

ON THE BEACH LIMITED
GENDER PAY GAP
REPORT 2018

Published 1 April 2019





Introduction

Our people are the driving force behind On the Beach's success, and we recognise that providing a working environment and culture centred on respect, inclusivity and opportunity for all is critical to achieving our strategy and goals, as well as the sustainability of our business overall.

There are two main contributing factors to the Gender Pay Gap at On the Beach: the gender make-up of some of our teams (namely Technology, in which there is a higher proportion of men, and our Contact Centre, where there is a higher proportion of women), and the ratio of men to women in the business' most senior roles.

This highlights two key areas in which we need to focus our attention: providing the opportunity, support and development path for women to move into leadership positions, and looking at ways in which we can begin to redress the gender imbalance within some of our business areas.

The figures used in this report look at the mean and median hourly pay gap, as well as the salary band quartiles for full time equivalent employees only.

Our Gender Pay Gap is typical of the technology industry – and considerably smaller than that of most businesses within the travel sector. And whilst this does not mean that our pay gap is something which we take lightly, it is reflective of the complexity of an issue which exists outside of On the Beach, as well as within it.

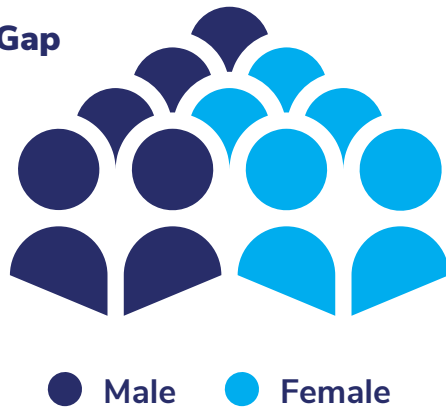
This report outlines On the Beach Limited's Gender Pay Gap, the context surrounding these results, and the actions we are taking to ensure that On the Beach is an inclusive workplace that provides equal opportunities for everyone.

A handwritten signature in black ink, which appears to read 'Simon Cooper'.

Simon Cooper
Chief Executive Officer



Gender Pay Gap



Equal Pay Comparison



Gender Pay Gap Report overview

The UK Gender Pay Gap legislation was introduced in April 2017, to report the average pay for men and women in a company's workforce, and highlight any difference that exists between the two in order to promote gender equality and allow action to be taken where needed. We therefore welcome Gender Pay Gap reporting as a means of highlighting this issue more widely, aiding us in reviewing current performance and providing a catalyst for change.

It's important to note that the Gender Pay Gap is different to equal pay, which deals with the pay differences between men and women carrying out the same or equivalent roles, or work of equal value. We are confident that On the Beach pays men and women equally for work carried out in equivalent roles.

The Gender Pay Gap Report requires companies to publish the following data for the year up to and including 5 April 2018:

- > The mean and median hourly pay gap
- > The mean and median gender bonus gap
- > The proportion of men and women receiving a bonus
- > The proportion of men and women in each salary band quartile

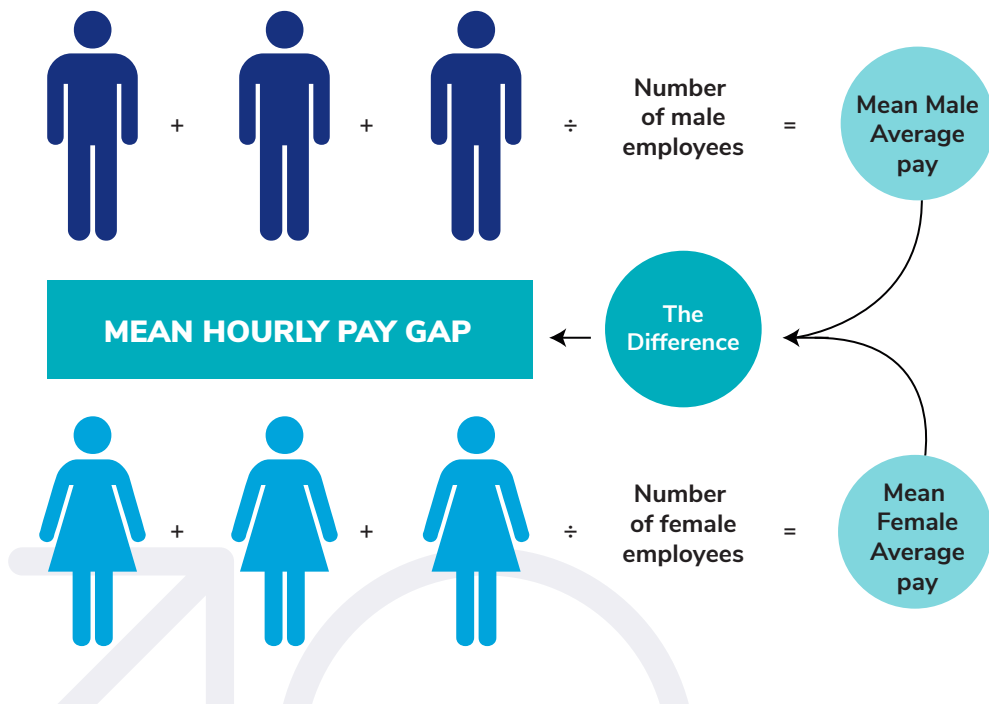
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Calculations explained

Mean

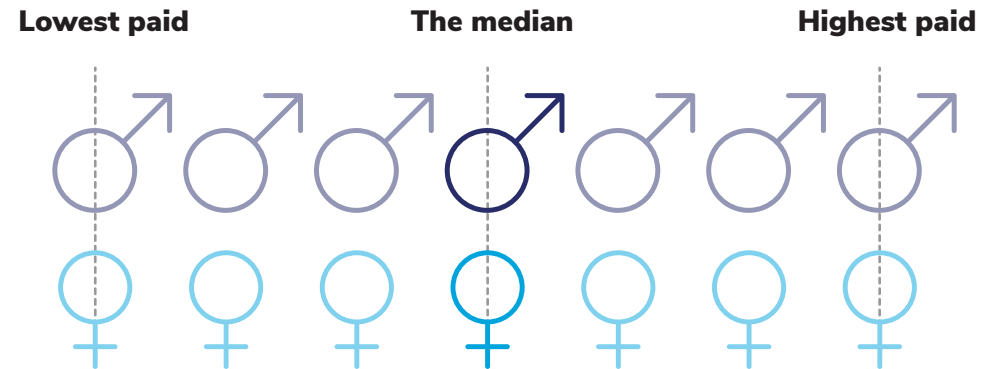
Mean is the difference between the average hourly rate of pay between men and women within the business. To calculate this, we add together all the hourly rates of pay for women across On the Beach and divide this by the total number of women.

The same is done for male hourly pay. From this we can calculate the average hourly rate of pay for women and men at On the Beach. The mean gap is the percentage difference between these two values. For the Gender Pay Gap report this is applied to both hourly rates of pay and bonus payments.



Median

Picture all of the women working at On the Beach standing in a line, ordered from the lowest hourly rate of pay to the highest. Picture the same scenario for all of our male employees. The person standing in the middle of each line has the median hourly rate of pay. The median gender pay gap is the difference in pay between the woman standing in the middle of her line, and the man standing in the middle of his line.



Salary Quartiles

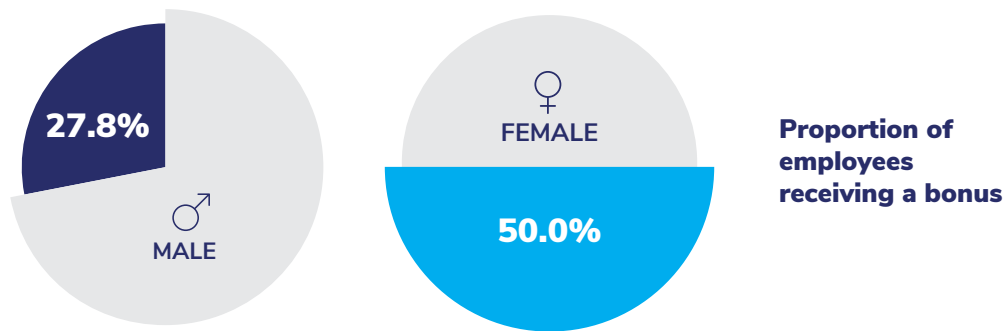
To look at salary quartiles, all On the Beach employees are ranked in order from the employee with the highest hourly rate to the employee with the lowest hourly rate. This list is then divided into four equal groups (quartiles) that rank from the lowest hourly rate (Quartile 1) to the highest hourly rate (Quartile 4).

Gender Pay Gap Results

(Year up to and including 5th April 2018)

The table on the right shows the overall mean and median gender pay gap between male and female employees based on hourly rates of pay and employees within the business' salary quartiles as at the snapshot date of 5th April 2018.

It also captures the mean and median difference between bonuses paid to men and women, and the proportion of men and women receiving a bonus, at On the Beach in the year up to and including 5th April 2018.



This report relates to On the Beach Limited only as no other companies in the Group have more than 250 employees. Simon Cooper (CEO) and Paul Meehan (CFO) are employees of On the Beach Group plc, and as such the figures do not include their remuneration.

On the Beach Limited

Hourly Pay

| | 2018 | 2017 | % change YoY |
|---------------|--------------|--------------|---------------|
| MEAN | 26.1% | 26.7% | 2.2% decrease |
| MEDIAN | 26.8% | 28.3% | 5.3% decrease |

Bonus pay gap

| | 2018 | 2017 | % change YoY |
|---------------|--------------|--------------|----------------|
| MEAN | 4.2% | 52.0% | 91.9% decrease |
| MEDIAN | 14.3% | 58.4% | 75.5% decrease |

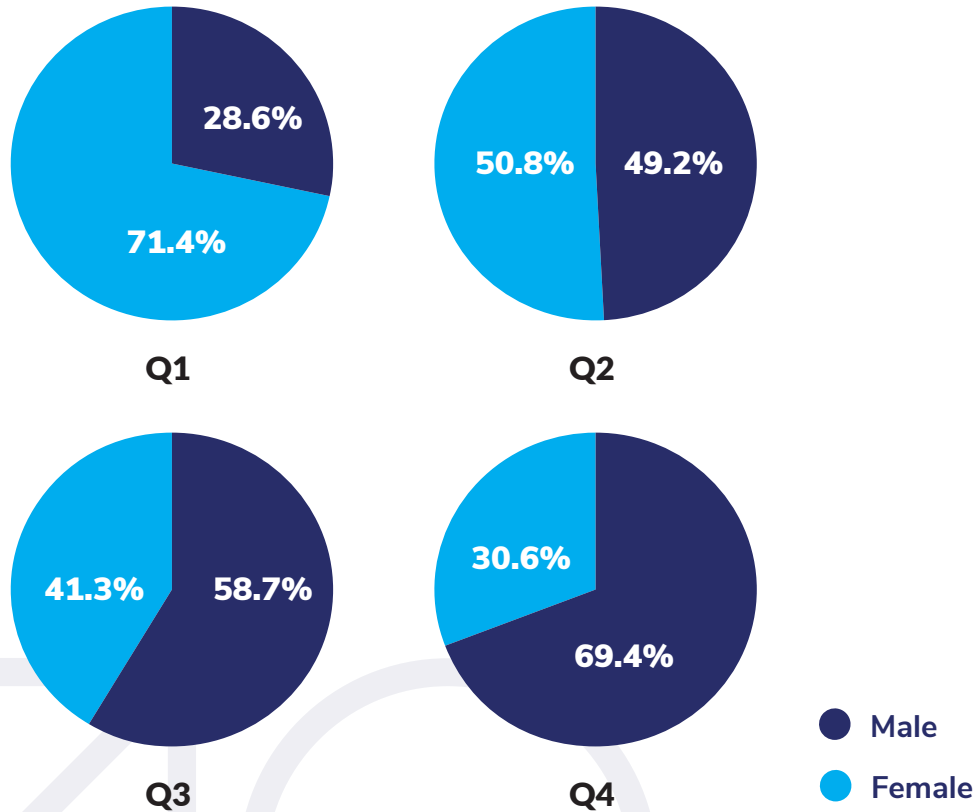
Proportion of employees receiving a bonus

| | 2018 | 2017 | % change YoY |
|--------------|--------------|--------------|----------------|
| MEN | 27.8% | 48.6% | 42.8% decrease |
| WOMEN | 50.0% | 72.5% | 31.0% decrease |

Gender Pay Gap Results

Salary Quartiles

Snapshot of our male/female employees in each quartile:



Quartile 1 (lower quartile)

| | 2018 | 2017 | % change YoY |
|--------------|--------------|--------------|----------------|
| MEN | 28.6% | 46.3% | 38.2% decrease |
| WOMEN | 71.4% | 53.7% | 33.0% increase |

Quartile 2 (lower middle quartile)

| | 2018 | 2017 | % change YoY |
|--------------|--------------|--------------|----------------|
| MEN | 49.2% | 35.2% | 39.8% increase |
| WOMEN | 50.8% | 64.8% | 21.6% decrease |

Quartile 3 (upper middle quartile)

| | 2018 | 2017 | % change YoY |
|--------------|--------------|--------------|----------------|
| MEN | 58.7% | 66.7% | 12.0% decrease |
| WOMEN | 41.3% | 33.3% | 24.0% increase |

Quartile 4 (upper quartile)

| | 2018 | 2017 | % change YoY |
|--------------|--------------|--------------|----------------|
| MEN | 69.4% | 75.5% | 8.1% decrease |
| WOMEN | 30.6% | 24.5% | 24.9% increase |

Understanding the Gender Pay Gap

There are a number of key factors that impact the Gender Pay Gap at On the Beach.

Ratio of men to women in the most senior roles

Although On the Beach is 49% female overall (full pay equivalent employees), there are more men than women in the most senior – and consequently highest paid - roles within the business. This is something that we have seen improvements in, with the number of women in the upper salary quartile increasing from 24.5% to 30.6%. Similarly, the number of women in the upper middle salary quartile has increased from 33.3% to 41.3%. We still have a way to go and this is an area which we aim to continue to improve upon, helping to bring about greater balance in leadership roles.

Over the past 18 months, we have taken steps to improve our 'family friendly' policies, introducing enhanced maternity leave, shared parental leave, and a maternity mentoring scheme to support women's return to work. We continue to offer our flexible working policy and provide part time working opportunities for many employees right across the business, including those in senior roles.

Whilst we have taken meaningful steps in the right direction, we recognise that there is more to do here. We want everyone at On the Beach to have the confidence, support and opportunities to achieve their full potential and carry out their best work, and are committed to making that happen.

We are confident that we have women throughout the business who will be able to reach senior roles in the coming years and we are committed to training and developing our staff to ensure they can meet their full potential at On the Beach.

We will be launching 'All Inclusive', an internal campaign focusing on providing development, mentoring and leadership opportunities to support career progression for our employees into senior and leadership positions, with a focus on removing barriers for women and helping them to reach their full potential.

In August 2018 Elaine O'Donnell joined the On the Beach Group plc Board and in 2019 will be supporting the business' focus on employee engagement and company culture – including the 'All Inclusive' campaign - to ensure that this gains traction at the highest level and to help us make meaningful change.

Men in technology roles

On the Beach is primarily a technology business and part of an industry which faces its own unique issues regarding gender: namely the shortage of women training and working in the fields of science, technology, engineering and mathematics (STEM).

We are heavily reliant on digital and tech talent to develop and progress our business. As the technology sector and industries continue to expand there is a growing demand for roles within this area, resulting in salary premiums and high bonuses on offer for those qualified to perform these roles. The majority of roles within our Technology team – one of the business' largest departments - are filled by men. This, combined with the higher salaries for these roles, is a key contributing factor to the Gender Pay Gap at On the Beach.

Solutions in this area will not be brought about by quick wins and will require longer term actions and strategy to overcome.

We have taken steps already to build relationships with tech community groups which are focused on women in STEM, and by sponsoring events and providing coaching at their training sessions. We have formed ties with groups which focus on inspiring and empowering more girls to engage with STEM-related subjects at GCSE and A-level and also advertise roles online via women in technology sites to ensure that we reach a diverse talent pool.

We are pleased to report that in September 2018, the intake to our Ruby Academy - an annual developer training scheme – had an equal gender split. Over the next year we will commit to continuing and extending this work to take meaningful action.

Understanding the Gender Pay Gap

Bonus payments

Bonus payments decreased year-on-year across the business during this reporting period, largely due to the fact that there was no management bonus paid during this time (where it had been paid the previous year), and also as a result of a change in the Contact Centre payment structure whereby standard monthly bonuses were replaced by a salary increase.

More women than men received a bonus during the period and this is due to the fact that, in the absence of a management bonus being paid, the majority of bonuses were paid within the Contact Centre where there are a higher proportion of women.

As a result of the above, the gap in the mean and median bonus payments has decreased significantly on the previous reporting period. However, a gap in bonus payments continues to exist. This is due to the fact that a higher proportion of women work part time hours in the Contact Centre than men, and as a result the amount of bonus earned overall was proportionately less.

Summary

The benefits of a diverse and inclusive leadership and workforce are clear – both in terms of creating a thriving company culture and long term sustainability. We recognise the key contributing factors to our gender pay gap being the lower proportion of women within the most senior roles and the higher numbers of men within highly paid technology roles.

It is our aim going forwards to promote and recruit more women into both senior and technology roles across the business, which we believe will help lessen the gender pay imbalance at On the Beach in the future.

To support our aims, we commit to the following in 2019:

- › We will launch 'All Inclusive', an internal campaign focused on providing development, mentoring and leadership opportunities to support career progression for our employees into senior and leadership positions, with a focus on removing barriers for women and helping them to reach their full potential.
- › We will continue to find ways in which to support women in technology, developing on our community links and activity, as well as helping those women within our technology function to thrive.
- › We will continue to build a company culture and working environment that supports and promotes diversity and inclusion, reflects our value of Respect and reinforces the long term sustainability of the business.

This is an area of great importance to us as a business - and something which we know our employees, stakeholders and shareholders are passionate about. As such, diversity, inclusion and reducing the Gender Pay Gap at On the Beach will be an area of focus in the coming year, receiving attention and commitment at the highest level.

Declaration

We confirm that On the Beach Limited's gender pay gap calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) regulations 2018.

A handwritten signature in black ink, appearing to read 'Simon Cooper'.

Simon Cooper
Chief Executive Officer
29 March 2019