

# GENDER PAY 2017



## OUR PEOPLE STATEMENT

Being an industry leader in women's hair, empowering women is at the heart of our business. At ghd we are committed to attracting a diverse workforce to bring fresh ideas, thinking and approaches. We tailor our recruitment practices to seek out talent from different backgrounds and experiences to tap into the creative and unique, and to build a culture of inclusion.

With close to 300 employees in the UK, 65% of our workforce are women which is driven largely by wider norms in society, within our industry and consumer base. We see opportunities to drive diversity within departments with high male populations such as IT and research and development. We are proud to celebrate that women make up 50% of our supply chain function and 4 out of the 5 managers are female. Women hold 100% of our senior posts in our finance function and 30% of our executive roles are occupied by women.

We recognise there are opportunities available to us and we do see it as our responsibility to understand and address the reasons for our gender pay gap. We place people at the forefront of what we do, and will utilise this analysis to inform our future processes and action. However we would not want to put too much emphasis purely on the numbers to influence our statistics as we believe in opportunities for all, allowing our employees to reach their full potential.

We believe that each employee contributes directly to ghd's growth and success. We are committed to having meaningful conversations and take the necessary steps to narrow this gap as we work to develop more women leaders and a flexible approach to working to maximise our future success.

## WHAT IS GENDER PAY

The Gender Pay Gap looks at average pay differences between men and women across all roles in a company. It is distinct from equal pay, which considers pay differences between men and women who carry out the same or similar jobs.

The median is the middle number or the mid-point in a group of people, in this context, employees working for ghd in the UK. If all the men and all the women working there were lined up, the median is the difference in the hourly pay between the "middle" woman and the "middle" man. The mean is the difference between the average hourly pay of men and women working across our UK business.

The overall Gender Pay Gap is calculated using a snapshot of base pay on 5th April 2017 and any variable pay received in the twelve months prior to this date.

The Bonus Gap is based on variable pay received in the twelve months prior to 5th April 2017. This includes any bonus, commissions, and incentives throughout this period. In this report, we show the Gender Representation across our UK business, splitting it into 4 equal parts called quartiles. The lower quartile consists of the people who received the lowest pay in ghd; the upper quartile consists of those who were paid the most, including the Executive Team. The Mid-lower and Mid-upper fall between these.

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## OUR NUMBERS

### Company pay quartiles

upper quartile



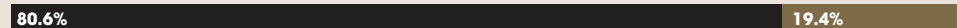
upper - middle quartile



lower - middle quartile



lower quartile



■ % Females ■ % Males

## WHAT DOES IT MEAN

Our overall mean pay gap is 38.5% for our 2017 submission. As seen within our pay quartiles, is reflective of the fact that we have more men than women currently occupying mid to senior level roles. This is in more areas of our business than others. For example, within our IT and Research and development departments the majority of roles are held by men including all senior positions, reflecting the demographics these broader industries. In contrast, the lower quartile of the report shows our entry level and junior roles are largely made up of women within our customer service and retail roles.

Our mean variable pay gap is 93.2% for our 2017 submission. 16.7% more women received a bonus during this period. There was a vast difference in the value of the bonus payments received with some larger one-off payments which have impacted the figures. Everyone at ghd is eligible to earn some element of variable pay depending on their contract type. Variable pay can be based on both personal and company performance, depending on a person's role. It can include sales commission, incentives or discretionary bonuses.

During this time, ghd's overall financial performance was below the threshold required for the company to pay management bonuses to some employees. The majority of employees who received variable pay that year were working in lower to mid-level roles as well as sales positions that benefited from sales incentives and collected commission.

## CLOSING THE GAP

We are committed to addressing some of the areas that have been identified to close our gender pay gap. We recently underwent an exercise within our call centre functions of raising the minimum salary to £17,000 as part of a drive to make pay more gender balanced across the organisation and attract talent into the organisation.

We are pledging that in order to increase the male to female ratio further, within entry level positions for our contact centres roles we will focus on the recruitment process in particular to raise visibility of males at this stage. As such we are committed to introducing a target of 20% of interviewees to be male going forward.

We actively encourage and welcome female applications within our research and development and IT departments to balance the gender split within heavily male populated functions. We will continue to drive this, seeking out recruitment sources that target female specialists within these fields.

Mid/senior managers that have been identified as having potential to be senior leaders currently don't have a formal opportunity of being able to liaise one on one with an senior/ exec team member. We would be keen to introduce a formal mentoring programme where senior/ exec leaders would mentor an identified talented employee to develop core skills, behaviours, confidence and awareness of their own development. We feel by offering a formal mentor programme this will support in developing a more informed, confident, motivated senior management team with the potential talent pipeline for future senior/ exec positions. This will be opened to high performing individuals.

