



Marshalls – Gender Pay Gap Statement - March 2022

Gender pay versus equal pay

At Marshalls, we are wholly committed to promoting equity and preventing discrimination at work. This is especially important when it comes to pay. It's also our business duty to report on the gender pay gap, which looks at differences between the average hourly pay of women compared to the average hourly pay of men.

It is important to highlight that gender pay and equal pay are not the same:

- Gender pay is the difference between the gross hourly earnings for all men and the gross hourly earnings for all women, irrespective of their role or seniority. It is expressed as a percentage of men's earnings. It captures any pay differences between men and women on an organisational level.
- Equal pay is ensuring that men and women are not paid differently for doing the same or like-for-like work.

While both measures share the same broad objective of eliminating sex discrimination in relation to pay, the two are frequently confused. The intention behind equal pay is to ensure that men and women are not paid differently for doing the same or similar work, but this on its own does not prevent a gender pay gap. Gender pay gaps generally exist where the majority of men are in higher paid roles and the majority of women are in lower paid roles.

Gender balance and pay

On the snapshot date of 5 April 2021, the Group's total UK workforce for the purposes of gender pay reporting comprised of 2,526 employees with the following gender balance:

Table 1	Male	Female
Total Workforce	2124	402
Senior Managers**	6	1
Directors*	4	3

*Directors includes NEDs, CEO and CFO

**Senior Managers comprises of Exec Committee and Company Secretary

Our gender pay gap disclosure is based on amounts paid in April 2021 payroll (for UK employees). The gender bonus gap includes incentives paid in the year to 31 March 2021.

Our disclosures are made pursuant to UK Government Equalities legislation. The two main employing entities were Marshalls Group Limited and Marshalls plc.

We believe in transparency. Therefore, we publish pay analysis results for all colleagues employed in the Group. This is particularly relevant as one employing entity - Marshalls plc - employs less than 250 colleagues, currently the threshold for mandatory reporting. The combined data is reflected in Table 2.

Table 2	Mean Gender Pay Gap	Median Gender Pay Gap
Marshalls Group Ltd	8.8%	12.9%
Marshalls plc	29.3%	38.8%
Overall	-5.8%	12.2%

At a Group level the overall percentage split of male and female employees has stayed broadly the same: 86% male and 14% female.

However, in the fifth year of reporting gender pay figures, Marshalls has achieved its lowest gender pay gap for both mean and median measures of gender pay. The mean average has reduced to -5.8% and the median average has reduced to 12.2%.

A number of key factors have combined to influence our outcome:

- The progression of women to the higher pay bands: 4% more women are positioned in the upper quartile pay band and 4% more women now sit in the upper middle quartile when compared to the previous year (see Table 3).
- Ultimately, gender pay gaps improve when the number of women in higher paid roles increases. A trend seen in 2021. Our data shows that not only has the number of women in higher paid jobs increased, but the average rate of pay for female workers has progressed at a faster rate than that of male workers.

Table 3	Upper Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile	
	Male	Female	Male	Female	Male	Female	Male	Female
Marshalls Group Ltd	87.6%	12.4%	91.7%	8.3%	89.5%	10.5%	75.5%	24.5%
Marshalls plc	65.1%	34.9%	64.3%	35.7%	46.5%	53.5%	23.8%	76.2%
Overall	83.3%	16.7%	89.7%	10.3%	87.8%	12.2%	72.8%	27.2%

- As part of our Group Reward Strategy, activities have been underway to improve methods in which we 'size' roles and benchmark pay and compensation rates against the open market. This has further increased objectivity and structure around the classification of roles. This was completed as part of a standardisation of terms and conditions programme.

Bonus Gender Pay Gap

Both the mean and median bonus gender pay gaps have widened in 2021. In part due to the Covid-19 pandemic adversely impacting the 2019 financial year for a large number of UK businesses. Cash bonus payments were reduced (or not paid) in 2021 (for the performance year of 2020).

Table 4 shows that overall mean bonus pay gap increased from 54.0% in 2020 to 78.9% in

2021 and the median bonus pay gap increased from 21.8% to 29.8%.

Table 4	Mean Bonus Gender Pay Gap	Median Bonus Gender Pay Gap
Marshalls Group Ltd	60.7%	40.7%
Marshalls plc	90.7%	31.8%
Overall	78.9%	29.8%