



FORMULA 1 2018 GENDER PAY GAP REPORT





MESSAGE FROM CHASE CAREY AND DIANE BABB



Over the past two years, Formula 1® has undergone significant change as we aim to reshape the business to broaden its appeal globally and attract new audiences.

We have seen a marked improvement in our gender pay gap year on year which reflects the efforts the business has made to improve the representation of women in the executive, senior and middle management roles. This has been achieved through both recruitment and promotion of existing employees from entry level to mid-level. The ratio of women to men does remain the same, however our recruitment drive continues.

In April 2018, we announced plans to improve gender diversity within our workplace and in the last calendar year have implemented a range of measures including:

- Enhanced Maternity Pay, giving employees 100% pay up to 26 weeks and Statutory Maternity Pay for the remaining 13 weeks;
- A full review of our recruitment process, including advertising, language and formal procedures (such as gender balanced shortlists and where possible, interview teams) to ensure gender balance in attracting new talent;
- Using International Women's Day to celebrate and promote the achievements and progression of women in the organisation;
- A F1® in Schools marketing drive targeting aspiring female engineers. As a result, 40% of all participants in the 2018 competition were female. This represents an increase of 7% year on year

In 2019, we will commit to the following:

- Continue to review, build on and refine our recruitment processes and family friendly policies
- Put in place a framework that will allow women to embark on long-term careers at F1®
- Grow and expand the F1® in Schools programme to reach new markets globally

Closing the Gender Pay Gap remains a top priority for the F1® leadership team. Addressing this issue will take time but we are in no doubt that the steps we are taking to improve female representation in our business will have a positive impact in the long-term.

SIGNED

Chase Carey, Executive Chairman and CEO, Formula 1®

SIGNED

Diane Babb, Director of HR, Formula 1®

TM

WHAT IS THE GENDER PAY GAP?

The publication of gender pay gap figures is now a UK Government regulation requirement, and this is the second year of reporting.

Organisations and businesses must comply with the regulation on an ongoing basis for any year where they have a headcount of 250 or more employees.

The gender pay gap highlights the difference in the average hourly earnings of men and women regardless of their roles or industry sectors. The legislation aims to create greater awareness of the imbalance of earnings between men and women over the span of their careers and to encourage employers to consider ways to close the gap.

The gender pay gap measures the difference in the average pay between all men and women in a workforce according to prescribed calculations e.g. average male pay of £100 per

hour against an average female pay of £75 per hour would result in a gender pay gap of +25%.

Formula 1® is required to report on all employees within the Formula 1® entity, including global and regional employees based in the UK.

The gender pay gap is different to equal pay.

'Equal pay' refers to men and women receiving equal pay for the same jobs, similar jobs or work of equal value. Formula 1® is confident that it complies fully with equal pay legislation and we review our salary and compensation structures regularly to ensure that there is no unfair gender or other bias in how our staff are paid.

Gender split



72%
+ 38 males
compared to 2017

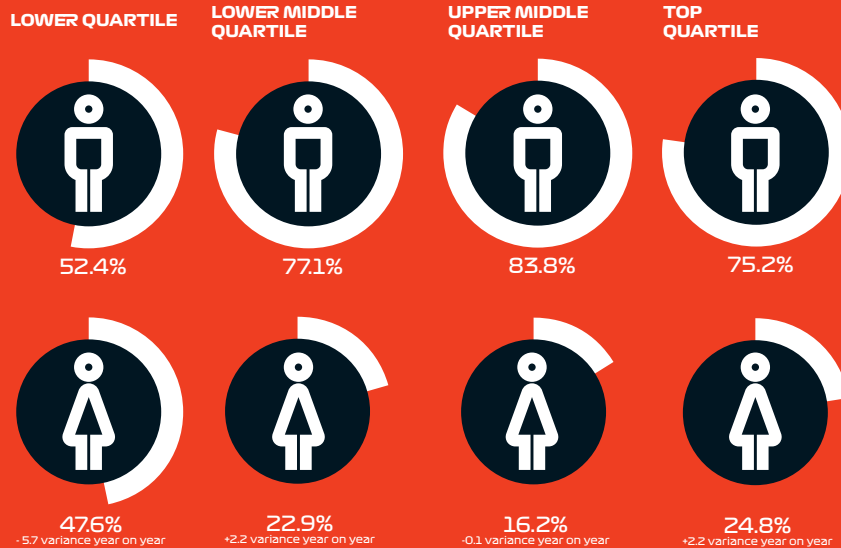


28%
+ 13 females
compared to 2017

This graphic outlines the percentage of men and women permanently employed at Formula 1®.

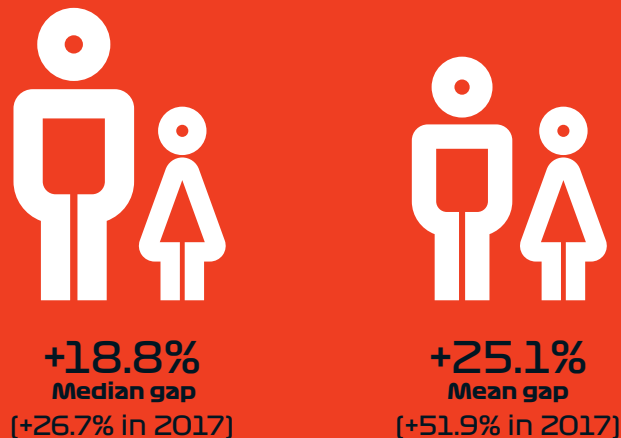
Pay quartiles

The percentages of all male and female colleagues within each quartile pay band is:



This graphic outlines the percentage of men and women in each pay quartile, and the variance between 2017 and 2018. Quartiles are calculated by setting out the rates of pay for each employee across Formula 1® from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each.

Gender pay gap



The graphic shows our overall mean and median gender pay gap based on hourly rates of pay as of the snapshot date of 5th April 2018.

Formula 1® has changed dramatically in the past 12 months and the range of career opportunities for women in the sport continues to expand with particular growth in areas of the business such as legal, marketing and digital. Women are well represented at every level in Formula 1®'s Corporate division (which includes legal, finance and administration). Our legal team now comprises of 74% women and the financial department also recruited more women into senior roles with a 50/50 split, and 40% of those women being at a senior level.

The motorsport industry remains predominantly male, largely because of the lack of women choosing to pursue careers

in science, technology and engineering. We want to change that. As an organisation, we are committed to breaking the stereotypes when it comes to choosing a vocation when at school or college.

We have made encouraging more women into the sciences and technical areas a priority. This is being addressed through a number of initiatives including our longstanding F1® in Schools programme and our FIA F1® Future Stars initiative, which was introduced last year to shine a light on opportunities in motorsport and engineering.

Proportion of Formula 1®'s men and women paid a bonus



Bonus pay difference between men and women



Mean



Median

Formula 1® refers to all bonuses paid in the year up to 5th April 2018 for the calculation of the bonus gap. The calculation is based on actual bonus paid rather than full-time equivalent.

The mean bonus gap has increased due to the proportion of men employed before the 2018 bonus cut-off date being higher than that of women. Therefore, more men were rewarded by the bonus scheme. Since this date we have recruited more female staff, who will be eligible during next year's bonus scheme.



WHAT WE ARE DOING TO ADDRESS OUR GENDER PAY GAP

Maternity Pay

- In April this year, we announced our Enhanced Maternity Pay policy, which entitles employees who have worked for the company for 52 weeks, 100% pay up to 26 weeks and Statutory Maternity Pay for the remaining 13 weeks. The new scheme is dedicated to not only attracting new prospective employees to the company but also retaining current members of staff.

Recruitment

- We have revised all recruitment policies and practices across Formula 1® looking at a number of factors when engaging women applicants, from where we advertise to the tone of language used. The interview process has also been reviewed, ensuring a diverse interview panel meets prospective employees and that recruiters are sharing an equal number of female/male applicants to attend.

Career pathing

- The evolution of our business has opened up a range of exciting career opportunities for women in the sport. In 2018, we continued to recruit a number of women to senior and middle management positions across our growing financial, digital and marketing divisions. This year, as the company continues to expand, we will ensure female representation across all departments and put in place a framework that will allow women to embark on long-term careers at Formula 1®.

Grassroots initiatives

- We are incredibly proud of the participation rates achieved to date in our F1® in Schools programme, an international initiative organised on a not-for-profit basis which aims to encourage schoolchildren of all backgrounds to engage in science, technology, engineering and maths (STEM) related subjects as part of their education. Girls made up 40% of all participants in 2018, including 7 all-female teams. This represents a 7% increase in female participation year on year. In 2019 we aim to expand this important STEM programme to new markets globally.

Rewards

- Reviewed the reward structures and implemented a new annual bonus plan to apply to all personnel. Annual bonus targets now form a percentage of basic salary and the level of award will be determined by the fulfilment of company-wide and individual performance targets.