

GENDER PAY GAP REPORT 2023



Thorntons

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FOREWARD

Our ambition at Thorntons is to create a diverse and inclusive culture where all our colleagues, regardless of their background, have equal access to opportunities and resources.

I am pleased the priorities that we set out in 2021 have helped narrow our gender pay gap, giving us firm foundations throughout 2022 and beyond.

We are continuing to create a diverse, equitable and inclusive culture. Importantly, we are concentrating our energy on making positive changes with integrity.

Within our operations environment we continue to see valued long service from our employees. As with many businesses, this has been traditionally male dominated, so now more than ever we are investing in our cultural awareness and engagement plans to promote an inclusive environment.

Together with our approach to hybrid working, awareness training, talent management and our family friendly policies, we are having a positive effect in closing the gap.

While we are proud of the progress we've made so far, we realise there is lots to do, and this is just the beginning of our diversity, equity and inclusion journey.



Philippe Steyaert

Managing Director

Thorntons Ltd

UNDERSTANDING THE GENDER PAY GAP

The gender pay gap is the difference in pay between men and women across an entire organisation as calculated according to the Government's prescribed methodology.

- ❖ **The mean gender pay gap is the difference in the average hourly rate of pay for men and women across the business.**
- ❖ **The median gender pay gap looks at the difference in hourly pay for the middle male and middle female employee in an organisation when ranking a company's male and female populations from lowest to highest hourly pay.**

As part of the gender pay reporting process, we are required to split our workforce into four equal groups to show the proportion of men and women in each quartile. We did this by listing employees from the lowest hourly paid to the highest hourly paid, and then dividing the list of employees into four equal parts.

The gender pay gap reporting process requires a large number of variables to be distilled into a few statistical figures, making direct comparisons with other organisations difficult.

It is also particularly important to highlight that the gender pay gap is not the same thing as equal pay. Equal pay means paying a man and woman the same pay for performing the same or broadly similar work. By contrast, the gender pay gap requires the pay of the average man within the whole organisation to be compared with the pay of the average woman.

We are confident that our gender pay gap is not a reflection of an equal pay issue; instead it is driven by the structure of our workforce and the fact that we have more men than women in senior, and therefore more higher paying roles, when viewing the workforce as a whole. We are working closely on our recruitment processes to review and ensure that recruitment advertisements appeal equally to all genders. In addition, we regularly review our data to understand the impact our practices have in fostering a diverse and inclusive workforce.

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FIGURES FOR 2023

Mean

The mean pay gap is the difference between the hourly pay of all male and female employees when added up separately and divided by the total number of the males and females in the workforce.

Median

The median pay gap is the difference between the pay of the middle male and middle female, when all of the employees are listed from the highest to the lowest paid.

Pay and bonus gaps

| | Gender pay gap % | Gender bonus gap % |
|--------|------------------|--------------------|
| Mean | 4.6% | 15.1% |
| Median | 0.0% | 4.7% |

Quartiles

| | Male | Female |
|--------------|-------|--------|
| Upper | 72.3% | 27.7% |
| Upper middle | 63.4% | 36.6% |
| Lower middle | 65.6% | 34.4% |
| Lower | 56.2% | 43.8% |

Percentage of men and women receiving bonuses



MEN 98.3%



WOMEN 96%

KEY FACTORS INFLUENCING OUR GENDER PAY GAP

We're focused on embracing and celebrating diversity in the workplace as we believe it is crucial to long-term business success.

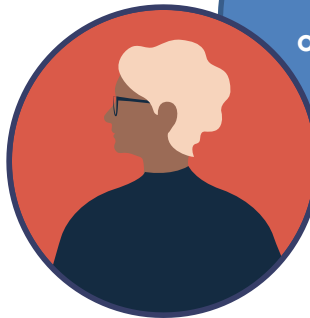
Women continue to occupy a significant number of roles, at **38.4%** of our total workforce.



We're delighted that representation of women in the upper quartile is over **27%**.

An increase of 5% from the previous year.

We are proud that many of our colleagues choose to remain with our organisation for significant number of years.



However, Thorntons has undergone significant changes in its organisational structure impacting the demographic makeup of its workforce.

We are proud to see increased equality in the percentage of people receiving a bonus...



with **less than 2%** difference and well **over 90%** of the workforce receiving one.

Attracting and retaining women in STEM roles continues to an area of focus as with many other businesses.



We will continue to offer training and developmental opportunities at all levels to create a diverse and knowledgeable talent pool.

A HOLISTIC COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

Diversity, equity and inclusion matters to us. We are committed to building a culture in which all employees - irrespective of gender, nationality, health conditions or impairments, generations and culture - feel welcomed and appreciated, while having the same opportunities. As part of this strategy, we're continuing to roll out initiatives that will help us achieve a greater gender balance.

1 FAMILY FRIENDLY POLICIES

We have implemented a number of policies which have been well received by employees. This includes our parental policy where all employees are able to benefit from paid leave as either a primary or accompanying caregiver when welcoming a new child into their family by birth, adoption or surrogacy. We are also committed to supporting employees with time off when they need it most such as those who are caregivers, individuals going through their fertility journeys and for those who experience pregnancy loss.

3 FAIR REWARD PACKAGES

Our salary arrangements are established under global principles, informed by structures that reflect local market practices and values. We determine compensation levels based on job responsibilities with no gender differentiation. We also work very closely with our Joint Industrial Council on ensuring equity in this area.

2 HYBRID APPROACH TO WORKING

As part of our insight-led hybrid approach to working, we've reviewed our flexible working policy to ensure that we offer our office-based colleagues greater flexibility in terms of when and where they work; recognising that the traditional 9-5 working day is a thing of the past. By offering flexibility for our employees not only when they are in the office but also in their working hours, we hope to ensure we're attracting and retaining the most diverse and wide talent pool available.

4 PARTNERING WITH CATALYST

We've partnered with Catalyst, a global non-profit organisation, that helps companies to build workplaces that work for women. All our colleagues have access to world-class resources and tools that support individual career growth, inclusive leadership skill building, and organisational change efforts.

A HOLISTIC COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

5 ATTRACTING THE BEST TALENT

We are continuing to review our hiring practices and make them as consistent and fair as possible. We have launched a tool that makes sure our job descriptions are inclusive, enabling us to reach a wider talent pool.

6 LEADERSHIP PROGRESSION

Increasing gender balance among our senior management is a priority for us. We are investing in our internal development approach to bring more women into senior higher paying roles.

7 AWARENESS TRAINING

We are continuing our journey to deliver unconscious bias training to our managers, to help ensure decisions made during the employment lifecycle are based on merit, regardless of gender or any other protected characteristic. In addition, we are now rolling out respect and accountability training to all line managers.

Moving forward

We are committed to championing Diversity, Equity and Inclusion across our business. Our focus over the next couple of years will be to embed the diversity, equity and inclusion strategy across the business, increase awareness by providing training to all our people, as well as continue to monitor our data in order to establish goals.



Philippe Steyaert
Managing Director
Thorntons Ltd

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