

GENDER PAY GAP REPORT - 2021

Introduction

Here at Matalan, we recognise that having more diverse teams leads to a better business. That is why we continue to be committed and focussed on our approach to driving a culture that celebrates diversity in the workplace and supports women in shaping a career which is tailor made for them.

Through our work, we are enabling our leaders to be more mindful of their approaches and equipping them to support their teams holistically through their experience at Matalan. We hope that the culmination of our efforts will help us to see improvements in other aspects of our employee journey, as well as our Gender Pay Gap.

MATALAN

REAL LIFE READY

What is the Gender Pay Gap Report - a recap

It's a measure to look at the difference between the mean and median pay rates and bonus payments of women versus men across an organisation, as well as the number of women and men across all roles. The Gender Pay Gap report is a requirement for all employers of 250+ employees working to a snapshot date of April each year.



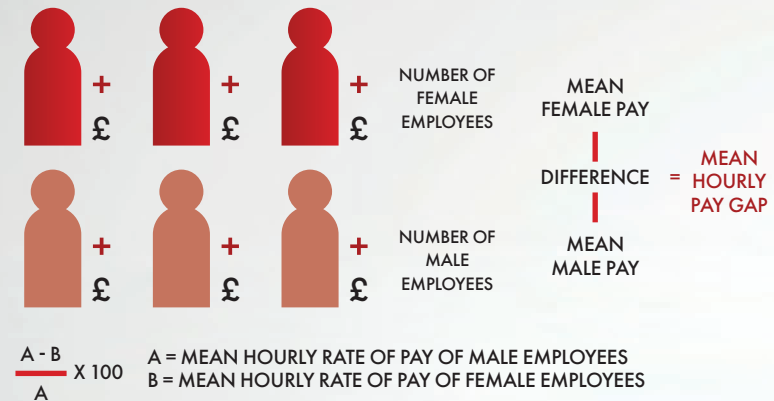
How are they calculated?

We've used the calculations set out in the reporting regulations and taken pay data from our 10,000+ colleagues. As with most retailers this continues to include a range of roles and rates of pay. For the mean Gender Pay Gap, this measures the difference between the average hourly rates of pay as a percentage. For Gender Bonus, it measures the difference in the average bonus payments as a percentage.

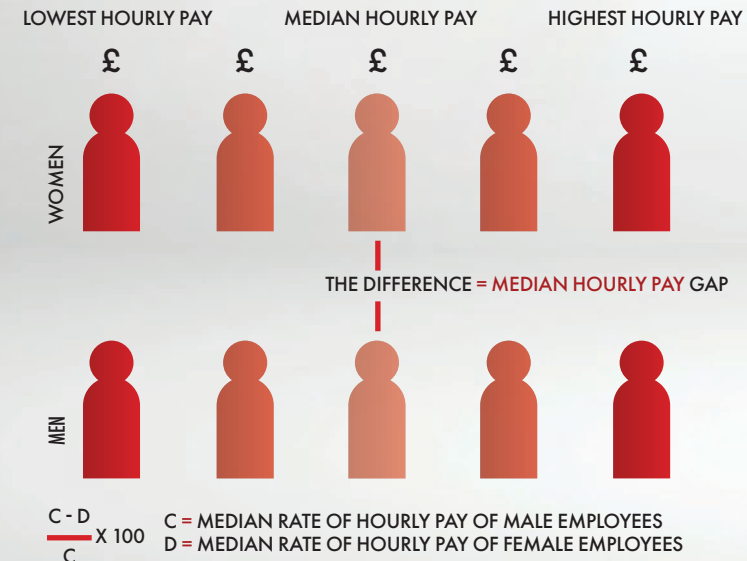
For the median measure, we ranked our Female and Male colleagues in order from lowest to highest rates of pay and bonus pay, and then looked at the middle colleagues in those lines. The gap is then the difference between those pay rates as a percentage.

Under the legislative guidelines we include Ordinary Pay i.e., basic pay, as well as pay for annual leave and shift premium pay. It doesn't include overtime, redundancy/termination payments; pay in lieu, statutory pay or the value of benefits that are not in the form of cash. We also have removed any salary sacrifice deductions. Bonus Pay includes any additional pay in the form of money or vouchers that relate to profit sharing schemes, productivity or performance received in the year to 5th April 2021.

HOW WE CALCULATE THE MEAN DIFFERENCE



HOW WE CALCULATE THE MEDIAN DIFFERENCE



Results - 2021

GENDER PAY RESULTS

	MATALAN	UK AVERAGE
MEAN	13.9%	14.9%*
MEDIAN	5.1%	15.4%

*based on ONS; Employment and Labour Market; People in Work;

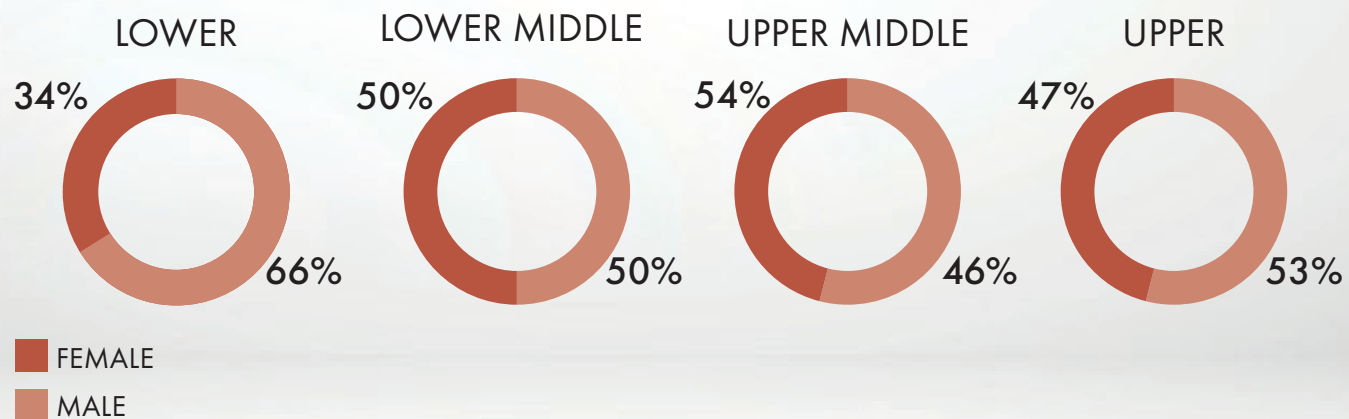
GENDER BONUS GAP

MEAN	-289.3%
MEDIAN	-25.00%



PAY QUARTILES

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



What drives our Gender Pay Gap?

Ultimately, our pay gaps continue to be impacted as we have a larger number of females in our business, with most being in our sales assistant roles versus a smaller number of men in our business with most of them being in our more senior roles.

Like 2020, our 2021 data was impacted by COVID-19 and the use of furlough and the Job Retention Scheme. During April 2021 we had started to reopen our stores however, at the snapshot date, most of our stores were still closed.

As most of our colleagues work in stores, the number of full pay relevant colleagues remained at a low level and so our Mean Gender Pay Gap is lower than 2018 and 2019 when our whole business was in full operation. We expected this to increase in 2021 as we edged towards more normal operations and a larger percentage of our colleagues included in the calculation.

What drives our Gender Bonus Gap?

We had a small number of colleagues who received a bonus payment in the year to April 2020, the majority of these were in our Logistics roles and were small incentive-based payments, because of this, more male colleagues received bonuses than female colleagues and this brought the average bonus payment for male colleagues down in comparison to the female average which were based on colleagues in more senior roles.



What's next?

At Matalan, our primary focus will always be to nurture an inclusive culture which in turn drives diversity, championing each other to shape a future we can all be proud of, whilst paying our colleagues in line with market rates accordingly.

We recognise we still need to take key steps to drive a reduction in our Gender Pay gap and therefore, we are committed to working towards the below focus areas:



Targeted Programmes

To support and encourage current and future women through:

- Targeted Development Programmes: Tailored for women, from entry level to senior leader, driving equity through giving increased opportunities to drive their careers

Talent Attraction

Initiatives to support driving equity in our offers:

- Reducing Bias: Focussed around activity which will reduce the occurrence of bias within Talent Attraction processes, from vacancy to offer, to help support selection decisions being made on the person and their performance at each stage
- Attraction: Review how we attract women externally through our channels, to encourage a higher number of women to apply for our roles



Matalan - Gender Pay Gap Report

Driving an inclusive culture

To support and encourage culture change

- Balanced Working: Continually evolve our hybrid working approach within our Head Office, to further enable greater flexibility for all colleagues through the opportunity for regular remote working and more flexible hours
- Retail Job Share: Building the case for allowing more job shares within Retail Management to support our Working Mums / Parents / Carers
- Inclusive Leadership Development: Ensuring our leaders have access to development which will increase their awareness of gender bias and support them in creating the inclusive culture we aspire to have
- Panel Discussions: Utilising regular panel discussions to share real life experiences of the women in our business, to help educate others of the challenges they can face, as well as inspiring women across Matalan in their careers with their stories.
- Check & Balance: Ensuring gender parity is considered in all pay review processes & new hires

In last years report we highlighted that our inclusion journey needs to be broader than just Gender and go across all areas of diversity. We have a people plan in place which is linked to our broader business strategy for ESG (Environmental, Social Governance,) and we will continue to build upon what we already do within the Matalan Family through...

- Continuing to challenge our dedicated project team to drive the strategy and agenda related to Diversity & Inclusion
- Continuous analysis of our people data and the diversity we have in our company, looking at how we improve this for the future and gain better balance
- Ongoing education and awareness to build upon our understanding of others, so that we can continually review the experience we create for our colleagues at Matalan

Our Gender Pay focuses will remain very much within the people element of our ESG plans and continues to form an important part of our overall HR strategy.

