

# GENDER PAY GAP – APRIL 2022

T E D B A K E R  
L O N D O N

## INTRODUCTION

This has been another busy year for Ted with some major milestone moments within our transformation. Some of these have been very positive, while others have been more challenging.

- In July 2021, we were thrilled to announce we would be relocating our global head office, from the Ugly Brown Building in Camden, which we'd occupied for 25 years, to a brand-new site in Fitzrovia, maximising flexible working space so that we can all collaborate and flourish together.
- In October 2022, Ted Baker was officially acquired by Authentic Brands Group, heralding the next phase of our journey. The acquisition had been months in the making and it marks an exciting time in our evolution.
- However, conversely, we were challenged by the downturn in the economy, like many others, and our sales suffered more than we anticipated. Sadly, this led to us entering into a consultation process with some of our UK head office-based team members.

We have had a substantial amount of change to navigate and this means that our impact on the Gender Pay Gap at Ted Baker hasn't been as great as we'd hoped. We have invested significant time, money and energy into developing our Inclusion Strategy, but have not yet officially rolled it out to our teams.

Due to the major transformational projects above, this was a purposeful decision to wait until we could do it justice and ensure it would be embedded with the greatest success.

Our desire to deliver what we can to make a difference to our people, and specifically our female talent, remains.

I was thrilled to launch, in February 2022, our first Female Talent Development programme, which comprised of a cohort of 21 women from Ted Baker's Senior Leadership Team. The programme consisted of a launch event, where the senior female leaders were able to establish a peer network group and a series of facilitated sessions from Scotland-based organisation, School for CEOs.

In the meantime, I'm pleased to say that we have moved forward in some areas by taking some of the ideas and learnings from the Inclusion Strategy and mindfully weaving them into many activities across the company.

From conversations on women's and men's health, to embedding our values (of which 'Inclusive' is one) within our new office space and our performance reviews, we have made changes which I hope have had positive impacts on our team members.

Going forward, Authentic will operate a different business model to what Ted Baker has experienced before. In order for us to make a tangible difference to our Gender Pay Gap, we need to work with our Operating Partners, once they are on board, to truly understand how best to roll out and embed our action plan. This needs careful thought and planning, but the groundwork we've already completed will serve us well in the months ahead – of that we can be certain.

**Rachel Osborne**  
CEO, Ted Baker

## WHAT IS THE GENDER PAY GAP?



Gender Pay Gap is the difference in the average pay between all men and all women across the entire workforce, regardless of the job they do.



Gender Pay is not the same as 'Equal Pay', which relates to men and women performing the same (or similar) job but being paid differently.

## REPORTABLE STATISTICS

We are required to report the following metrics as at 5 April 2022:

- Mean & Median Gender Pay Gap
- Quartile Analysis – the proportions of male and female team members in the lower, lower-middle, upper-middle and upper quartile pay bands
- Mean & Median Bonus Gap
- The % of male and female team members who received a bonus

## OUR MEAN AND MEDIAN GENDER PAY GAP

Gender Pay Gap	This reporting year	Previous years for comparison	
	April 2022	April 2021	April 2020
<b>Mean</b> shows the difference in the average hourly pay rate between men and women	31.5%	26.8%	28.0%
<b>Median</b> When organised from lowest to highest the median shows the difference in the middle pay rate between men and women	20.4%	23.5%	24.9%

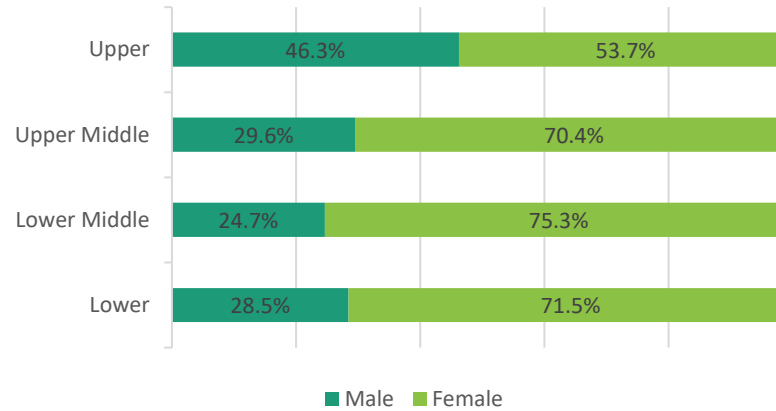
Our mean and median GPG show that on average we pay male team members more than female team members. Our gender pay gap is largely down to an unbalanced distribution of gender through our career levels – we employ considerably more females in our more junior and lower paying roles as is evidenced by our quartile analysis on the next page.

Our mean GPG has increased year on year. This increase is in part due to some senior Executive team changes including having two (male) CFOs at the snapshot date. As the mean GPG is an average rate of pay the highest rates of pay can have a significant impact on our results.

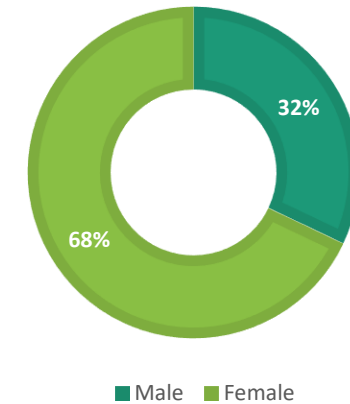
The median GPG just compares the middle pay rate if all pay rates for women and men were organised from lowest to highest. This removes highest and lowest pay rates and as such provides a more balanced comparison. Our median GPG has improved year on year but we acknowledge we still have some way to go to reduce our GPG.

## QUARTILE ANALYSIS

% of Males and Females in each Pay Quartile



Overall % Males and Females



Overall Ted Baker is 68% Female. Our top pay quartile, however, is only 54% female and as such does not represent the overall gender balance of the organisation. Conversely, at the lower pay quartiles Females are over represented with 72% and 75% in the lowest quartiles respectively. Our Gender Pay Gap will be impacted by having significantly more women than men in lower paid positions, and by the gender representation in the upper quartile not reflecting the rest of the UK organisation.

We know we need to do more at Ted Baker, and within the retail industry as a whole, to ensure a more equal balance of men and women are entering into lower paid roles and that there are equal opportunities for both men and women to progress through the organisation into the upper quartiles.

## OUR BONUS PAY GAP

Bonus Pay Gap	This reporting year		Previous years for comparison	
	April 2022		April 2021	April 2020
<b>Mean</b> shows the difference in the average bonus paid between men and women	38.2%		67.6%	36.3%
<b>Median</b> When organised from lowest to highest the median shows the difference in the middle bonus paid between men and women	37.6%		12.6%	22.5%
% receiving bonus	Male	Female		
	73.8%	73.3%		

Bonus at Ted Baker is paid as a % of salary and as such where we have a gender pay gap we would also expect to see a Bonus gap. The bonus gap is larger than our gender pay gap as we have proportionately more males in senior positions and these senior positions carry a higher % of salary bonus.

Comparison to previous years is included but should be noted that due to furlough and business performance there were very few bonuses paid in the 2021 and 2020 reporting years.

All roles at Ted Baker are eligible to be considered for a bonus – either through our Retail bonus scheme for store team members or our Corporate scheme for head office team members. The % receiving a bonus shows no gender bias.



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OUR PROGRESS AND OUR ACTION PLAN

TED BAKER  
LONDON

## OUR ACTION PLAN AND PROGRESS

Action Plan – what we said we would do:	Progress we have made:
<p>Family friendly policies – reviewing our suite of family friendly policies, setting up network groups and training managers</p>	<p>In 2021 we enhanced Maternity/Adoption and Paternity Leave benefits. This has seen an incredibly positive response from team members returning from Maternity Leave submitting flexible working requests. From 2019 to date, we have seen an average increase of flexible working requests by 400% year on year. We are pleased to have accommodated all of these requests.</p> <p>We have also introduced a Family Friendly Manager’s Guide and FAQ document to support managers with their inclusive approach to managing Family Friendly processes.</p> <p>Whilst we have successfully implemented communities within the business, such as our Mental Health First Aider Community, we are dedicated to continuing this good work by implementing a Family focused Community in 2023.</p>
<p>Flexible Working – relaunching core hours, offer more part time and job share positions, position Ted as a Flexible employer</p>	<p>With the level of change that has been taking place across the business, it’s been challenging to fully shift the culture at Ted towards a more flexible way of working.</p> <p>We have seen most success with Hybrid working (previously something which was not widely accepted at Ted Baker, but has been adopted well since the Pandemic). The majority of our teams are able to work between home and our new office space, though some business areas are less agile (due to their working needs).</p> <p>We recognise we still have work to do in this area, particularly to promote part-time and job share opportunities for both women and men.</p>



## OUR ACTION PLAN AND PROGRESS

Action Plan – what we said we would do:	Progress we have made:			
<p>Female Talent Development – coaching and mentoring from female leaders to more junior females who are looking to progress their career and establishing specific plans to address under representation of women in certain head office roles</p>	<p>In February 2022 we launched our first Female Talent Development programme, which comprised of a cohort of 21 women from Ted Baker’s Senior Leadership Team.</p> <p>The programme consisted of a launch event, where the senior female leaders were able to establish a peer network group and hear experiences from two of our (then) Non Exec Directors, Helena Feltham and Meg Lustman. This was followed by a series of facilitated sessions from Scotland-based organisation, School for CEOs. A core milestone in the programme was launching mentoring to a further 20 women across Ted Baker at different levels, who were paired with mentors from the SLT.</p> <p>The Female Talent Development programme closed in October 2022 and its attendees will be invited onto a Women In Leadership networking forum. Until we have more visibility on how we can move this forward with our new Operating Partners, the mentoring programme will be paused from March 2023.</p> <p>We are working through the impact and ROI of the programme, including lessons learned, additional learning needs and future development plans.</p> <p>Of those who completed a post evaluation, 80% of respondents said they had improved their skills AND their working behaviours. Some anecdotal feedback includes:</p> <table border="1"> <tr> <td>“It’s been an opportunity to develop individually, as a group and to collaborate.”</td> <td>“People want change and are willing to drive it. They care!”</td> <td>“I feel privileged to be here. I need to get a plan, commit to it and not be frightened by it.”</td> </tr> </table>	“It’s been an opportunity to develop individually, as a group and to collaborate.”	“People want change and are willing to drive it. They care!”	“I feel privileged to be here. I need to get a plan, commit to it and not be frightened by it.”
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<p>Development of career levelling framework – ensuring equity in our approach to pay and rewards</p>	<p>In 2020 we introduced career levelling to ensure we have equity in our approach to pay and rewards. We achieved our goal of benchmarking all UK roles by year end 2021 so we have the data to base our pay decisions on and we now include this data for managers to reference when making pay decisions on hiring, promotion and at pay review. We also measure our GPG in our pay review process to ensure that decisions made reflect a fair distribution.</p>			

## OUR ACTION PLAN AND PROGRESS

### Action Plan – what we said we would do:

- Develop an Inclusion strategy
- Work towards women having as much representation at a senior level as they do in retail (i.e. 70% F)
- Introduce inclusion interventions, including:
  - gender balanced shortlist
  - reviewing job ads and JDs
  - inclusive hiring training
  - unconscious bias training

### Progress we have made:

We have developed our Inclusion Strategy but have not yet launched it to the business. We have taken ideas and learnings from it to weave into other ongoing activities, to ensure we continue to make progress despite the changeable landscape we are operating in. This includes:

- Integrating and diversifying the way we connect with different groups, both inside and outside the business, in line with our new charity partnerships with AKT, Smart Works, Humen, End Youth Homelessness and Blueprint for All.
- Ensuring our wellbeing strategy is inclusive by design, with a variety of engaging and enlightening activities planned to support different groups e.g. spotlight on Women's Health to mark the launch of our new Menopause Policy - we ran a "Let's Talk" event with Karen Arthur, podcast host of 'Menopause Whilst Black'.
- We report annually, alongside other retailers, on our Diversity statistics to BRC which includes 'identity and scope', 'age' and 'disability'. We are currently reviewing how we will use this data for positive result and to create a meaningful impact in retail.
- We have launched Unconscious Bias Training, which is now included in the suite of training on our Learning Experience Platform, THRIVE at Ted, which we offer to all of our team members.
- We have introduced Values-based question banks in interview questions which are given to hiring managers and improved their training on inclusive hiring practices. We have reviewed our job specs and ensured they all included appropriate, non gender stereotypical, language.
- We continue to be present within our industry and have attended a number of workshops and initiatives to help us upskill and understand what other companies are doing to share best practice and opportunities.