ILM takes a holistic approach to addressing and ensuring gender equality in our workforce. We are proud that we compensate and promote people based on their roles, skills, experience and performance. However it is clear we need more women to be involved in our sector. ILM is planning steps at a grassroots level to encourage young women to enter the field through continued development of university relations to increase visibility of careers in the Visual Effects industry as well as mentorships and training within our organization. This will no doubt take time but management is committed to an ongoing and systemic approach to address this.

**GENDER PAY REPORT 2017**

**WHY DOES INDUSTRIAL LIGHT & MAGIC (ILM) HAVE TO REPORT GENDER PAY GAP?**

The UK government has brought in mandatory gender pay gap reporting requirements for all legal entities with over 250 employees, for the period of May 2016 to April 2017. Approximately 9,000 companies across the UK are reporting their gender pay gap in April 2018.

**WHAT IS A GENDER PAY GAP?**

The gender pay gap is the difference between the hourly rate of pay of male employees and female employees, expressed as a percentage of the hourly pay rate of the male employees. The gender pay gap is reported on both a mean (average) and median (mid-point on a distribution) basis.

**IS IT THE SAME AS EQUAL PAY?**

No, equal pay compares the salaries of men and women doing the same or equivalent work. This is one of the primary measurements that ILM uses to ensure a fair and equitable workplace. A gender pay gap does not mean that women make less than their male counterparts doing the same job.

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WHAT ARE MEAN AND MEDIAN PAY GAPS?

The mean (average) is calculated by adding together all values and dividing by the number of values.

MEAN PAY GAP

The mean is the overall average of the whole sample and can thus be subject to the influences of any extremely high or low salaries at the top or bottom of the sample. In other words, the mean is much more subject to skewing by a small number of outliers.

For example, a 25% mean pay gap (which is the private sector national pay gap per the Office of National Statistics) means that the average pay of men is 25% more than women.

MEDIAN PAY GAP

The median is a statistic commonly used in analysing both internal pay tendency and external market norm, because it looks at the central tendency of the market or sample, showing the middle-most salary of a sample. Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary.

For example, a 19.4% median pay gap (which is the private sector national pay gap per the Office of National Statistics) reflects that the average pay of women by this measurement is 19.4% less than men. Because the median measurement is less impacted by the highest and lowest outliers, it is closest to the experience of the typical man and the typical woman in a workforce.
**GENDER PAY REPORT 2017**

**GENDER PAY GAP**

The gender pay gap figures outlined below show the percentage difference between the average pay for men collectively and the average pay for women collectively across the entire organisation, irrespective of roles. The mean and median gap figures are based on hourly rates of pay for all UK employees.

<table>
<thead>
<tr>
<th>Pay Gap</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.5%</td>
<td></td>
<td>29.2%</td>
</tr>
</tbody>
</table>

**BONUS PAY GAP**

The bonus gap figures outlined below show the percentage difference between the average bonus pay for men collectively and the average bonus pay for women collectively across the entire organisation, irrespective of roles. The figures also reveal the percentage of male and female UK employees receiving bonus pay in the reporting time period.

<table>
<thead>
<tr>
<th>Bonus Gap</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>-38%*</td>
<td>42.9%</td>
<td>28.7%</td>
</tr>
<tr>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Please note that the -38% refers to a female executive in ILM UK who received a substantial bonus for 2017 (offsetting the number for men).

**GENDER POPULATION WITHIN QUARTILES**

This shows how many men and women are in each quartile of the payroll based on hourly rates.

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Total UK Employees</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Quartile</td>
<td>439</td>
<td>92.6%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Upper Middle Quartile</td>
<td></td>
<td>81.7%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Lower Middle Quartile</td>
<td></td>
<td>77.9%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Lower Quartile</td>
<td></td>
<td>62.9%</td>
<td>37.1%</td>
</tr>
</tbody>
</table>

21.4% female workforce

439 total UK employees

21.4% female workforce