

**Paul Smith Limited 2023
Gender Pay Gap Report**

Paul Smith

What is the Gender Pay Gap

The gender pay gap is an equality measure that shows the difference in the average gross hourly earnings between women and men and it's a key indicator of women's inequality in the wider labour market. A range of factors, including the measurement of a company's workforce, can influence it.

It is important to remember that the gender pay gap is different from equal pay, it's a measure across all jobs within the company, not of the difference in pay between men and woman for doing the same job.

How is the Gender Pay Gap Calculated?

The gender pay gap is determined by using two calculations, the median and the mean. These are then calculated and reported as a percentage of men's pay.

The higher the percentage, the worse the gap is, the lower the percentage, the smaller the gap is.

What is the Difference Between the Median and Mean Figures?

The median pay gap is the difference between the midpoints of hourly pay for all men and women.

This is the figure that falls in the middle of the range when everyone's wages are lined up from smallest to largest. If you imagine all of Paul Smith Limited's males standing in a line, starting at the lowest hourly paid to the highest, and then imagine the females doing the same next to them, the median pay gap is the difference between the male and female employee in the middle of each line.

The mean gender pay gap is the difference in average hourly pay between men and women which is calculated by adding up the hourly pay of every male employee and dividing it by the total number of employees and then by doing the same for females.

Statistically, the median is considered to be a more accurate measure as it's not skewed by a few individuals at the top or bottom of the range and this figure is typically more representative, especially when there is a lot of variation in pay.

Paul Smith Limited Gender Pay Gap Results – 2023

These results are calculated on the 794 staff we had working on 5 April 2023, consisting of 435 women and 359 men:-

13.5%

Mean Retail & Wholesale Sector gender pay gap*

13.2%

Mean UK* gender pay gap*

6.6%

Mean Paul Smith Limited gender pay gap

7.3%

Median Retail & Wholesale Sector gender pay gap*

14.3%

Median UK* gender pay gap

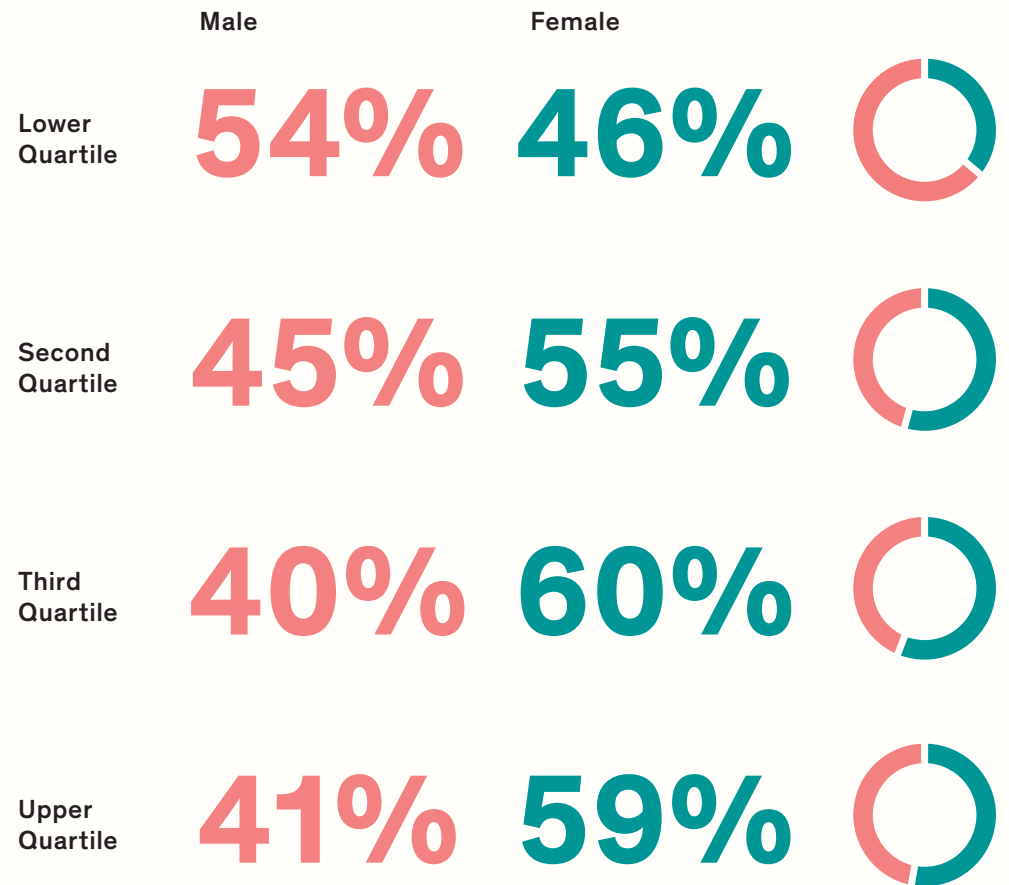
-10.6%

Median Paul Smith Limited gender pay gap

*Office for National Statistics provisional 2023 data from the Annual Survey of Hours and Earnings and based on full-time and part-time figures. Data taken from the reports for November 2023.

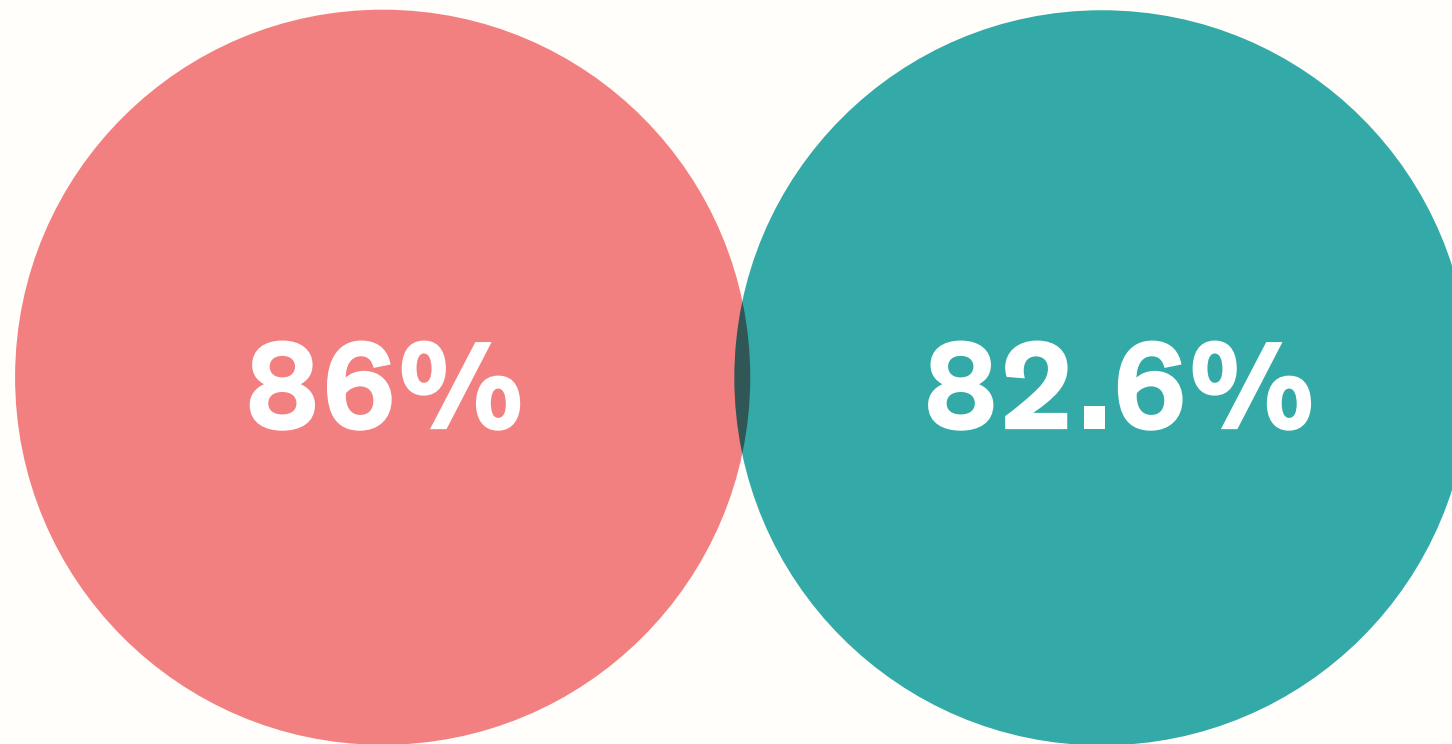
Gender Population by Pay Quartile

As required by the regulations we have split our relevant paid colleagues into four equal quartiles based on their average total hourly rate of pay to show the gender distribution for each quartile.



Bonus Pay Gap

- The mean gender bonus gap is 38.4%
- The median gender bonus gap is 0%.
- The proportion of male employees receiving a bonus is 86% and the proportion of female employees receiving a bonus is 82.6%.



Understanding the Gap

We are pleased to report that our gap continues to compare favourably with that of other organisations, including those within our industry.

The median gender pay gap for the whole economy (according to the November 2023 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 14.3%, while in the retail and wholesale sector it is 7.3%.

We are proud to report that our median gender pay gap is a negative figure, sitting at -10.6% demonstrating that on average, our female employees' gross hourly earnings are higher than those of our male employees.

This is driven by our dedication to creating a culture of fairness and inclusion, enabling a higher proportion of female employees to fill our senior leadership and mid-management roles within Paul Smith Limited.

The mean gender pay gap for the whole economy (according to the November 2023 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 13.2%, while in the retail and wholesale sector it is 13.5%. At 6.6% our mean gender pay gap is therefore significantly lower than both that for the whole economy and that for our sector, despite us having a higher proportion of males in our c-suite and director roles.

Once again, our median gender bonus gap has remained at 0%. This low median gender bonus figure shows that our men and women are rewarded equally for doing the same or equivalent work.

Whilst our mean gender bonus gap sits at 38.4%, this has dropped from 43% last year. A contributing factor to this figure is the recruitment of more females into our Senior Leadership Team which is now made up of 40% females and 60% males.

Paul Smith Limited is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

59% of our highest paid senior leadership roles are women which shows that we are committed to promoting flexible working across the company to support women back into the workplace after taking a career break and this also shows that Paul Smith Limited pays its part-time employees the same rate as their full time equivalent.

54% of our lowest paid workforce are men which is due to the fact we have a high proportion of male employees employed within our Warehouse, a role which attracts an entry level hourly rate.

We are confident that our mean gender pay gap will continue to close over the next few years as we continue to work on our policies and procedures that help promote a culture of fairness and inclusion within Paul Smith Limited.

Our Commitment to Addressing the Gender Pay Gap

Paul Smith Limited is committed to continue to work on understanding the contributing factors in order to reduce the gap by balancing men and women across the business at all levels. To date, the steps taken to promote gender diversity in all areas of its workforce include: -

Equality, Diversity and Inclusion (ED&I)

It's been nearly three years since Paul Smith Limited established a working group of staff, committed to developing and supporting our ED&I strategy to drive change across the business. During that time the team have been committed to promoting equality and diversity amongst our workforce and are taking steps to ensure that we are a great employer that values and welcomes the different ideas, skills, behaviours and experiences of our employees. We pride ourselves in continuing to foster a culture that promotes creativity, wellbeing and mental health and provides support to enable all our employees to thrive.

We are proud to say that we have a diverse workforce, in terms of sex, age and nationalities. We also have good representation of female and male employees in management positions. We do however acknowledge that we have work to do to in relation to the representation of ethnic minorities across the business at all levels.

Four strategic pillars have been identified:

1. Recruitment - To foster inclusive recruitment practices into our workforce, support our ambition to be a truly inclusive organisation and enable us to engage with a broader and more diverse talent pool that consistently represents the communities that we serve and operate in.
2. Progression - To adopt inclusive career progression and workplace practices to ensure that everybody has the chance to succeed and benefit from equal and professional opportunity, regardless of their background, helping to maintain an inclusive workplace culture.
3. Training - Embedding good equality, diversity and inclusion practice into our daily activities and decision-making processes by providing training throughout our business.
4. Communication - To create an open atmosphere for communication which celebrates and promotes equality, diversity and inclusion. We are committed to building a culture where everyone feels able to talk about and access the support they need.

Our Commitment to Addressing the Gender Pay Gap

Promoting Flexible Working

Paul Smith Limited is committed to facilitating, wherever possible, flexible working practices for staff and recognises that for individuals, the opportunity to work flexibly can enable them to achieve a better work-life balance. We continue to promote flexible working for both men and women across the organisation.

Three years ago, we introduced a new Flexible Working and Homeworking Policy which offers a range of flexible and remote working options including a hybrid approach to working where the role permits. It is open to all employees, in all areas and levels of the organisation regardless of their role and level of seniority and is not limited to part-time working.

We are pleased to report that between 6 April 2022 and 5 April 2023, 100% of flexible working requests were granted, and just over half of which were supporting women either returning from maternity leave or parents requesting a more flexible working pattern to support childcare. Upon review, it is evident these new working arrangements have proved successful for both the individual employees concerned and their teams.

Introducing policies to further support women in the workplace

Paul Smith Limited is committed to support new families and since October 2021 we have been continuing to make improvements to our Family Friendly Policy which included enhanced pay entitlements to allow the company to further support our staff during their time away from work, whilst on maternity, paternity, adoption or shared parental leave. We have since updated our policy to also include gender neutral miscarriage, baby loss support and parental bereavement leave provisions to support all staff who may have experienced a loss.

The company also recognises that the menopause and health issues linked to the menstrual cycle can be a significant issue in the workplace for those affected, and so we have introduced a Menopause & Menstruation Policy, to ensure we actively support women whilst at work.

With this policy we aim to create an open and honest workplace where line managers and employees can discuss any issues associated with the menopause or health issues linked to the menstrual cycle. The policy will also ensure the necessary support is known and offered to employees when needed. Our aim is to be able to talk openly and honestly about the impact on affected employees, and act in a positive and respectful manner towards them.

Our most recent policy which we have introduced is our Domestic Abuse Support Policy. The aim is to set out Paul Smith's stance on domestic abuse and to offer both emotional and practical support where possible, to any employee experiencing this.

Our Commitment to Addressing the Gender Pay Gap

Talent

We continue to develop the skills of our staff and focus on career development through apprenticeships. We have a range of training schemes running throughout the organisation, which include Property, Maintenance & Facilities Management, Accountancy and Finance, Data Programme, Team Leader and Chartered Management Degrees. All these apprenticeships have been chosen, dependant on the employee and their role, with a view to help them work towards building on the skills they need to take ownership of their careers.

This coming year, we will aim to increase this percentage of female participants on the apprenticeships to help improve opportunities for all our employees to progress in order to consistently retain a gender balance across all levels. We will do this by continuing to promote the opportunities available for further training through our managers and on our company intranet.

We have also partnered with the Fashion Retail Academy to launch an exciting new Leadership and Management programme to support the development of leaders and managers within Paul Smith Limited. Over the last year we have ran two dedicated programmes, one for new and aspiring leaders and one for more established leaders within the business. The pathways have been carefully designed to

reflect and establish our Paul Smith Way Guiding Principles and Skills and Strengths Framework, so staff will always have a clear focus the skills they are developing.

None of these initiatives will, of themselves, remove the gender pay gap and it may be several years before some have any impact at all. In the meantime, Paul Smith Limited is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

Any further initiatives launched throughout the year will be reported on the company intranet.

I, James Horsley, Finance Director, confirm that the information in this statement is accurate.

Signed 

Date 01.04.24

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