

# PENTLAND BRANDS

UK GENDER PAY GAP REPORT 2023



# A note from our CEO

Pentland Brands focuses on doing the right thing, especially for our people. We are committed to diversity, equity, and inclusion and are creating a working environment that embraces diverse perspectives and ensures everyone feels welcome, supported, and empowered to contribute.

For 2023, we are pleased to report a reduction in our UK mean gender pay gap from 15.2% last year to 9.2%, and we now have 54% female representation across the workforce and 50% female representation in our Executive team. We are proud of our strong female representation and decreased mean pay gap. However, we acknowledge there is still more to do. The main driver of our gender pay gap is the imbalance of men and women at both director and senior manager levels. We continue to work to improve this through recruitment, succession planning, and talent development.

Only 10.6% of men and 7.3% of women received a bonus in 2023, significantly lower than the previous year. Our bonus gender pay gap is, therefore, driven by a small population of employees, and this has had a considerable impact on our bonus pay gap figures this year.

We continue to exercise robust pay governance to determine pay fairly and comparably. We are also proud to pay the UK Real Living Wage as outlined by the Living Wage Foundation UK. We have implemented several initiatives as part of our benefits offering in the UK to better support women's development and retention in our workplace. These include enhanced shared parental and neonatal leave and paid time off for attending IVF appointments.

We remain committed to taking the necessary actions to reduce our gender pay gap in the UK. We recently commissioned an independent analysis of how our gender pay gap has developed over time, which helped us better understand the impact of small movements in gender balance at the different work levels and sharpen our action plans for this coming year.

We are committed to the continuous improvements needed to drive change. This report outlines further details of our progress to date, our reportable UK gender pay gap figures for 2023, and our focus areas for the year ahead.



A handwritten signature in black ink, appearing to read 'Chirag'.

**Chirag Patel**  
**CEO, Pentland Brands**

# What is the gender pay gap?

The gender pay gap is the difference in pay between women and men. The gender pay gap considers women and men across the workforce regardless of roles or levels.



**Equal pay is different from the gender pay gap.**

The gender pay gap compares pay by gender across the whole workforce in the UK. Equal pay ensures that women and men are paid equally for the same or similar job or work considered 'equal value'.

We operate robust processes and governance to ensure that pay is determined fairly and comparable for every role in our organization. This includes consistent role evaluation processes, pay movement governance, and internal and external salary and benefits benchmarking for all roles.

## Mean pay gap

The mean gender pay gap is the difference in the numerical average hourly or bonus pay for women compared with the numerical average hourly pay for men.

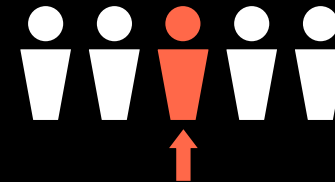
The average hourly pay for men



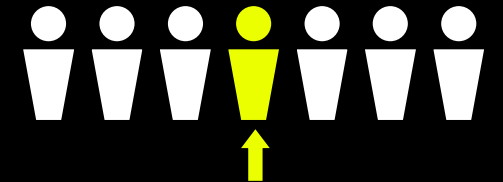
The average hourly pay for women

## Median pay gap

The median represents the 'middle' point of a population. The median pay gap is the difference in the hourly or bonus pay for the woman in the 'middle' compared with the hourly pay for the man in the 'middle'.



The median man



The median woman

# What our data shows

The gender pay gap shows an overall snapshot taken on 5th April 2023 and includes all UK employees from Pentland Brands Limited and its brand companies (Speedo, Berghaus, Canterbury of New Zealand, Mitre, Kickers, ellesse and Endura).

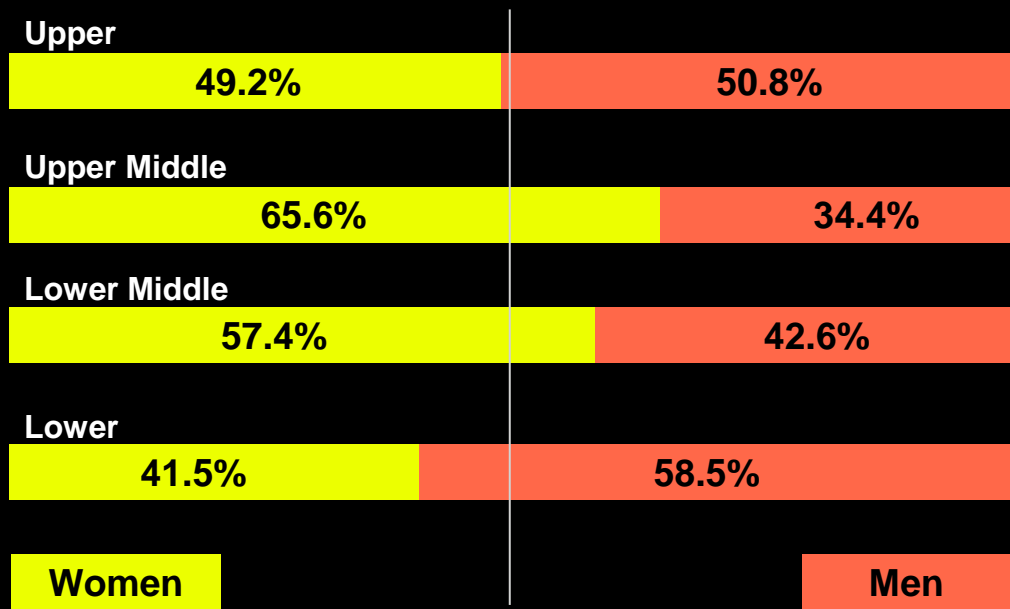
## Hourly pay



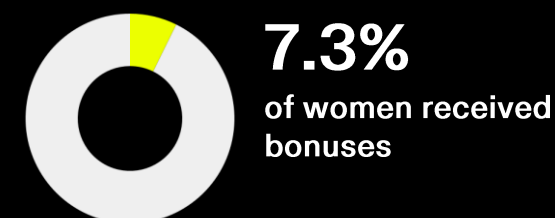
## Bonus pay



## Pay quartiles



## Percentage receiving a bonus



# What is causing our gender pay gap?

➤ **Our gender pay gap is driven by the differences in representation of men and women across work levels**

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**A greater proportion of men than women at more senior work levels in the UK is driving our mean pay gap.**

Despite achieving gender balance across our Executive team, our mean pay gap continues to be driven by an imbalance of men and women at the next work levels of director and senior manager. Recruitment of women into roles in these work levels meant that our mean gender pay gap decreased from 2022, though and there is increased representation of women in the upper and upper middle pay quartiles.

**A higher proportion of men within the lower work levels of support and logistics operative roles in the UK causes our median pay gap to favour women.**

Men mostly hold our lowest work level support and logistics operative roles in our UK distribution centres. This structure results in our median pay gap in favour of women. Our median pay gap increased compared to last year, which was driven by an increase in the number of distribution centre roles overall.

**We have increased female representation in both our hiring and in roles at middle work levels however we have more work to do to gain benefit.**

We have a greater proportion of women in the mid-management level in our UK workforce at almost 60% and this is also representative of our hiring which is 60/40 in favour of women at this work level. Attrition rates are also balanced between the genders. However, women leavers are particularly concentrated at this level, compared with men where leavers are spread across multiple work levels.

**A small data set has impacted our bonus pay gap figures.**

Only a small number of employees received a bonus during the 12 months to April 2023. Our mean and median bonus gaps are driven by a very small number of long-term incentive awards and sales incentive bonuses paid during the year. All our employees participate in bonus and incentive programmes annually.

# Taking action

At the beginning of 2024, we commissioned independent analysis of our gender pay gap history, which gave us valuable insights into the drivers of our pay gaps, the impact of our actions to date and the diversity of our workforce. As a result, we are acting across three key areas.

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# 1

## Gaining more detailed insight about the reasons why women leave us

We are doing a good job of attracting women to work at Pentland Brands, but they are leaving us in greater quantities at middle management levels, despite us investing in and extending the range of family friendly and wellbeing policies to support them at work. We will use the Pentland Collective to fully understand the reasons for this and to shape policies to address the reasons identified.

# 2

## Monitoring our promotion process and building internal pipeline

Despite having a greater number of women at middle management work levels, it is not translating into increasing the proportion of women being promoted into senior work levels. We also need to carefully monitor promotion process at junior work levels as we have recently seen promotions at these lower work levels tip in favour of men. We'll do this through careful monitoring and evaluation and strengthening our internal female talent pipelines.

# 3

## Continuing to increase the robustness of our recruitment processes

We will continue to monitor and review our recruitment practices to make them inclusive, ensuring we are able to attract diverse talent, particularly women, at all levels. Additionally, we plan to upskill and accredit all those involved in recruitment processes in inclusive recruitment, to increase the quality and consistency of recruitment practice across our organisation.



You can find more information about our diversity and inclusion ambitions and actions in our Positive Business report and at [www.pentlandbrands.com](http://www.pentlandbrands.com)

\*Data found in this report is correct as of April 2023. “Our Gender Pay Gap figures have been calculated in line with the regulations set out in the Gender Pay Gap Reporting legislation. I confirm that these figures are accurate.” Chirag Patel, CEO



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