

# GENDER PAY GAP REPORT 2024

Clarks UK

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# WELCOME

Welcome to our 2024 Gender Pay Gap Report for our UK business.

The data in this report has been produced at the snapshot date of 5<sup>th</sup> April 2023 and I can confirm that the information in this report is accurate and published in accordance with the UK gender pay gap reporting guidelines and regulations.



Catherine Huot  
Chief People Officer

## MORE INFORMATION

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

[www.acas.org.uk/genderpay](http://www.acas.org.uk/genderpay)

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# ABOUT CLARKS

Established in Somerset, England, Clarks has been a shoemaking pioneer since 1825. Founding brothers Cyrus and James Clark created their first style using a radical combination of innovation and craftsmanship that remains at the heart of everything we do today.

Still rooted in the Somerset countryside where it all began, Clarks UK Headquarters nestles in the shadow of the Glastonbury Tor – a local landmark with a longstanding connection to Clarks that has featured as a stamp of quality throughout our rich 200-year history.

Today, Clarks is a global business, selling millions of pairs of shoes a year around the world. We have a long-established tradition of making the best shoes, and our progressive, innovative vision continues to push the boundaries of expert shoemaking.

An extraordinary brand starts with extraordinary people. The facilitators of Clarks' creative evolution, we come together to keep building the road to success. Our collections, designs and collaborations grow with the world ahead, but our distinctive identity remains. We are shoemakers, and our shoes reflect who we are – innovative pioneers empowering customers around the world with the freedom to move comfortably. Now, and always.



In this report, you will see how we have been building on the initiatives outlined in last year's report, identifying causes of gaps and working proactively and decisively to fill them, all with the aim of engaging & developing not only women but minority groups as well.

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# UNDERSTANDING THE FIGURES

## HOW ARE THE GENDER PAY GAPS CALCULATED?

Following reporting regulations set out in 2017 by the UK Government, we have extracted data about the pay of our UK colleagues as of 5th April 2023.

### What is a Gender Pay Gap?

The Gender Pay Gap is the difference in average pay between all men and women in an organisation. It is expressed as a difference in percentage (%) between men and women.

### The Mean Pay Gap

The mean pay gap is the difference in the arithmetic average hourly pay for women compared to men, within an organisation.

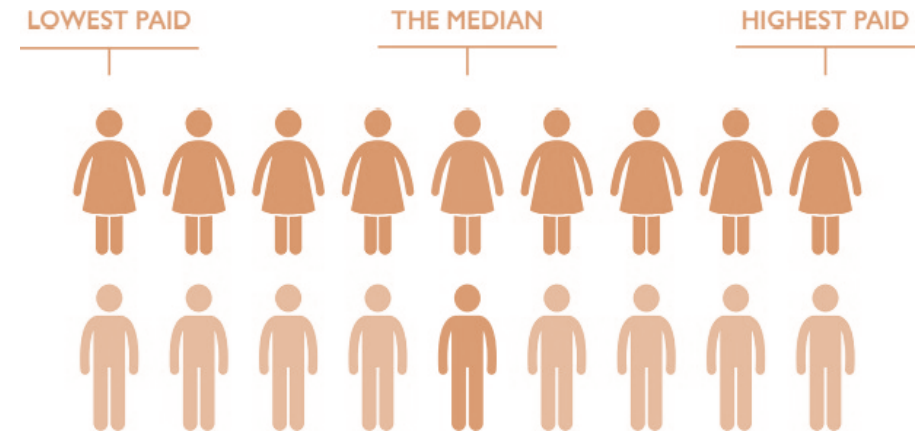
### The Median Pay Gap

The median represents the middle point of a population. If you lined up all the women in an organisation and all the men in order of the hourly rate at which they are paid, the median pay gap is the difference between the hourly rate for the middle woman compared to that of the middle man.

The median is generally considered to be the better indicator of 'average' earnings because the mean can be skewed by fewer individuals earning more in the upper ranges. The median therefore gives a better indication of typical pay than the mean.

### Pay Quartiles

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 of 5<sup>th</sup> April 2023.

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.

The report does not compare the pay of men and women doing the same role

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# OUR GENDER PAY AND BONUS GAP FIGURES

Our headcount has remained stable year-on-year and a total of 4,235 UK based employees across our Retail, Corporate & Distribution Centre have been included in this report compared to 4,203 in last year's report.

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

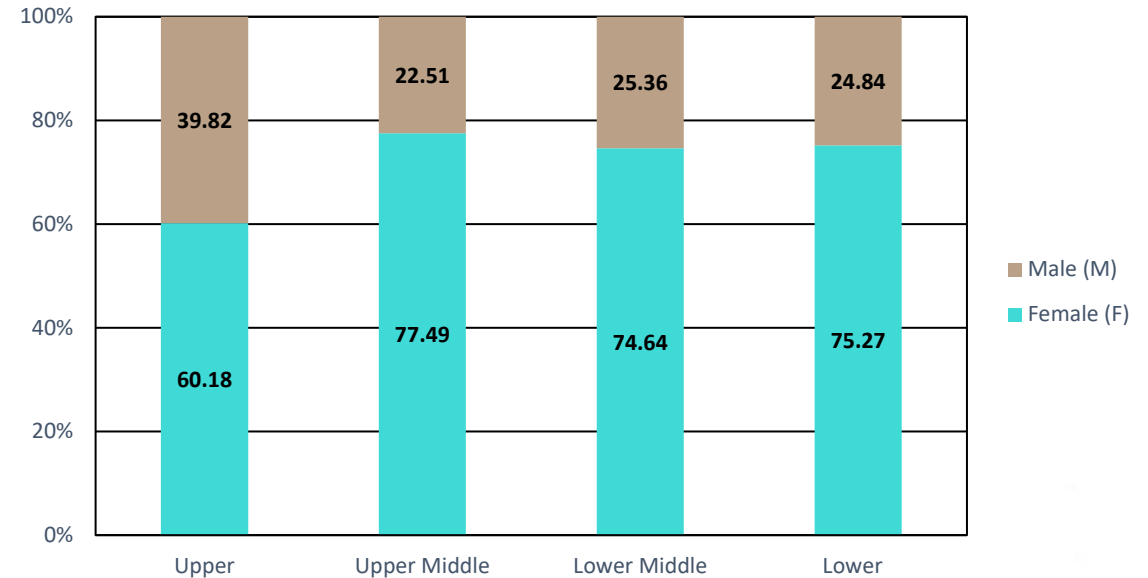
	MEAN	MEDIAN
<b>GENDER PAY GAP</b>	<b>25.31%</b>	<b>2.74%</b>
<b>GENDER BONUS GAP</b>	<b>50.09%</b>	<b>60.10%</b>

Our **mean gender pay gap** shows that hourly pay for women was **25.31%** lower than men in 2023, slightly up from 24.70% in 2022. However, our **median gender pay gap** shows that the hourly pay of the female in the middle of her line has improved by 4.43% from 6.67% in 2022 to **2.74%** in 2023.

During the period covered by the data in this report (the 12 months prior to the snapshot date of 5<sup>th</sup> April 2023), our bonus plan structure changed. We moved from a wholly discretionary scheme to a target-based model (the Global Bonus Scheme) measured solely on company financial targets. The target-based approach ensured a more consistent distribution of the pay-out budget. Our pay-out date changed as well, and we paid out both the 2021 discretionary bonus and the 2022 target-based bonus during this period.

In addition, we introduced a Gainshare Plan to our UK Distribution Centre enabling employees there to share in our successes over financial year 2022. All our employees now participate in a bonus scheme.

Proportion of men & women in four equal pay quartiles

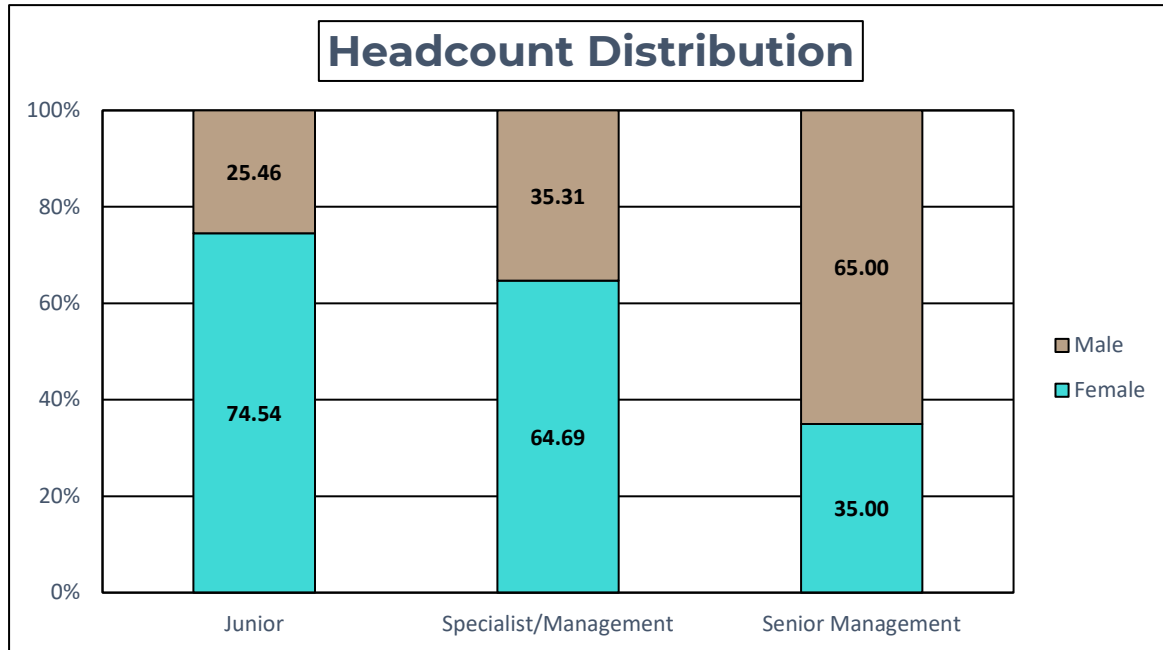


# UNDERSTANDING OUR DEMOGRAPHICS

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

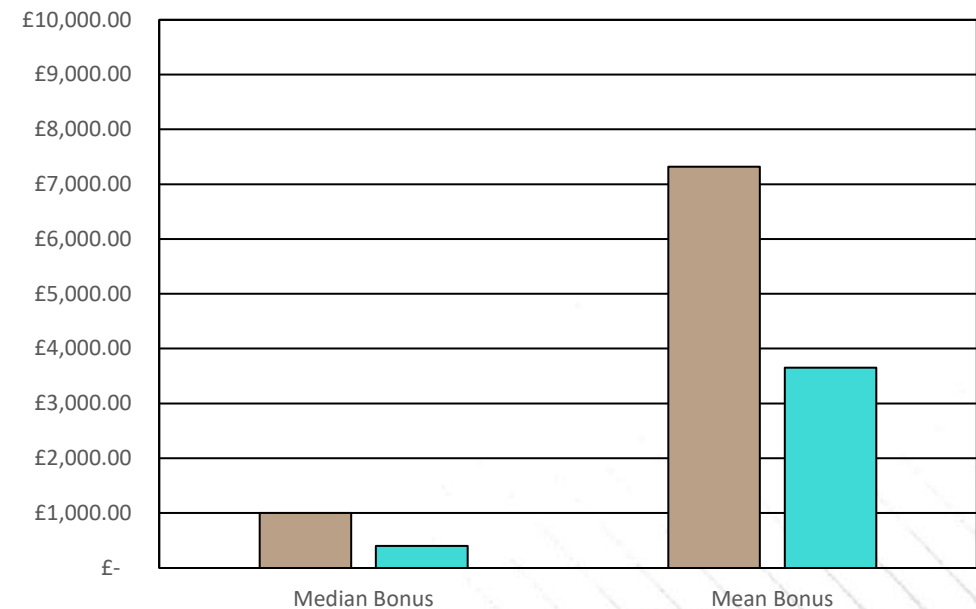
The following graphics show the overall gender balance in our business and within different work levels and types of role.

Overall, 73% of our colleagues are female and 27% are male. Most of our lower paid roles in our retail stores are held by women, whereas most of the higher-paid roles in our global headquarters in the UK are held by men.



Even though everyone in the company can participate in a bonus plan, the average bonus for women payable for financial year 2022 was 50.09% lower than that for men. This is a 10% improvement on last year but, while it's due to the distribution of males and females across our grades, we are still working to close the gap. More on this in the next sections of the report.

### Median/Mean Bonus by Gender



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# TAKING ACTION THROUGH DIVERSITY, EQUITY & INCLUSION

We have continued to strengthen our commitment to an inclusive workforce culture by implementing more DE&I initiatives over the course of 2023 and into 2024.

This includes establishing Employee Resource Groups (ERGs) to support under-represented groups, e.g. by creating forums for open dialogue and collaboration on diversity-related issues.

We have offered comprehensive training programmes to our corporate employees on Equal Opportunities topics such as Unconscious Bias Awareness and Micro-Aggressions. These training sessions are designed to increase awareness of gender-related biases and stereotypes that may impact decision-making processes in areas such as recruitment, performance management and career development.

In 2023, we ran several successful global panel events for all employees celebrating International Women's Day, Pride Month and International Menopause Awareness Day where we have brought in external guest speakers to increase education and awareness of these key topics and to promote further discussion.

The launch of our Senior Leadership Development Programmes has seen us bring in external expertise with the aim of creating an inclusive culture. Additionally, we are providing programmes such as mentorship, networking opportunities, and professional development resources to empower women to pursue leadership roles within the organisation.

We have rolled out additional Menopause Awareness training for all people managers alongside the development of an in-house peer support group, and in our office, DC and retail locations we provide free period products.



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# OTHER INITIATIVES

In our hiring processes, we are currently reviewing our applicant experience, developing support training for managers to recruit with an inclusive mindset and the tools to assist with this.

In 2022, our Global Bonus Scheme was re-launched, and we moved away from a discretionary to a target-based approach measured solely on company financial targets for financial year 2022. In addition, we introduced a Gainshare Plan to our UK Distribution Centre enabling employees there to share in our successes over financial year 2022.

We have recently adopted software that ensures the use of inclusive language in all employee-facing communications including job descriptions.

There is always more to do, and in 2023 we embarked on a global project to modernise our approach to how we organise jobs at Clarks. For our employees, this will mean giving them more clarity around their roles and career paths, along with greater transparency and understanding of reward at Clarks.

We already have checks in place during our annual pay review process to eliminate the possibility of gender-bias in pay-setting decisions.



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