



UNDERSTANDING GENDER PAY REPORTING

SHOP DIRECT 

A gender pay gap is a measure of the difference in the average pay of men and women - regardless of the nature of their work - across an organisation, business sector, industry or the economy as a whole. It can be driven by the different number of men and women across all roles. It is different from an equal pay comparison, which would involve direct comparison of two people or groups of people carrying out the same, similar or equivalent work.

In this report you'll find out about our gender pay gaps. It contains figures including mean and median pay, and bonus gaps.

THE GENDER PAY GAP

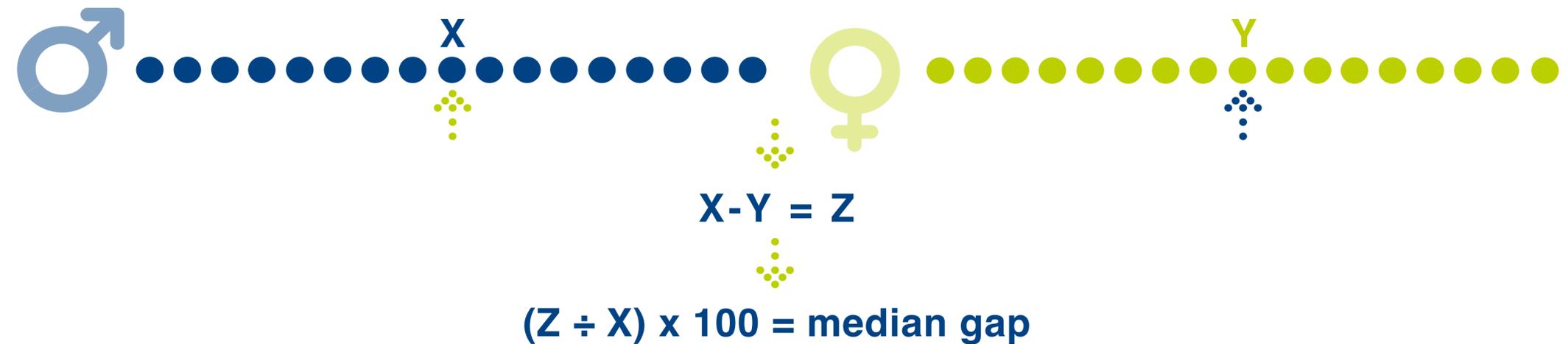


EQUAL PAY COMPARISON



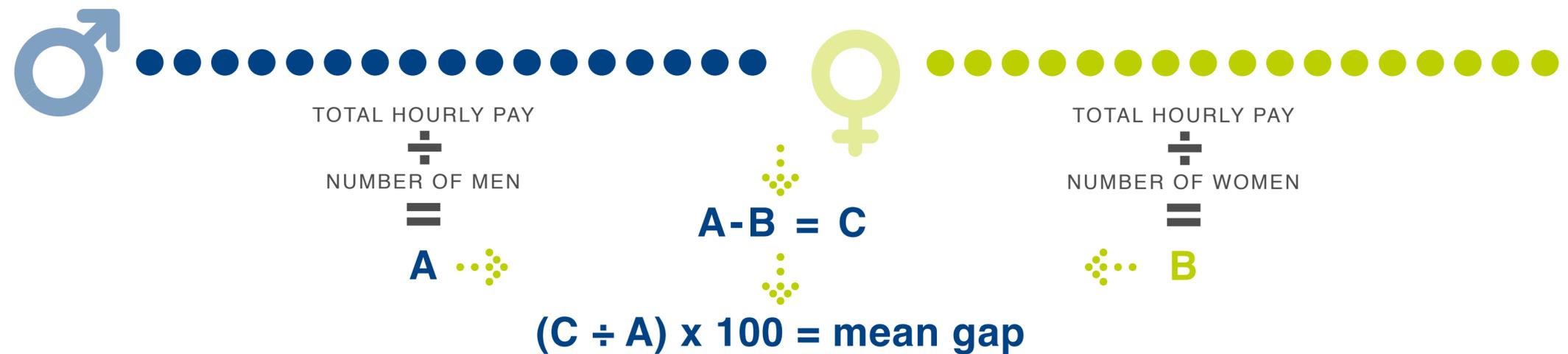
MEDIAN GENDER PAY GAP

The middle number in a sequence of numbers. To find the median, we organise each number in order by size; the number in the middle is the median.



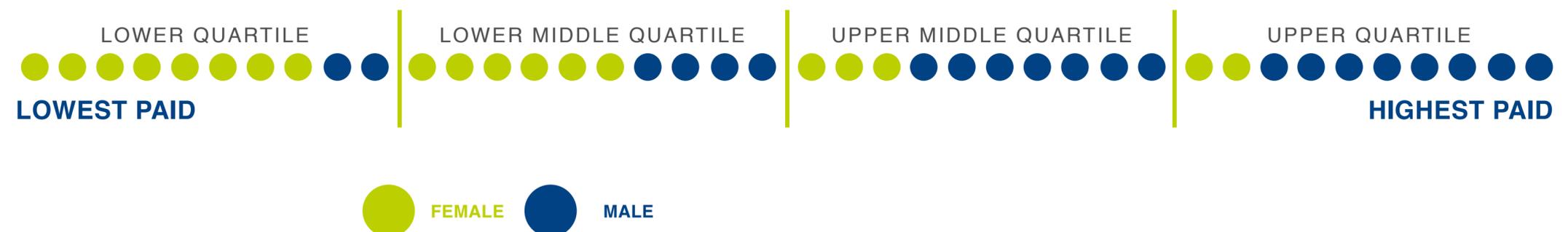
MEAN GENDER PAY GAP

The average of all numbers. To calculate the mean, we add together all of the numbers in a set and then divide the sum by the total count of numbers.



PAY QUANTILES

We identify pay quartiles by sorting colleagues from lowest paid to highest paid and splitting them into four equal groups, and calculating the percentage of men and women in each group.



As a digital and data driven business we require a broad range of skills, and to compete we have to pay competitively in the right fields.

For example, roles in areas that are highly competitive in the current market often command a market premium (such as IT and data). In these types of roles we could see a difference in pay of over 10% when compared to roles at the same grade or level in a business area where skills are more readily available. In these roles we've found that we have predominantly more men than women (over 70% male). We've also found that in some areas where skills are more readily available (and therefore not subject to a market premium), we have more females than males, for example in HR where we have 82% females. The combination of these factors has an impact on our gender pay gap.

EXAMPLE BONUS CALCULATION (AS PER REGULATIONS)

Almost a third of our colleagues work on a part-time basis, and three in four of those are female.

This impacts our gender bonus gap. We're proud of the flexibility we offer - it enables us to serve our customers 24/7 and to provide our colleagues with flexible working opportunities that help them achieve better work-life balance. However, the regulations have not been designed to take account of bonuses that are paid on the basis of a colleague's part-time salary. Where actual bonuses paid are included in the calculation, they are not up-weighted to reflect what the payment would have been had those colleagues received the full-time equivalent bonus. For example, whilst on a full-time equivalent basis two colleagues could receive the same bonus percentage, if one works part-time their bonus will be less because it's reflective of their part-time salary. This makes the overall bonuses paid to females look lower (as a result of our part-time population being predominantly female), but we're confident all colleagues are treated fairly and equally regardless of their working pattern. The table to the right illustrates the impact that this has.

	FULL-TIME	PART-TIME
HOURS WORKED	37	20
SALARY	£20,000	£10,811
FULL-TIME EQUIVALENT SALARY	£20,000	£20,000
BONUS %	5%	5%
BONUS £	£1,000	£541
DIFFERENCE IN BONUS	£459	
EXPRESSED AS A BONUS GAP (AS PER THE REGULATIONS)	46%	