Gender Pay Gap Report

2022





This is a place where everyone is <u>welcome</u>.

Together we're creating an inclusive working culture that enables us to build stronger connections and deepen relationships with our customers, team members and the communities in which we live, work and serve.

Introduction from Andrew Keith, Managing Director



I often talk to Team Selfridges about us rowing in the same direction. This analogy really paints a picture of how we, as a business, can succeed and deliver on our commitments. We can only do this by working together.

By 2025 we have committed to significantly reduce our Gender Pay Gap at Selfridges. Since setting this goal two years ago, we've seen a coordinated and targeted programme of activity across the business involving many people. Already this is making a difference. As a result of everyone's hard work, a number of our metrics around Gender Pay are moving in a positive direction. There is much still to do. Yet, I know everyone, myself included, will continue to give this the absolute focus it requires.

At Selfridges, we want to make our customers' lives brighter through every interaction they have with us. However, we can only do this with a team that truly represents the communities in which we live, work and serve. Change has to come from within. This is why we have a Diversity, Equity, and Inclusion strategy woven throughout our business strategy and company Values that is clear for us all.

We recognise that to develop effective solutions we must be transparent and honest about the things that need to change in our business. First, around representation and making sure the make-up of our teams reflects the world around us. Second, by helping to foster diverse talent and equitable career progression. And third, by building an inclusive culture that empowers our people to be at their best. We are making progress on our goals. Our Executive team is now equally balanced and in our wider senior leadership population, over 50% of Director level roles are held by women. Our Software Engineering team (a traditionally very male-dominated field) now has a near equal split of women to men. And we have more men joining us in our entry level roles versus 2021, creating a more equal split in this cohort.

2022 was a year of significant milestones. Over 600 of our managers completed training for inclusive hiring. In addition, we've launched a range of new policies to support our people. These include Fertility at Work, Menopause and Pregnancy & Neonatal Loss. We're committed to building on all of this so we can continue to attract, nurture, and retain the very best people. Whether it's the launch of our new Inclusive Talent Management Framework or continuing to build our Inclusive Learning and Development offer, these initiatives are about supporting a culture where everyone can flourish, grow and be their best selves.

The coming year is going to be crucial as we build on the positive momentum we've generated. It will take a collaborative and collective effort from every single member of Team Selfridges - rowing in unison - but I am confident we've got what it takes to significantly reduce our Gender Pay Gap by 2025.

Andrew Keith Managing Director, Selfridges



Fedra Nicholls Head of Reward





We are fully committed to significantly reducing the gender pay gap that currently exists in our business by 2025. To support this important objective, we set out a clear action plan which included introducing more transparent pay and reward frameworks, and information and governance to drive greater equity and fairness.

I'm delighted that the steps we have taken over the last year have contributed to the decrease in both our median and mean gender pay gap compared to 2021. Since we published our last report we have:

- Strengthened pay governance through the introduction of a Selfridges Remuneration
 Committee, which oversees the governance of all remuneration matters relating to Selfridges team members below Executive Directors so that all pay decisions are rigorously managed.
- Increased starting rates of pay for entry-level roles in Retail and Head Office to align them more closely with the external market and uplifted rates of pay for team members where we identified pay differentials as part of our equality and market review.
- Introduced a pay governance process, to drive greater equity and fairness across roles at all levels when making pay decisions including internal promotions.
- Put in place pay structures which are informed by the market, transparent, and clear to drive fairness and consistency.

"...the steps we have taken over the last year have contributed to the decrease in both our median and mean gender pay gap compared to 2021."

 Launched a new digital recognition platform for all team members to thank, nominate and celebrate our colleagues in a more open and transparent way.

We took a number of additional steps to support the financial wellbeing of our team members in response to the increased cost of living, this included bringing forward our annual pay review, increasing starting rates of pay for team members to not only match the new 'Real Living Wage' rates, but to exceed them. We also launched our smart spending benefit, giving team members access to exclusive offers so they can save on a whole host of everyday purchases, such as their food shop, gym membership, travel, pet insurance, utilities, dining out and much more. We also introduced our Pension Salary Sacrifice arrangement so that members of the pension scheme may save on their national insurance contributions.

As our 2022 Gender Pay Gap Report is based on data as of April 2022, the impact of the actions we took in the latter part of 2022 is not included in this year's report. Consequently, we look forward to sharing how those specific actions have impacted our gender pay gap results as part of our 2023 Gender Pay Gap Report.

What does the gender pay gap mean?

The gender pay gap is an equality measure that shows the difference in average earnings between all women and men across an organisation, based on payroll data drawn from a specific date each year. This specific date is called the `snapshot date' which falls in April.

The gender pay gap isn't the same as equal pay as it does not compare differences in earnings for comparable jobs, it compares earnings for everyone who works in an organisation irrespective of their role.

There's no one reason for gender pay gaps to exist. A company might have a gender pay gap if the majority of men are in the most senior roles, despite paying male and female employees the same amount for similar roles.

Our gender pay gap shows the difference in average earnings for all directly employed team members working for Selfridges and Selfridges Group at all levels within our business, including team members working in our stores, head office functions, managers, senior leaders and executives.



Gender Pay Gap: Overview



Represents national average

"Our 2022 median pay gap is lower than the level reported in 2020 (7.7%) and 2021 (9.7%). Our 2022 mean pay gap is the lowest gap we've reported since the regulations came into force." Our 2022 Median (middle) pay gap is 6.7% and this remains significantly lower than the national average of 14.9%^{*}. We are delighted to report that our Median pay gap has decreased by 3 percentage points compared to 2021 and our Mean (average) pay gap has decreased by 12.3 percentage points, compared to 2021.

Our 2022 median pay gap is lower than the level reported in 2020 (7.7%) and 2021 (9.7%). Our 2022 mean pay gap is the lowest gap we've reported since the regulations came into force.

One of the main drivers of the gap is that our Sales Associate population continues to make up the largest proportion of roles at Selfridges, and more than two thirds of this group of team members consists of females. These are our entry level positions where we pay our entry-level salaries (thereby lowering the average amount women are paid across the company).

As our pay ranges are informed by the market, and therefore differ by function as well as job level, the gender split which exists between functions also has an effect on our Gender Pay Gap as more males than females hold senior or specialist, and therefore higher-paid, roles.

We know we have more to do, and we will work to maintain the areas of the business which have no gender pay gap and significantly reduce the gap elsewhere in our business by 2025.

*based on data from the 2022 ASHE Survey (Annual Survey for Hours and Earnings)

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables

Gender pay by quartile

Pay quartiles represent four different salary bands, going from lowest to highest. All team members are divided equally into one of the four quartiles. The percentages shown highlight the balance of males and females in each quartile.



We are pleased to see some improvement in the distribution of female talent this year.

The percentage of females in the top 3 quartiles has increased versus 2021

Team members receiving bonus



All of our team members are eligible to receive commission or bonus payments. The difference in the percentage of team members receiving bonus is largely due to the timing of team members joining and leaving the business over the year, which impacts their eligibility for a payment.

<u>Gender bonus gap</u>		Median (middle)	Mean (average)
	All team members including Group	22.9%	24.5%

Our Mean (average) bonus gap has <u>decreased by 21.9 percentage points</u> to 24.5% and our Median (middle) bonus gap has <u>increased by 6.3 percentage points</u> to 22.9%.

The gender bonus gap is driven by the following factors:

- The high percentage of females who work part-time with us, resulting in a lower pro-rated bonus and commission payments.
- The number of females in lower paid roles who therefore received a smaller proportion of bonus.
- Team members and executives based in London who work for our parent company, Selfridges Group, who receive incentive payments that reflect their global responsibilities.

Our Median Gender Bonus Gap is lower when bonus is calculated on a like for like hours basis.

Based on like for like hours Median (middle) 19.6% Mean (average) 21.3%*

*These calculations for gender bonus represent like-for-like hours that all team members work.



Rina Chotai Head of Technology, Core Services





Working in a diverse team is vital for our technology department to successfully help us create the next version of Selfridges from a position of strength. Diverse teams allow for better collaboration, better problem-solving capabilities and better productivity by bringing different skills and perspectives to solve business challenges.

To build diverse teams, we must be strategic in how we hire – broadening our recruitment strategy to reach, attract and retain talent from underrepresented groups.

In 2022, we have made tremendous progress in creating awareness about the types of roles available in tech, enabling us to develop talent from diverse communities. Our work to widen our candidate search process is a great example of this progress. Because of this change, we were able to hire more women for our engineering positions. In fact, we are now at 45% representation of women in engineering roles.

Nurturing great talent in tech presents opportunities to give back to our local communities to ensure the next wave of talent sees Selfridges as a viable place to grow their skills within the field. To support this, we partnered with the Code First Girls initiative, which provides free coding courses to women and non-binary people across the UK and helped our engineering team bring in three junior women engineers.



"We are now at 45% representation of women in engineering roles."

As well as hiring smarter, we must be set up to work smarter too. Through constant development and learning opportunities, our team are changing the way we work by creating smaller more expert teams of technologists, meaning we can build faster than ever before.

With determination to deliver these new ways of working, we can rely on the incredible, diverse talent we have in the business to set us up for another great year in tech for Selfridges.

<u>Chris Shaw</u> Chief Information Officer and D, E & I Champion for Gender





"I will concentrate on working with our communities to listen, learn and most importantly, take action"

As a leadership team, we're committed to supporting our Diversity, Equity & Inclusion (D, E & I) strategy, not only because it's the right thing to do, but because it is something our team members are extremely passionate about as a key driver in our Project Earth sustainable business strategy.

I'm thrilled to take on the role of D, E & I Champion for Gender in 2023, giving me the opportunity to work with groups in all departments to ensure there is representation across the board, in order to create a culture where everyone can be themselves.

I'm excited to see how this support and awareness will impact my teams across our technology function. We've made great progress to grow a more balanced tech team. The tech industry hasn't been the best in attracting women and when we advertise for jobs, we still see too few CVs from under-represented groups, so we have had to think differently about how we are working. To improve this, we work closely with organisations like Code First Girls and Black Girls in Tech to help us learn how to recruit in more imaginative and progressive ways, which has really begun to change the make-up of our teams very dramatically. It's something we are proud of, but we won't stop there as we have much more to do.

Most of all, I'm looking forward to seeing how I can make an impact as D, E & I Champion for Gender to propel the conversation further. I will concentrate on working with our communities to listen, learn and most importantly, take action by challenging business decisions and being the voice for these groups – a position I feel privileged to take on and will do my best to lead the business forward.



Recruitment

Sharlene John Head of Recruitment

Duwayne O'Neil Thomas Senior Lead Recruiter





One of our proudest moments over the last year was designing and implementing a recruitment strategy that supported our ambition to be an inclusive and diverse business. As a Recruitment team, we have designed a strategy that very much talks to our gender pay report – including concentrating our focus on hiring women in senior positions, our proportion of men at entry level and ethnic diversity at all levels.

To carry out this strategy, we had to be bold and consistent and hold fairness and transparency in the highest regard. Because of this attitude, we were able to roll out mandatory Inclusive Hiring training to 606 line managers to give all departments across the business the tools and knowledge to recruit inclusively using clear guidelines to work towards removing bias. By hiring better, we can improve the onboarding experience for all our team members resulting in better retention.

In the past year, we have seen an increase in women in our most senior positions and have exceeded our goal, with women holding just over 50% of Director level roles. We also have more men in our entry-level roles versus last year. We increased male representation in Grade 2 by 20% from February 2022 to January 2023, creating a more even split of representation.

Through targeted attraction campaigns, sharing data on a more regular basis and making strategic external partnerships, we were able to offer more opportunities to underrepresented groups – something we will continue to evolve this year and beyond.

"Women hold more than 50% of Director level roles"



As well as new talent, increasing the representation of diversity in our most senior positions starts with our existing talent. Looking ahead to this year, we are focusing more on internal mobility, creating clear career pathways and offering support to unlock growth within the business. The launch of The Yellow Careers Club will help us achieve this by providing all our team members with the tools and confidence they need to grow their careers within the business – and in turn, driving transparency and equity.

We're really proud to be able to talk to new and potential talent about all the fantastic progress we have made and how we're committed to constantly developing our recruitment process to strive towards a sustainable, diverse and equitable business.



Jo Riddell, Head of Employee Relations, Policy and Wellbeing





"In 2022 we became the first retailer to partner with Fertility Matters at Work"

I'm passionate about enhancing the team member experience in the workplace and creating opportunities to support our people through important milestones in their lives and career. As an HR leadership team, we believe that our focus on supporting life moments not only supports wellbeing, but also supports the whole team member journey from recruitment to retirement.

Our aim in 2022 was to cultivate a diverse community where everyone can be their authentic self and achieve balance through wellbeing. To support us in achieving this ambition, we considered what more we could do.

We had already introduced a new Menopause Policy and E-learning in 2021, but we felt it was right to broaden our thinking and focus on additional policies that would provide support. On International Women's Day, we launched new policies on Fertility at Work, Pregnancy and Neonatal loss - becoming the first retailer to partner with Community Interest Company, Fertility Matters at Work. We have continued to work closely with them on internal events about fertility and loss and alternative paths to parenthood for the LGBTQ+ community, as well as working with the organisation to move to achieve a fertility-friendly accreditation. In August, we launched our new Mental Health policy supported by a programme of face-to-face workshops to support team members and equip our leaders and managers with the right tools to have meaningful conversations with their teams. The response has been fantastic. Many of our team members have given feedback on how proud they are of the wellbeing focus and how relieved they are that we have policies and E-learning to offer support and guidance.

As a team, we are excited to continue this wellbeing journey and have plans to review and refresh existing policies, from relaunching our D, E & I policy to evolving our Family Leave policy. For 2023 and beyond, we will introduce policies on Neurodiversity, Gender Identity, Transitioning and Domestic Abuse. Our focus is always to look at other ways to support our team members to be their best selves at work -I'm excited for the year ahead and to see how we will continue to work collaboratively to achieve this.





Jane Sharrocks General Manager, Exchange Square and Customer Services and Communities' Lead





It's the people that make Selfridges so special, and when we connect and work together on a shared cause, it's even more extraordinary. At the beating heart of our culture is our Selfridges communities. Led by our team members, our ten community groups actively drive positive change while our interestthemed groups help bring people together. Working symbiotically, both help to create a diverse and inclusive environment in which everyone can bring their whole selves to Selfridges.

Our communities help bring our company Values to life. Our most popular groups include The Green Warriors, who fly the flag for sustainability, our Thinking Differently community connects our neurodiverse team members, and our Family Matters grass-roots network supports working parents, carers and beyond.

Our Selfridges community spirit is driven by our passion for volunteering. We empower our team members to make a difference within their local area by supporting them with five paid days to volunteer a year. A great example of how our teams have come together on something they feel passionately about is when our Manchester and Birmingham teams took part in the 2022 Pride parades. I was lucky enough to join the team and our BeYourSelf community from our Exchange and Trafford Stores. This was the first time they were able to participate – one team member said it was one of the best days of their life.

I've found that our communities are an important way to drive inclusiveness, self-confidence and empowerment for everyone. No one needs permission to join or create a new community.

"When we connect and work together on a shared cause, it's even more extraordinary."

We've found that many team members grow further in our business after actively engaging in our team-driven groups.

It inspires all our team members, regardless of gender, to bring their points of view, skills and knowledge into a conversation to help foster sustainable communities that make a difference in the business through improved knowledge, awareness and activity, so together, we can imagine and create a sustainable future for our customers.





Shelby Southall

Internal Communications Manager and Diversity Board Chair





"I can't wait to see what this year has in store as I take on the responsibility leading the Diversity Board as Chair."

My career at Selfridges has developed in a direction I didn't expect when joining the Foodhall department at the Birmingham Store nearly six years ago. From partnering with other team members to build our BeYourself LGBTQ+ Selfridges community and proudly taking part in the Birmingham Pride parade in 2019 to joining the Internal Communications team to use creativity to bring our people together.

2020 was a pivotal year for so many reasons. While working differently, our new communication tools made us more connected than ever. When the world paused in horror at the murder of George Floyd, our business started a bigger, better conversation on Diversity, Equity and Inclusion. As a person with an intersectional identity, I knew I could show allyship in my space of influence in my role.

In their first year, I worked closely with the newly formed Diversity Board as their communications support. I believe comms and diversity go hand in hand, as together they create more opportunities for inclusive engagement - enhancing the employee experience. In 2021, I was elected to join the Selfridges Diversity Board, heading up our 'Everyone Is Welcome' pillar. I pushed myself out of my comfort zone to, not only challenge myself, but the business too. I was so proud to be a part of delivering fantastic initiatives based on data and feedback. From starting better conversations on accessibility to creating a culture of sharing gender pronouns.

Neurodiversity Celebration week was a real highlight. We built our Thinking Differently community, a place for Neurodivergent team members to connect and share and we also launched our Quiet Hour initiative across all our locations for our customers and team members to offer a more inclusive working and shopping destination. I saw how a small, organic conversation could grow into something important and positive - something we can all be proud of.

It's been an exciting journey so far and I can't wait to see what this year has in store as I take on the responsibility of leading the Diversity Board as Chair. I truly believe if you can show your talent, your knowledge or passion, there is space for you at Selfridges to hone your skills and be your best self in your career. Esa Gashi Department Manager, Eastern Gallery Womenswear, Oxford Street



Since joining Selfridges in November 2018, I have had the opportunity to expand my skills and knowledge, collaborate with different teams and follow my passion for retail across many areas of the business.

I started my journey as a Brand Specialist in Menswear working in the Designer Street Room at Oxford Street, where I successfully enrolled on the Accelerate Programme. I learnt a lot about myself during this training programme, from sharpening my leadership skills to learning more about managing team members.

After the programme, I moved into a new Brand Specialist role, this time on Valentino in Womenswear, and then subsequently I was seconded to the Western Gallery, Womenswear, as a Department Manager.

Alongside my secondment, I also took part in the Selfridges Group Illuminate Programme, which supported my next steps to achieve my current position as Department Manager, leading a team in the Eastern Gallery in Womenswear.

Being selected to be a part of this Selfridges Group Leadership Programme has been one of the highlights of my career. I was able to connect with people from across the different group businesses as well as from other organisations. I was able to put my leadership skills to the test through various masterclasses which aimed to foster a purposeled leader - assessed on your determination and openness to learning. "The Selfridges Group Leadership Programme has been one of the highlights of my career."

Being immersed in an environment of trust and support such as this programme has helped me to truly step out of my comfort zone and strengthen my relationships within the business.

While I hold my previous learnings close to me, I understand that growth is continual. Selfridges has presented me with opportunities to continue the evolution of my skillset.

Working as a Department Manager at Selfridges gives you the autonomy to be creative and collaborative in a values-driven working environment, while giving you the space you need to add individuality to your role. This makes working at Selfridges unique.



Hawa Newell-Sydique Director of Talent and Diversity, Equity & Inclusion





"Our D, E & I journey continues with intention and focus particularly on intersectionality in gender"

I am thrilled to be part of such a committed team where Diversity, Equity and Inclusion drive many of the decisions that we make as a business. Our new D,E & I Strategy puts inclusive talent management, governance and our D,E & I communities at its heart. The Selfridges Values weave D,E & I into our culture and help to support team members to be their best, authentic selves.

Our D,E & I journey continues with intention and focus, particularly on intersectionality in gender. It was three years ago that we completed our first Cultural Assessment to understand our team member's needs and challenges. Last August, we took a significant step forward and published our diversity data in our inaugural Project Earth report to illustrate our commitment to improving diversity at all levels of our business.

Our aim is to continue with our multi-year plan to further reduce the Gender Pay Gap. We'll continue to drive equity and fairness through the pay governance process and with targeted recruitment campaigns. Through the development of our newly launched Inclusive Talent Management framework, the focus on performance and development, potential and succession will help to drive retention and maintain that over 50% of Director level roles are held by women and increase the ethnicity of our team members at senior levels.

There have been many moments to celebrate too. Maria Glasscock, Executive Director for People was announced as the Top 100 Women Executives on The Heroes Women Role Model List. At the Burberry British Diversity Awards 2023, we were thrilled that Sharlene John won the HR Champion of the Year award and our team member-led Diversity Board was shortlisted for Diversity Team of the Year. Selfridges was also featured in the Top 10 of the Top 100 Most Loved Workplaces for 2022 by Newsweek International.

We are delighted that the steps we have collectively taken as a company have decreased our median and mean gender pay gap compared to 2021, our aim is to significantly reduce it. Together, with a continued focus on embedding more D. E & I actions into our People and business strategy, the launch of new inclusive policies and the steps taken by our reward and recruitment team, we are confident that we can get there and continue to make Selfridges a company that women want to join, stay and develop their careers.

"Everyone is welcome"

I confirm that the information contained in this report is accurate.

Indi M

Andrew Keith, Selfridges Managing Director Selfridges Retail Limited, 400 Oxford Street, London W1A 1AB

