

# 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 (D&I) and building it into everything we do.

## What we believe

Our goal was to develop a clear D&I position that embraced and demonstrated what we stand for, while also helping us to drive performance, innovation and grow our business.

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. Embracing D&I increases the range of viewpoints we have on the world and helps to improve our understanding of our customers, consumers and the environment in which we operate.

## What we're focussing on

D&I is a broad subject area and so it's important for us to have clear areas of focus and a well-articulated strategy and plan. We also want to make sure D&I is more than just words by setting measurable goals.

We began by gathering insights and data, we looked at some of the great work already happening around the business and learnt from other organisations and industries. This then helped

us to identify four key areas where we felt we could make the most impact and/or progress - inclusion, unconscious bias, ethnicity and gender.

Our D&I strategy is an integral part of our overall business strategy and our global D&I programme, which evolves each year, articulating the big items we are going after across our four focus areas. This is supported by a communication plan rolled-out across our online and offline channels.

## How we're held accountable

To make sure we have clear accountabilities and build D&I into the fabric of our organisation, we have a governance framework in place.

### D&I Steering Committee

It's important for D&I to be driven from the top throughout the organisation, so we have a Steering Committee, sponsored by the CEO and made up of senior leaders from across the business. The Committee is accountable for setting strategy, reviewing the plans and monitoring and reporting progress against the goals.

### Our Global Network

Our Global Network is made up of over 400 individuals across our global sites. These networks come together to share ideas and challenges, review policies and discuss initiatives. They then make recommendations on improvements to the business and have the ability to hold the Steering Committee to account.

To support this, we have an Organisational Development team and D&I lead responsible for the execution of our D&I strategy, plans and programmes.

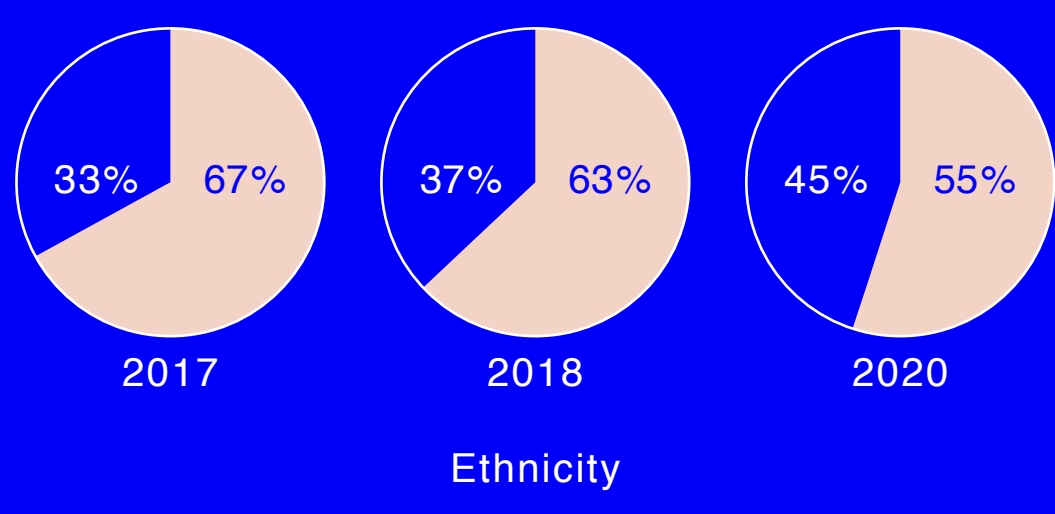
## The goals we've set

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. We've set targets to help us monitor improvements.

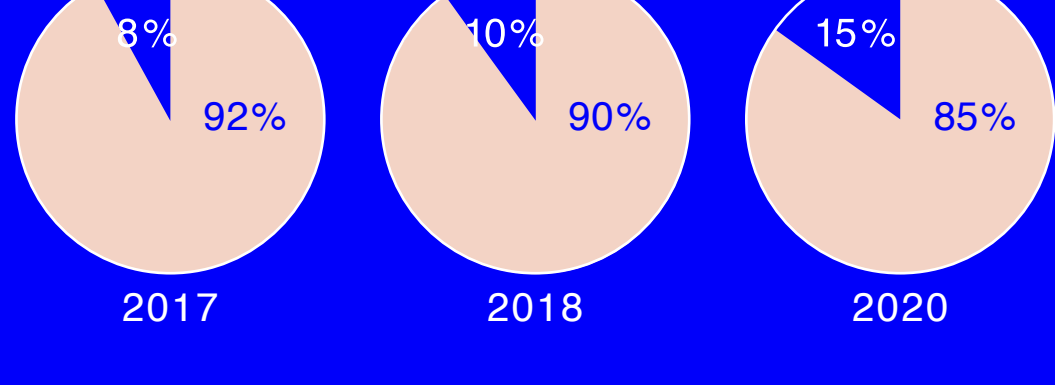
● Men ● White  
○ Women ○ Other Ethnic Groups

### Senior Leadership team

#### Gender



#### Ethnicity



## Gender Pay Gap 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. You can read our latest report

The report shows an improvement in the median gender pay gap measurement, which is the better representation of like-for-like pay, with women's hourly rate 8.9% higher than men's.

The mean pay gap measurement shows women's hourly rate as 14.6% lower than men's and although this is an improvement on the

2017 data, it still reflects the disproportionate representation of men and women in our most senior leadership population.

In 2018 we made a commitment to improve this by introducing a number of initiatives to help us progress in this area, and we've made some great senior leadership appointments towards the end of 2018. While this improvement isn't reflected in our 2018 report, as it uses data from the 5th April 2018, we do expect the reduction in the mean pay gap measurement to be better reflected in our 2019 report.

We're committed to reducing the gender pay gap and throughout 2019 we'll continue to identify opportunities to do this through our D&I work.

## What we've done so far

In 2018/19 we identified that progress could be made by improving our organisation-wide understanding of where unconscious bias can show up. We did this by running unconscious bias training sessions for our senior leaders as well as differing communities across the organisation.

Seven more ways we've committed to making improvements:

- 01** Embedding our D&I principles into our management, our leadership training and our onboarding experience
- 02** Introducing a new flexible working policy, offering employees flexible core working hours and the opportunity to work from home
- 03** Introducing a Maternity policy that gives extended leave during Maternity, an Adoption policy that gives parents extended time off when adopting a child in the UK and a Parental Leave policy that gives parents the opportunity to take time off to support their younger children
- 04** Widening our university and college search to capture a more diverse pool of graduates and interns
- 05** Adding a D&I section to our recruitment and on-boarding content
- 06** Launching new ways of working with Disruption Lab, bringing together a diverse group of people, from across the organisation, to work together on new ideas
- 07** Creating a fairer and more consistent approach, by improving our bonus goal setting and performance reviews across the business

## What we're doing next

We're always looking for ways to improve and we're committing to a number of actions in 2019/20. Here are some of the things that are either already happening or are about to happen:

- Continuing to raise D&I awareness across all Pentland sites in 2019, and increased senior representation at network meetings
- Enhancing the Return to Work support for people who have needed or wanted to take extended leave
- Providing unconscious bias training for employees
- Growing our female leadership pipeline by piloting a global mentoring programme
- Embedding our D&I principles into our new Management Academy and Leadership Development offering