

CLARKS UK

**GENDER PAY GAP
REPORT 2022**

WELCOME

MESSAGE FROM JOHNNY CHEN, INTERIM CHIEF EXECUTIVE OFFICER

Like many UK businesses, Clarks was significantly impacted by the Covid-19 pandemic, having to temporarily close all our UK stores and reduce many of our operations, in line with Government restrictions.

We still had 20% of our UK based employees furloughed under the Coronavirus Job Retention Scheme on the report date, 5 April 2021. This has had a significant impact on the information in this report, which does not present a true reflection of our earnings data.

For the 12 months reflected in this report, Clarks only paid bonuses to a very small number of head office employees and nearly all bonus and commission payments made to our retail team, which is predominately female, are not included as a result of these employees being on furlough.

Despite the disruption to our business, we remain committed to diversity, inclusion and equality within all our communities across the world. We still have a way to go, but we will continue to seek out opportunities to tackle the issue of gender equality and inclusion within Clarks and within the markets in which we operate.

In time, and with the increased focus and understanding brought by sharing these figures, we believe it will be possible to close the gap within our business, our sector and wider society.



Johnny Chen
Interim Chief Executive Officer



UNDERSTANDING THE FIGURES

HOW ARE THE GENDER PAY GAPS CALCULATED?

Following the reporting regulations set out by the UK Government, we have extracted data about the pay of our UK colleagues as at 5 April 2021. As 20% of our 3,921 UK based employees were still furloughed under the Coronavirus Job Retention Scheme on this date, only the data of 80% of our UK colleagues is included in this report.

The **median gender pay gap** is calculated as follows: if all our UK employees were lined up in a female line and a male line, in order of pay from highest to lowest, the median gap is the difference in hourly pay of the female in the middle of her line when compared to the hourly pay of the man in the middle of his line.

It does not compare the pay of men and women doing the same role.

The **mean gender pay gap** compares the average hourly pay of men, with that of women. This figure is heavily influenced by the numbers of men and women in different roles.

Calculations for median and mean figures are also carried out in relation to bonus pay over the year to 5 April 2021, and we also show the proportion of men and women receiving any bonus pay during that period.

PAY QUANTILES

The report also illustrates the proportion of men and women in four 'pay quartiles'. The quartiles are calculated by splitting employees into four groups of an equal number of people, based on their pay.

WHAT'S INCLUDED IN EACH CALCULATION?

The data for both the mean and median gender pay gaps, and the pay quartiles, includes both ordinary and bonus pay as defined below, based on data as at 5 April 2021.

Ordinary pay includes basic pay, but also other pay such as leave pay and shift allowances. Overtime, redundancy or benefits in any form other than money are not included.

Bonus pay includes our retail incentive scheme and our annual bonus scheme – and any other additional pay that relates to profit sharing or performance. This is the same definition used for bonus pay in relation to the bonus pay gap.

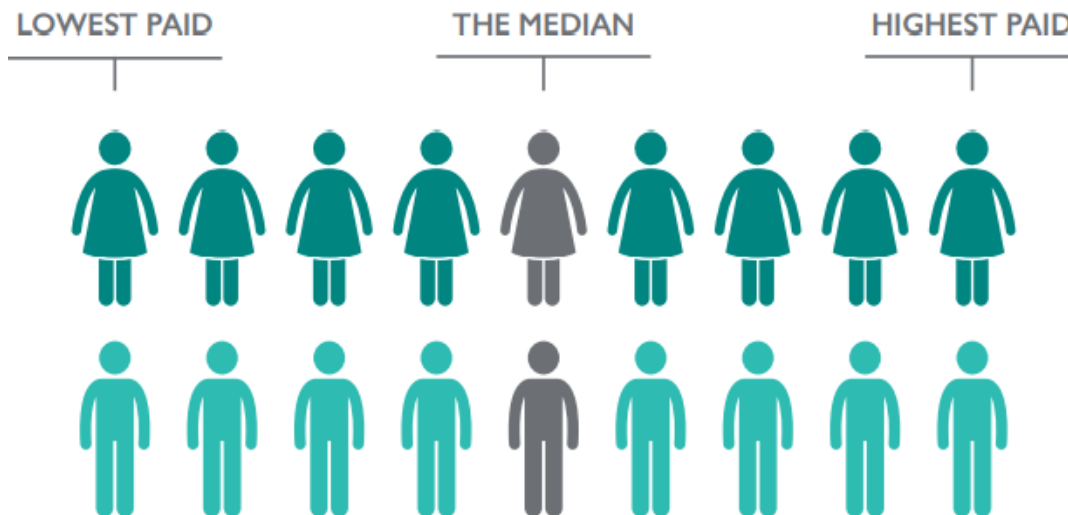
OUR GENDER PAY AND BONUS GAP FIGURES

The table below shows our overall mean and median gender pay and bonus gap, based on hourly rates of pay.

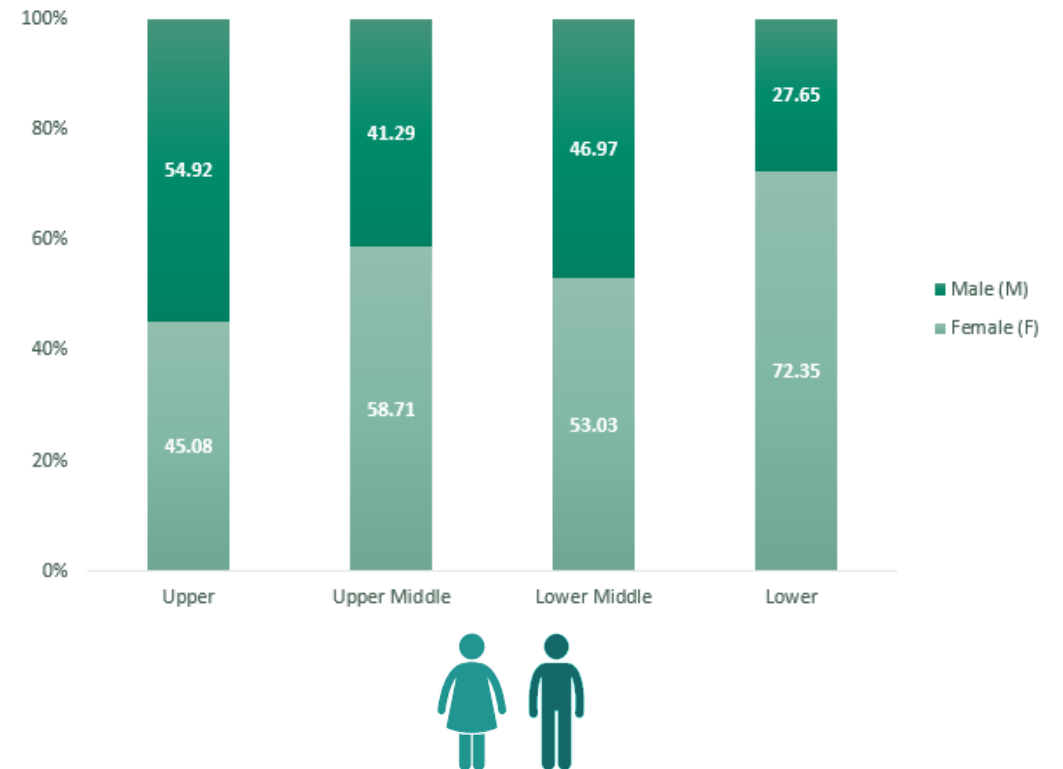
	MEAN	MEDIAN
GENDER PAY GAP*	32.55%	9.67%
GENDER BONUS GAP**	65.82%	71.45%

Our **mean gender pay gap** shows that average hourly pay has improved from 37.5% in 2020 to 32.55% lower for women in 2021 than the average hourly pay for men.

Our **median gender pay gap** shows that the hourly pay of the female in the middle of her line has also improved from 27% in 2020 to 9.67% lower than that of the man in the middle of his line.



PROPORTION OF MEN AND WOMEN IN FOUR EQUAL PAY QUARTILES



* 20% of our UK based employees were furloughed under the Coronavirus Job Retention Scheme on the report date, 5 April 2021. This has had a significant impact on the information in this report, which does not present a true reflection of our earnings data.

** Only a very small number of bonuses were awarded compared to previous years

UNDERSTANDING OUR DEMOGRAPHICS

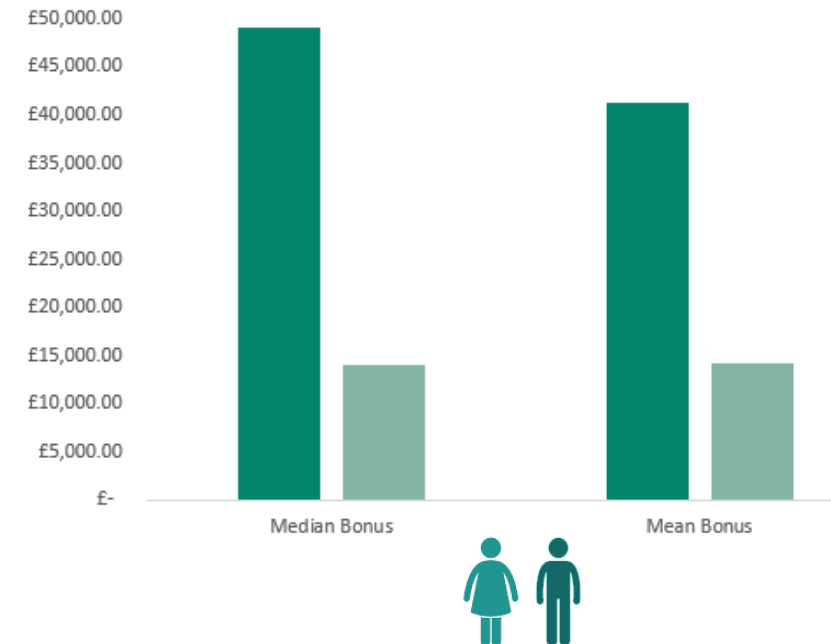
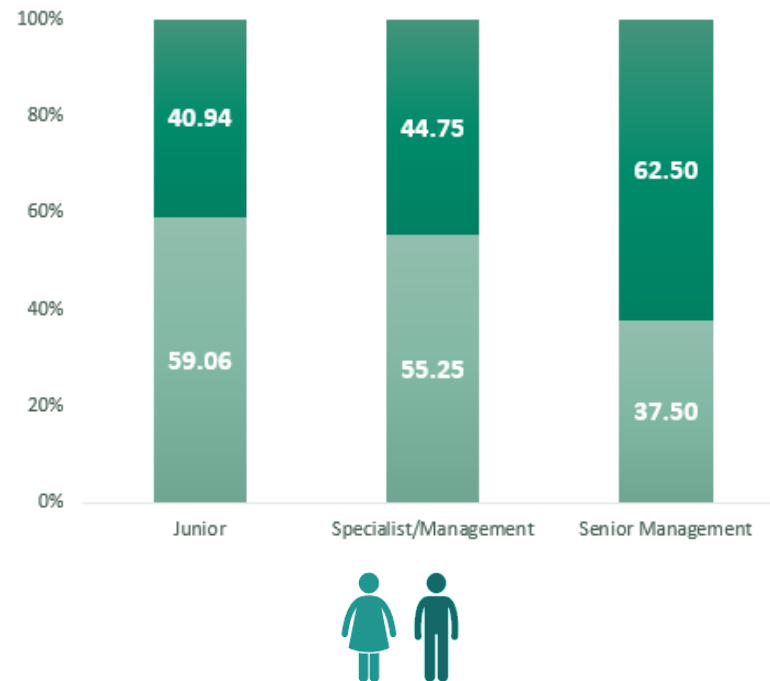
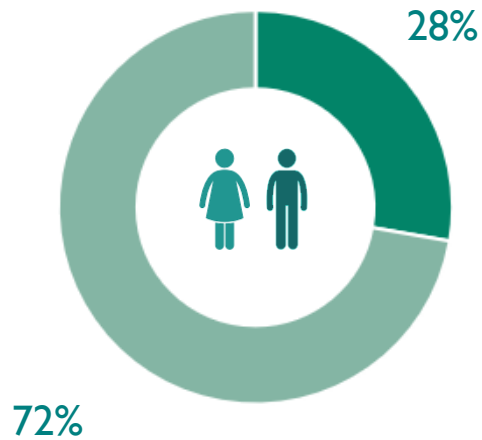
The key factor that continues to influence our gender pay gap is the balance of men and women across different job levels.

The following graphics show the overall gender balance in our business and within different work levels and types of role.

Overall, 72% of our colleagues are female and 28% are male. However, most of our lower paid roles, in our retail stores, are held by women, whereas most higher paid roles, in our global headquarters in the UK, are held by men.

Due to the operational challenges that Clarks experienced throughout 2020/21 only a small number of bonuses (less than 0.5%) were received in comparison to previous years. As such, the average bonus for women was 65.82% lower than that for men.

This is due to females in lower grades receiving a bonus compared to the male recipients whom are operating at a higher grade.



CLARKS UK PAY GAP REPORT 2022

We can confirm that this report and the information within is accurate.



Johnny Chen
Interim Chief Executive Officer



Catherine Huot
Chief People and Sustainability Officer

MORE INFORMATION

For more information on the gender pay gap and how it's calculated:

www.acas.org.uk/genderpay