

CHARLES TYRWHITT

JERMYN STREET LONDON

Gender Pay Report

APRIL 2020

Here at Charles Tyrwhitt our aim is to “Make it Easy for Men to Dress Well”. However, whilst our core customers may be men, we understand that a successful company has to be truly inclusive in terms of its workforce.

Our aim has always been to create an organisational environment where everyone wants, and is able, to be at their best. This means, having the best people for the job, regardless of their gender, age, background or, well, anything else other than their sheer brilliance!

The covid-19 pandemic has hit many businesses hard over the last 12-18 months and as a formalwear retailer we felt the brunt of that particularly hard. Whilst the financial impact of the pandemic forced us to make a number of difficult choices, we never lost sight of our ambition and purpose, which meant that we continued to launch a number of people initiatives;

- In our last report we pledged that a key focus was the promotion of our family friendly and flexible working policies, making them available and accessible to all. Since then, we have reviewed and relaunched our policies, reducing the qualifying term for getting access to enhanced pay on maternity leave and increasing our paid paternity offer.
- We have continued to invest in supporting our colleague's mental health, working with our health partners to ensure every colleague has access to mental health support as and when they need it.
- As part of our CSR initiatives (known internally as 'Be The Change') we have partnered with the globally recognised organisation "Planet Mark" to accredit the work we are doing to measure and then reduce our carbon emissions.
- We are also continuing our work with the Prince's Trust and worked closely with them during the pandemic to ensure we supported them at a time when funding became more challenging by donating £75,000 of the profits from our face masks to The Princes Trust.
- We launched a Diversity, Inclusion and Belonging group who are helping us take positive actions in this space. Additionally we did our first ever D&I survey, which helped us better understand the demographics of our workforce and where we can focus our efforts in order to make CT a more inclusive place for all.

When looking at our Gender Pay Report for April 2020 it's important to consider the impact furlough has had on our figures. In line with government guidance, furloughed employees who were on less than full pay are excluded from the gender pay calculations. As a retail business we had our UK stores closed in April 2020 when the snapshot is taken, meaning that all these colleagues were on furlough. The make-up of our retail workforce is more male than female, so taking these colleagues out has skewed our results for 2020 and will likely do so for 2021 as well.

Putting that aside and looking at our results for a moment, they show that our Median Gender Pay Gap was 10%. This means that, at the mid-point, for every £1 a female colleague earns the median male colleague earned £1.10. This has shifted from a position where we had a negative median figure (meaning the female colleague at the mid-point earned more than her male counterpart) and this can be directly attributed to the removal of the Retail colleagues from the calculations. Our mean figure was similarly impacted by the removal of furlough colleagues and went from 10.7% in 2019 to 31.7% in 2020.

It's disappointing that the 2020 figures are distorted by furlough, as with them included we would have maintained our position from previous years. Overall our remains that CT should be a place where all colleagues can flourish and be at their best. I can confidently say that gender is irrelevant in deciding salary and our employee's pay is determined entirely based on contribution, performance and the appropriate market rate.

I can confirm that our gender pay gap statement is accurate and correct as at 5th April 2021.

Phil Vickers

HR Director, UK & US



GENDER PAY AT CHARLES TYRWHITT

The Median represents the **middle** point of our employee population earnings

CT's Gender Pay Gap (Median)	
2020	2019
10%	-3.1%

Looking at our gender pay numbers we can see that our median figure is 10%. This means that, at the mid-point of our population, for every £1.00 the median male colleague earns, the median female colleague earns £0.90. This has shifted compared to previous years where we had consistently seen that female colleagues earned more at the median point than our male colleagues (represented by the minus in 2019).

Looking next at our mean gender pay gap (which looks at the average hourly rate of pay), this now stands at 31.7%. This also jumped from 2019 to 2020, going up by 21% points.

Seeing the shift in these figures it's important to look at what could be causing these changes and what is driving the year-on-year change. The key factors that have fed into this;

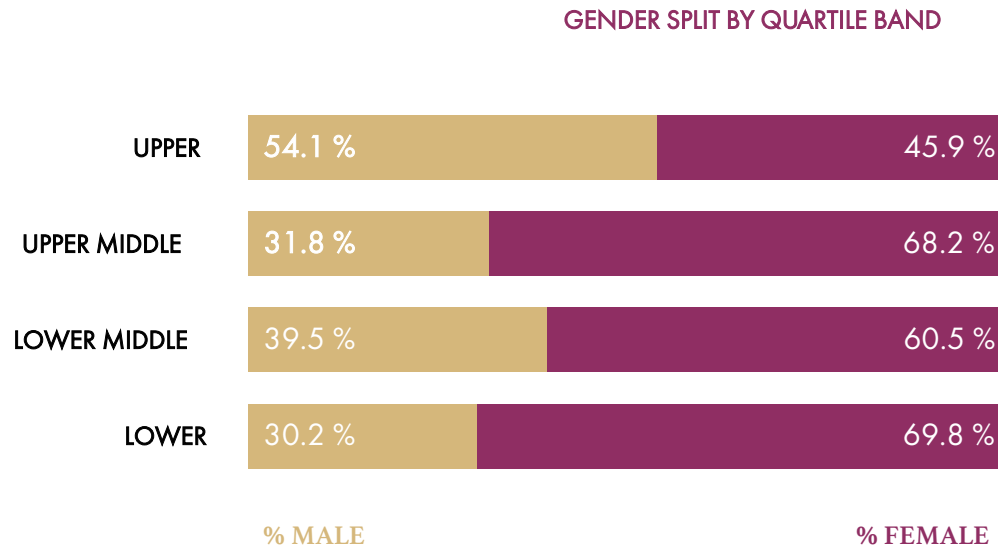
CT's Gender Pay Gap (Mean)

2020	2019
31.7%	10.7%

The mean represents the **average** hourly rate of all our male and female employees.

- 1) During the period in question our Board make-up shifted, with a female colleague leaving the Board and two male colleagues joining the board. Given the level of these positions, this had an impact on our mean gender pay number.
- 2) As a menswear brand we find that in our Retail stores we employ a greater proportion of men. In previous years the median male rate of pay that has been used for the median pay comparison is therefore that of a Retail colleague. As we have had to exclude colleagues on furlough receiving less than full pay from this year's calculation, this means that the median male is in a higher paying role and has therefore skewed our % difference.

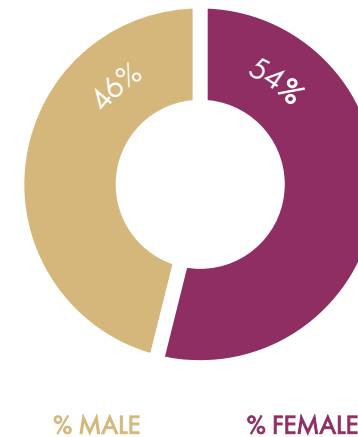
GENDER SPLIT BY QUARTILE PAY BAND



When looking at our total workforce (incl. colleagues on furlough) we continue to see that we have an even split between male and female colleagues across Charles Tyrwhitt. As a menswear brand this is pleasing to see and shows that we can attract and retain female colleagues.

Moving on to the gender splits by quartile (so breaking it down from the top 25% of earners through the lowest 25% of earners) we can see that we have more females in all quartiles other than the Upper quartile, which is still close to a 50/50 split. The figures

WORKFORCE GENDER



for the Upper Middle Quartile are particularly pleasing and show that we have a good representation of female colleagues in more senior positions.

As with some of the earlier statistics, the Lower and Lower Middle Quartiles will not be an accurate representation of our workforce this year given the impact of furlough. This is because our Retail stores have a higher proportion of male colleagues working in them and therefore by having to exclude these colleagues it skews our results.

BONUS PAY

CT's Gender Bonus Gap (Median)	
2020	2019
-30.5%	-21.3%

CT's Gender Bonus Gap (Mean)	
2020	2019
57.2%	37.5%

Female Employees Receiving a Bonus	87%
Male Employees Receiving a Bonus	87%

In line with the guidance, furlough colleagues are included in the Bonus calculations, even though they are excluded from the others.

Overall it's good to see that we paid out bonuses to 87% of our colleagues (both male and female) in the 2019-20 financial year. This was built on the back of a positive trading year across all areas of CT.

Our median figure shows that, at the midpoint, the female colleague received a larger bonus payment than her male colleague, whereas the mean (the average bonus) was considerably higher for male colleagues.

The differences in the bonus figures are driven by a variety of factors;

- 1) As outlined earlier, we have more male colleagues on the Board and in senior leadership roles. As bonuses are paid as a % of salary this does push the mean figure higher for male colleagues.
- 2) Employees who work part time receive their bonuses on a pro-rata basis, however the calculation rules for the gender bonus gap doesn't allow for any adjustments to bring these back to their 'full time equivalent' level. As we have more part time female colleagues this has a greater influence on their mean bonus number.
- 3) As the bonus figures include all colleague's bonus amounts (rather than removing those on furlough) we see a shift in the statistics for this section. By including our Retail colleagues (where we have a higher proportion of males working for us) this alters the median comparison point to such an extent that the % bonus difference is a minus (so in favour of female colleagues). This is a clear indication that our median gender pay gap would likely have been a minus as well had all Retail colleagues been included in the calculations.

All the research and evidence points to the fact that women and young people have been most impacted by the recent pandemic. As a business we want to ensure that we do all we can to maintain progress and momentum when it comes to supporting all individuals into work, creating an environment where people feel included and welcome.

Reflecting on our results is difficult this year given the impact furlough has had on our results. However, we can still see where there are areas for improvement, such as improving female representation at the very top of the business. We remain committed to making CT a great place to work and we will continue to ask our employees why they like working here, as well as what they think would make it a better place to work.

Over the next twelve months we will be busy putting the following into place:

- Working with an external practitioner we will deliver Diversity and Inclusion training to all senior managers to improve their understanding of this area and to identify where they can support and drive our D&I agenda
- We will roll out Unconscious Bias and Inclusivity training across the business to support awareness and understanding of areas such as Gender equality
- In addition to the above we will audit our current recruitment practices to ensure that they continue to create a level playing field for all applicants, as well as trialling different sourcing options so we draw candidates from a wider range of backgrounds

- We will launch our updated business dress guidelines and will partner with the HALO code in the UK (and the Crown act in the US), which supports colleagues to have the freedom and security to wear all afro-hairstyles without restriction or judgment
- Working with our internal DIB Group we will put in place a number of training initiatives that support our colleagues when it comes to dealing with any instances of discrimination in our stores
- We will conduct pay benchmarking, looking both internally at our rates of pay for any discrepancies across colleagues and roles as well as looking externally to ensure our rates of pay ensure we retain our best colleagues

By focussing on these areas of inclusion, we will continue our journey to make CT a great place to work for all colleagues and look forward to seeing these actions come to fruition.