

GENDER PAY GAP REPORT

2021

Thorntons[✿]

Opening statement

At Thorntons, our ambition is to create an even more inclusive culture where all our colleagues, regardless of their background, have equal access to opportunities and resources.

While we are heading in the right direction by making positive and proactive changes year on year to narrow our gender pay gap, we realise we still have a way to go and are committed to closing this gap.

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

As a company, we believe in creating conditions for all our colleagues to succeed and are working hard to improve the gender balance at all levels of the company.

In this report, we provide gender pay gap information for our Thorntons business.



Philippe Steyaert

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 higher paying 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 2021

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.

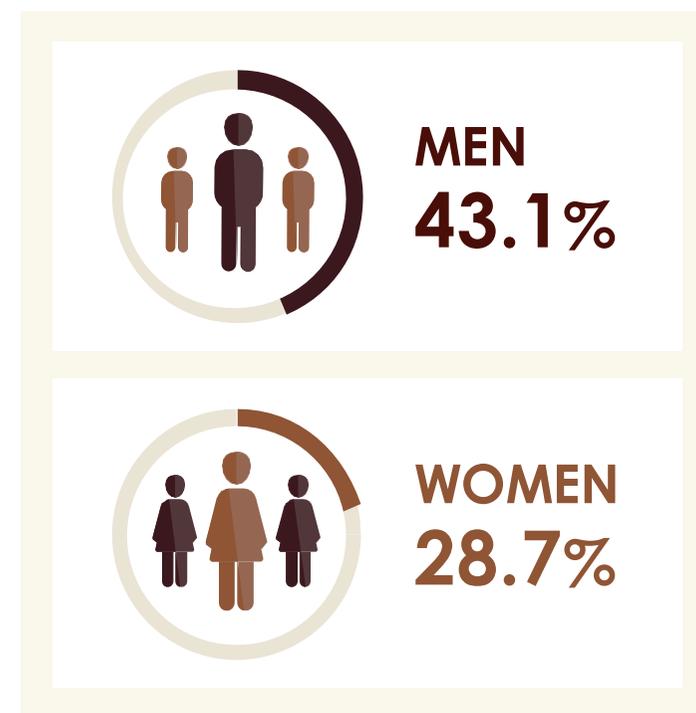
Pay and bonus gaps

	Gender pay gap %	Gender bonus gap %
Mean	2.2%	12.4%
Median	1.6%	(103.8%)

Quartiles

	Male	Female
Upper	44.9%	55.1%
Upper middle	51%	49%
Lower middle	53.4%	46.6%
Lower	34.6%	65.4%

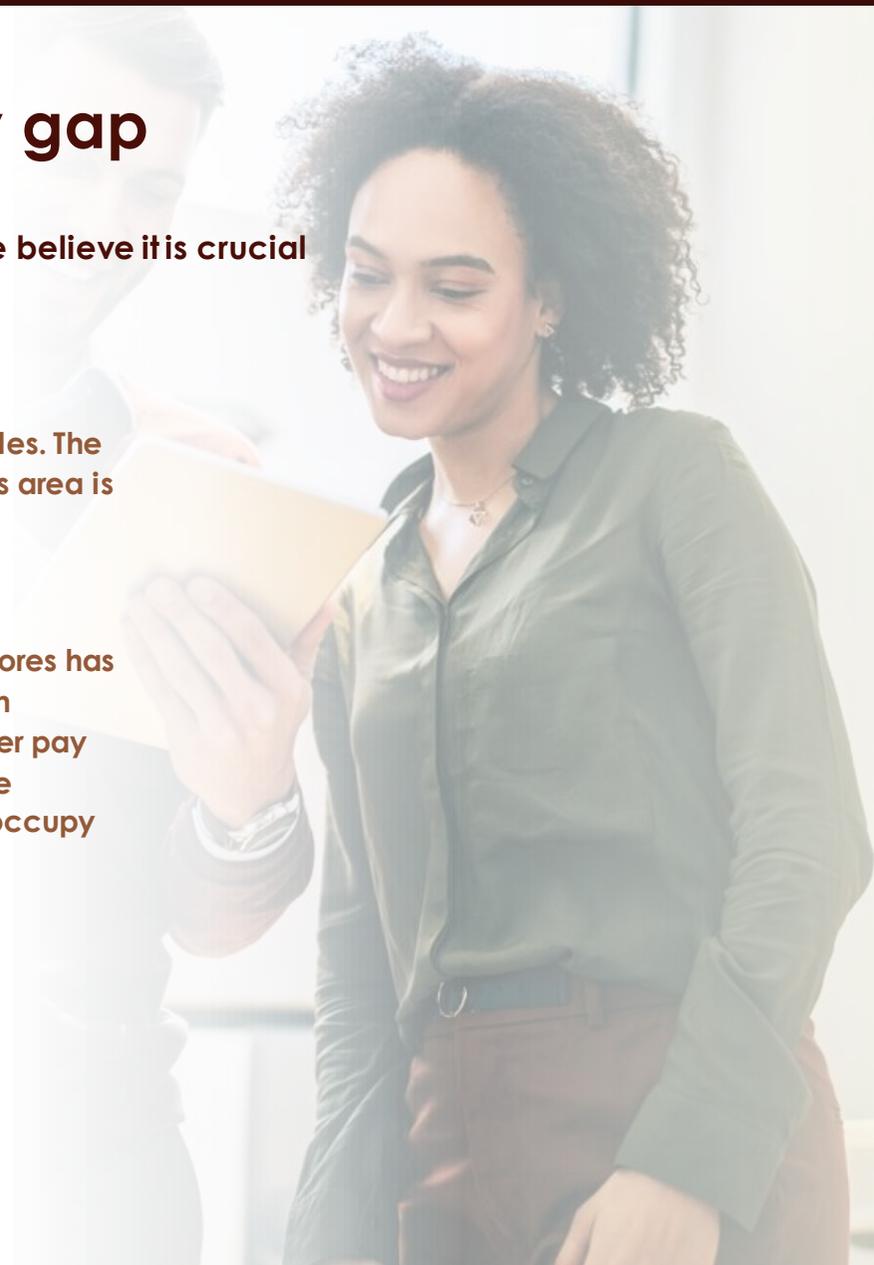
Percentage of men and women receiving bonuses



Key factors influencing our gender pay gap

We're focused on embracing and celebrating diversity in the workplace as we believe it is crucial to long-term business success.

- ✂ Women continue to occupy a significant number of roles, at 53.4% of our total workforce. Representation of women in the upper quartile is over 55.1%.
- ✂ 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 working on.
- ✂ Our manufacturing operations colleagues occupy 40.8% of roles. The average gender pay gap in this area is 11.1%.
- ✂ The gender pay gap in retail stores has been impacted by the furlough scheme. Like our overall gender pay gap, a higher proportion of one gender, in this case females, occupy higher paying roles.



A holistic commitment to diversity and inclusion

Diversity and inclusion matters to us. We are committed to building a culture in which all employees - irrespective of gender, nationality, generations and working culture - feel welcomed and appreciated and have the same opportunities. As part of this broader approach, we're continuing to rollout initiatives that'll help achieve a greater gender balance.

1 New parental policy

We've recently launched a new parental policy where all employees will be able to benefit from paid leave as either a primary or accompanying caregiver when welcoming a new child into their family by birth, adoption or surrogacy. The policy also covers other aspects including employment protection and non-discrimination in relation to parental leave, health protection, individual support for returning to work, flexible working arrangements and support for nursing mothers.

2 Flexible approach to working

As part of our insight-led flexible approach to working, we've reviewed our flexible working policy to ensure that we offer our office-based colleagues greater flexibility over how, when and where they work. By offering employees greater options for flexible working, we hope to ensure we're attracting and retaining the most diverse and wide talent pool available.

3 Diversity & Inclusion Council

We've introduced a Diversity and Inclusion Council who act as ambassadors and are accountable for embedding diversity and inclusion across the business; with gender equality being one of their main areas of focus. They are subject matter experts on our diversity and inclusion initiatives, creating and supporting their rollout in the UK.

4 Partnering with Catalyst

We've partnered with Catalyst, a global non-profit organisation, that helps companies to build workplaces that work for women. All our colleagues have access to world-class resources and tools that support individual career growth, inclusive leadership skill building, and organisational change efforts.

A holistic commitment to diversity and inclusion

5 Attracting the best talent

We are continuing to review our hiring practices and make them as consistent and fair as possible. We've launched a tool that makes sure our job descriptions are inclusive, enabling us to reach a wider and richer talent pool. We have also made a conscious effort to ensure an equal number of underrepresented candidates, including women, are shortlisted for roles.

7 Unconscious bias training

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

6 Leadership progression

Increasing gender balance among our senior management is a priority for us. As a result of that, we've seen an increase in the number of women in senior roles.

8 Leadership programme

Our leadership programme includes modules that continue to educate leaders on how to embrace and lead diverse and inclusive teams.

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.



Philippe Steyaert
Managing Director
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