

THG

Gender Pay Gap Report 2022

Reporting Year: April 2021

Introduction

At THG, we are committed to developing and supporting people regardless of gender, background or education, proactively rewarding those who demonstrate a driven mindset and outstanding ability. We continue to grow and invest into our people, and our recruitment practices focus on the pursuit of first-class talent, irrespective of gender.

We confirm that our data has been calculated in accordance with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations.

What is the Gender Pay Gap?

The Gender Pay Gap (GPG) measures the difference in earnings between men and women, as a calculation of both ordinary (hourly) pay, and bonus. A positive GPG percentage indicates that men are, on average, paid more than women, whilst a negative GPG percentage indicates the opposite.

The report only covers UK employees and is a snapshot taken by all reporting companies on the same date, 5 April 2021.

Understanding THG's GPG

THG's 7000 strong, UK based workforce comprises of talent of all ages and abilities, from apprenticeship level, through to higher earners, from a diverse range of industries, including Manufacturing & Fulfilment, Hospitality & Hotels, Technology and eCommerce.

Our GPG figures report on both the median and mean ordinary and bonus pay. The mean is defined by the difference in average pay for men and women, showing the full range of pay. The median provides a fuller picture of the pay gap as it is not skewed by top and bottom pay range figures.

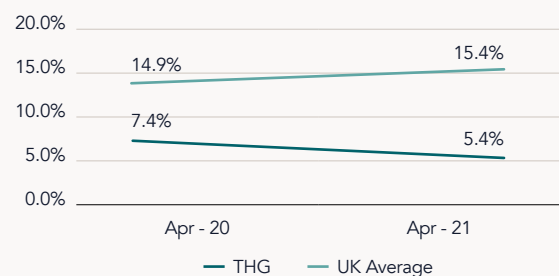
We are pleased to note that our median gender pay gap for ordinary pay has reduced 2% year on year, down to 5.4%, and compares favorably with the UK national average, of 15.4%. We have also seen a reduction in our mean gender pay gap from 17.9% to 15.1%.

In context, this means that women working at THG earn 95p, for every £1 men earn, in comparison to the national average, whereby females earn 92p for every £1 earned by their male counterparts (Office of National Statistics, 2021)

Whilst we have made positive progress across the group, and have seen meaningful improvement in the Upper Middle (-7.5% YoY) and Upper (-8.8% YoY) pay quartiles, we recognise that further changes need to be made, at all levels of the employee lifecycle, in order to further close the gap.

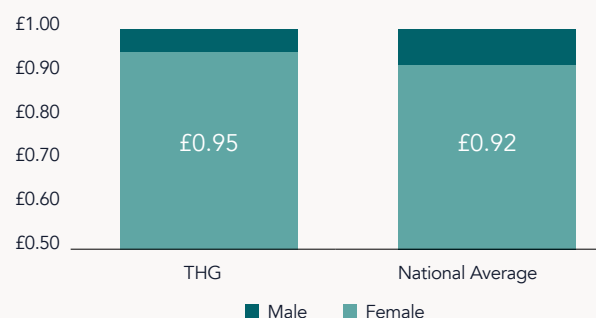
Median Hourly Pay Gap

THG vs UK Average



Hourly Pay Gap

THG vs UK National Average



Furthermore, both metrics are impacted by our investment into highly skilled specialists in the technology sector (consisting of 10% of our UK workforce, of which 80% are male); a sector which is heavily male-dominated and due to intense competition, attracts higher than average salary and bonuses.

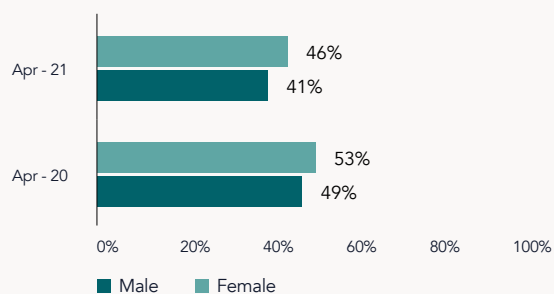
When excluding employees within technology, our median pay gap reduces from 5.4% to 1.8%, and our mean reduces to from 15.1% to 11.3%.

We recognise that our people, underpinned by our meritocratic culture, are at the forefront of our success. Our quarterly performance and bi-annual bonus process helps us to identify and reward top talent, and we're pleased to note that the proportion of men and women receiving a bonus across the Group is once again favorable to women, with 41% of males and 43% of females receiving a financial reward. If we exclude Tech, we see 46% of women receiving bonuses, vs 38% of men.

Gender split receiving a bonus:

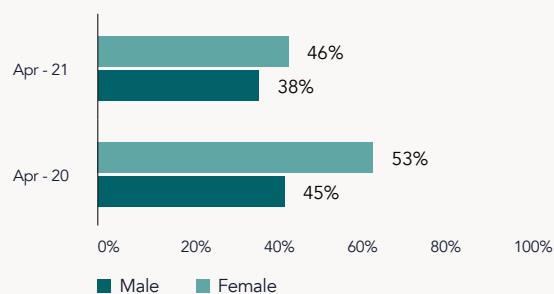
% of Males vs Females Receiving a Bonus

April - 20 vs April - 21



% of Males vs Females Receiving a Bonus (Excl. Tech)

April - 20 vs April - 21



Our Talent

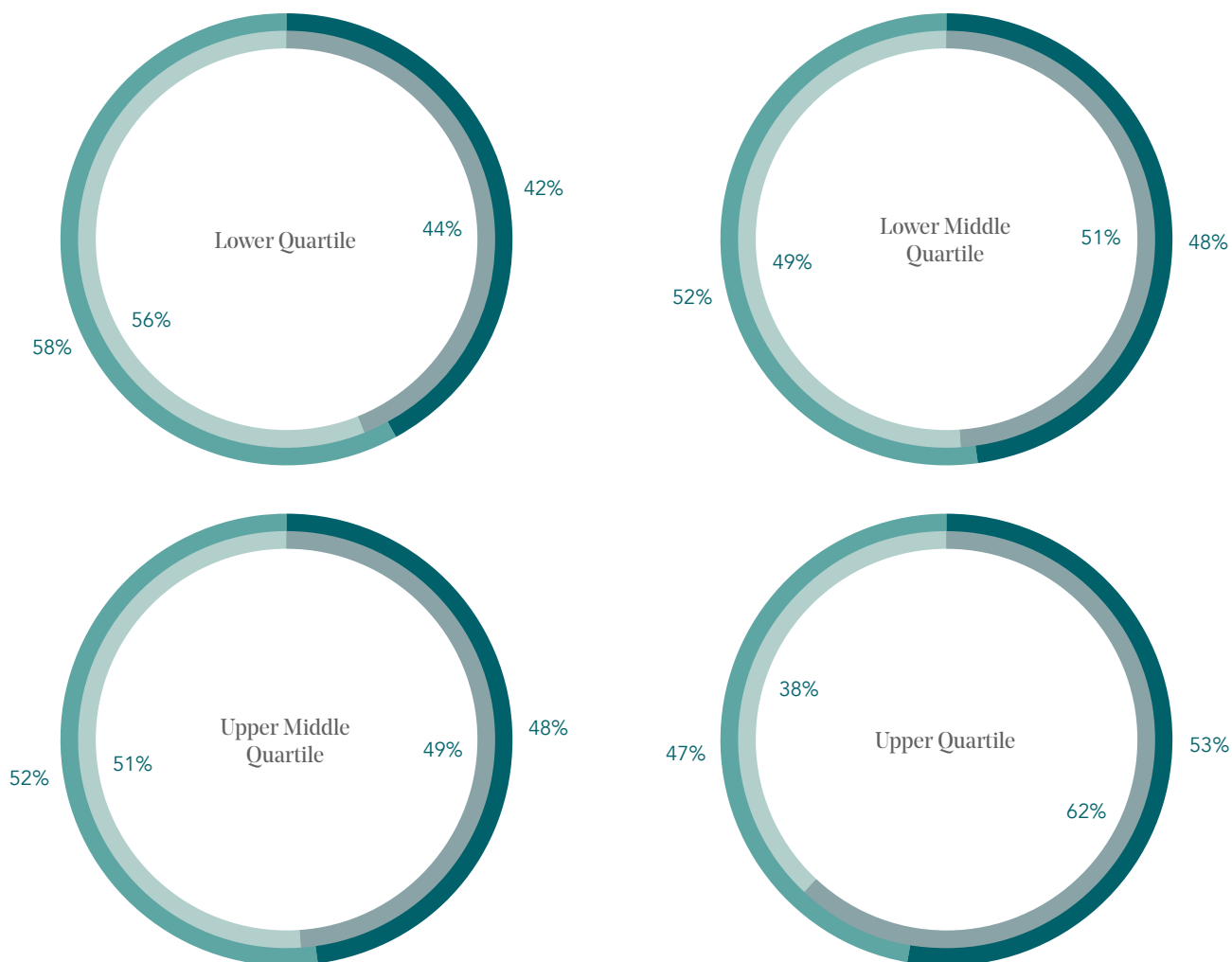
In April 2020 we reported that our UK workforce consisted of 52% men, vs 48% women, and are pleased to confirm a modest improvement for 2021, with 51% male vs 49% female. However, we continue to see over-representation in the lower quartile with 56% female, and under representation within the upper quartile at 38% (an increase of 4% YoY).

When technology roles are excluded, we see increased representation within our UK population of which 52% are female, with women making up 46.7% of upper quartile roles. In recognition of the challenges within the technology sector, in the last 12 months, 45% of our Accelerator Programme intake were female, with us on track to achieve at least a 50% female intake in 2022. In addition to this, we have also been successful in securing and promoting more women into Senior Tech Leadership roles.

Quartile Split by Gender - Group wide vs Excl. Tech:

We are required to report on the following entities under the Equality Act (2010) Gender Pay Gap Regulation 2017.

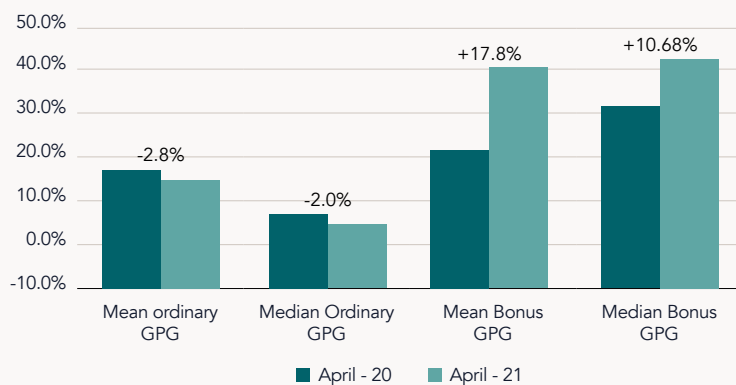
■ Male ■ Female



Group:

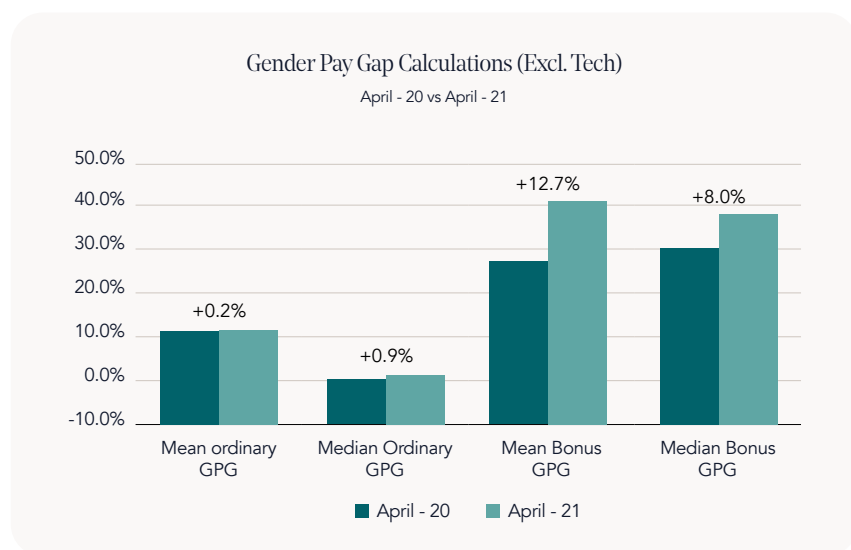
Gender Pay Gap Calculations (Group)

April - 20 vs April - 21



| | April 2020 | April 2021 |
|---------------------|------------|------------|
| Mean ordinary GPG | 17.9% | 15.1% |
| Median ordinary GPG | 7.4% | 5.4% |
| Mean bonus GPG | 22.9% | 40.7% |
| Median bonus GPG | 32.6% | 43.2% |

Excl. Tech:



| | April 2020 | April 2021 |
|---------------------|------------|------------|
| Mean ordinary GPG | 11.1% | 11.3% |
| Median ordinary GPG | 0.9% | 1.8% |
| Mean bonus GPG | 28.6% | 41.3% |
| Median bonus GPG | 30.1% | 38.1% |

Gender Split in each pay quartile:

Percentage of males and females when divided into four groups ordered from lowest to highest pay (where 1st Quartile = Lowest Paid, and 4th Quartile = Highest Paid)

| 1st Quartile (Lower) | | | 2nd Quartile (Lower Middle) | | |
|-----------------------------|------|----------------|-----------------------------|-----|----------------|
| | | vs. Group 2020 | | | vs. Group 2020 |
| Males | 44% | 0% | Males | 51% | 0% |
| Females | 56% | 0% | Females | 49% | 0% |
| Difference | -11% | 1.0% | Difference | 2% | 0.5% |
| 3rd Quartile (Upper Middle) | | | 4th Quartile (Upper) | | |
| | | vs. Group 2020 | | | vs. Group 2020 |
| Males | 49% | -4% | Males | 62% | -4% |
| Females | 51% | 4% | Females | 38% | 4% |
| Difference | -2% | -7.5% | Difference | 24% | -8.8% |

