

The Gender Pay Gap Report

Reporting year up to 05 April 2023

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Introduction

At Matalan, we strive to make our work environment meaningful, inclusive, and enjoyable. We are dedicated to fostering a culture that values diversity and promotes the growth and development of our colleagues. We aim to develop and empower our leaders to support their teams, with a focus on improving our employee journey and our organisational journey. We believe that having a diverse group of talented individuals working together leads to innovation, engagement and high performance.

As such, we are constantly seeking ways to create opportunities for all colleagues to start and advance their careers. And specifically, as a business that is around three quarters female, we are committed to supporting women through our gender pay gap initiatives.

What is the gender pay gap report?

A recap

The gender pay gap is the difference in average earnings between women and men. All employers with over 500 colleagues are required to report their Gender Pay Gap for a specific defined date. For us, this is 5th April 2023. This report includes a number of different gender pay gaps, covering mean and median pay rates, as well as mean and median bonus payments, made to women and men across the organisation.



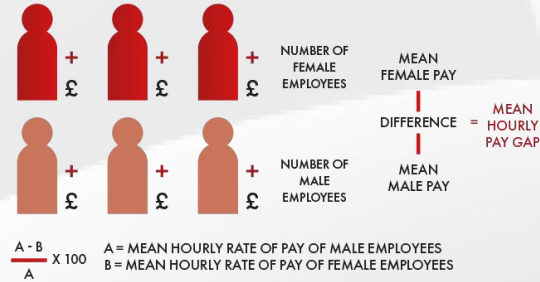
How Are They Calculated?

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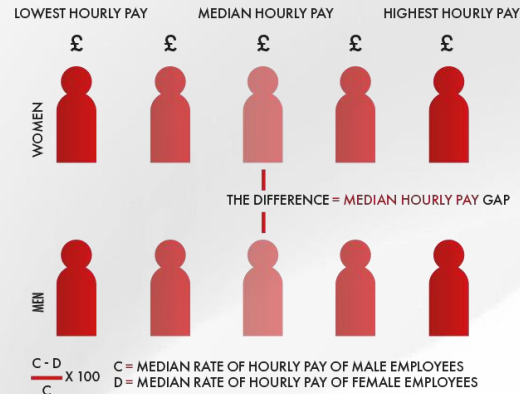
We use the calculations outlined in the reporting regulations and have collected appropriate pay data from our 10,000+ colleagues. As with most organisations, this includes a variety of roles and pay rates. Under the legislative guidelines, we have made the calculations using ordinary pay, which includes basic pay, as well as pay for annual leave and shift premium pay. However, it does not include overtime, redundancy/termination payments, pay in lieu, statutory pay, or the value of benefits that are not in the form of cash. We have also removed any salary sacrifice deductions. Bonus pay includes any additional pay in the form of money or vouchers that relate to productivity or performance received in the year up to April 5th, 2023.

Mean



The mean gender pay gap is the difference between the average hourly rates of pay for women and men, expressed as a percentage. The gender bonus gap is a measurement of the difference in the average bonus payments between women and men, expressed as a percentage.

Median



To calculate the median measure, we first ranked our female and male colleagues in order of their pay and bonus payments, from the lowest to the highest. Then, we looked at the middle colleagues in those lines. The difference between the pay rates of these middle colleagues is the gap, expressed as a percentage.

A photograph of a woman with long, wavy hair smiling in a clothing store. The image is overlaid with a semi-transparent red filter. The woman is looking down and to the right, and her hands are near some clothing items. The background shows shelves and racks of clothes.

Results 2023

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Results 2023

GENDER PAY RESULTS

	MATALAN	UK Average*
Mean	13.7%	15.1%
Median	0%	14.7%

*Based on ONS revised edition data October 2022

GENDER BONUS GAP

Median	70%
Mean	81.7%

Based on having 9683 Employees within the scope for Gender Pay. We can record the below:



32.25% of women received a bonus



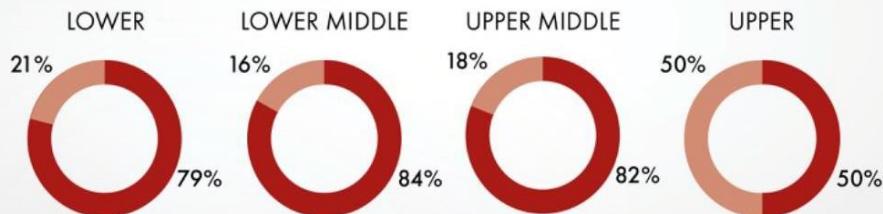
36.80% of men received a bonus

HEADCOUNT

Quartile	Male	Female
Upper Quartile	1219	1204
Upper Middle Quartile	434	1986
Lower Middle Quartile	391	2029
Lower Quartile	505	1915
Grand Total	2549	7134

PAY QUARTILES

These charts show the proportion of male and female colleagues by pay quartile.



■ FEMALE
■ MALE

% HEADCOUNT

Quartile	Male %	Female %
Upper Quartile	50.3%	49.7%
Upper Middle Quartile	17.9%	82.1%
Lower Middle Quartile	16.2%	83.8%
Lower Quartile	20.8%	79.2%
Grand Total	26.3%	73.7%

What drives our gender pay gap?

At Matalan, we set our pay by job role and market rates. The company takes pride in its commitment to equal pay, ensuring that compensation decisions are not influenced by factors such as gender, race or age. The workforce is largely based in retail stores, with the largest group being General Sales Assistants. Approximately 7700 out of 9000 retail staff members hold this role. Notably, around 80% of these workers are female.

We have had a pay strategy in the financial year that awarded a higher percentage increase to our lowest paid colleagues, at nearly double the rate as the increase for the top grades. In this way we have been able to significantly improve our gender pay gap.

What drives our gender bonus gap?

We did have a bonus scheme in this reporting year which whilst it was balanced quite well at roughly 4 out of 10 women and 4 out of 10 men, did pay out at a higher level for men than for women. This is primarily due to a bonus scheme which had been run in October 2022, under the previous ownership of the business. We have had 2 different performance and recognition frameworks; broadly speaking this is split into one which covers line managers and one which covers colleagues.

We will continue to monitor the distribution and level of our organisational bonuses and recognition schemes and the effect they have on our bonus gender pay gap.

A group of people in a meeting, overlaid with a red filter. The image shows three people in a meeting, with a red overlay. The text "What Are We Doing?" is centered in the image.

What Are We Doing?

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What are we doing?

Our goal is to advance towards achieving balanced gender pay and bonus gaps. Being transparent is a great way to drive change, as it highlights where we are doing well, and where we can do more. We are improving the data we collect and analyse for our colleagues, to make sure we are progressing on our journey to a balanced gender pay and bonus gap. Here are some of the key actions we have taken as part of this journey.

- We recruited our first female Chief Executive Officer in March 2023.
- In the last 12 months we have improved the female representation in our Executive Team from 17% to 39%, with the gender balance of our whole senior management group also increasing and now being evenly balanced at 50:50.
- We recruited our first Equity, Diversity & Inclusion Manager in October 2023 and have shaped an EDI strategy which aims to really drive meaningful improvements.
- The positive impact of these appointments and promotions has already delivered significant tangible change in the business and will improve our gender pay gap in the coming years, as the impact of these changes continues to grow in the business.
- We made significant investment into our youngest colleagues by moving away from the National Minimum Wage brackets and having a new Under 21 flat rate of £10ph. This delivered significant uplifts in salaries for over 2,500 colleagues in the business who are over 75% female.
- We have invested in a new Parent Pay framework, effectively doubling the pay for new parents, whether under our maternity, paternity or adoption policies. We have looked to ensure that the improved policy framework applies fairly and equitably to cover the wide range of modern families.
- We rolled out "Encouraging Inclusion Together" events for over 1000 leaders across our business as part of our Tailor-made Leadership Development offer. In January 2024, we delivered our first mandatory EDI masterclass for all leaders across our business. Creating an inclusive culture and driving diversity of thought within teams is an essential skill for all. Therefore, to truly be stronger together, we set out to ensure that all leaders start from the same baseline of understanding and capability around EDI. A condensed masterclass is also currently in development and will be rolled out from April 2024 for all colleagues across the business.
- We have been engaging with colleagues to understand what support they feel would make a difference for those who may experience the menopause both now and in the future; our aim is to continue to evolve and grow our menopause community ensuring the right support is available.
- We continued to invest in the development of all our future leadership talent through partnerships like the Be Inspired Future Leaders Programme as well as offering targeted programmes to improve the pipeline of women in leadership roles.
- We partnered with Raise the Bar, who are specialists in delivering leadership qualifications tailored to women. Together we have developed a bespoke Women in Leadership programme to inspire and support our current female leaders. Our first cohorts of female leaders started their Level 3 & Level 5 apprenticeships in November 2022, and now this is part of our Leadership academy, available to all Managers and Leaders across the business.
- To celebrate International Women's Day in 2024, our panel discussion was based on the theme of 'Inspiring Inclusion', serving as a reminder about the crucial part each of us plays in creating environments that champion genuine gender equality and how we can break down barriers, challenge stereotypes, and foster spaces where every single woman, regardless of their unique identity, feels valued, respected, and celebrated right here at Matalan. We had a diverse and esteemed line-up of speakers, all proud colleagues from Matalan, each bringing their unique perspectives and experiences of womanhood. They discussed crucial topics and sparked thought-provoking conversations about breaking the glass ceiling, understanding intersectionality, building allyship, and driving inclusion.
- We are proudly partnering with The Prince's Trust and will be donating £100,000 from the sales of our Women's 4 pack briefs in support of their #ChangeAGirlsLife campaign.

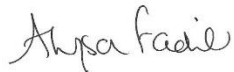
Our ongoing efforts focus on fostering an inclusive culture that values diverse perspectives and encourages authenticity in the workplace. As we progress on this journey, we will actively engage with our colleagues, learning from their insights to shape the future of the business and the retail industry.

What's Next?

By 2025

- Launch our first ever Equity, Diversity, Inclusion and Belonging Strategy.
- Develop and implement comprehensive and compulsory learning programmes to enhance awareness and understanding of EDI concepts.
- Create, launch, and maintain colleague networks based on diversity characteristics, to amplify the voices of marginalised groups within the organisation and drive greater engagement with under-represented groups to facilitate meaningful and sustainable change.

I confirm that the data contained within this report is accurate



Alysa Fadil Chief People Officer

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