

Gender Pay Gap Report

2020

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**Looking into
the future**

Introduction from Andrew Keith, Managing Director



“We will not march back to what was, but move to what shall be... because we know our inaction and inertia will be the inheritance of the next generation.” Amanda Gorman

This quote from America’s youth poet laureate, Amanda Gorman certainly resonates and seems fitting to draw inspiration from right now, as I consider the tumultuous times we are living through. Being new to the business, I have certainly been impressed already by the creativity, imagination and determination of our Selfridges community to engage and inspire others – and to have honest conversations about what truly matters.

We have just launched a new Vision and Purpose for Selfridges that puts reinventing retail and creating a more sustainable future for our customers and team members at the heart of our new model. Driving positive change and greater diversity and inclusion across our business and beyond is a major part of this. Selfridges has a proud history of being a progressive organisation and, although we may not get everything right, all of the time, we continue to challenge ourselves every day to do better and go further. We have a clear ambition to be more inclusive for all and are taking significant steps to help us realise the change we all so passionately want to see.

Whilst this is personally important to me, how we take a public stand on these issues in line with our Values is critical. A diverse and inclusive future is the only future – and we want to lead on this.

Last year saw us establish a team member elected Diversity Board, following the horrific killing of George Floyd in the US, which was a wake up call for the world.

Our Diversity Board is both diverse in its thinking as well as its make-up, with representation and consideration given to gender, age, race and ethnicity, sexual orientation, religion, belief and community as well as other minority groups. It’s such an important forum for us and you can hear more about their work from our Diversity Board Chair, Melisa Clotey on page three. Selfridges is and, will continue to be a place where, in the words of Harry Gordon - ‘everyone is welcome’. I and the rest of the Executive team stand fully behind this report and are absolutely committed to eliminating our Gender Pay Gap over the next two years, but we cannot do this alone.

All of us have to move forward as one Selfridges community. It’s why I am calling on every line manager in our business to know and understand the pay gap position of their team in the first half of this year. We must redouble our efforts and take local as well as company-wide actions so there is no longer a gap.

I am confident that, with everyone’s drive and determination, we can rise to the challenge and cultivate an even more diverse, equitable and inclusive community at Selfridges for the benefit of all.

Best wishes,
Andrew

We are a diverse community *with purpose*

We care about our people, believing everyone should have a meaningful career and experience.
We are a place where you can flourish and grow, make a difference and realise your potential.

Message from **Melisa Clotey,** **Selfridges Diversity** **Board Chair**



Hello everyone,

The Diversity Board was created last July as a result of a global call for change, a change that Selfridges is really committed to make.

We like to call ourselves 'architects for a better future' and alongside our colleagues across the business, we are working to create a truly diverse, inclusive and equitable organisation that really drives that sense of belonging for each and every team member.

The Gender Pay Gap is something we take very seriously and what's really interesting is that many of the recognised barriers and solutions to reducing the gap are directly transferable across other areas of Diversity and Inclusion.

We are developing action plans based not only on feedback from our teams but robust demographic data so we can target our activity even more effectively and focus on the things that are really going to move the dial for our people.

By listening, educating and by seeking diverse products and suppliers, Selfridges will be an environment where everyone feels a real sense of belonging and where everyone is truly welcome.

As a Diversity Board, we are committed to co-creating, supporting and helping to drive the necessary actions that will result in meaningful, positive and lasting change for all.

A diverse and inclusive future is the only acceptable future.

Melisa

Who we are



Selfridges, a world-renowned department store, is part of the Selfridges Group, which provides extraordinary shopping experiences for millions of customers around the world. The Group consists of five iconic brands: Selfridges in the UK, Brown Thomas and Arnotts in Ireland, Holt Renfrew in Canada, and de Bijenkorf in the Netherlands.

- Selfridges employs around 2,600 team members across our sites
- We have four stores, including one on London's Oxford Street, two in Manchester in Exchange Square and the Trafford Centre, and another in Birmingham
- Our digital platforms include [selfridges.com](https://www.selfridges.com) and the Selfridges App, and we ship to customers in over 130 countries

The results in this pack are inclusive of all Selfridges team members and executives in the UK. They also include team members and executives based in London who work for Selfridges' parent company – Selfridges Group.



Women at Selfridges and Selfridges Group

We continue to be proud of the significant role women play in our organisation and we know the biggest difference we can make to closing the Gender Pay Gap at Selfridges is by creating even more opportunities for our female talent to progress and realise their full potential. Across the business, our gender balance is weighted towards women with 63% of all team members at Selfridges being female.

Three of our four stores continue to be led by women with Jane Sharrocks General Manager Manchester Exchange Square and Customer Services leading and helping to grow our Selfridges Communities and Vicki Cain General Manager Manchester Trafford leading our Values Ambassadors and overseeing a review of our Values descriptors.

Our Sales Associate population continues to make up the largest proportion of roles at Selfridges, and this group of team members is overwhelmingly made up of women. In retail, across three of our stores we have no Gender Pay

Gap and we will work to maintain this and eliminate the gap elsewhere in our business within two years.

We know that positive and visible role models in the business make a difference and we are proud that the roles of Chairperson, Selfridges Group Managing Director, Group Creative Director, Group Talent & Leadership Development Director and our newly introduced role in 2020, Head of Group Talent & Diversity are all held by women. Women currently make up 60% of the Selfridges Group Executive team.

At Selfridges, we also are pleased that from 2021 50% of our Executive board roles are held by women with our Stores Director, Communication Director, Customer & Digital Director and People Director roles all held by women.



Alannah Weston
Selfridges Group
Chair



Anne Pitcher
Selfridges Group
Managing Director



Cat Woolher-Winders
Communication
Director



Leonie Foster
Customer & Digital
Director



Linda Hewson
Group Creative
Director



Louise Jackson
Group Talent
& Leadership
Development Director



Maria Glasscock
People Director

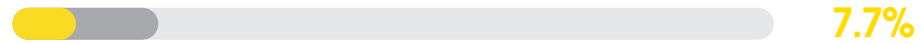


Meave Wall
Stores Director

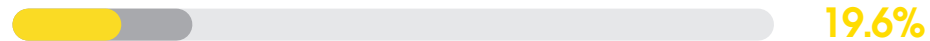
Our results

Overall gender pay gap

Median pay gap



Mean pay gap



■ Selfridges (Incl. Selfridges Group)
■ Represents national average

Our 2020 Median (middle) pay gap is 7.7% and this remains significantly lower than the national average of 15.5% Median*, we are however, disappointed to report that this is the first year since we began reporting our gender pay gap that we have seen our median pay gap increase, 2.2% compared to 2019. Our Mean (average) pay gap fell marginally (0.3%) compared to 2019's Mean pay gap.

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 is made up of women. These are our entry level positions where we pay our entry level salaries (thereby lowering the average amount women are paid across the company).

We have continued to support our team members' financial wellbeing by paying 100% of their contractual salary while our stores have temporarily been closed.

**based on data from the 2020 ASHE Survey (Annual Survey for Hours and Earnings)*

**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 men and women in each quartile.

	<u>Quartile 1</u>	<u>Quartile 2</u>	<u>Quartile 3</u>	<u>Quartile 4</u>
<u>2020</u>	67% female 33% male	66% female 34% male	59% female 41% male	55% female 45% male
<u>2019</u>	69% female 31% male	63% female 37% male	59% female 41% male	60% female 40% male

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

The number of women in the lowest quartile has fallen by 2% and there are 3% more women in the second quartile.

Whilst the percentage of women in the top quartile has fallen by 5% versus 2019, the majority of team members in this quartile continue to be women.

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.

Gender bonus gap

	Median (middle)	Mean (average)
All team members including Group	11.7%	42.3%
Based on like for like hours and excluding Group*	-4.1%	25.9%

Our Median (middle) bonus gap has reduced by 13.9%, but we have seen our Mean (average) bonus gap increase by 4.5%;

The Gender Bonus Gap is driven by the following factors:

- The high percentage of women who work part-time with us, resulting in a lower pro-rated bonus and commission payments.
- The number of women in lower paid roles who therefore received a smaller proportion of bonus.
- A higher percentage of women joining Selfridges who, due to start dates, were not eligible for bonus or a pro-rata bonus at that time.
- 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 Gender Bonus Gap is considerably lower when bonus is calculated on a like for like hours basis and Selfridges Group team members are excluded from the data.

*These calculations for gender bonus represent like-for-like hours that all Selfridges team members work. The figures in this row also exclude team members and executives based in London who work for Selfridges Group.

Our story
so far

Our story so far



2018

Our Women in Tech and Digital Community was founded by female team members to inspire more young people to consider a career in STEM subjects and in the same year our Working Parent Community also started.

We launched Yammer as an internal communication tool for team members to stay connected and in

the know, including on development and career opportunities across Selfridges.

We introduced career coaching sessions for all team members and career counselling for new parents returning to the workplace through our employee assistance programme partnership with Workplace Options.

2019

We launched our Careers Hub making it easier for people to explore vacancies, set themselves up for job role alerts within Selfridges but also across Selfridges Group for secondment or permanent moves.

We designed an exciting new menu of benefits linked to career milestones launched our Sabbatical Leave policy for those wishing to take an extended break. We increased our maternity pay and benefits and more recently introduced our Career Break policy.

We concluded our first ever Retail Apprenticeship Programme where 80% of those who received the qualification were female. We also launched more apprenticeships in Head Office, to support women achieve professional qualifications in their specialised field.

We delivered Microsoft 365 with SharePoint, Skype and Teams to support with remote and agile working as well as increasing our wellbeing programme to support team members with healthier minds, bodies and routines.

2020

We created and launched our Selfridges Diversity Board who have helped inform our action plan around driving greater Diversity & Inclusion (D&I) across our business for 2021.

We are also proud to have signed the 'If Not Now, When?' open letter, committing to taking long-term, sustainable action on Black inclusion. This speaks to our ambition to be more inclusive for all, and will form part of our D&I agenda.

We further developed our wellbeing offer with eLearning modules, including Managing Stress and Building Resilience and, ran virtual management development workshops.

We continue to promote female talent into senior management and Executive leadership roles supported by our leadership development and talent management programmes.

Our story so far

How our recruitment and promotion processes help to support gender equality in Selfridges

The percentage of females applying to Selfridges between 1 April 2019 and 1 March 2020 was 66%. 65% of applicants selected for interview were female and females accounted for 66% of those hired during this period. We believe this consistency in gender split through the differing recruitment stages is reflective of a fair and balanced recruitment process.

Within our IT and Digital teams specifically, 38% of applicants and 43% of hires were female (versus 45% of applicants and 41% of hires in 2018/19). According to the STEM statistics from the workforce WISE campaign, 24% of the STEM workforce in 2019 were women.

For the second year running, our new Sabbatical Leave policy has been available for those wishing to take an extended break whether that be for personal or family interests, travelling, educational courses or participating in unpaid voluntary or charity work. It also means we can retain amazing talent in our business that we might otherwise lose without this flexibility.

Of the sabbaticals that have been approved in the business during this period, 75% were female.

When considering career mobility at Selfridges and opportunities for team members to develop further throughout the business, 70% of team members who started a new position, or secondment, internally during this time period were female.

For our team members wanting to pursue an international career, there are opportunities beyond Selfridges. Individuals can move between Selfridges Group businesses in Ireland, Canada, the UK and Netherlands, whether on secondment or permanently. Of all the candidates who relocated between April 2019 and March 2020, 50% were female.



Our story so far

How we're creating clearer routes for development



In 2020, despite our original plans evolving in light of the pandemic, we were pleased to offer a comprehensive range of learning opportunities with 62% of females taking up these options. This included a collection of virtual Management Development upskilling modules, where we maintained a high female participation rate at 73%. This included a focus on Managing Change to support managers through the ongoing changes – a topic that will continue to be a key focus in 2021.

In response to the emerging situation, we also rolled out a programme of Wellbeing and Remote Working digital learning during the year to support all team members. Overall 67% of delegates completing these sessions were female and for those Wellbeing development options with a focus on Managing Stress and Building Resilience, 72% of females took up the opportunity during the year. In addition, learning in support of Sustainability which is core to our business, had a female participation rate of 76%.

We also launched two apprenticeships in Head Office, both supporting women to achieve professional qualifications in their area of specialism.

In the coming year we are looking forward to focussing on our Apprenticeship Programme

for Retail team members, developing the offer to both broaden skills and build capability as we continue to help our people progress and achieve their ambitions.

Looking ahead, alongside the focus on career development through apprenticeships and developing the skills of leading through change, we will also focus on developing Clienteling and Service skills and growing digital skills and mindsets. Through these opportunities, we aim to deepen understanding and knowledge while equipping and empowering managers to support their teams.



Looking to *the future*

We will reinvent retail for a better future for people and planet.

Reinventing the way we work



The experience of the past year, the changes we have seen and the speed at which mindsets have evolved has been unlike anything before it. Things remain in flux and we have a huge opportunity to continue developing more agile and flexible ways of working this year, enabled by technology, as we respond to the new normal and different customer behaviours.

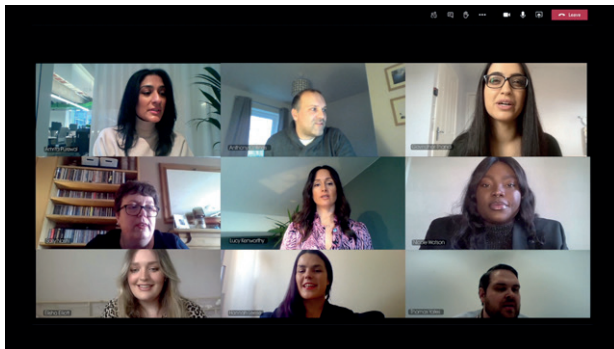
To support our managers in being more agile and flexible, we will build on the digital learning offer with a range of 'People Essential' modules for managers, alongside new webinar modules to embed management behaviours, drive empowerment and enable teams.

This year, we commit to redefining our approach to flexible and remote working in the longer term and will be proposing what this could look like in the first quarter of 2021. We hope this will also be a key way in which we can enhance wellbeing and improve diversity and inclusion across our teams.

Wellbeing will be an important and ongoing focus through our framework of Healthy Minds, Bodies and Routines. We will also continue to build and develop internal and external relationships with our Community ambassadors and local community partnerships through outreach programmes such as volunteering.

We will support and equip our teams, through our new Clienteling Academy, with the skills and know-how to enable them to offer our customers consistently incredible service and experiences, whether they choose to interact with us through new digital formats or in store, deepening our relationship with them. Underpinning this, we will develop our team members' skills in the fundamentals of great service with Story Makers at its heart, building on the knowledge gained initially through the Big Yellow Welcome and embedded through our managers.

Having launched a new Vision and Purpose for our business, we will also be refreshing our Values descriptors to ensure they are reflective of a diverse and inclusive workplace.



Delivering meaningful change



2020 saw us come together as a community like never before, demonstrating our commitment to driving greater inclusion and diversity across our organisation and beyond. We formed a team member elected Diversity Board and working as one, we are taking the steps required to enable meaningful and positive change to be delivered for our people both in the short and longer term. We are also proud to have signed the 'If Not Now, When?' open letter, committing to taking long-term, sustainable action on Black inclusion. This is a fantastic milestone and speaks to our ambition to be more inclusive for all, and will form part of the work we are doing around our Diversity & Inclusion agenda.

In addition to the three strategic pillars and workstreams that our Diversity Board has helped us to establish 'Everyone is Welcome' (Brand & Customer Experience), 'The Yellow Curriculum' (Education & Training) and 'Broadening our Buy' (Product & Supply Chain), we have a number of priorities. The first of these will provide much-needed clarity around the make up of our organisation, enabling us to set our ambitions and unlock further activity...

- Accurate data is a critical foundation for us which is why we have launched a campaign calling on all our team members to update their details on our people system so that we can gain a greater understanding of our team demographic. Without these details, we won't have an accurate picture of the diversity of our team and therefore a baseline to measure against. With this data, which will be anonymised, we believe we can make faster and more meaningful change, ensuring a more inclusive approach to progression.
- We will launch a new Diversity & Inclusion workshop for all line managers to engage them in how they foster greater inclusion in their teams and across the business. We are partnering with external facilitators, Management Futures, who specialise in diversity and inclusion, to help inform the design of these workshops alongside input from our Diversity Board and wider Selfridges community.
- We know meaningful change takes time and our first priority has been to listen to our people through our Diversity Board. It's about being truly inclusive and never one size fits all. In order to continue to understand what's working and what's not for our team members, we will be partnering with an external provider and launching our first ever Cultural Assessment to better understand where we currently are on our journey to being a truly inclusive organisation as we look to imagine and create a more sustainable future for our customers and each other. This Cultural Assessment which will include a team member survey, will enable us to create a baseline, so we can establish and track consistent actions and measures and ensure we are focusing our activities in the areas that are going to make the biggest difference to our people and business. As part of this work, we will also be reviewing our recruitment practices, policies and talent programmes.

This is a family like no other

Selfridges team member communities continue to bind our business together and are integral to our success. Each one represents a different interest or cause, from our Diversity Board and BeYourSelf community to Women in Tech and Green Warriors. Together they are driving positive change and helping us live our Values, realise our Vision to reinvent retail and deliver on our Purpose to imagine and create a more sustainable future for our customers and each other.

Here are just a few of our communities and the people leading them:



Jane Sharrocks
Communities Lead



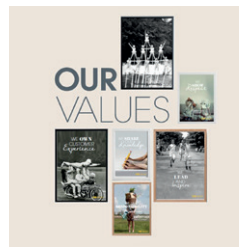
Melisa Clotey
Diversity Board



Jonathan Moss
BeYourSelf



Abby Chicken
Green Warriors



Vicki Cain
Values Ambassadors



Lucy Grimwade
Women in Tech

Our future actions



We are fully committed to eliminating the Gender Pay Gap that currently exists in our business over the next two years. We understand that a combination of clear and targeted actions will be required to get us there from the way we recruit, develop and nurture our talent to our policies and approach to Diversity & Inclusion and flexible and remote working and, the sharing of information to name just a few. We've outlined some of the ways we will do this here.

- **Launching a new Applicant Equal Opportunities Questionnaire.** Through this we will understand the diversity of our applicant mix so we can identify where we need to broaden our approach and reach candidates where we can see there is low representation. This questionnaire also allows us to monitor the progress of candidates for example, by gender or ethnicity, through the recruitment process
- **Introducing a new Interview and Assessment Template Tool.** This will ensure greater consistency, fairness and transparency through a standardized interview approach. It will enable us to upskill hiring managers and interviewers on best practise interviewing, improving their awareness of unconscious and conscious bias and, ensure we have a question framework and scoring matrix to support this.
- **Upskilling our Recruitment Team.** We want to empower them to have more effective discussions around D&I with hiring managers at all stages of the recruitment process; supporting hiring managers with developing a recruitment advertising campaign that is inclusive in language and diverse in reach, generating applicant shortlists of greater diversity and supported by an interview and selection process that is consistent and fair for all.
- **Ringfencing roles in our head office.** We will support this with career mapping tools to help team members in entry level roles in our stores progress and move into careers in areas such HR, Buying, Merchandising, Creative Photo Studio, Technology, Digital and Finance.
- **Providing benchmarking analysis to support line managers.** This will inform starting salaries and progression for women and talent from other minority groups.
- **Revisiting our Apprenticeship Programme for Retail team members.** Building on our previous success, we plan to develop the offer to both broaden skills and build capability as we continue to help our people progress and achieve their ambitions.
- **Developing clienteling and service skills and growing digital skills and mindsets.** Through these opportunities, we aim to deepen understanding and knowledge while equipping and empowering managers to support their teams to progress their careers in an omnichannel world.



Our future actions



- **Offering D&I Coaching** Through our Selfridges Group Talent Programme 'Thrive', we will provide colleagues from under-represented groups a space to support each other with common goals and challenges.
- **Redefining our approach to flexible and remote working.** We are committed to offering our Head Office teams more flexible roles, mixing remote working with time spent in the office. We also hope this will be a way we can continue to enhance the wellbeing of our teams and improve diversity and inclusion.
- **Reviewing our reward policies and practices.** This will include providing better bench marking data analysis to inform starting salaries and progression for women and talent from minority groups. We will also give visibility to managers of their own local Gender Pay Gap for their team so they can develop local action plans and, the monitoring and assessment of pay will form part of our key KPIs.
- **Launching a team member demographic data drive.** Accurate data is a critical foundation for us which is why we have begun a campaign calling on all our team members to update their details on our people system so that we can gain a greater understanding of our team demographic. With this data, which will be anonymised, we believe we can make faster and more meaningful change, ensuring a more inclusive approach to progression.
- **2021 Diversity Board elections.** Our 12 team members who were elected last year have been doing amazing work and we look forward to sharing the actions and progress we are making on our D&I journey in the summer before a fresh election takes place.
- **Launching a new Diversity & Inclusion workshop for all line managers.** This will be focused on engaging them in how they foster greater inclusion in their teams and across the business. We are partnering with external facilitators, Management Futures, who specialise in diversity and inclusion, to help inform the design of these workshops alongside input from our Diversity Board and wider Selfridges community.
- **Launching our first ever Cultural Assessment in March 2021.** Through this we are looking to better understand where we currently are on our journey to being a truly inclusive organisation as we look to imagine and create a more sustainable future for our customers and each other. From this we will identify further actions and targets to support us in eliminating our Gender Pay Gap over the next 2 years and become a more diverse and inclusive workplace.

“Everyone is welcome”

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

A handwritten signature in black ink, appearing to read 'Andrew Keith', followed by a period.

Andrew Keith, Selfridges Managing Director

Selfridges Retail Limited, 400 Oxford Street, London W1A 1AB

SELFRIDGES&C^o