

Diesel (London) Ltd

2019 Gender Pay Gap Report

Diesel (London) Ltd is a subsidiary of Diesel S.p.A. and operates within the Apparel Retail and Wholesale Sector.

The Gender Pay Gap reporting is a legal requirement under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to show the difference between the average earnings of men and women in our organisation. This is not to be confused with the Equal Pay Act which is unlawfully paying women differently to men for the same work.

Our Gender Pay Gap report is based on employee data as of 5th April 2019. For the purposes of this report on this date Diesel (London) Ltd employed 355 workers. 307 were classed as “Full-pay relevant employees” and were used in the reporting of our hourly pay gap statistics and 355 employees were categorised as “relevant employees” and used in the reporting of our bonus pay gap statistics.

Our Pay and Bonus Gender Gap 2019 results

As in previous years, we have maintained our gap to almost 0% but this year we are paying Females more than males due to the increased number of Females in the higher paid quartile.

	2017		2018		2019	
	Mean	Median	Mean	Median	Mean	Median
Pay	6.2% (£0.68)	-2% (-£0.17)	0.1% (£0.01)	0% (£0.00)	0.2% (£0.03)	-0.34% (-£0.34)
Bonus	10.4% (£95.30)	31.1% (£137.00)	-4% (-£24.22)	21.3% (£71.50)	13.4% (£111.91)	21.6% (£109.00)

Monetary amounts in brackets throughout this report is the amount Males receive more than Females based on data provided. Negative amounts indicate the amount Females are paid more than Males.

Proportion of Male & Female employees receiving a bonus:

	Male		Female
2017	67%		63.8%
2018	71.4%		60.6%
2019	71.7%		74.3%

Pay Quartiles

	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Band A	49% (48)	51% (50)	48.8% (41)	51.2% (43)	56.6% (43)	43.3% (33)
Band B	55.6% (55)	44.4% (44)	50% (42)	50% (42)	58.4% (45)	41.6% (32)
Band C	47.5% (47)	52.5% (52)	48.8% (41)	51.2% (43)	53.2% (41)	46.8% (36)
Band D	51% (51)	49% (49)	49.4% (42)	50.6% (43)	46.8% (36)	53.2% (41)

Amounts shown in brackets are the number of employees for each banding with A being the lowest paid quartile and D being the highest paid. In previous years we had an almost equal split across the

business in each band, however in 2019 the dynamics have changed. We have less women working within the business, but we have seen an increase of women in the higher quartile compared to Men. The other bands also show a shift, with more men in Bands A-C compared to women

What do our results mean?

As in previous years, Diesel (London) Ltd results are still significantly lower than organisations in the same industry with similar financial turnover and headcount.

Although our Mean pay gap has increased by 0.1% to 0.2% this year, our Median pay gap has decreased by -3.4% which is due to our Male/Female ratio within the higher Pay Quartile shifting in favour of women which has resulted in us having a negative pay gap as we did in 2017. However, our Mean and Median pay gap remains low in comparison to the National Statistics benchmark figures shown below which highlights how impressive our pay gap results are within the Wholesale and Retail Sector.

	2017		2018		2019	
	Mean	Median	Mean	Median	Mean	Median
Pay	19.9%	18.7%	18.9%	17.9%	18.4%	17.8%
Bonus	71.4%	70.2%	66%	63.6%	67.3%	61.4%

Pay

Our workforce is split between Head Office (11%) and Retail (89%).

63% of our retail employees are either Sales Advisors or Retail Sales Executives who are paid a fixed hourly rate, depending on position and location in the UK. All other Retail employee's salary is based on position, experience and length of service.

Within Head Office, although our Management Team is male heavy, overall, we have a larger female workforce, which is made up of 15 Males and 25 Females. The Female workforce in Head Office, although not all management are specialists in their field therefore generating a higher salary. Due to this the average pay between Men and Women in Head Office is slightly higher for Women.

Our Retail Management Team is almost equally balanced between Male and Female employees. Although we have the same number of Male and Female Store Managers (14 each); we have a greater number of Senior Female Store Managers which would place them in the upper 2 quartiles. Store management in general, although male heavy like Head Office, still shows that the overall average pay for women is slightly higher due to seniority within the business.

Our management team's ratios are broken down in more detail below:

- Head Office Management Team = 16 employees
 - Males = 63%
 - Females = 38%

Within this 50% of our Senior management is female
- Retail Management Team = 81 employees
 - Males = 53%
 - Females = 47%

Other factors which have also contributed to our results in 2019 include:

- Salary budgets reviewed to guarantee salaries are fair and competitive in a struggling retail environment.
- Annual salary increases awarded based on performance over the year, measured through our appraisal system.
- Levelling of Junior Retail Management Salaries.

The above points have all had an impacted on our hourly mean pay rate (£0.03 paid more to men) and median pay rate (£0.34 paid less to men). Although we no longer have a 0% pay gap, we are still incredibly proud that our mean pay gap has had a minimal increase during this challenging year and we remain a fair and inclusive employer.

Bonus

Bonus pay gap statistics are for the 12 months period ending with the snapshot date 5th April 2019 and is based on data provided for 355 relevant employees.

All employees have the potential to earn a Monthly, Seasonal or Annual Bonus. Diesel (London) Ltd currently operates 3 bonus schemes which are dependent on role and seniority within the business. Parameters are based on Sales targets and Global Business objectives which are set by Senior Management for Head Office Wholesale Sales Executives, Head Office Management Teams and all Retail Staff. All other Head Office employees who are not part of a Sales/Objective bonus scheme are part of a discretionary Company Bonus scheme dependant on KPIs being achieved collectively by the business.

The Head Office bonus scheme is split into 2 monetary banding so that all Wholesale Sales Executives and Management Teams have the same bonus earning potential. All Wholesale Sales Executives are on band 1 and Management teams are on band 2. However, the maximum pay-out is dependent on employees achieving their individual set targets and objectives.

The Retail Management bonus scheme ensures all eligible Retail Managers have the same earning potential based on targets being achieved. Our Retail Management team at the time of the report was made up of 43 males and 38 females.

Monthly bonus payments for Retail Sales Advisors and Retail Sales Executives are influenced by their individual/store targets and based on a % of their earnings, as we have a high turn-over of part time sales staff this has an impact on our bonus pay figures.

Out of the 355 relevant employees, 224 Retail employees achieved bonus during the 12 month period prior to the snap shot date which is split as follows; 120 males and 104 females, this includes individuals who achieved their Management Retail bonus during the year. Although the male/female split was almost equal in 2018, the figures for 2019 are to be expected due to our higher male head count. During the snapshot period for 5th April 2019, 120 Retail Sales employees achieved their individual bonus during the month which is split as follows; 62 Males and 58 females which again is to be expected as there were more eligible male retail employees during the period.

Out of a total of 40 Head Office employees, 35 employees received annual bonus during the snap shot period. This is split as follows; 12 males and 23 females.

Due to the increase of Female Head Office bonus earners in 2019 the proportion of men and women receiving bonus has increased over previous years which is impressive considering the challenging

year retail faced. However, the bonus gap across the whole business compared to last year has also increased due in part to the higher male head count and retail turn over during the year. This means individuals used for the snap shot date may not have been employed for the full year, especially during peak trade periods where their ability to achieve bonus targets would increase, so these figures do not accurately represent annual bonus earners.

Our results show that Females earned £111.91 less than Males in bonus, increasing our mean gender bonus gap to 13.4% which is an increase of 17.4% on last year. Our Median Gender bonus gap has also increased since 2018 by 0.03% to 21.6%. Overall our bonus gap results are still below benchmark figures for our industry as shown in the above benchmark figures.

We are delighted that the percentage of men and women who have earned bonus within our business has increased, with a significant rise in females from 60.6% to 74.3% which if compared to the Retail and Wholesale Industry at 56.3% is significantly higher.

What Will Diesel continue to do?

As predicted the reality of the changing climate within the retail and wholesale industry and the struggles we encountered with the high turnover within our retail stores did have an impact on our figures for 2019 but we continued to keep our mean pay gap stable with a slight increase of 0.1% and found our median pay gap reduced to -3.4%.

Due to the continued Global centralisation and restructuring projects, our Head Office headcount continues to decrease, but these changes have had an unexpected result in that the Female population of our business now make up a higher percentage of the upper pay quartile which has resulted in a negative pay gap.

We continue to support and nurture our existing talent pool and where possible promote internally within the business so that employees can develop into more senior positions regardless of gender but based on merit.

During the external recruitment process, in addition to our current practice of having a balanced and diverse set of candidates, it is our intention, where possible for any shortlists to be made up of Male and Females equally to avoid any bias.

In addition to remuneration packages, all employees benefit from in-house and external training to enable them to progress their careers. We also invest in eligible employees to participate in our apprentice schemes to further develop their skills and enable them to become a talent of the future.

We continue to offer workplace flexibility for all, and if the role is not suitable for part time, we will consider any requests to work remotely, or adjust the work day pattern to suit the needs of the individual and the business. This option is available to males as well as females and is not limited to employees who have taken time out for caring responsibilities or for Maternity/Paternity Leave. We encourage this to ensure employees feel able to return to work if they have been on leave but also for the wellbeing of our staff for a healthy work/life balance and to promote engagement.

All benchmark data provided by XpertHR – 09 August 2019

Glossary

Mean - is the average of a set of data

Median - is the middle value of a set of data