



HARRODS GENDER PAY GAP REPORT APRIL 2024

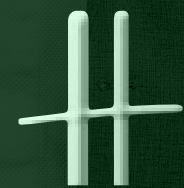




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INTRODUCTION

At Harrods, building an inclusive and equitable culture is at the heart of our colleague promise, and we remain deeply committed to learning and improving each year. We therefore welcome the opportunity to report on our 2023 Gender Pay Gap, allowing us to reflect on the developments seen over the past year, while looking ahead to 2024 for areas of continued improvement.

This report will outline, transparently and clearly, our Gender Pay Gap data from April 2023. You will see that Harrods maintains a strong position in the market. In comparison to 2022, our gender pay gap has increased by 1.2% on a mean basis and by 2.7% on a median basis. Despite this, we remain significantly above the national and industry averages in gender pay parity.

We take our commitment to pay a fair and competitive salary extremely seriously and are making every effort to support colleagues with the cost-of-living crisis. We have given above-market increases over the past three years and increased all colleagues' pay by at least 20% in total. We have invested even more in our front-line colleagues, significantly increasing base

pay for those in retail, hospitality and distribution. Such investment puts Harrods right at the top of the employer market, demonstrating our deeply held promise to reward colleagues for all that they do.

This year, Harrods will celebrate its 175th birthday, and in our anniversary year we will be celebrating our rich heritage, our customers and our extraordinary people. Our people are at the heart of everything we do, and we remain dedicated to enabling an inclusive and equitable culture at the core of the Harrods brand and business.

ABI WEEKS
Chief People Officer

GLOSSARY

WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap is a measure of the difference in the average pay between men and women irrespective of their role. Any organisation that has more than 250 employees must publish and report figures about its Gender Pay Gap. The data analysed in this report is from April 2023.

WHAT IS THE DIFFERENCE BETWEEN GENDER PAY AND EQUAL PAY?

While the Gender Pay Gap measures the difference in pay irrespective of job roles, the equal-pay comparison involves a direct assessment of two people or groups of people carrying out the same, similar or equivalent role.

PAY is your basic salary as well as regular allowances, pay for leave, bonuses and commission. It does not include overtime, redundancy or termination of employment, payment in lieu of annual leave, or the value of benefits that are not in the form of money.

BONUS is any additional pay above your basic salary. This relates to extra remuneration based on productivity, performance, incentives and commission. Bonus pay does not include overtime, redundancy or termination of employment, payment in lieu of annual leave, or any form of compensation which is not money.

MEDIAN HOURLY RATES are calculated by identifying the middle male and middle female colleague and comparing the difference in pay. To find the median bonus rate, we have followed the same process but listed only those colleagues who have received a bonus.

MEAN HOURLY RATES show the difference in the average hourly rate of pay between a male colleague and a female colleague. This is directly affected by the percentage of male and female colleagues in the business and their different roles. The mean bonus rate is calculated using the same process, taking an average of those colleagues who have received a bonus.

PAY QUANTILES show a snapshot of men and women across four pay bands. Quantiles are calculated by listing the rates of pay for all colleagues from lowest to highest before splitting these into four equal-sized groups and calculating the percentage of men and women in each.

VAR stands for variance.

KEY FINDINGS: GENDER PAY GAP SUMMARY

(DATA FROM APRIL 2023)

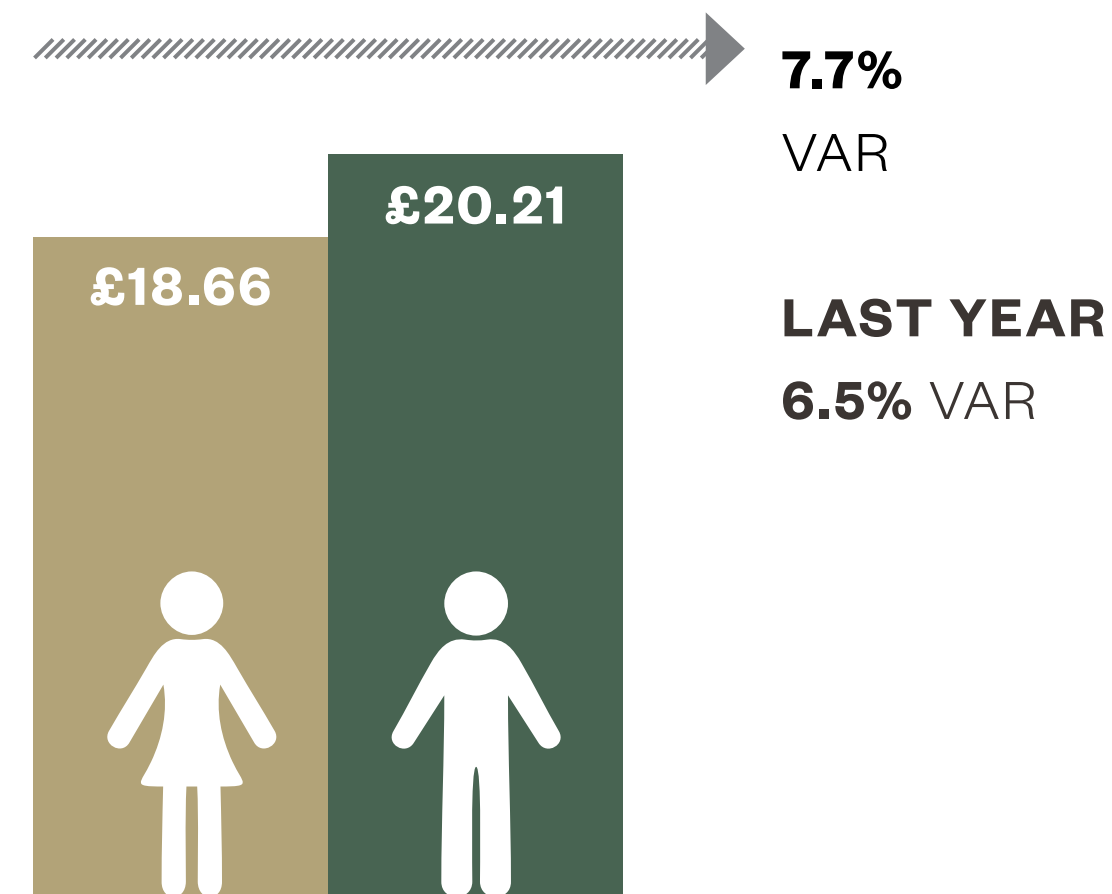
THE MEAN PAY GAP

This has marginally increased to 7.7% in 2023 from 6.5% in 2022. It was 8.2% in 2021.

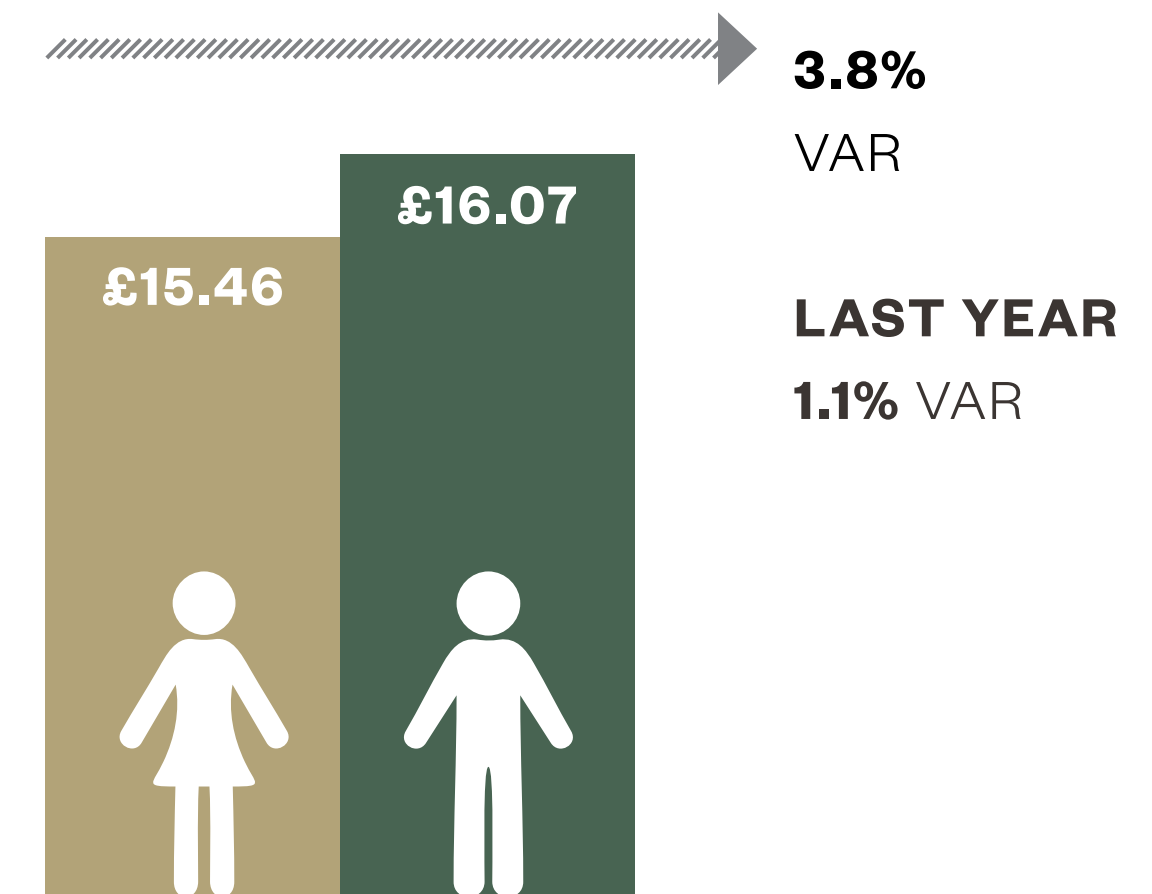
THE MEDIAN PAY GAP

This has also increased, to 3.8% in 2023, from 1.1% in 2022 and 3.6% in 2021.

MEAN HOURLY RATE



MEDIAN HOURLY RATE



KEY FINDINGS: GENDER PAY GAP SUMMARY

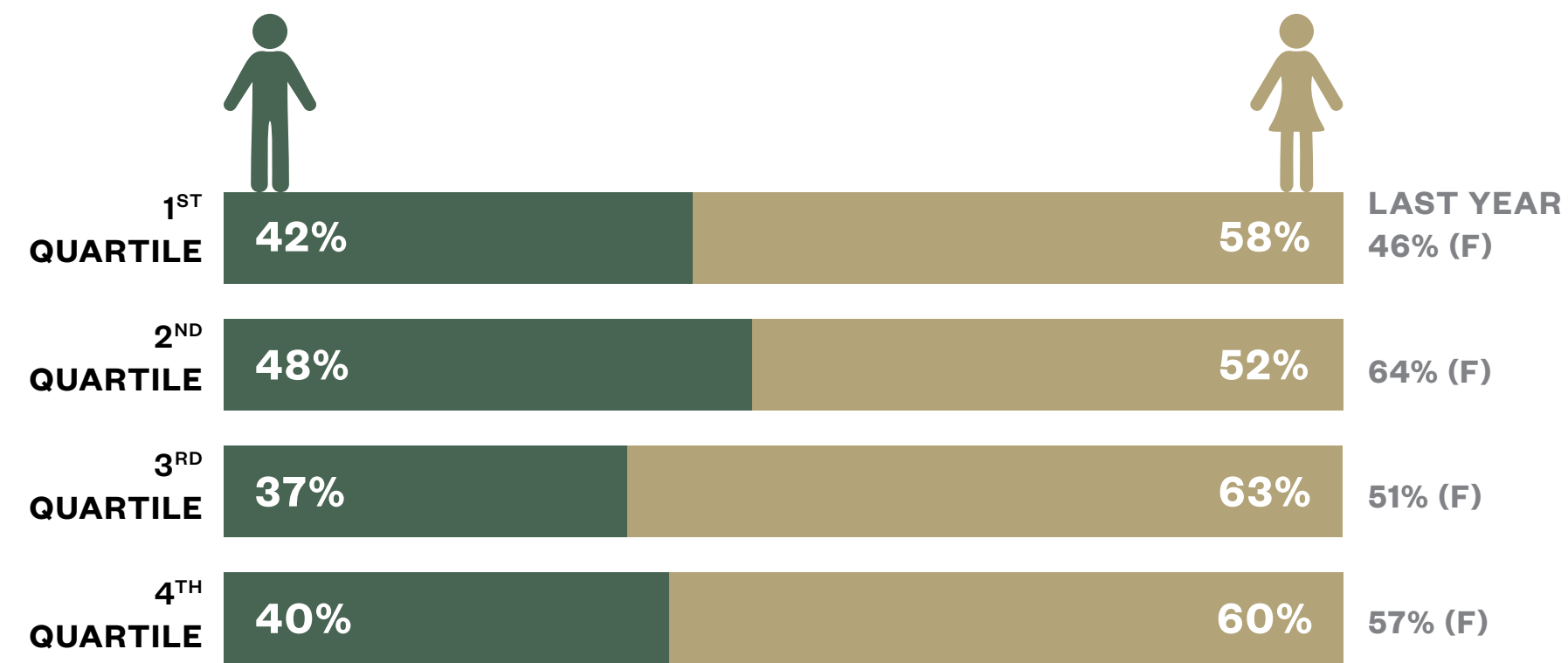
(DATA FROM APRIL 2023)

PAY QUARTILES

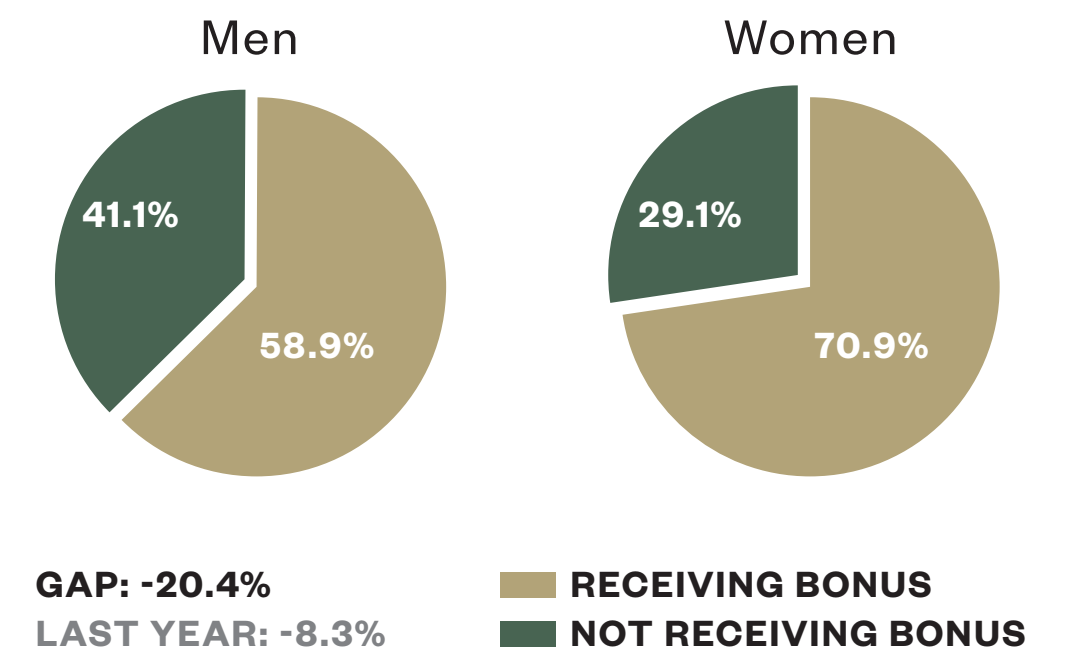
In 2022, women made up 46% of the first pay quartile, 64% of the second, 51% of the third and 57% of the fourth.

In 2023, women made up 58% of the first pay quartile, 52% of the second, 63% of the third and 60% of the fourth.

PAY QUARTILES



RECEIVING BONUS



KEY FINDINGS: GENDER PAY GAP SUMMARY

(DATA FROM APRIL 2023)

NOTES

GENDER PAY GAP

In 2023, our headcount increased by 17%. We have increased the percentage of women at the top of our organisation from 46% to 58%, with an increase of men in middle management. Overall, we have more women in Harrods across all levels.

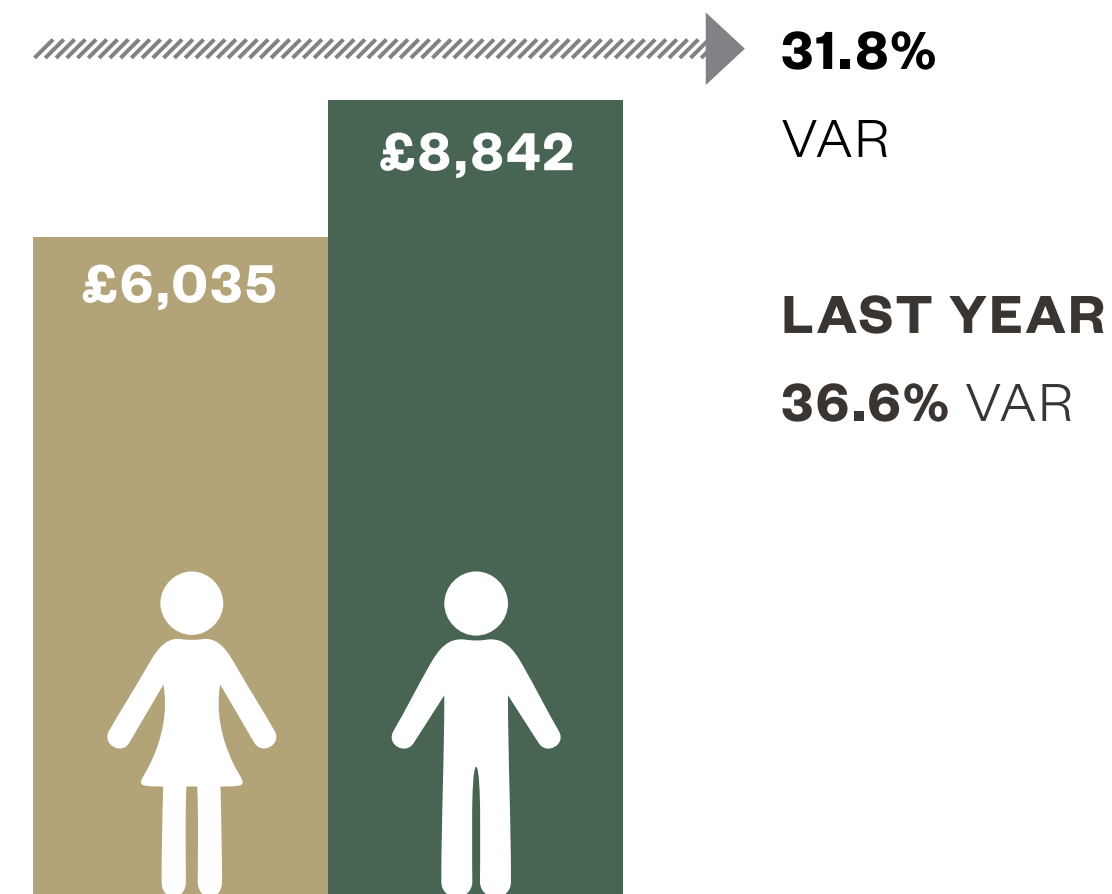
BONUSES AND COMMISSION

In 2023, we introduced our new bonus scheme, which extended to Band 4 colleagues, increasing the number of women eligible for variable pay earnings (c. 20% of the total female population).

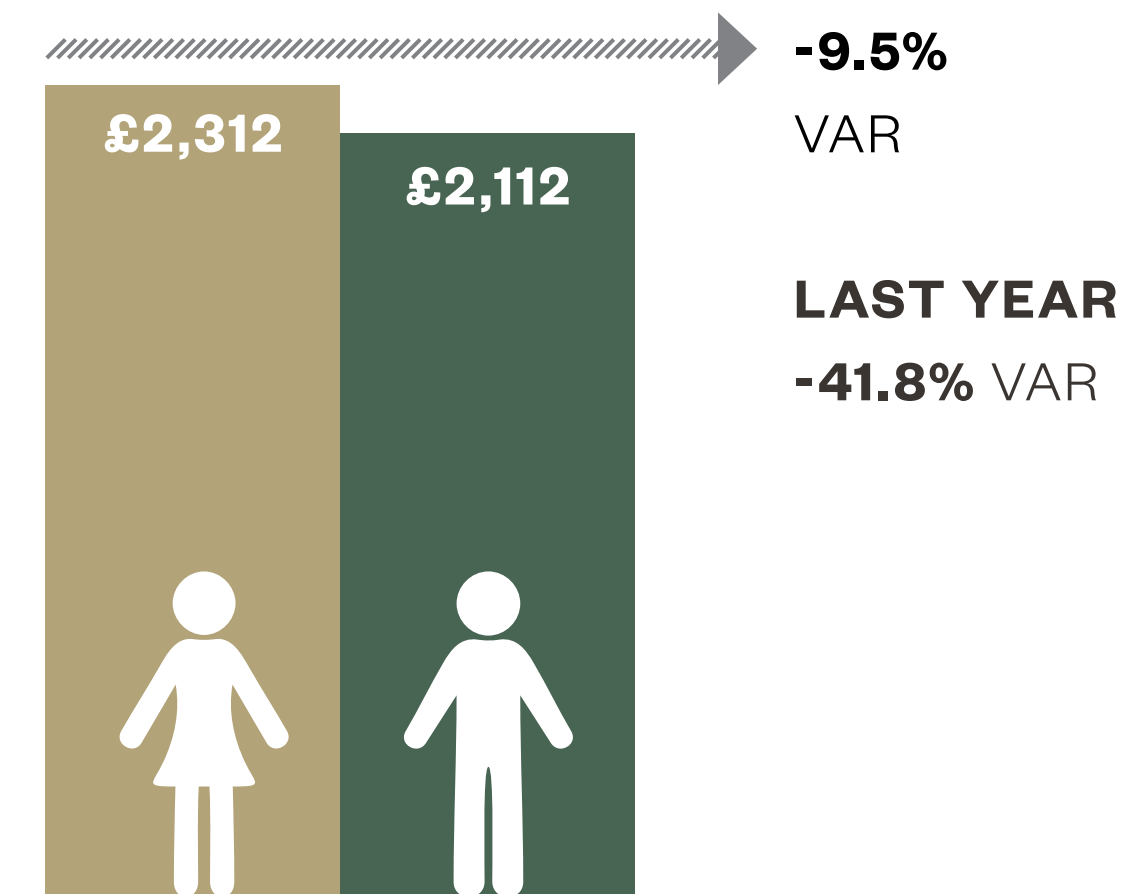
PAY QUARTILES

We have seen an increase in women in the first, third and fourth pay quartiles, with the increase in the fourth quartile reflecting a 17% increase in women employed at Harrods.

MEAN BONUS



MEDIAN BONUS



BENCHMARKING

The below graphic shows where Harrods is in comparison to national and retail averages¹

OVERALL

Across all industries, according to the latest available national data, the median Gender Pay Gap was 14.3% and the mean Gender Pay Gap was 13.2%.

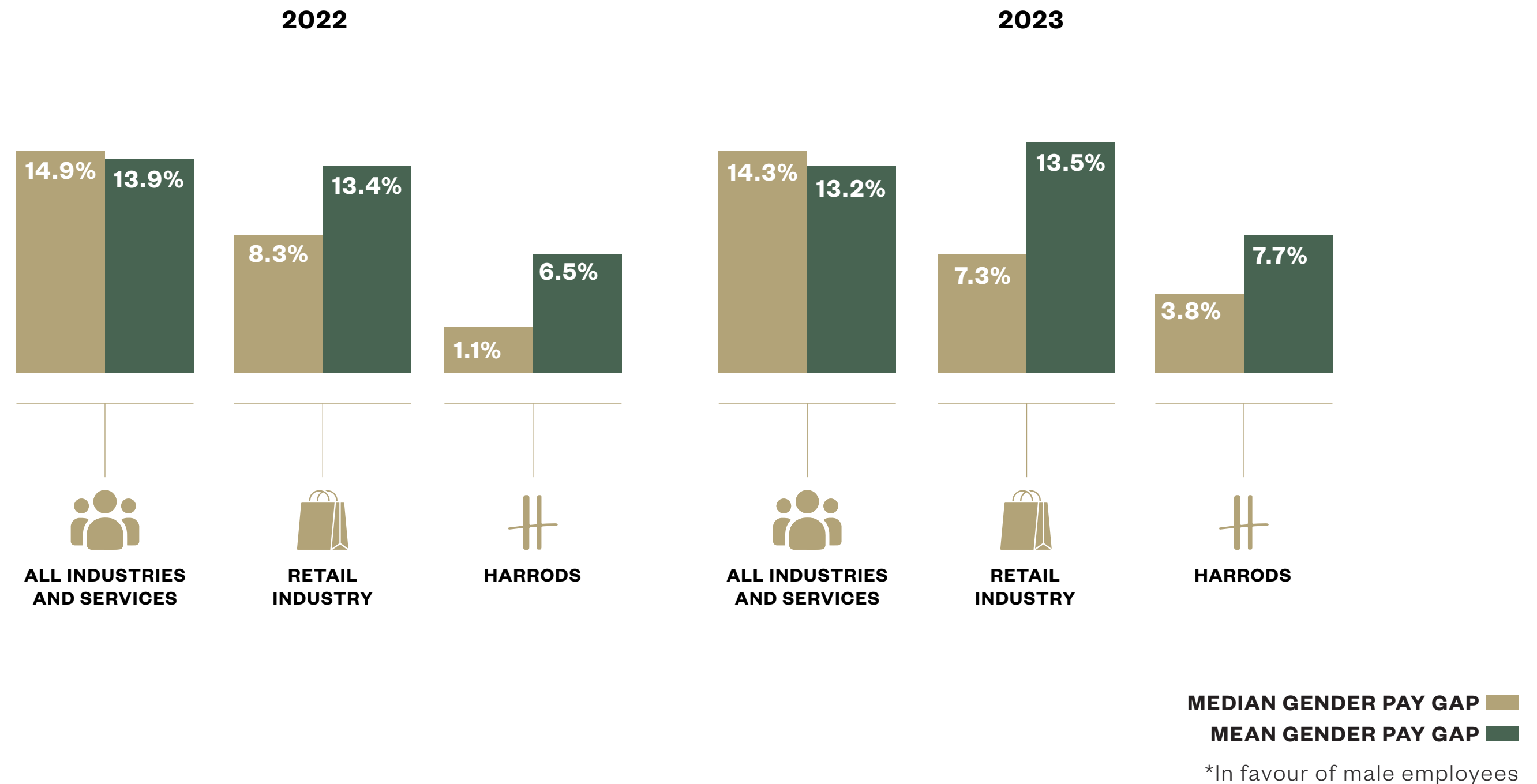
IN RETAIL

Across the retail industry, according to the latest available national data, the median Gender Pay Gap was 7.3% and the mean Gender Pay Gap was 13.5%.

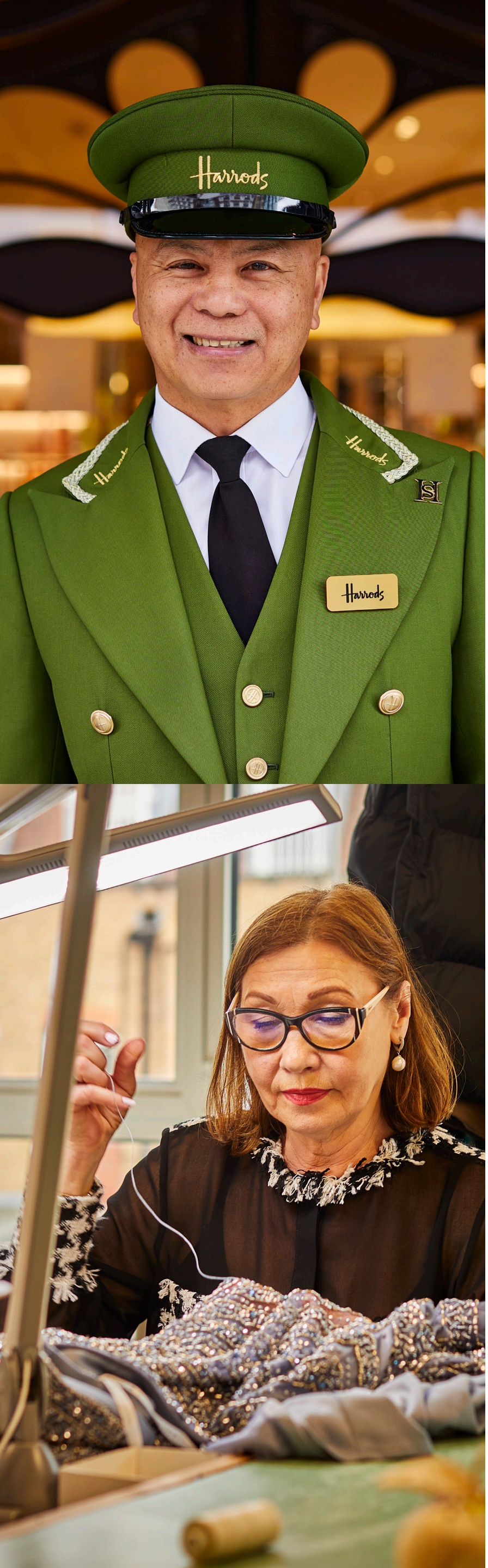
AT HARRODS

At Harrods, in 2023, the median Gender Pay Gap was 3.8% and the mean Gender Pay Gap was 7.7%.

While the gap has marginally increased in 2023, Harrods is performing **significantly better than** national and retail averages.



¹ Data compiled from the Annual Survey of Hours and Earnings: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables



OUR COMMITMENT

Harrods is committed to ensuring our approach to career progression and pay is fair and equitable. This year, we have introduced more robust governance surrounding our pay-review process, with the launch of our quarterly pay-review committee to comprehensively review all proposed pay changes across the business at all levels. This is to ensure the process is fair and consistently aligned to internal and external benchmarks.

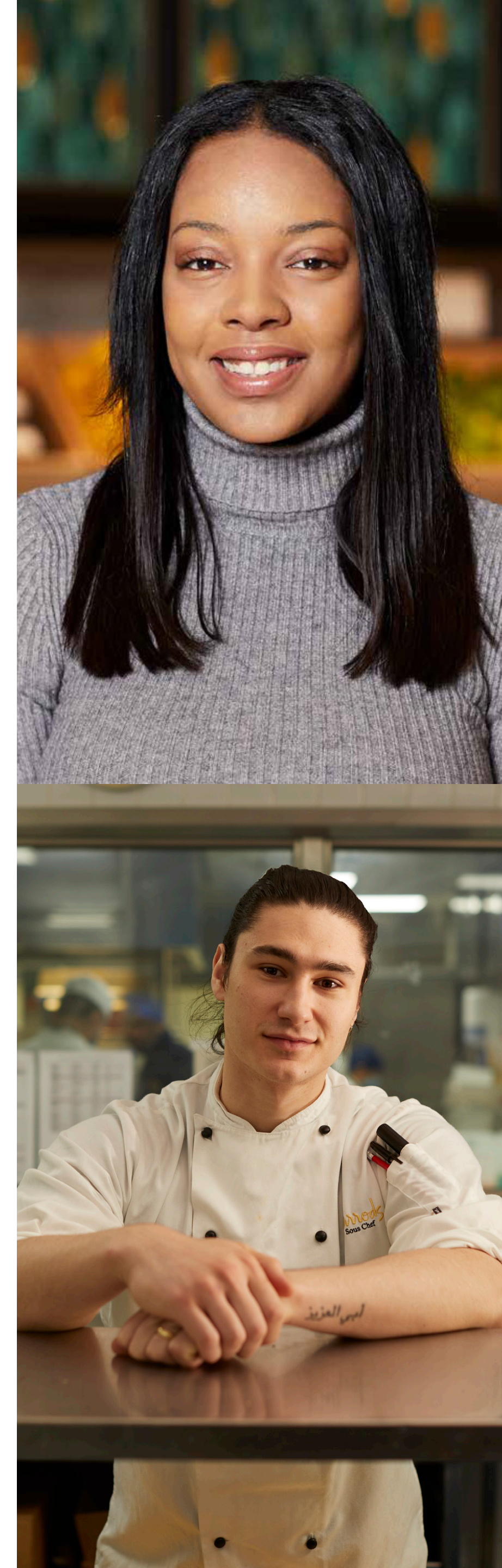
The past year has seen greater investment in our Diversity, Equity and Inclusion agenda, and with this a greater focus on our existing colleague networks and the addition of two new networks: a Women's network and a Working Parents network. We partner with all the members of these colleague-owned, connected communities to help keep inclusivity at the heart of all that we do and the decisions that we make.

As part of our Diversity, Equity and Inclusion strategy, we have launched the capture of colleague demographic data with a view to using this insight to support reporting on trends in pay equity and to inform decisions we make, including a plan to introduce gender-balanced shortlists in some areas where we have identified that women are under-represented.

We joined the Diversity in Retail community in 2022 to support us in further progressing our Diversity, Equity and Inclusion ambition. This has provided a strong benchmark for the work we are doing and has helped shape our future roadmap. We worked with them to map where we are in our Diversity, Equity and Inclusion maturity, and where this sits in comparison to industry benchmark, and were accredited as 'Strategic'. We are proud to have received this external recognition for the progress we have made in this space.

Through our membership with Diversity in Retail, we have participated in some of the development programmes it runs, with colleagues attending its Women Leaders Programme and Ethnic Future Leaders Programme. In addition, we have had two successful nominations to its Women to Watch Index, which celebrates senior women in leadership across the Hospitality, Travel, Leisure and Retail sectors and the impact they make.

Diversity, Equity and Inclusion remain central to our people strategy. We are dedicated to nurturing an inclusive and positive working environment where all colleagues feel valued and respected for the person they are and the uniqueness they bring.



As you live our Values, we will too. At every level, in every role.

Here are our promises to our colleagues

We are ONE

We will nurture a collaborative spirit that encourages, celebrates and rewards teamwork. We will protect our diverse and inclusive culture, in which we value authenticity, individuality and personality, and celebrate what is Uniquely You.

We are HUMAN

We will treat you fairly and with respect. We will listen to your voice and take action on the things that are most important to you. Your health and happiness at work will continue to be a priority for us.

We build TRUST

Our focus on people development will ensure that you become a master of what you do today and help you on your path for tomorrow. We will act responsibly and do the right thing for you, maintaining a safe environment as somewhere we can all grow and thrive. We will work hard to build trust and to make you feel comfortable about speaking up about how you feel.

We take PRIDE

We will work hard to celebrate our brand and the things that make you feel proud. We will share stories about our unique colleagues and our customers so that you feel inspired and connected to something very special. We will encourage and enable you to help the causes closest to your heart.

We strive to EXCEED

We will never stop trying to make the impossible possible – and we will keep challenging ourselves to move the obstacles that get in your way. We will support and challenge you to be exceptional, and celebrate those who go above and beyond for each other and for our customers.



CONCLUDING STATEMENT

Reporting our Gender Pay figures allows Harrods to reflect on how we are performing in terms of pay parity and to analyse those areas where we can continue to improve.

I am proud that we continue to perform above the national and industry averages in gender pay parity. Ensuring fair pay and equal opportunities for all remains a priority, and we will continue to focus on embedding our inclusive hiring, progression and retention policies to support this. We will use the data we capture to make informed decisions and use our review processes to validate these. We will also continue to listen to what is important to our colleagues, through our well-established internal networks, to drive the positive change that we collectively want to see.

As we look forward, our commitment to providing a supportive, inclusive, diverse and fair working environment remains as strong as ever.

DECLARATION

This report covers colleagues of Harrods Ltd at all levels, including senior leadership.

As Chief People Officer, I, Abi Weeks, can confirm that the information contained in this report is accurate.

ABI WEEKS
Chief People Officer

Thank you

