

Gender Pay Gap Report 2017 - Timpson Limited

Timpson Limited employs some 2,622 colleagues across the UK and is part of Timpson Group. We are committed to being a fair and inclusive employer, enabling all colleagues, regardless of gender, race, background, or any other characteristic, to reach their potential with us.

Timpson has always been known as a place where people, rather than policy and procedure, come first. We have a long tradition of developing the careers of our colleagues and promoting them from branch through to the management team. We are proud of the opportunities we have been able to create for so many people, including the special opportunities provided by the Timpson Foundation since 2004 for male and female ex-offenders.

The vast majority of our colleagues work in our shops and we are aware that our shop gender mix is reflective of the historic and general perception that shoe repairing is a male dominated occupation. Regardless, we continue to work hard to change that perception, and we are pleased that we are making considerable progress in this particularly stubborn area. But we know there is more to do. Such change will take time but we believe it is right for our business and so, by understanding the drivers to our gender pay gap, we are better able to attract the number of female Super Stars Timpson is actively looking for.

Our report on our gender pay and bonus pay gap follows the methodology set out by the Government, comparing the hourly rates of pay between our male and female colleagues regardless of their roles, as at 5th April 2017. In addition, our report provides context to the key gender pay figures and outlines actions we are taking to improve them.

Gender pay gap analysis is different from equal pay. Equal pay is concerned with men and women receiving equal pay for the same or similar or work of equal value, a principle that is followed throughout the business. The gender pay gap is concerned with showing the difference in the average hourly earnings of men and women regardless of their roles across the business.

Gender Pay and Bonus gap - The table below shows Timpson's mean and median hourly gender pay gap as at 5th April 2017 and bonus gap for the 12 months to 5th April 2017.

| Timpson Gender Pay & Bonus Gap | Mean average | Median middle |
|---|-------------------------|--------------------------|
| Difference between men and women | | |
| Gender Pay Gap | 18.2% | 15.8% |
| Gender Bonus Gap | 50.7% | 48.5% |

The bonus and pay gap figures above show the difference between the average hourly pay and bonus pay levels for women at Timpson as defined in the regulations. The positive percentage figure shows the degree to which women earn on average less per hour than their male counterparts.

Our mean pay and bonus figures are affected by having more males within our business and more males choosing to work Sundays and bank holidays. We also have a far lower number of women in our field management roles than men. The median pay gap reduces the impact of this which at 15.8% is below the UK national median average of 18.4%.

If we were to calculate the gender pay gap based on Timpson Group, there would be a Timpson Group Mean pay gap of 17.6% which is below the UK national mean average of 17.4%, and a Timpson Group Median pay gap of 14.6% which would be below the UK national median average of 18.4%.

Everyone in Timpson is eligible to participate in our bonus scheme. Whilst our bonus is gender neutral, our bonus gap is influenced by the composition of our workforce, having more men than women in the field management roles and more men than women in the branches where women make up just 20.6% of the Timpson workforce and 20.9% of those female colleagues work part-time. The regulations require the bonus calculation to be based on the actual hours worked, without pro-rating for part-time working.

Proportion of colleagues receiving a bonus - the table below shows the proportion of men and women who received a bonus. It also shows the availability of a bonus for those at work.

Proportion of male and female colleagues receiving bonus pay

| | |
|---------------|-------|
| Female | 77.5% |
| Male | 94.1% |

Pay quartiles - this table shows the proportion of males and females across Timpson in four equally sized groups, with each quartile containing 655 colleagues, sorted by level of pay.

| Lower Quartile | Lower-middle Quartile | Upper-middle Quartile | Upper Quartile |
|---------------------|-----------------------|-----------------------|--------------------|
| 45.0% Female | 21.6% Female | 8.2% Female | 7.6% Female |
| 55.0% Male | 78.4% Male | 91.8% Male | 92.4% Male |

This shows that our gender pay gap is driven by the known historical problems of our industry being able to attract female talent in our branch network and of a lower level of female representation in the field management roles supporting those branches.

Our plans to close the gap.

We know we have work to do to overcome the reluctance of women wanting to work in our branch and field management teams. We also know that this is not directly about pay but about the need to constantly review our recruitment, job design, coaching and support, mentoring and enabling. We will be working on the opportunities arising from gender pay reporting and our ongoing analysis will ensure we are pro-actively managing our pay fairly and equitably.

I confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'Paresh Majithia', written in a cursive style.

Paresh Majithia
Finance Director