



ETHNICITY PAY GAP

APRIL 2021

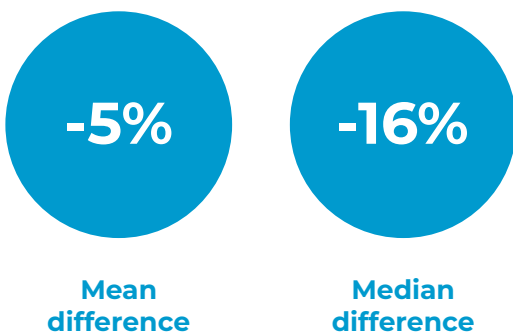
ETHNICITY PAY GAP (APRIL 2021)

This is the first year we're publishing our ethnicity pay gap. It's not a legal requirement, but we want to be truly transparent and lead the way in pay gap reporting. This helps us hold ourselves accountable and create the most inclusive, equal and diverse culture we can.

The report calculates the difference in average pay between white employees and all ethnic minority (AEM) employees within our UK team. It's been calculated using the same method as our gender pay gap in line with UK Government regulations.

As of April 2021, 80% of our employees identified as white, and 20% of our employees identified as AEM.

Analysis of our ethnicity pay gap shows that those identifying as AEM earn more than those identifying as white:



THE DIFFERENCE BETWEEN MEAN AND MEDIAN

Mean is where we find out the average pay for employees identifying as white, and the average pay for employees identifying as AEM, and then we calculate the difference in %.

Median is where we line up all salaries for employees identifying as white, and all salaries for employees identifying as AEM. Then we find the middle salary for each and calculate the difference in %.

WHY DO WE HAVE THIS PAY GAP?

The 80/20 split is not aligned throughout all grades:

More employees identifying as AEM sit within the higher grades

Our lower grades have more employees identifying as white

BONUS PAY GAP

We're a team; we win together, and we lose together. And so, our bonus structure is based on the same principle. Either all eligible staff receive a bonus, or no one does, with the bonus amount being a set figure by pay grade. Everyone in Gymshark plays a role in the results we achieve and the progress we make.

The only condition to eligibility for our bonus structure is start date, so any imbalance in the number of white employees and AEM employees who receive a bonus is simply down to when they joined us.



The reason we have a 2% bonus pay gap, which is much less than our gender pay gap (45%), is because fewer employees identifying as AEM are in lower grade roles.

PAY BY QUARTILES

To calculate our pay quartiles, we start by ranking all employees from highest to lowest paid. Then, we divide our entire payroll into four equal parts (upper, upper middle, lower middle, lower) before working out the percentage of white and AEM employees in each quarter.

	White	AEM
Upper	79%	21%
Upper middle	74%	26%
Lower middle	83%	17%
Lower	86%	14%

FUTURE: A LEVEL PLAYING FIELD

To create the inclusive, equal, and diverse culture we believe in, we need to ensure that all ethnicities are truly represented in every grade and within every business area at Gymshark. We have an ambitious action plan to improve all pay gaps as part of our D&I strategy. Our immediate focus is to:

Introduce diversity targets across all of Gymshark

Work with Gymshark Multi-Cultures, our employee resource group

Continue to monitor and report on our ethnicity pay gap



Dave Parry
Chief People Officer