

THE GENDER PAY GAP AT AIRWAIR INTERNATIONAL LTD

For period ending 5th April 2021

This statement was approved by **Sue Gannon**, Chief
HR Officer at Airwair International Ltd.



SUE GANNON - OUR CHRO



I am thrilled to have joined Dr. Martens as the Chief Human Resources Officer. We are a growing global business that is on a journey to attracting, developing and engaging top talent to deliver our growth ambitions for the future.

Our culture at Dr. Martens is rooted in an ethos of “doing the right thing”. We are committed to cultivating an environment where our people feel included, empowered and equipped to be their best. We strongly believe in a diverse representation of employees that mirror our consumers, and we want to ensure we have an organization that represents all people, including a mix of age, gender, race, ethnicity, or sexual orientation.

More than 60% of our workforce are female. We have women represented at all levels and functions across our business and we continue to be an employer of choice for female talent across the globe. We are disappointed that the pay gap has widened in our 2021 data. Women continue to dominate our retail hourly paid roles, and whilst we recognize the data is now a year old and we’ve made some good progress over the last 12 months, we know there is more work to do. We are focused on improving our representation, engagement and inclusion, and gender pay gaps through the actions of our DE&I strategy and plans.

AIRWAIR INTERNATIONAL LTD



One challenge we face is that a higher proportion of women hold roles in our retail stores and our pay quartiles show we are heavily skewed towards females in the lower pay quartiles. Said another way, more men hold more senior level roles in our head office, which are typically paid higher than in our retail stores. When looking specifically at the pay gaps between women and men, we can see a gap of 17.5% for the median and 27.9% for the mean. It's a challenge we must face up to - by focusing on having more women in higher paid roles, and more men in our retail stores. These are two components of our DE&I strategy.

By 2024, we aim to increase representation of our Global Leadership and Management teams to a 50:50 split. We're on the way to getting there, recently announcing a new female President for the Americas region and a new female Chief Marketing Officer, bringing our Global Leadership Team to 60:40 (excluding our CEO) - highest gender ratio in our history - and making good progress of having more women in highly compensated competitive senior roles, including Digital, IT and Supply Chain.

Dr Martens is committed to positively impacting our current gender pay gap. We are also working to ensure we create the conditions of which women can thrive at Dr Martens, including our plan to introduce a new Global Family Friendly policy aimed at attracting and retaining female talent throughout the stages of their lives and careers.

I look forward to being able to update on our progress against these ambitions in future reports.

The following statement and commentary details our UK gender pay gap results for the 12-month period up to 5th April 2021.

THE GENDER PAY GAP

WHAT IS THE GENDER PAY GAP AND HOW IS IT CALCULATED?

The UK government requires all employers with 250 or more employees to annually disclose their gender pay gap. The gender pay gap is not the same thing as equal pay. Equal Pay relates to men and women performing the same job but being paid differently, whereas the gender pay gap looks across all jobs at all levels within an organisation. Companies are required to disclose the median gender pay gap, and the mean gender pay gap. We calculate the gender pay gap using two methods:

THE MEDIAN

If all of our employees were lined up in a female line and a male line, in order of pay from highest to lowest, the median gender pay gap compares the pay of the female in the middle of the line and the pay of the middle man.

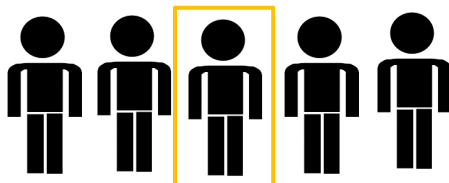
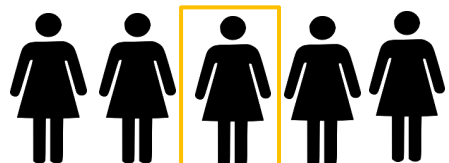
THE MEAN

The mean gender pay gap shows the difference in the average hourly pay rate between men and women in Dr. Martens.

LOWEST PAID

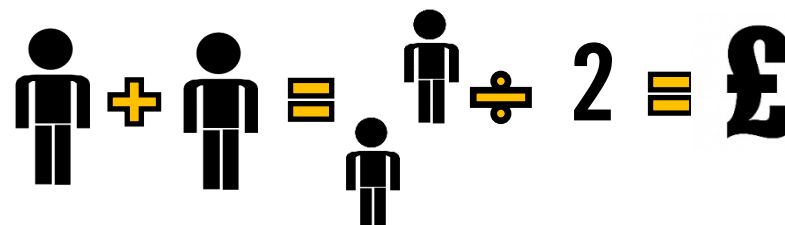
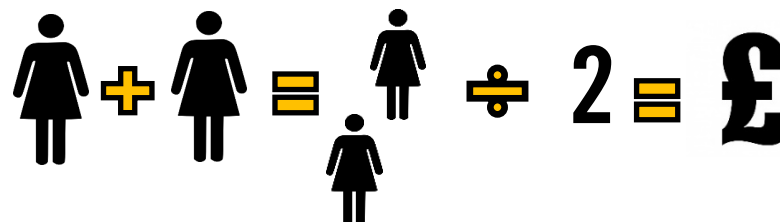
THE MEDIAN

HIGHEST PAID

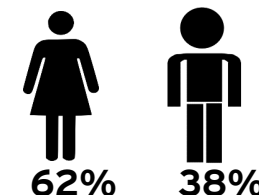


ALL SALARIES

THE MEAN



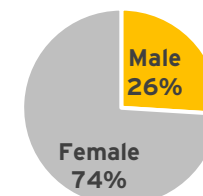
OUR GENDER DEMOGRAPHICS IN THE UK



OUR PAY QUANTILES

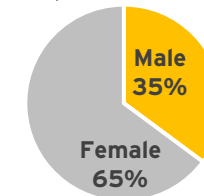
This is the proportion of males and females in each pay quartile, each containing 277 employees. We generally have a greater Female : Male ratio across our business and it is great to see this reflected across all pay quartiles.

QUARTILE 1 (BOTTOM)



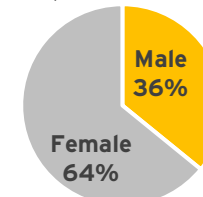
Last Year: F72, M28

QUARTILE 2



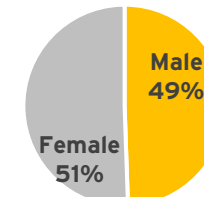
Last Year: F59, M41

QUARTILE 3



Last Year: F63, M37

QUARTILE 4 (TOP)



Last Year: F61, M39

OUR GENDER PAY NUMBERS

OUR PAY GAP IN THE UK

Our **MEDIAN** (middle) gender pay gap is **17.5%** Last year 15.7%

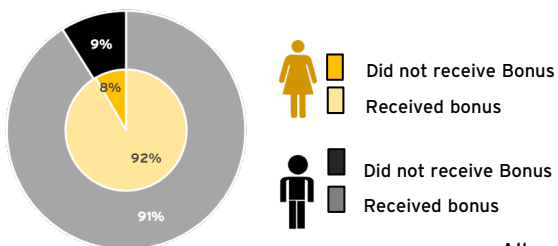
Our **MEAN** (average) gender pay gap is **27.9%** Last year 23.8%

This is compared to the UK national average of 15.4% (median).

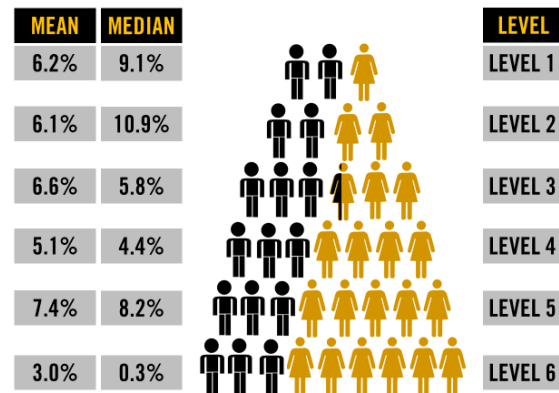
OUR BONUS GAP IN THE UK

Our **MEDIAN** (middle) gender bonus gap is **22.8%** Last year 28.9%

Our **MEAN** (average) gender bonus gap is **58.9%** Last year 57.1%



Women are represented at every level in our organisation, and more than half of the employees in the top pay quartile are female, however there is still a gender imbalance across some of our levels as our gender pyramid (below) shows. We have made progress this year with the gender balance in our management levels (2 & 3) although we recognise there is more we can do to make sure there is a better balance in all levels and areas of our business. Females make up a smaller proportion of our most senior roles and, inevitably, people in more senior positions receive the highest pay. Where men and women are working in similar roles they are paid with parity. When we look at roles of a similar responsibility, we can see that across our internal levels we have a noticeably gap between the average male and average female pay.



Retail employees account for almost 50% of our UK workforce. Typically more women than men are employed in this sector, and an industry where pay rates tend to be lower. We have a higher percentage of female to male employees overall, and this trend is highlighted in our retail stores where over two thirds of our employees are female.

We have also made progress in areas that are traditionally male, for example in our IT Team, where almost 50% of new hires in the past year have been women and in our UK factory, 70% of our new joiners were women.

Our Bonus Gap refers to bonuses paid up to 5th April 2021. This includes any annual management incentives, sales and retail and bonus plans.

Our median Gender Bonus Gap has improved from last year. All employees participate in a bonus scheme either through a global company-wide bonus scheme or an individual or store-specific plan. The continued success of our business resulted in the payment of bonuses across the entire company. While the number has improved, the gap is still significant and does continue to highlight the larger proportion of men in senior roles consequently receiving a higher bonus compared to more women in lower paid roles. This is also driven in part by a stretch bonus plan across some levels of the organisation and for the next year we have addressed this with changes to our bonus structure that allows over achievement at all levels.

All employees are eligible for a bonus. The only employees not receiving a bonus payment are those not eligible for the scheme in that particular period.