

Diversity
INCLUSION

We want Pentland Brands to be a place where everyone is welcomed, supported, and encouraged to grow and contribute. That's why we're creating an environment that celebrates diversity and inclusion, and building it into everything we do.

Overview

What is diversity and inclusion (D&I)?

D&I is about respecting individual differences and recognising that difference can be a strength. It's about consciously seeking diversity of view, experience and background, so that when we make decisions we get the right input and better outcomes.

Why is it important?

Embracing D&I increases the viewpoints we have on the world and helps to improve our understanding of our customers, consumers and the environment in which we operate. Having a robust D&I policy isn't just the right thing to do, it will help us to drive performance, innovation and grow our business.

What's happened so far?

In 2017 we spent time gathering insights and data, looked at some of the great work already happening (and planned) around the business, learnt from other organisations and industries, and we started to involve more people through our D&I network.

What's our strategy?

D&I is a broad subject area, so we decided to first focus our efforts on four key areas. Our D&I strategy concentrates on: Inclusion, Unconscious Bias, Gender, and Ethnicity. We believe that this will make the biggest difference now, and provide a strong base to build on for future D&I focus areas.

Where are we now?

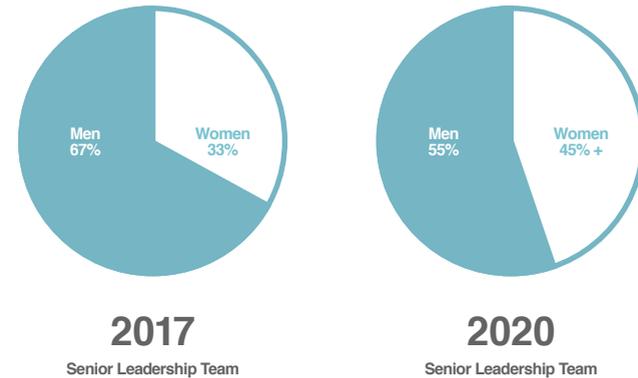
Our insights show there's already lots happening around the business to encourage and champion D&I. We want to build on that great work and so have set out a clear 2018 action plan and goals for improvement.

Diversity GOALS

We recognise that the diversity of gender and ethnicity within our leadership team isn't representative and we're making a commitment to improve this year on year.

Pentland Brands Global

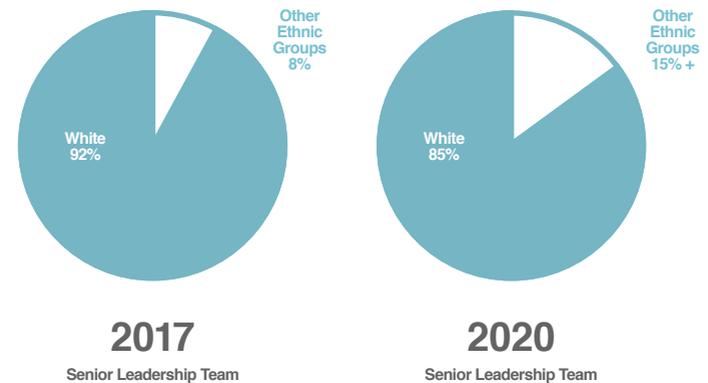
Gender



As part of our D&I strategy we have set ourselves targets so that we can drive towards a more diverse leadership population.

* The FTSE100 goal is to have 33% female representation.

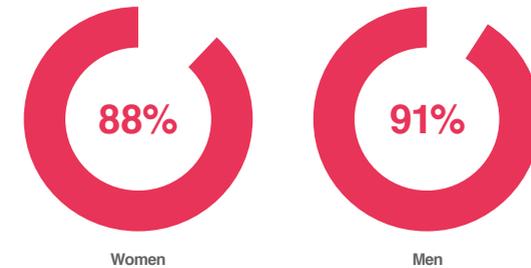
Ethnicity



Gender Pay Gap UK REPORT

We now report externally each year, and produce a gender pay gap report that looks at the comparative pay between men and women in the UK. Our 2018 gender pay gap report shows a generally positive snapshot when we look at median wages, however we recognise that we can make improvements overall by increasing gender diversity in our leadership team. Our D&I strategy includes this as a key focus area.

Pentland Brands UK Percentage awarded a bonus



This shows 3% more men than women were paid a bonus for their performance.

Women's average pay and bonuses compared to men's

	Median*	Mean
Hourly Rate of Pay	5.9% higher	18.4% lower
Bonus Paid	3.7% higher	49.9% lower

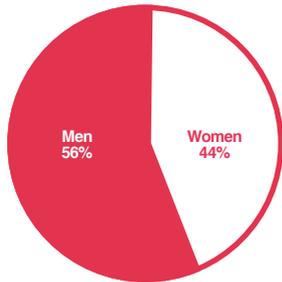
This shows women's median hourly rate is 5.9% higher than men's and on average women's bonuses are 3.7% higher than men's.

*This report looks at the overall Gender Pay Gap numbers for the wider Pentland Brands community, including brand entities. This is to give a more realistic picture of Pentland Brands Pay in the U.K. The U.K government requires us to report only on entities with more than 250 employees, therefore numbers will differ on the government website as we are reporting on PBL alone. In PBL we pay women a median salary of 23% more than men versus 5.9% in the wider community.

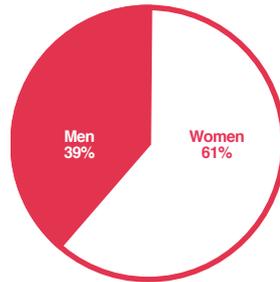
Pentland Brands UK

Gender Ratio by Pay Quartile

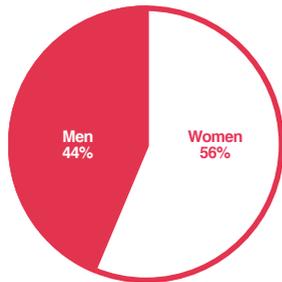
Upper



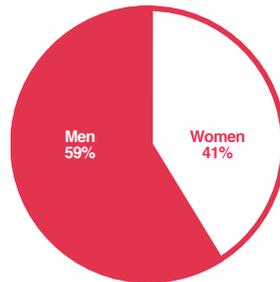
Upper Middle



Lower Middle



Lower



This shows the percentage of men and women within the pay quartile levels across the organisation. It shows a higher percentage of women in the upper middle and lower middle quartiles and more men in the upper and lower quartiles.

Our findings

Our gender pay gap data shows an overall snapshot taken on 5th April 2017 and includes all employees from Pentland Brands Limited and its brand companies (Speedo, Berghaus, Mitre, Canterbury).

The mean pay gap measurement of 18.4% largely reflects the disproportionate representation of men in our senior leadership population. Viewed alongside the median measurement – where women’s pay is 5.9% higher – we are clear that our challenge is in increasing the number of women at the highest level of our organisation. In this reporting period, our Chairman, CEO and 75% of our Executive team were male.

Despite challenges, we have seen some progress. Over the past few years we’ve been focused on building the pipeline of female talent in the business, which means we have a strong population of women in the upper middle pay quartile and over 35% of our senior leadership population are women.

Actions

We’re committed to making improvements in the areas where there are still differences.

We believe we can make improvements by increasing the gender diversity in our most senior leadership roles. As part of our wider diversity and inclusion strategy, we’ll support this by:

- Introducing job banding and improving bonus goal setting and performance reviews
- Introducing a new flexible working policy offering all employees flexible core working hours and the opportunity to work from home
- Ensuring greater diversity within the recruitment process
- Widening our university and college search to reach a more diverse pool of graduates and interns

We want to continue the great D&I work already happening across the organisation. Here's what we've been doing so far:

Our recruitment

We widened our university and college search to reach a more diverse pool of graduates and interns.

We added a D&I section to our new recruitment guide and workshops.

Our policies and best practice

Our new flexible working policy gives all employees flexible core working hours and, where the role allows, the opportunity to work from home.

Our Maternity policy gives extended leave during maternity and our Adoption policy gives parents extended time off when adopting a child in the UK.

Our Parental Leave policy gives parents the opportunity to take time off to support their younger children.

Our learnings

The Pentland Executive have completed training to raise their awareness of unconscious bias.

We asked for your thoughts on D&I at Pentland via feedback terminals and our employee survey.

We looked at and learnt from external organisations.

Working together

We launched new ways of working with Disruption Lab, bringing together a diverse group of people, from across the organisation, to work together on new ideas.

We piloted inclusive decision making and problem solving initiatives like World Cafe and Brand Disruption.

Building our network

We launched a D&I online community on Yammer, a D&I Network at our Finchley HQ, and a D&I Steering Group.

We celebrated Inclusion Week (w/c 25th Sept) with a global initiative on Yammer and a 'Connect for Inclusion' event at our Finchley HQ.

What Happens **NEXT**

We're always looking for ways to improve and we're committing to a number of actions.

Here are some of the things that are either already happening, or about to be put into action:

The roll out of D&I networks across other Pentland sites in 2018, and greater functional representation at network meetings.

Pilot a Women's Leadership Council (UK).

Review Return To Work support for parents.

Unconscious bias training for all employees.

New D&I guiding principles, supported by leadership team training.

New D&I section in the induction programme.

Embed D&I principles in all of our management and leadership training.

We can introduce new initiatives, new policies and best practice, but we need everyone to make diversity and inclusion part of our everyday lives.

Here are some things you can do that will make a difference:

Get connected

Follow the D&I group on Yammer, join the D&I Finchley HQ Network or set up/join your own D&I Network.

Contact Caroline Nankinga for more information about how to set up your own D&I network.

Learn about yourself

You will soon have the opportunity to complete our unconscious bias training and think about what changes you can make.

Grow your network

Look at ways to increase the diversity of your network – both inside and outside of work. Get to know a new Pentland person once a month.

