



GENDER PAY GAP REPORT

2018

OPENING STATEMENT

In March 2018, we introduced the first gender pay gap report for Thorntons Ltd.

Since sharing our first report, we have continued to invest in our business, not only in our products, processes and infrastructure, but in our most important asset; our people.

Our commitment to equal pay stands firm and we are continuing to monitor our policies and processes to ensure we are compliant with the regulations.

I do believe it will take us time to address the underlying reasons for our gender pay gap, but we remain committed to closing it.

For example, colleagues enjoy long and successful careers with our company, especially those in management positions. While this is positive, it also means it will take time to change our demographics at this level.

As a company, we are committed and focused on fostering a fair, inclusive and diverse environment where all colleagues can develop.



Pieraldo Oldano
Managing Director
Thorntons Ltd.

UNDERSTANDING THE GENDER PAY GAP

THE GENDER PAY GAP IS THE DIFFERENCE IN PAY BETWEEN MEN AND WOMEN ACROSS AN ENTIRE ORGANISATION AS CALCULATED ACCORDING TO THE GOVERNMENT'S PRESCRIBED METHODOLOGY.

-  **The mean gender pay gap is the difference in the average hourly rate of pay for men and women across the business.**
-  **The median gender pay gap looks at the difference in hourly pay for the middle male and middle female employee in an organisation when ranking a company's male and female populations from lowest to highest hourly pay.**

As part of the gender pay reporting process, we are required to split our workforce into four equal groups to show the proportion of men and women in each quartile. We did this by listing employees from the lowest hourly paid to the highest hourly paid, and then dividing the list of employees into four equal parts.

The gender pay gap reporting process requires a large number of variables to be distilled into a few statistical figures, making direct comparisons with other organisations difficult.

It is also particularly important to appreciate that the gender pay gap is not the same thing as equal pay. Equal pay means paying a man and woman the same pay for performing the same or broadly similar work. By contrast, the gender pay gap requires the pay of the average man within the whole organisation to be compared with the pay of the average woman.

We are confident that our gender pay gap is not a reflection of an equal pay issue; instead it is driven by the structure of our workforce and the fact that we have more men than women in senior, and therefore more highly paid roles, when viewing the workforce as a whole. This demographic challenge is well known and shared by many other companies both in the retail and manufacturing sectors and beyond.

FIGURES FOR 2018

MEAN

The mean pay gap is the difference between the hourly pay of all male and female employees when added up separately and divided by the total number of the males and females in the workforce.

MEDIAN

The median pay gap is the difference between the pay of the middle male and middle female, when all of the employees are listed from the highest to the lowest paid.

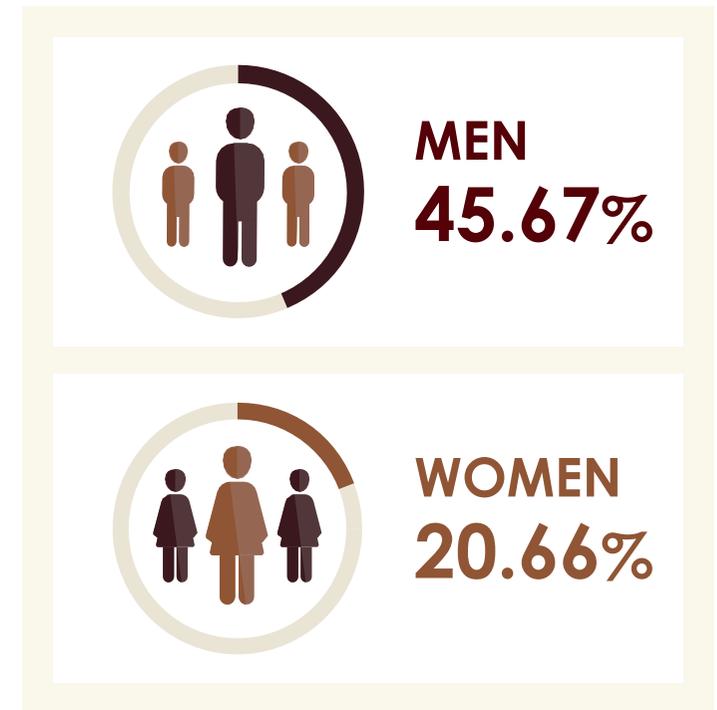
PAY & BONUS GAPS

	GENDER PAY GAP %	GENDER BONUS GAP %
MEAN	19.89%	17.02%
MEDIAN	20.33%	8.07%

QUARTILES

	MALE	FEMALE
UPPER	51.86%	48.14%
UPPER MIDDLE	38.90%	61.10%
LOWER MIDDLE	24.64%	75.36%
LOWER	20.75%	79.25%

PERCENTAGE OF MEN AND WOMEN RECEIVING BONUSES



KEY FACTORS INFLUENCING OUR PAY GAP

At Thorntons Ltd, we strongly believe that working collaboratively in a multicultural environment can enrich us all professionally and personally. A key part of this is ensuring we promote an inclusive culture that is supportive, where we treat every colleague fairly, regardless of gender, or any other protected characteristic.

- ✂ Women continue to occupy a significant number of roles, at 68% of our total workforce. Representation of women in the upper quartile has increased to over 48%.
- ✂ We are proud that many colleagues choose to remain with our organisation for many years. However, low turnover means there is limited opportunity in the short and medium term to address the imbalance at more senior levels, although this is something we are committed to.
- ✂ Our manufacturing and retail operations colleagues occupy 90.51% of roles. The average gender pay gap in these two areas is 10.65%.
- ✂ The gender pay gap in retail stores is -2.93% on a mean basis and -4.00% on a median basis. Like our overall gender pay gap, a higher proportion of one gender, in this case females, occupy higher paying roles.

CLOSING THE GAP

We are continuing to identify and rollout initiatives to help us address our Gender Pay Gap



UNCONSCIOUS BIAS TRAINING

We've delivered unconscious bias training to our managers, to help ensure decisions made during the employment lifecycle are based on merit, regardless of gender of any other protected characteristic.



TRACKING KEY METRICS

We've rolled out a new Applicant Tracking System that provides greater clarity on demographics, helping to apply the principles of unconscious bias to our recruitment processes.



DIVERSITY & INCLUSION

Diversity is a strategic focus and a key pillar of our long term plan. This includes achieving a greater gender balance.



CAREER PATHWAYS

We are giving greater clarity to the skills and experiences needed to help colleagues progress their careers within our company.



FLEXIBILITY

Flexibility is an important part of an inclusive and diverse culture. We continue to evolve our working practices to ensure we attract and retain a diverse workforce.



LEADERSHIP

Our Leadership Development Programme includes modules that continue to educate current and future leaders on the benefits of a diverse workforce.

DECLARATION

We are committed to avoiding any form of discrimination in our employment practices and are committed to addressing the gender pay gap over the long term. I confirm that the information contained in this report is accurate.

A handwritten signature in black ink, appearing to read 'Oldano', written over a horizontal line.

Pieraldo Oldano
Managing Director
Thorntons Ltd.

