analysis



TO CONCLUDE

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

In 2018, we identified that we had a gender pay gap driven by the representation of females at senior management levels. Unfortunately, this remains true in 2020 and impacts our gender pay gap results. When we exclude roles at Senior Manager and above, the hourly pay gap does decline, with the median reducing to 7.6% and the mean to 17.7%. This underscores that we still have important work to do to achieve a diverse workforce that more closely reflects the diversity of the communities in which we live and work.

Additionally, furlough in the UK had a significant impact on our results this year. The UK government instructed companies to exclude furloughed employees from the hourly wage calculation which has adversely affected our results. When we include those employees that were furloughed, we find that our results improve our hourly pay gap from a median of 20.6% to 8.6% - a reduction of 12% percentage points. Including the entirety of our employee population greatly improves our results and giving a more accurate representation of pay at Groupon (MyCityDeal Ltd).

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.



Doug Bach, Global Head of Compensation & Benefits



Jeremy Paterson, Vice President - EMEA & APAC Sales and Operations

As a company, we recognise that diverse voices and experiences will continue to make Groupon a better company for our employees, merchants and customers. In the past year, we've made important, foundational progress and I have no doubt that we'll continue to build on that momentum. In 2021, we're committed to focusing on developing, mentoring and hiring diverse talent across our organisation. We'll also expand on the ways we engage with employees by revitalizing our Global Employee Resource Groups as well as relaunching a new version of our high-performing leader's program in 2022 to offer greater opportunities to diverse and exceptional talent across the business.

To conclude we must continue to think creatively when trying to attract a wider and more diverse talent pool for leadership positions in the UK. We must continue to leverage the great progress made at our S-Team level and have those efforts reflected across the rest of the organisation. We must also continue to offer opportunities for growth and development to all of our high performing employees. And, continue with our commitments to cultivating an inclusive, diverse and equitably Groupon that will result in a creative, successful and sustainable future.

