

Royal Mail Group Ltd

2017 Gender Pay Report

"Royal Mail employs around 142,000 people and strives to ensure they are a diverse mix that reflects the communities we serve. Women are traditionally underrepresented in our industry but, through our diversity programme, we are changing this in our business. Our Diversity Council is responsible for driving improvements and creating a culture of inclusiveness to support this change. Measures include balanced shortlisting, career development opportunities, mentoring and networking events.

In 2017, we were listed as a Times Top 50 Employer for Women for the fourth consecutive year, in recognition of our efforts to improve the gender balance in the organisation. We were also listed as a Top 20 company for senior leader gender diversity, in the Hampton-Alexander Review. This is an independent, Government-supported review of diversity in FTSE 100 companies.

In previous years, our gender pay analysis has been disclosed in our Corporate Responsibility Report. Our analysis has consistently shown that, for the business as a whole, we do not have a gender pay gap, with the average male salary and average female salary being the same on a median basis.

I am pleased to confirm that our first report under the new gender pay gap regulations continues to show that we reward people fairly."

Moya Greene, Chief Executive Officer

April 2017 Total Pay Gap

We have conducted an annual, Company-wide pay review for many years, to identify any discrepancies in pay of males and females. We are pleased to report that, as in previous years, the average salaries of men and women are broadly the same. On a mean basis, women are paid 2.1 per cent more than men. On a median basis, men are paid 1.5 per cent more than women.

Women are paid more on a mean basis due to the fact that we have a greater proportion of women in senior positions, compared to junior positions and operational roles. The difference in median pay rates is due to males being more likely to select work that qualifies for allowances, such as shift work during the evening or at night.



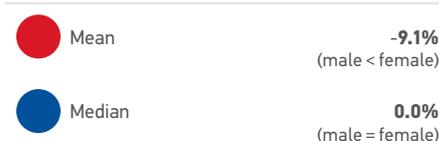
April 2017 Total Pay Quartiles

The table to the right shows the percentage of male and female employees in each pay quartile. It splits the Company's entire population into four pay quartiles based on employees' Total Pay hourly rates. Each quartile contains almost 33,000 colleagues. As the Upper pay quartile is so large, it does not show the higher proportion of females in senior management positions, compared to more junior positions. We have relatively high gender diversity at our most senior levels: 50 per cent of our Board members are women, which compares well to the FTSE 100 average of 27 per cent. Women make up 30 per cent of our senior managers.

Quartile	Male %	Female %
Lower	82%	18%
Lower Middle	83%	17%
Upper Middle	85%	15%
Upper	84%	16%

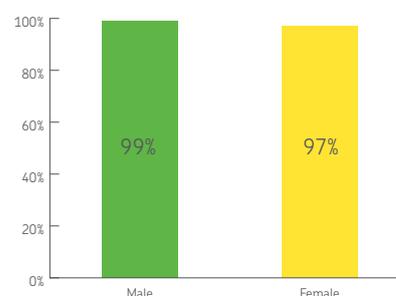
2016-17 Bonus Gap

On a median basis, we pay bonuses equally to men and women. On a mean basis, women receive 9.1 per cent more than men. The mean bonus calculation is skewed towards women because they comprise a greater percentage of the workforce at senior levels compared with more junior levels.



2016-17 Proportions Receiving a Bonus

99 per cent of men and 97 per cent of women employed in April 2017 received a bonus during 2016-17. We are working hard to increase the proportion of women in our business, and in particular in operational roles. As a result of our initiatives, many of our recent hires into our operation are female. As they joined the business in the New Year, they missed the annual bonus which is paid at Christmas. This is because they were employed after the qualifying period for the bonus. They will of course be eligible in future years.



Declaration

I confirm that the data is accurate and in line with mandatory requirements.

Moya Greene
Chief Executive Officer