GENDER PAY
REPORT

TED BAKER

LONDON

GENDER DIVERSITY

AT TED BAKER

Ted Baker is a truly global organisation. We feel passionately that the diversity of our team should reflect that of our customer base.

We have a presence in 50 countries, including our recent joint venture in the People's Republic of China. Our team members represent more than 68 nationalities worldwide, including 44 in our London headquarters alone.

In terms of gender diversity, our long-term aim is to achieve a more balanced gender representation across all levels of the organisation and to help reduce the gender pay gap that currently exists.

| RECENT SENIOR APPOINTMENTS	
Rachel Osborne	Chief Executive Officer (Previously Chief Finance Officer)
Jennifer Roebuck	Chief Customer Officer
Sharon Baylay	Acting Chair
Helena Feltham	Non-Executive Director

We've made a number of significant female senior appointments in the past year.
However, at present only 35% of our Senior Management (the first layer of management below board level) are women. While women are well represented at the very top of the organisation and in our overall workforce, there's much more to do to develop and grow our own female Senior leaders from within.
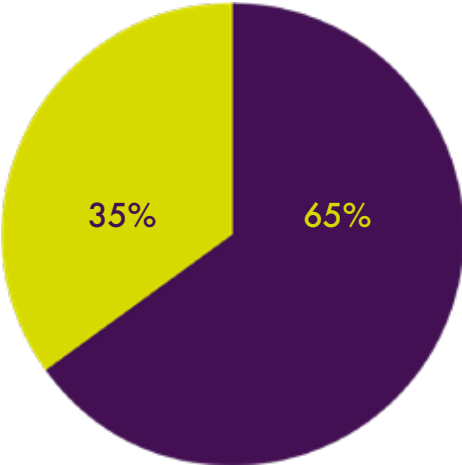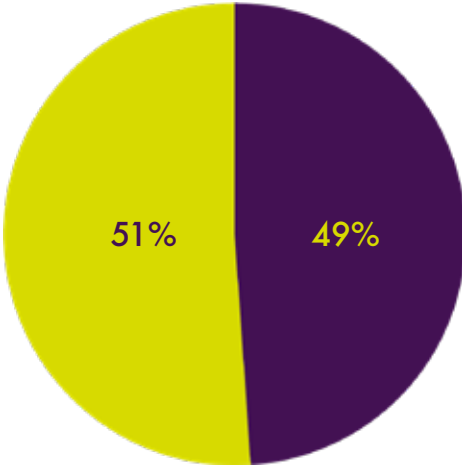
TEAM DEMOGRAPHICS
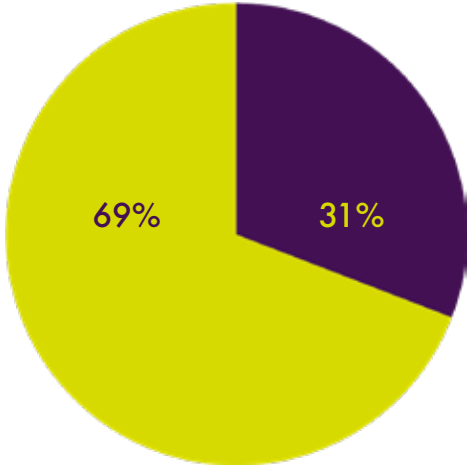
AS AT YEAR END - 25/1/2020
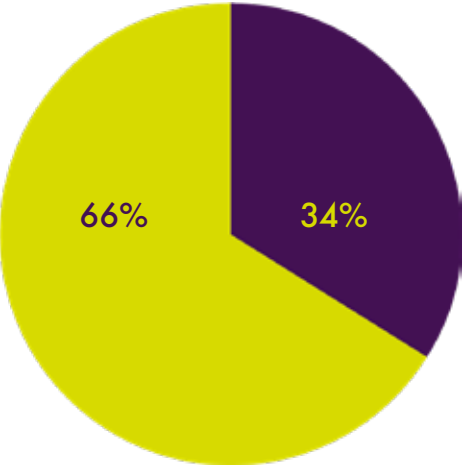
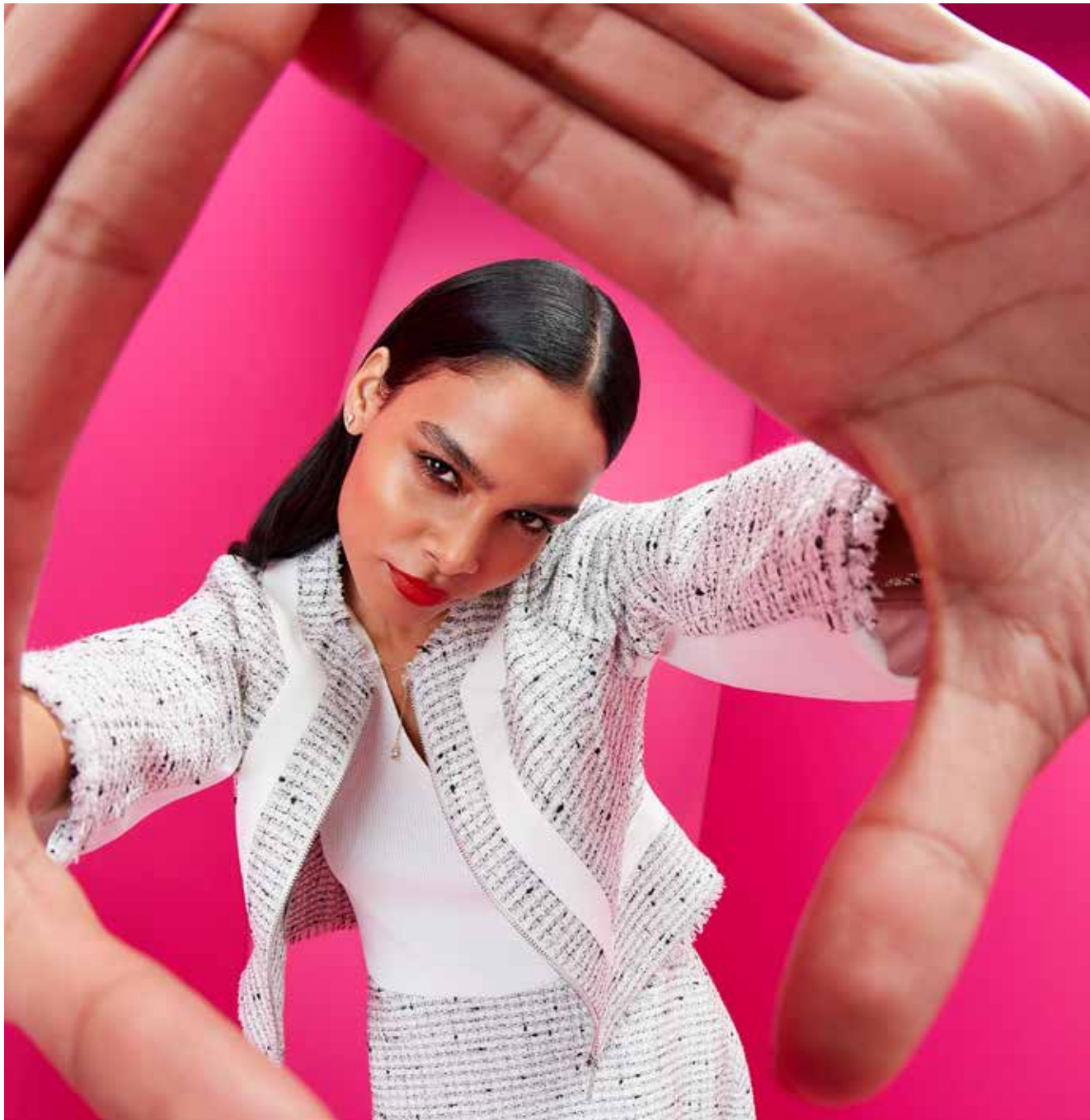| Directors	Including Senior Management	Including Senior Management and their direct reports	Global Team
66% 34%	35% 65%	51% 49%	69% 31%

Male　　　Female

GENDER PAY - 2019

WHAT IS GENDER PAY

Gender Pay is the difference between the average pay of men and women across the business expressed as a percentage.

The Equality Act (2010) was amended to require all employers in the UK with 250 or more employees to look at, and commit to improve, the gender balance within their workforce with the aim of achieving gender parity in a generation. The first time this was reported on was for a 'snapshot' date of 5th April 2017.

Organisations with 250 or more employees are required to report on six key metrics to disclose pay gaps that may exist between male and female employees:

- Median gender pay gap
- Mean gender pay gap
- Median bonus gap
- Mean bonus gap
- Bonus proportions
- Quartile pay bands

The Gender Pay Gap shows the difference in the average pay between all men and all women in a workforce. It shows that women's pay levels are a percentage lower or higher than men.
In 77% of UK organisations they are lower.
This is largely driven by:

- Fewer women in senior positions
- Fewer women in higher paying sectors or functions
- Fewer jobs at senior levels that allow flexible working

We are now reporting on the snapshot date of 5th April 2019. On 24th March 2020, the Equalities Commission said that this reporting was not compulsory and only around 50% of organisations have so far reported this time.

At Ted, we think it is important and are planning to publish our Gender Pay Report in May.

(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. To do so has been against the law since 1971, but still we have an overall gap in average male and female earnings.)

WHAT OUR NUMBERS SHOW

OUR GENDER PAY GAP

The hourly rate is worked out on pay for the month of April including basic pay, allowances, pay for leave and shift premium pay but not overtime, payments for redundancy or in lieu of leave, or remuneration provided otherwise than in money e.g. benefits. This is divided by the normal working hours to give an hourly rate.

Ted Baker's mean gender pay gap at 5th April 2019 was 18.9%. This is slightly better than the previous year. Whilst this compares well against other high-end fashion retailers, we are working hard to improve this.

ALL SALARIES   MEAN SALARY   ALL SALARIES   MEAN SALARY

	2019	2018	2017
Mean	18.9%	19.1%	15%
Median	-1.1%	1.3%	-6.2%

MEAN GENDER PAY GAP

Shows the difference in the average hourly pay rate between
men and women – so simply add up all pay rates and divide
by the number of people

Our median pay gap has moved from 1.3% to -1.1%. The median gives us a more accurate view of the pay gap because it isn't distorted by team members at either end of the pay range. Essentially, for Ted Baker, this figure shows that while previously the average man was being paid 1.3% more than the average woman, as at 5th April 2019 the average woman was paid 1.1 % more than the average man. Our goal remains zero and we are very close.

MEDIAN GENDER PAY GAP

The median is a different kind of average which eliminates the very highest and lowest pay rates.

If all of our employees were lined up in a female line and a male line, in order of pay from highest to lowest, the median gender pay gap compares the pay of the female in the middle of the line and the pay of the middleman.
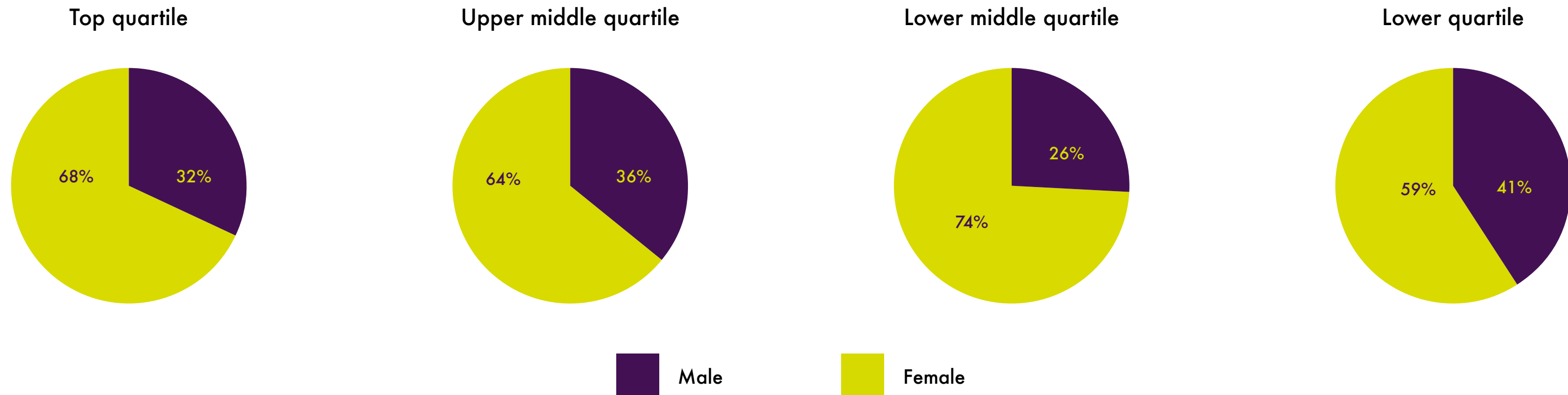
QUARTILE ANALYSIS

This means putting all of our team into one of four groups based on their hourly rate. So, the top quartile are the 25% highest paid individuals and lower quartile the lowest paid 25%. Our quartile analysis shows that women are well represented across all pay levels.

PAY QUARTILES

The proportion of male and female team members according to quartile pay bands

Top quartile — 68% Female, 32% Male

Upper middle quartile — 64% Female, 36% Male

Lower middle quartile — 74% Female, 26% Male

Lower quartile — 59% Female, 41% Male

■ Male ■ Female

QUARTILE PAY BANDS

The proportions of male and female team members in the lower, lower-middle, upper-middle and upper quartile pay bands.

BONUS PAY DIFFERENCE
BETWEEN MEN AND WOMEN

For bonus, we look at all bonus paid from May 2018 to April 2019.

Ted Baker's mean bonus gap was 57% in favour of men, while the median bonus gap was 2.2% in favour of women.

Approximately 56% of all woman and 63% of all men at Ted Baker received a bonus for the 12-month period (including the pay month of April).

The bonus pay gap is distorted by LTIPs launched in 2014 and received by the relatively small group of executives where the gender ratio is predominately male.

Most of our bonuses are paid to our teams in stores where the gap is small and driven by store performance.
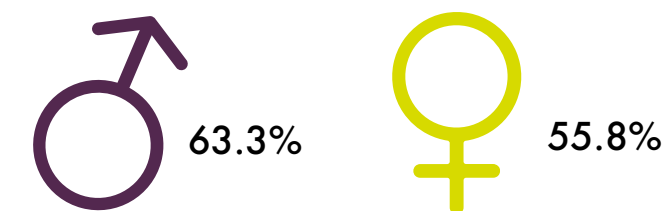
MEAN BONUS GAP
The difference between the mean bonus pay paid to male team members and that paid to female team members.

MEDIAN BONUS GAP
The difference between the median bonus pay paid to male team members and that paid to female team members.

MEAN BONUS PAY GAP	57.1%
MEDIAN BONUS PAY GAP	-2.2%

THE PROPORTION OF MALE AND FEMALE TEAM
MEMBERS WHO RECEIVED A BONUS

63.3%   55.8%

HOW WE PLAN TO IMPROVE
OUR GENDER PAY GAP
-

We're keen to do more to look at diversity in its widest sense.
We are building frameworks to ensure that everyone is paid fairly based on talent and performance. We want to be renowned as a place where talented individuals can thrive and be at their best, combining all aspects of diversity and representation including areas such as generation, background, gender and sexual orientation.
The Board has recently committed to several initiatives to launch in the next 12-24 months to help attract, grow and retain the best talent.

These include:

- **FEMALE TO FEMALE COACHING & MENTORING**
  Coaching and mentoring from female leaders to more junior females who are looking to progress their career.

- **FAMILY FRIENDLY POLICIES**
  Reviewing our suite of family friendly policies with a view to enhancing them in 2021 and beyond.

- **DEVELOPMENT OF CAREER LEVELLING FRAMEWORK**
  Introducing a career levelling framework which will assist with ensuring equity in our approach to pay and rewards, as well as supporting people in their longer-term career progression. We plan to level all UK roles in the first half of 2020 and the rest of the world by the end of the year.

- **DIVERSITY & INCLUSION/UNCONSCIOUS BIAS TRAINING**
  Introducing a mandatory training programme for UK line managers by the end of 2020 and for roll out across the rest of the world thereafter.

- **FLEXIBLE WORKING**
  Reviewing our flexible working policy, not just for those with caring responsibilities, but to enable and encourage everyone at Ted to work in a way that maximises their potential, works for the business and builds a company work ethic to be proud of.

Whilst legislatively we must calculate and report figures, we also recognise that there are real business benefits around having gender parity, such as:

- Better decision making from having a more diverse group
- Having a workforce that reflects our diverse customer base
- Better business performance - McKinsey has calculated that businesses are 22% more likely to out perform their competitors if gender balanced.

Here at Ted, gender parity matters, and we are absolutely committed to making progress in a meaningful and practical way.

-

We know that great ideas can come from anyone in the business and we encourage the whole of our global team to join the conversation, make suggestions and share ideas to help create a long-lasting impact on the composition and culture of our business.

TED BAKER

LONDON