

Clarks[®]

CLARKS UK

**GENDER PAY
GAP REPORT**



WELCOME

MESSAGE FROM BELINDA DEERY, CHIEF PEOPLE OFFICER

As a business employing more than 14,000 people around the world, we see the reporting of gender pay gap information as a real opportunity to gain insight and take practical action to increase inclusivity in business. Progress has been made in recent years, but there is clearly much more that can and should be done.

By establishing the facts and the root causes of the gaps that exist, we can progress to examining the underlying issues within our business, our sector and wider society.

We place great importance on this work, recognising that inclusivity is much broader than gender balance. For the purposes of this report, though, our information relates to comparing the pay of males and females using the approach required by the UK Government's regulations.

The statistics within the report provide us with some useful information that will enable us to identify and remove barriers to equality, so we can drive meaningful and sustainable change within our business.

If we work both individually and collectively to improve equality, then we all benefit: businesses can access the widest possible pool of talented people, individuals can fulfil their potential and the economy benefits.

We will use this report to have quality conversations with our people about what we can do to improve, and we will also be actively working with partners from across the retail sector to identify and champion best practice.

A handwritten signature in black ink, appearing to read 'B. Deery'. The signature is fluid and cursive, with a large, sweeping flourish at the end.

Belinda Deery, Chief People Officer

UNDERSTANDING THE FIGURES

HOW ARE THE GENDER PAY GAPS CALCULATED?

Following the reporting regulations set out by the UK Government, we have extracted data about the pay of our 8,446 UK colleagues as at 5th April 2017.

The **median gender pay gap** is calculated as follows: if all our UK employees were lined up in a female line and a male line, in order of pay from highest to lowest, the median gap is the difference in hourly pay of the female in the middle of her line when compared to the hourly pay of the man in the middle of his line.

It does not compare the pay of men and women doing the same role.

The **mean gender pay gap** compares the average hourly pay of men, with that of women. This figure is heavily influenced by the numbers of men and women in different roles.

Calculations for median and mean figures are also carried out in relation to bonus pay over the year to 5th April 2017, and we also show the proportion of men and women receiving any bonus pay during that period.

PAY QUANTILES

The report also illustrates the proportion of men and women in four 'pay quartiles'. The quartiles are calculated by splitting employees into four groups of an equal number of people, based on their pay.

WHAT'S INCLUDED IN EACH CALCULATION?

The data for both the mean and median gender pay gaps, and the pay quartiles, includes both ordinary and bonus pay as defined below, based on data as at 5th April 2017.

Ordinary pay includes basic pay, but also other pay such as leave pay and shift allowances. Overtime, redundancy or benefits in any form other than money are not included.

Bonus pay includes our retail incentive scheme and our annual bonus scheme – and any other additional pay that relates to profit sharing or performance. This is the same definition used for bonus pay in relation to the bonus pay gap.

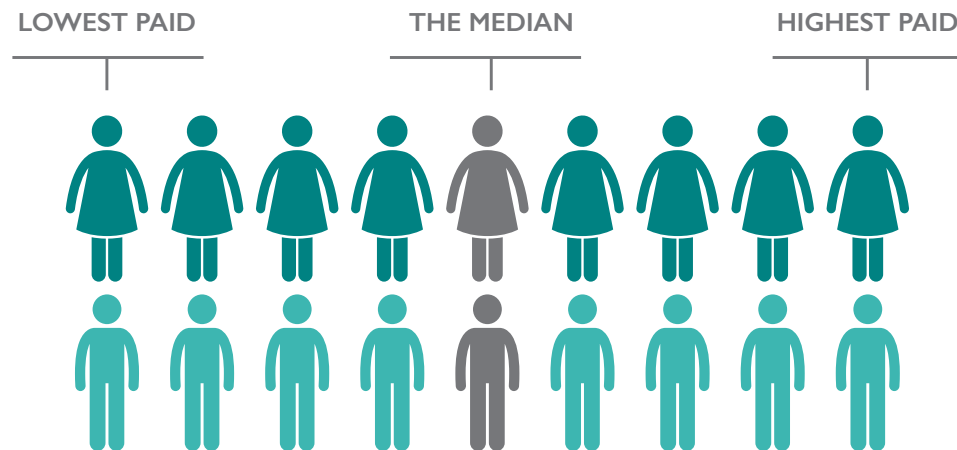
OUR GENDER PAY AND BONUS GAP FIGURES

The table below shows our overall mean and median gender pay and bonus gap, based on hourly rates of pay.

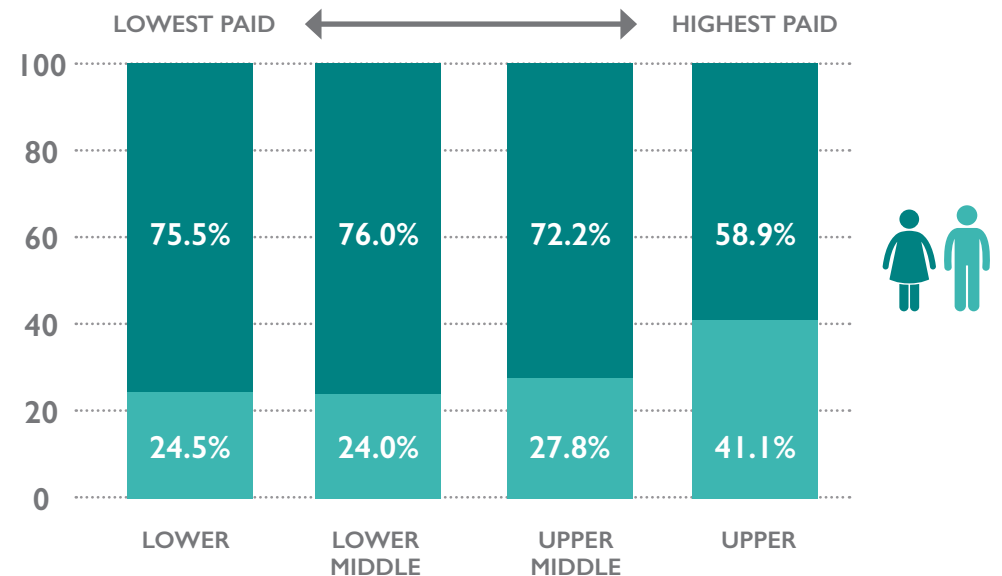
	MEAN	MEDIAN
GENDER PAY GAP	22.7%	4.0%
GENDER BONUS GAP	49.6%	6.2%

Our **mean gender pay gap** shows that average hourly pay (including bonus) for women is 22.7% lower than the average hourly pay for men.

Our **median gender pay gap** shows that the hourly pay of the female in the middle of her line is 4% lower than that of the man in the middle of his line.



Proportion of men and women in four equal pay quartiles



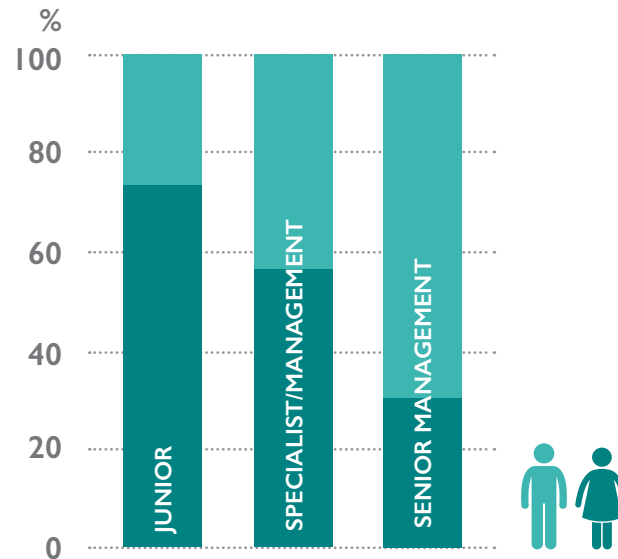
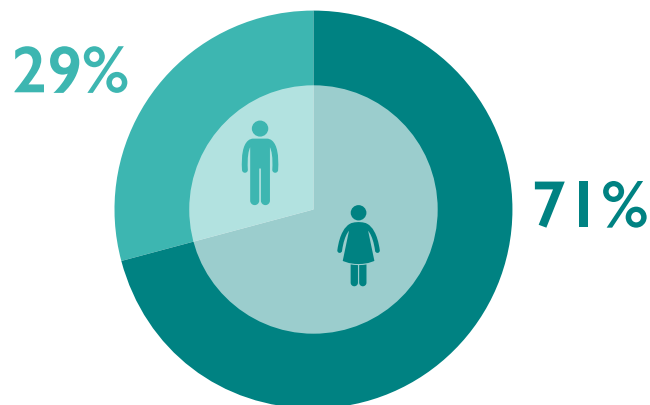
UNDERSTANDING OUR FIGURES

In common with the retail sector and the country in general, the key factor influencing our gender pay gap is the balance of men and women across different job levels.

At a headline level, 71% of our colleagues are female and 29% are male. However, most of our lower paid roles, in our retail stores, are held by women, whereas most higher paid roles, in our global headquarters in the UK, are held by men.

The following graphics show the overall gender balance in our business and within different work levels and types of role.

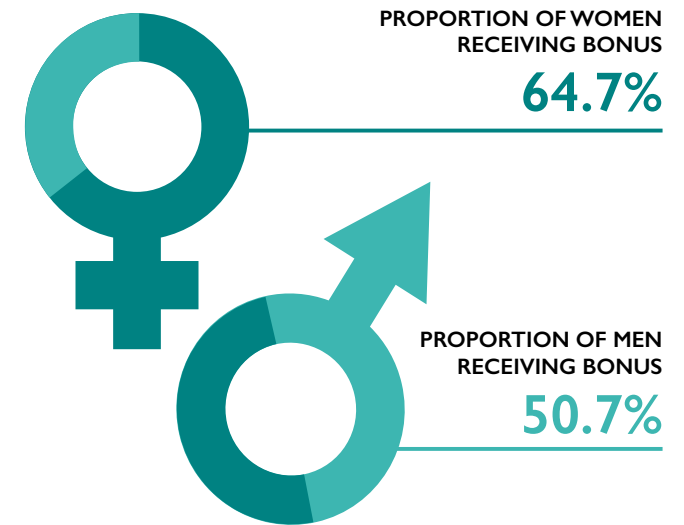
OVERALL GENDER BALANCE



Behind these numbers there are differences in the proportion of men and women in different areas of our business. Our pay ranges for our different functions vary, to account for market value, and therefore the proportions of men and women in different functions of our business also has an effect on our gap.

As highlighted in the introduction, we are interested in driving meaningful and sustainable change. We know there are some things we could do to reduce our percentage gap – for example, seeking to recruit more men into retail store roles – however, we want to focus on tackling the barriers in place and improving opportunities for everyone.

Due to our bonuses for senior roles being calculated as a percentage of pay, having more men in our most senior, highest paid roles also drives the bonus pay gap. So, despite more women than men receiving some form of bonus or incentive payment (64.7% of women compared to 50.7% of men), the average bonus for women was 49.6% lower than that for men, whilst the difference at the median was 6.2%.



In order to address this imbalance, one of the key areas we will focus on is exploring why a smaller proportion of women progress to the more senior roles in our business. We will be working with our employees across Clarks to help us understand and address this.

TAKING ACTION

Our ambition is to close the gap. There are some steps we can take in the short term and also some longer-term actions we can take to ensure we are addressing the gap. We are committed to unlocking career progression for colleagues who desire it and using the skills and talents of our global and diverse workforce in our business.

Our current and new initiatives will improve how we attract, engage and develop women (as well as other under-represented groups). These include:

RAISING AWARENESS AND REMOVING BIAS

We will make learning and development initiatives which raise awareness and understanding of unconscious bias available for all colleagues. We will also seek to have recruitment shortlists for senior roles that are balanced between male and female candidates.

INCREASING ACCESS INTO LEADERSHIP ROLES

We will build on our training and mentoring programmes, supporting colleagues at all stages of their careers in their development into leadership and as leaders. We will focus on providing specific, targeted support for our female talent to progress their careers into and through our leadership levels.

BUILDING INTERNAL NETWORKS

We will use group coaching and mentoring programmes to connect, inspire and better understand the experiences of under-represented groups, including women, across the business.

DEVELOPING OUR ATTITUDES TOWARDS FLEXIBLE WORKING

All our colleagues can request to work flexibly and research shows that flexible working helps support the progression of women, for instance those with caring responsibilities. We will look to develop blueprints for more flexible roles and will be identifying role models to demonstrate the value uncovered by a flexible working approach.

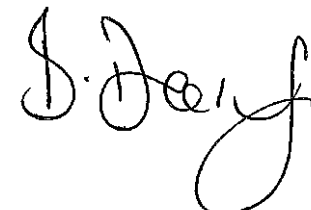
SUPPORT NATIONAL CAMPAIGNS

Our CEO, Mike Shearwood, and Chief People Officer, Belinda Deery, are both ambassadors for Retail Week's 'Be Inspired' campaign, which seeks to improve the representation of women in the retail industry by proactively engaging female leaders. Clarks has also signed up to the British Retail Consortium's 'Better Retail, Better World' sustainable development goals, which include reducing inequality.

We can confirm that this report and the information within is accurate.



Mike Shearwood
Chief Executive Officer



Belinda Deery
Chief People Officer

MORE INFORMATION

For more information on the gender pay gap and how it's calculated:

www.acas.org.uk/genderpay

For more information on our corporate social responsibility:

www.clarks.com/corporate-responsibility

OUR PARTNERS

Retail Week's 'Be Inspired' initiative:

<https://beinspired.retail-week.com>

BRC

<https://brc.org.uk>