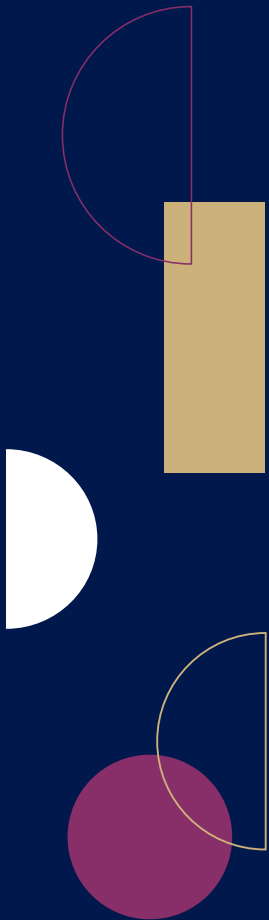


CHARLES TYRWHITT

JERMYN STREET LONDON

2017-2018

GENDER PAY REPORT



At Charles Tyrwhitt (rhymes with Spirit, by the way) we're passionate about "Making it Easy for Men to Dress Well", and, while our core customers may be men, we understand that a successful company should be truly inclusive.



We believe that to create an organisational environment whereby everyone wants to and is able to be at their best means, amongst other things, having absolutely the best people for the job, regardless of their gender, age or, well, anything else other than their brilliance!

Here's a little bit more about us. Over the last year, we have continued to increase our store portfolio, and we now have over forty stores: twenty-seven in our UK home market, one in Paris, and a further 13 in the USA. In addition to our retail channel, we have a strong online presence in a number of territories and remain industry leaders in direct marketing. To support our branch, online and mail-order operations we have a state-of-the-art Distribution Centre in Milton Keynes and two 24/7 Contact Centres: one in Milton Keynes and the other at our Head Office in London Bridge.

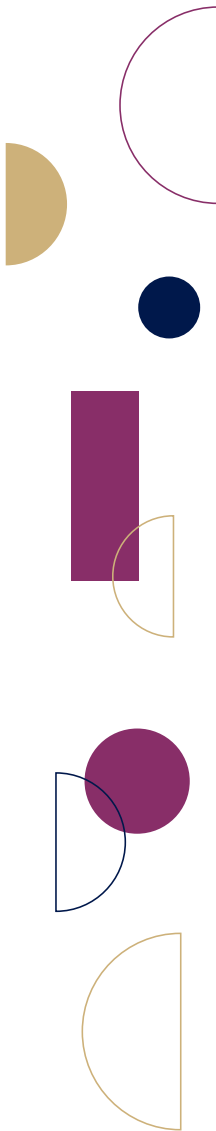
All of this adds up to some **1100 Tyrwhitteers**; 900 of whom are here in the UK, and with an average age of 32 we do indeed have a millennial workforce!

On looking at our levels of pay, our Gender Pay Statistics show a Median Gender Pay gap of -4.3%, and a Mean Gender Pay Gap of 9.3%, and although we saw a small annual increase, on the year, we continue to be encouraged by our results, not least because they compare very favourably when viewed against the national average of 18.4%* and 17.4%* respectively.


However, we are not one to rest on our laurels! We know we have more work ahead of us to reduce the Mean Gender Pay gap which continues to be driven mainly from the relatively low percentage of women in the Leadership Team and thus the subsequent lower ratio of women in the top 5% of salary and bonus earners.

In the main, this is all good stuff – but what else have we done, in the last year, to ensure that we are truly inclusive as an employer I hear you ask. Well, there have been so many exciting changes and programmes that it's genuinely hard to know where to begin.


One key call out is that at a time when many retail companies were focussing on driving down costs and reducing headcount we continued to invest time, money and resource in the development and welfare of our people.




Here are just a few examples of our peoples initiatives:




Recognition and Appreciation is the foundation of employee engagement, consequently, this has been an important area of focus and we saw the introduction of our Celebration Station whereby all our colleagues can be publically recognised and appreciated for being Tyrwhitt fabulous... after all who doesn't want a thank you for a job well done from time to time?




This was quickly followed by the launch of our Wellbeing platform specifically designed to help all our fabulous Tyrwhitteers find the best advice, support, and tips to live a healthy life; be it financially, mentally, or physically.



We made some great changes to our bonus schemes, creating a clear link between individual performance and bonus received so we can better recognise and reward great performance regardless of gender.



We introduced what we call “BE Tyrwhitt”: a new values and behaviours framework for everyone across CT, regardless of role, designed to lay out our expectations of how we all work together.



We have introduced our online learning portal; the “Tyrwhitt Learning Academy” designed to help everyone grow and develop through a blended offering of online and classroom learning.

All these activities put together meant that when we participated in our second Best Companies Survey earlier in the year we saw a 52 point increase year on year, which resulted in us moving up to a One Star Accreditation (a very good level of employee engagement!). It was particularly pleasing to see that 81% of Tyrwhitteers said they were ‘Proud to work for CT’. We are rightly very encouraged by this result as it suggests that our People strategy is the right one and that we are delivering against it.

That said, excellence is indeed a journey and not a destination which is why we continue to ask ourselves, on a daily basis, ‘What more can we do to make this a truly great place to work.’

To summarise, whilst there is a lot for us to be pleased about, we can of course always do better. Therefore, it absolutely remains important to me, Nick Wheeler, our Founder and Chairman, and the entire Charles Tyrwhitt Leadership Team that we continue to create a fair and inclusive workplace where everyone can be the best version of themselves; and this is what we are committed to doing.

Chris McManus

Chief People and Customer Service Officer



EQUAL PAY Vs. GENDER PAY

Whilst this is the second year of Gender Pay reporting, it's probably helpful to remind ourselves of the difference between the Gender Pay Gap and Equal Pay.

Put simply, Gender Pay Gap and Equal Pay are quite different things. The key variances are:

EQUAL PAY

Men and Women are paid the same for the same work



Equal pay means that men and women who are in the same employment, and perform equal work, must receive equal pay. This is set out in the Equality Act 2010 and we are committed to being an Equal Pay employer.

THE GENDER PAY GAP

The difference between the gross hourly earnings for both men and women

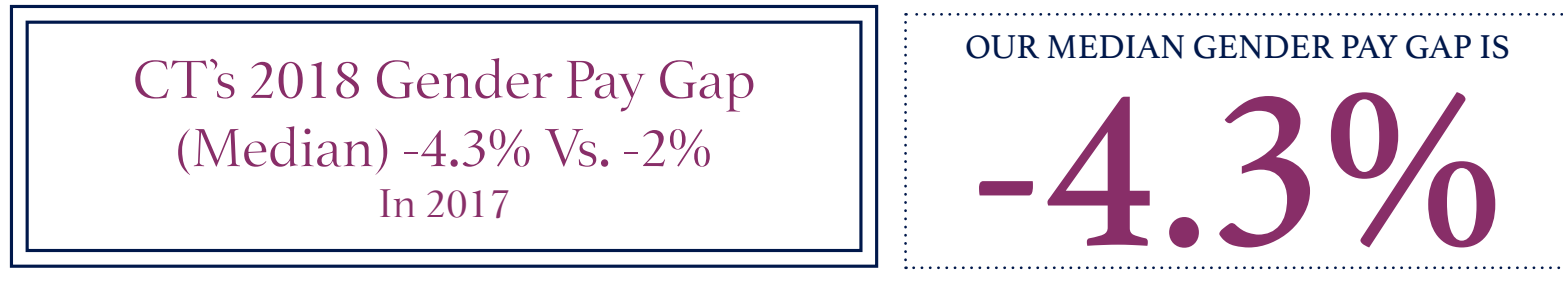


The Gender Pay gap is a measure of the difference between male and female earnings across an organisation expressed as a percentage of male earnings'. The purpose of creating the report gives companies, and employees, transparency on what and why there may be differences in earnings by gender. One of the main reasons for there being a Gender Pay gap is that, in many companies, there are generally more men in senior positions.

GENDER PAY AT CHARLES TYRWHITT

There are two key measures to look at when considering Gender Pay Gap statistics.

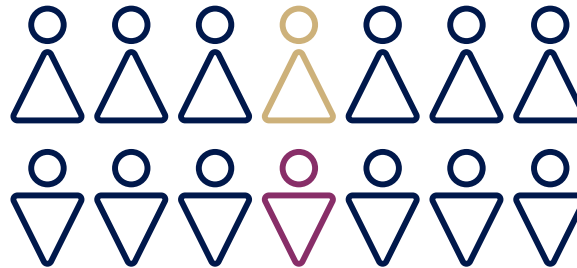
The first is the Median Gender Pay Gap:



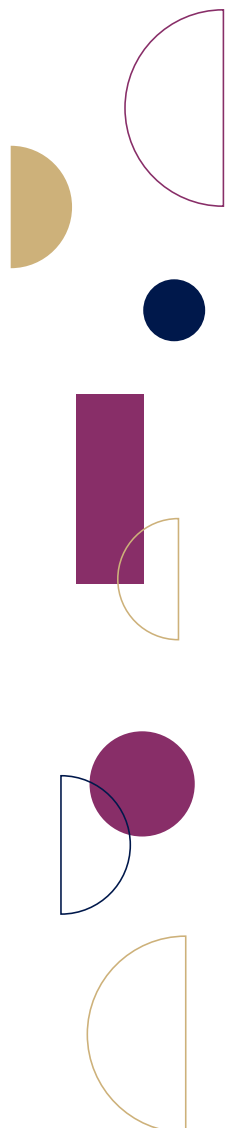
BUT WHAT DOES
THIS ACTUALLY
MEAN?

The Median represents the middle point of our employee population earnings and therefore indicates what the 'typical' hourly rate is.

Put another way: if we were to line up all of the women at CT, in order of their hourly rate of pay, the Median rate is determined by the woman who is in the absolute middle of the line. Conducting the same exercise for all of our male employees would then identify the Men's Median rate.



The Median Gender Pay Rate is expressed as the % difference of the female Median hourly rate when compared to the male Median rate.

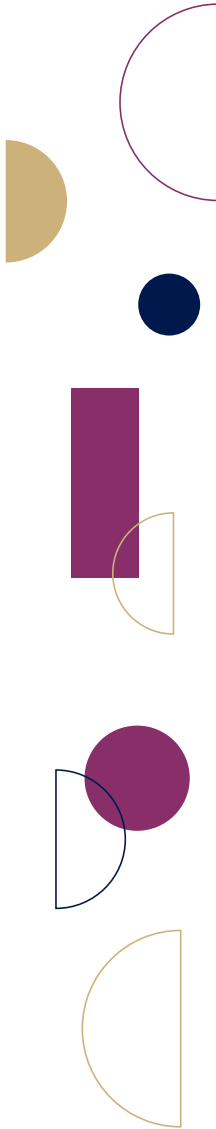


THE NATIONAL MEDIAN
PAY GAP AVERAGE IS
***18.4%**

Which indicates that at the Median point, women earn less than men across the UK. The Charles Tyrwhitt Median of -4.3% shows, that at the Median point, our female colleague earned more than their male counterpoint. Why is this? Put simply, our Median figure continues to be largely driven by the makeup of our workforce. Let's take a look at the two key reasons;

1. Unsurprisingly, as a menswear retailer, we tend to attract more men to work in our retail stores than is the norm for retail - in fact, in general, 57% of our retail workforce is male and;

2. Both our Contact Centres and Distribution Centre (which includes our Tailoring team) employ a greater percentage of women than men: 57% of Contact Centre staff are female, 64% of distribution centre employees are female. The pay rates across these areas differ and consequently this results in our Median pay gap being the way it is.



THE SECOND KEY MEASURE IS THE MEAN GENDER PAY GAP:

CT's 2018 Gender Pay Gap
(Mean) 9.3% Vs. 8.3%
In 2017

OUR MEAN GENDER PAY GAP IS

9.3%

Which means, on average, our male colleagues earn more than our female employees. These figures are calculated by taking a particular month, April in this case, and measuring and comparing the average hourly rate of both our female and male colleagues.

This can be explained as follows:

1. This result is largely driven by the fact that we have fewer women in senior leadership roles; at Board level there is a 40% female representation
2. Equally, and not least because of ongoing stability in the team, we currently have a 17% Female representation in our Senior Leadership team

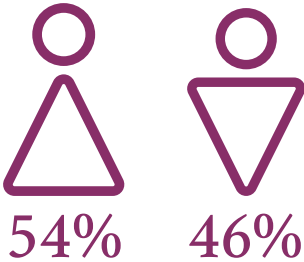
In addition, this figure is also impacted by the gender split in certain areas of our Head Office workforce, for example the majority of our IT team are men. All this said, our Mean Gender Pay Gap of 9.3% does reflect positively when compared to the UK national Mean of *17.4%

BONUS PAY:



Moving on to our bonus figures, it's worth noting that in the financial year 2017-18 we are proud to say that we paid a bonus to over 81% of our colleagues across the business. Here are a couple more interesting facts:

As a company we employ more women than men



We have a larger number of females than men in the lower middle and upper middle salary quartiles



This combination resulted in a Median Gender Bonus Gap of -16.1% (the point where the middle woman's bonus is compared with the bonus of the middle man)



This means that at the Median point the female CT colleague earned more bonus than their male counterpart

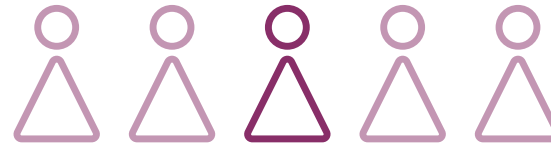


We have seen a change, year on year, with our Mean Gender Bonus figure, which now stands at 36.3%

This can be attributed to a couple of key factors:

1.

We have a higher proportion of female employees on part time hours



2.

Employees who work part time receive their bonuses on a pro-rata basis, however the calculation rules for the gender bonus gap do not allow for any adjustments to bring these in bonuses back to their 'full time equivalent' level

3.

As with our Mean pay gap we do have more men in senior positions which inevitably results in a disparity in the bonus gap



OUR GENDER PAY STATISTICS:



THE GENDER PAY SPLIT IN OUR WORKFORCE

As mentioned, our workforce remains fairly evenly split between male and female colleagues: 54% Female and 46% Male.

GENDER SPLIT PER QUARTILE PAY BAND

UPPER



UPPER MIDDLE



LOWER MIDDLE



LOWER



0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0%

When reviewing our gender pay gap, we draw up a list of our colleagues earnings – from the highest to the lowest – and split it into four even groups or quartiles.

As outlined earlier in the report, we have more male colleagues working in our Retail estate, which is why we have a larger % of males in the lower quartile

The three remaining quartiles all have a larger % of females than males. It’s especially pleasing to see the large % of female colleagues in the “upper middle” and “upper” quartiles.

ACTION PLAN:

We continue to ask our employees why they think CT is a great place to work as well as what they think would make it a better place to work – and we will continue to listen to their answers. And alongside this we will continue to look for ways to close any Gender Pay Gaps present within Charles Tyrwhitt.

We already have much in plan and over the next twelve months we will be busy putting the following into action:

WE WILL ENSURE THAT WE CONTINUE TO REWARD OUR EMPLOYEES FAIRLY

Our reward benchmarking data, purchased and interrogated annually, will again be used to identify and correct any salary inconsistencies

THE INTRODUCTION OF A NEW RECRUITMENT AND EFFECTIVE INTERVIEWING TRAINING MODULE: 'THE HUNT FOR TYRWHITTEERS':

This will form part of our IMPACT Management Development Programme (Improving Manager Performance at Charles Tyrwhitt) recently launched by our in-house Tyrwhitt Academy

The purpose of this training is to help ensure that hiring managers recruit the best talent regardless of the applicants gender, culture or sexuality

WE WILL CONTINUE TO IDENTIFY AND INVEST IN OUR TOP TALENT:

Talent reviews will continue to be carried out bi-annually in order to create development plans

Using a Training Needs Analysis framework, we will ensure that even more of our colleagues, have the opportunity to receive the appropriate training designed to support their progress through the company

We will continue to develop, invest in and make available a wide range of development and learning opportunities, be it on-line, in-house or via external specialist providers

WE WILL CONTINUE TO ENSURE THAT FLEXIBLE WORKING IS OPEN TO ALL:

The key focus will be to promote our family friendly and flexible working policies in order to help us retain our talent

We believe that by implementing these actions we will continue to make progress on this important matter, and in turn help us in our vision to make Charles Tyrwhitt a truly great place to work.