

Gender Pay Gap Report 2020 - Timpson Limited

Timpson Limited employs some 2,766 colleagues across the UK and is part of Timpson Group. We remain committed to being a fair and inclusive employer which seeks to enable colleagues, regardless of gender, race, ethnicity, or sexual orientation to reach their potential with us. This remains of the utmost importance to us and as such, we look to continually challenge ourselves to be more inclusive. We are proud of the opportunities we have been able to create for so many people, including the special opportunities provided through our Timpson Foundation since 2004 for male and female ex-offenders.

With the vast majority of our colleagues working in our shops, we are very much aware of the historical and general perception that shoe repairing and key cutting is a male dominated occupation. We continue to work extremely hard to change that stubborn perception and in 2020, the Main Board reinforced the need for a major initiative in this regard to reinforce our support of the progression and development of our star female colleagues for future Timpson Area Management roles. Whilst the intended objective of the Board's initiative is to better understand the drivers to our gender pay gap whilst encourage working flexibly and retaining and developing female talent, such change will take time and we know there is yet more to do.

As with many retailers, Timpson Limited was significantly impacted by Covid-19 and the subsequent national lockdown of Spring 2020. Despite this, we supported all our colleagues, including those who might ordinarily have been absent due to family leave or unpaid leave, by paying full basic pay. The impact of supporting our colleagues by topping up their furlough pay has an impact on our Gender Pay figures.

Our report on gender pay and bonus pay gap follows the latest methodology set by the UK Government comparing the hourly rates of pay between our male and female colleagues regardless of their roles, as at 5th April 2020. Gender pay gap analysis is different from equally pay. Equal pay is concerned with men and women receiving equally pay for the same or similar work of equally value, a principle that is followed throughout our 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 2020 and it also shows the bonus gap for the 12 months to 5th April 2020.

	2020	2020	2019	2019
	Mean	Median	Mean	Median
<u>Timpson Gender Pay & Bonus Gap</u>				
Difference between men and women				
Gender Pay Gap	15.3%	-5.9%	11.2%	-7.1%
Gender Bonus Gap	51.2%	45.2%	73.1%	80.4%

The bonus and pay gap figures above show the difference between average hourly 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 on Sundays and bank holidays. We also have a lower number of women in our field management roles than men. The median pay gap reduces the impact of this which at -5.9% is below the UK national median average of 15.5%.

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 17.4% of the Timpson workforce. 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 bonus for those at work.

Proportion of male and female colleagues receiving bonus pay

	<u>2020</u>
Female	68%
Male	92%

Pay quartiles – this table shows the proportion of males and females across Timpson in four equally sized groups, with each quartile containing 691 colleagues, sorted by level of pay ranging from quartile 1, which shows the lowest paid colleagues to quartile 4, which includes the highest paid colleagues.

	Lower Quartile	Lower- middle Quartile	Upper middle Quartile	Upper Quartile
	2020	2020	2020	2020
Female	25%	17%	15%	13%
Male	75%	83%	85%	87%

Our plans to close the gap.

Our Gender Pay Gap is not caused by our female colleagues being paid differently from their male counterparts doing the same job but by the structure of our workforce. However, we continue to review our recruitment processes to ensure fair hiring practices and we are alert to the emerging talent from our mentoring programme. It is important to us to remain vigilant to the opportunities highlighted from the analysis on our gender pay reporting, which feed into our plans to encourage, support and progress our super star female colleagues into senior field roles which we are confident will realise more females in our senior management roles in the immediate future.

I confirm that our data in this report is accurate.



Paresh Majithia
Finance Director