

Gender pay gap report 2018

ZARA
UK Limited

Gender pay gap report 2018



The UK government requires all employers with 250 or more employees to disclose their gender pay gap on an annual basis.



What is the Gender Pay Gap?

The Gender Pay Gap measures the difference in the average pay of men and women across the organisation regardless of their role. The Gender Pay Gap is reported as a mean average and median average (mid-point) figure. A Gender Pay Gap exists in most organisations; the current national mean average is 17.1%* signifying that, on average, men are paid 17.1% more than women nationally. Within the retail sector the mean average is 17.6%. The Gender Pay Gap median average is 17.9% nationally and 9.1% within the retail sector.

The Gender Pay Gap is not the same as equal pay. Equal pay focuses on individual roles and is the requirement that men and women are paid the same for carrying out the same or similar work.

* Based on estimates from the Office for National Statistics' Annual Survey of Hours and Earnings 2018.

OUR STATISTICS

| | Mean | Median | Proportion receiving bonus pay | |
|-----------------------|-----------------------------|----------------------------|--------------------------------|---|
| Hourly pay gap | 12.0% (in favour of men) | 2.4% (in favour of men) | Women | 95.0%  |
| Bonus pay gap | 0.9% (in favour of men) | 3.0% (in favour of men) | Men | 92.5%  |

PERCENTAGE OF WOMEN AND MEN IN EACH PAY QUARTILE:

| | Lower | Lower mid | Upper mid | Upper |
|--------------|-------|-----------|-----------|-------|
| Men | 15.1% | 21.0% | 19.1% | 26.2% |
| Women | 84.9% | 79.0% | 80.9% | 73.8% |

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Our figures show that, at 2.4%, our median gender pay gap across all 4,037 employees at Zara UK is significantly lower than the UK median of 17.9% and the median for the retail sector in general of 9.1%. This means that if we put all the women in our organisation in a line in order of their pay and did the same for all the men in our organisation, the pay of the middle woman and middle man is almost equal.

Furthermore, at 12% our mean gender pay gap is much lower than the UK mean of 17.1% and the mean for the retail sector in general of 17.6%. We can also see that slightly more women than men in our organisation are receiving bonus pay. We can see that we have a fairly consistent trend through all our pay quartiles with around three quarters of women in each pay quartile. However, while our statistics fare better than the national and sector averages, we are committed to eliminating the mean pay gap and mean bonus gap completely.

Understanding our data

In order to eliminate the mean average pay gap we need to fully understand the detail behind our statistics. While we have a fairly consistent trend through all our pay quartiles with around three quarters of women in each pay quartile, this proportion is higher

in the lowest pay quartile (where we have 84.9% women) than in the upper pay quartile (where we have 73.8% women). It is this difference that has led to the mean average pay gap, which means that we must continue to work to eliminate the gap.

Moving forward

We are committed to providing an inclusive work environment that empowers all our employees without exception. The principles of inclusiveness and equality of opportunity are embedded throughout our employment policies, including our practices on recruitment and selection, compensation and benefits, promotions, transfers, professional development and training, and all other terms and conditions of employment.

Since 2006 we have supported the EQUAL Community Initiative, which is co-financed by the European Commission together with the Spanish Coordinator of the European Women's Lobby and the Carolina Foundation. This initiative encourages businesses to implement measures for reducing workplace gender inequality while fighting all forms of discrimination within and beyond the labour market.

Our data goes some way to demonstrate that such initiatives are working in practice to guarantee gender equality but it also shows that there is more work to be done.

We will do this by continuing to offer competitive maternity benefits and flexible working schemes to encourage women to return to work and thrive. A special committee continually assesses the effectiveness of our measures and explores new proposals aligned with the evolution of the company and its employees and this will continue to work to understand any gap in order to eliminate it.

We know that this is a long term commitment. We will continue to drive these efforts to make Zara UK an even more inclusive workplace where everyone can reach their full potential.

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The Gender Pay Gap is not the same as equal pay. Equal pay focuses on individual roles and is the requirement that men and women are paid the same for carrying out the same or similar work.

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OUR STATISTICS

| | Mean | Median | Proportion receiving bonus pay | |
|-----------------------|-----------------------------|----------------------------|--------------------------------|---|
| Hourly pay gap | 10.3% (in favour of men) | 1.1% (in favour of men) | Women | 94.9%  |
| Bonus pay gap | 3.7% (in favour of men) | 0.00% | Men | 95.2%  |

PERCENTAGE OF WOMEN AND MEN IN EACH PAY QUARTILE:

| | Lower | Lower mid | Upper mid | Upper |
|--------------|-------|-----------|-----------|-------|
| Men | 18.4% | 21.4% | 21.8% | 24.1% |
| Women | 81.6% | 78.6% | 78.2% | 75.9% |

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Our figures show that, at 1.1%, our median gender pay gap across all 4,245 employees at Zara UK is significantly lower than the UK median of 18.4% and the median for the retail sector in general of 9.3%. This means that if we put all the women in our organisation in a line in order of their pay and did the same for all the men in our organisation, the pay of the middle woman and middle man is almost equal.

Furthermore, at 10.3% our mean gender pay gap is much lower than the UK mean of 17.4% and the mean for the retail sector in general of 16.4%. We can also see that almost equal rates of women and men in our organisation are receiving bonus pay. Crucially, we can see that we have an almost consistent trend through all our pay quartiles with around three quarters of women in each pay quartile. However, while our statistics fare better than the national and sector averages, we are committed to eliminating the mean pay gap and mean bonus gap completely.

Understanding our data

In order to eliminate the mean average pay gap we need to fully understand the detail behind our statistics. While we have a consistent trend through all our pay quartiles with around three quarters of women in each pay quartile, this proportion is slightly

higher in the lowest pay quartile (where we have 81.6% women) than in the upper pay quartile (where we have 75.9% women). It is this difference that has led to the mean average pay gap, which means that we must continue to work to eliminate the gap.

Moving forward

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Our data goes some way to demonstrate that such initiatives are working in practice to guarantee gender equality but it also shows that there is more work to be done.

We will do this by continuing to offer competitive maternity benefits and flexible working schemes to encourage women to return to work and thrive. A special committee continually assesses the effectiveness of our measures and explores new proposals aligned with the evolution of the company and its employees and this will continue to work to understand any gap in order to eliminate it.

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