

GENDER PAY REPORT 2021

WE HELP EVERYONE ENJOY AMAZING TECHNOLOGY

INTRODUCTION

We want Dixons Carphone to be a great place to work, and an inclusive company where all our colleagues play a vital role in delivering our Vision – We Help Everyone Enjoy Amazing Technology.

Through 2019 and into 2020 we made good progress in establishing our Inclusion and Diversity agenda, including our week-long celebration of International Women's Day (IWD) in March 2020 involving colleagues from every corner of our business.

The reporting year drew to a close with the impact of the global pandemic, a situation that quickly escalated from one that had some effect on our supply chain to one that fundamentally changed how many of us live and work.

I was humbled by the speed and skill with which thousands of our colleagues reacted to this crisis in safely helping millions of customers and securing the future of our business.

As we have refocused our strategic efforts through this pandemic, I'm especially proud of how we have reinforced our Values - looking out for each other and coming together as one business.

One year on, as we reflect on our progress, I can genuinely say that while there is always more to be done, our commitment to building a more diverse business, where everyone feels they belong and has the opportunity to contribute to our success, has never been stronger.

We Win Together.

Alex Baldock

I have been delighted to see our Inclusion and Diversity journey gain real traction across our business in the past year.

As a firm believer that companies can only make lasting progress on driving Inclusion and Diversity when it is owned and driven by business leaders and colleagues, it has been heartening to see continued engagement from across our whole business despite the challenges of the pandemic.

Comparing our gender pay gap data year on year is challenging due to the fact a large proportion of our colleague base was furloughed in the April reporting period.

That said, I am pleased that our comparative median pay and bonus gaps, which were already well below the ONS data* and the UK average for all companies reporting in the previous year**, continue to close.

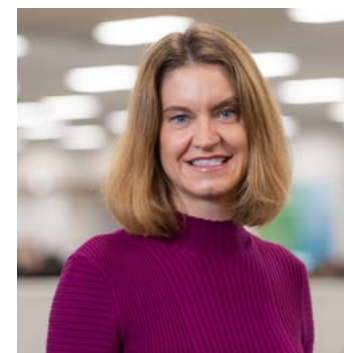
However, there's always room for improvement and we continue to move forward with our Inclusion and Diversity strategy at pace.

While our efforts to date have been focused on wider inclusion and establishing a baseline of education and awareness across the business, we are currently investing in partnerships, programs, tools and resources to support our female talent in the coming 12 months on which I look forward to sharing progress in our next report.

Paula Coughlan



Alex Baldock
Group Chief Executive



Paula Coughlan
Chief People Officer

*Office for National Statistics (ONS) Gender Pay Gap in the UK 2020 = 15.5%

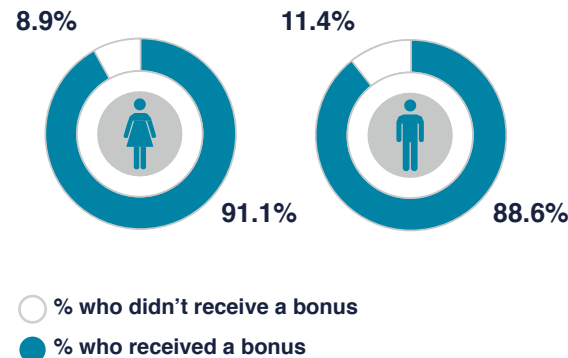
** Based on 6009 companies reporting on the Gov.uk website for April 19-20: average median pay gap = 15.9% compared to our 4.6%, average median bonus gap = 32.3% compared to our 24.3%.

DIXONS CARPHONE RESULTS

We continue to progress towards a single unified company following our merger in 2014. However, we still currently exist as two separate legal entities and so are required to report our results as DSG Retail Ltd and The Carphone Warehouse Ltd. Our results as a combined company are shown on this page.

GENDER PAY & BONUS GAP

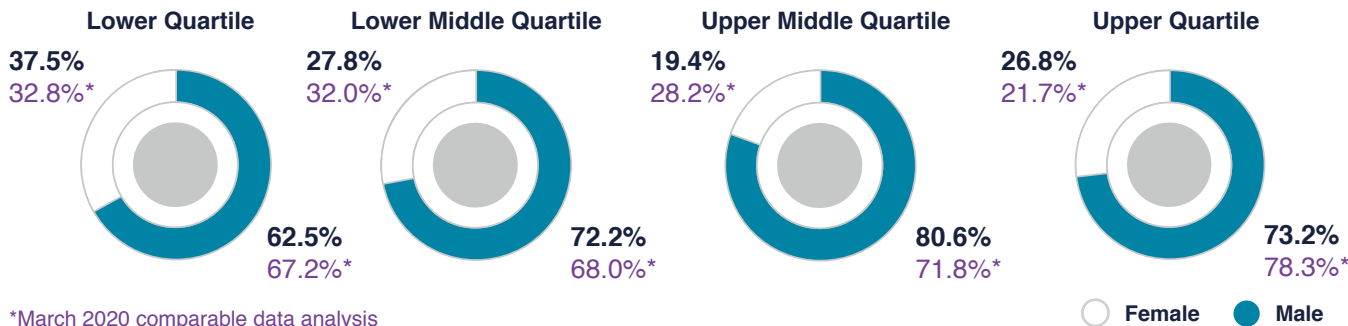
Difference between men and women	April 2020 Mean (average)	April 2019	April 2020 Median (mid point)	April 2019
Gender Pay Gap	4.8%	5.6%	11.7%	4.6%
March 2020 Gender Pay Gap analysis	6.2%*	5.6%	3.4%*	4.6%
Gender Bonus Gap	25.7%	24.4%	22.9%	24.3%
Adjusted Bonus Gap (FTE)	5.8%		3.7%	



*March 2020 comparable data analysis

PAY QUARTILES

These charts show our gender pay results as a percentage of men and women arranged into four quartile bands.



*March 2020 comparable data analysis

OUR RESULTS EXPLAINED

The pandemic impacts on our reportable pay gap data:

April 2020 is an unrepresentative pay month for Dixons Carphone because 60% of our workforce, predominantly store colleagues who are in the lower pay quartiles, were placed on furlough leave and were therefore excluded from our pay gap analysis. This raised the median pay point for both men and women.

More males than females were furloughed in our lowest pay bands (84% v 79%) leaving an increased proportion of females in the lowest pay quartile. This meant that the median pay point increased more for men, raising the median pay gap to 11.7%, compared to 4.6% in April 2019. Our mean pay gap reduced however as senior leaders, who are in the upper pay quartile, took pay reductions of 10%-20% during the same period. As we have more men in the upper quartiles, this resulted in a lower mean pay gap of 4.8%, compared to 5.6% in April 2019.

The March 2020 pay period gives a more representative view:

Analysis of our March 2020 pay data (shown in purple on the charts) shows minimal movement in our pay gap. There is an improvement of 1.2% in the median gap (from 4.6% to 3.4%). The main driver for this is a year on year increase in the proportion of women in the upper middle pay quartile (25.7% in April 2019 compared to 28.2% in March 2020). The mean pay gap has a minimal increase of 0.6% (from 5.6% to 6.2%).

Pay quartiles are also impacted by furlough. The exclusion of predominantly store colleagues from the analysis skews the data in the lower and middle quartiles, leading to an inflated proportion of women in the lower quartile and a deflated proportion in the lower middle and upper middle quartiles.

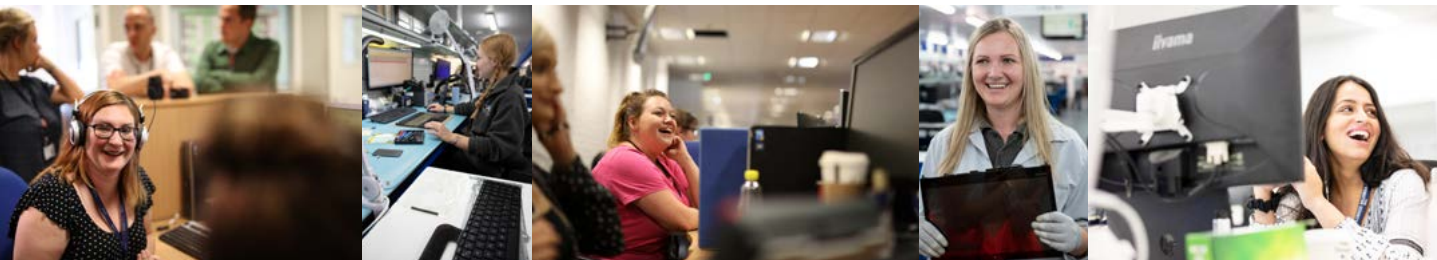
More colleagues received a bonus overall, and proportionately more women:

Bonus Gap figures were not affected by furlough as all employees are included in these figures. The percentage of colleagues receiving a bonus in the reporting period to April 2020 increased due to improved business performance meaning we paid bonus to our Corporate and Supply Chain colleagues, where these teams had not been eligible for bonus during the previous reporting period to April 2019. Overall, proportionately more women than men received a bonus.

The bonus gap is driven by the impact of more women working part time:

Year on year the median Gender Bonus Gap decreased from 24.3% to 22.9%, while the mean increased slightly from 24.4% to 25.7%. This increase is due to Corporate and Supply Chain colleagues (where we have a higher representation of males in upper quartile) being paid bonus in this reporting period.

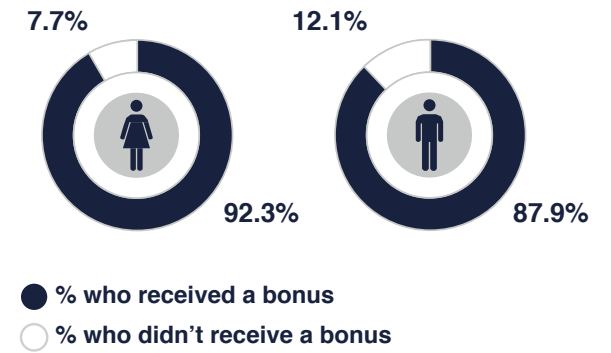
The Gender Bonus Gap calculation, as per guidance, is not adjusted to reflect part-time earnings. While we have a higher proportion of women than men earning a bonus overall, the potential amount of bonus earnings is lower for women on average because 64% of all women across our organisation work part time compared to 48% of all men. When we re-calculate the median bonus earned per hour worked for part time colleagues to a full time equivalent, which we view as a more positive indicator of a like-for-like comparison, our adjusted median bonus gap is only 3.7%, broadly in line with our pay gaps.



GENDER PAY & BONUS GAP

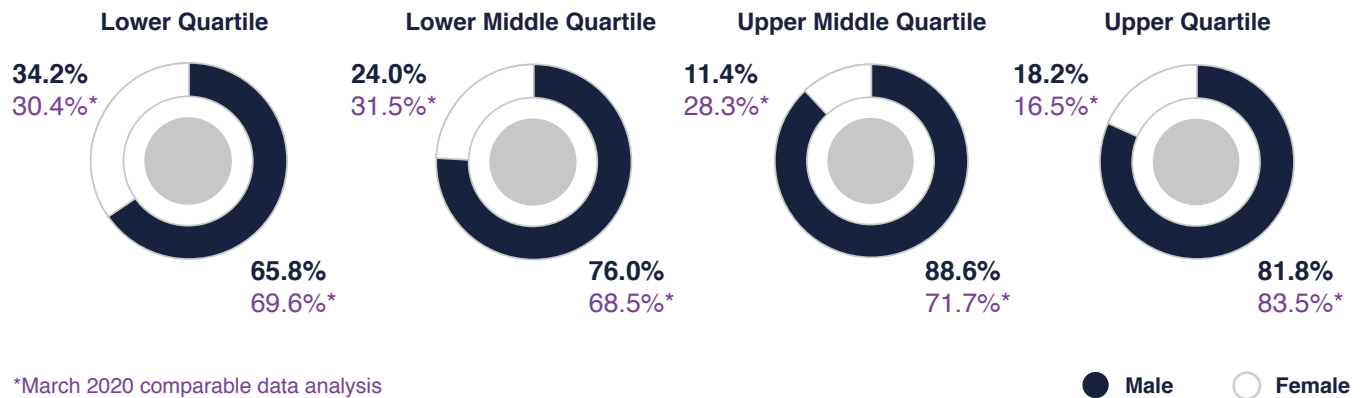
Difference between men and women	Mean (average)	Median (mid point)
Gender Pay Gap (April 2020)	6.1%	14.2%
March 2020 Gender Pay Gap analysis	8.9%*	2.6%*
Gender Bonus Gap	24.7%	26.1%

*March 2020 comparable data analysis



PAY QUARTILES

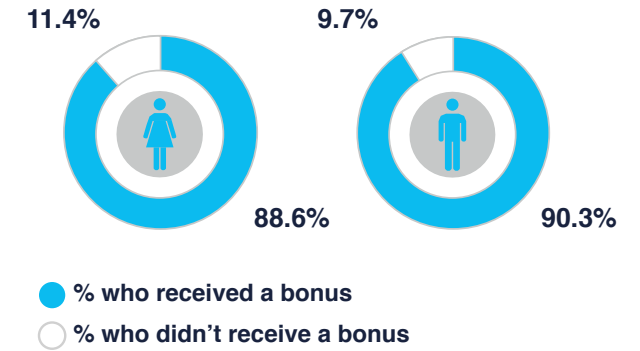
These charts show our gender pay results as a percentage of men and women employees arranged into four quartile bands.



GENDER PAY & BONUS GAP

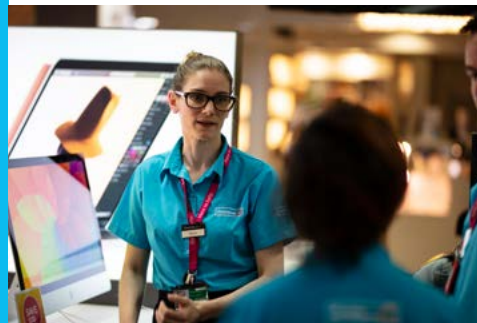
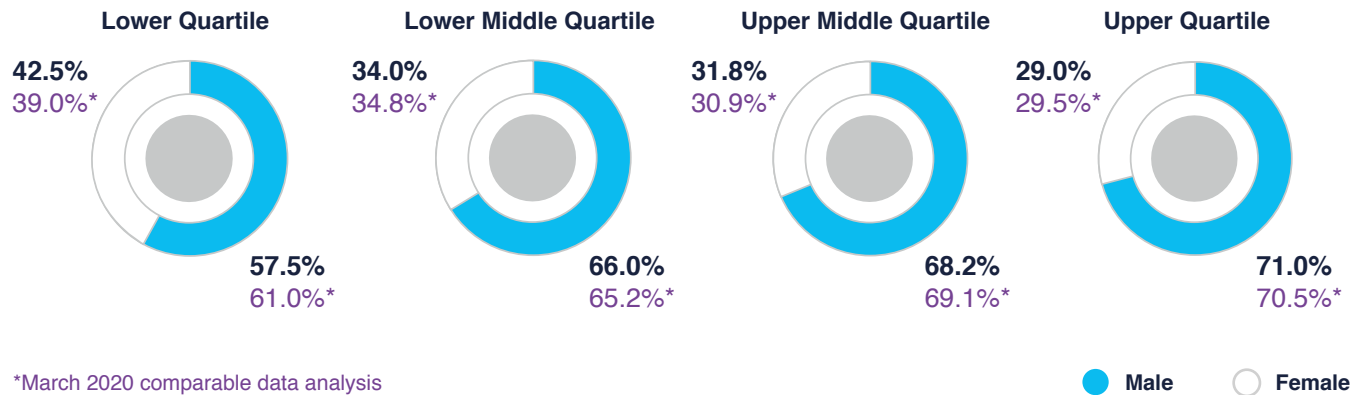
Difference between men and women	Mean (average)	Median (mid point)
Gender Pay Gap (April 2020)	8.8%	10.7%
March 2020 Gender Pay Gap analysis	6.9%*	5.3%*
Gender Bonus Gap	34.0%	24.1%

*March 2020 comparable data analysis



PAY QUARTILES

These charts show our gender pay results as a percentage of men and women employees arranged into four quartile bands.



INTRODUCING OUR INCLUSION AND DIVERSITY STRATEGY AND AMBITIONS

Grounded in our company vision and values, we have deliberately taken a broad approach to Inclusion and Diversity in shaping our new strategy and ambitions which we communicated to our business during 2020.

OUR STRATEGY

Reflect and serve our diverse customer base.

Our customers' diverse needs and perspectives are front of mind. We aim to reflect the diversity of our customers and the communities we serve at all levels of the organisation through our colleagues.

Celebrate and value the diversity of our colleagues.

The diversity of our colleagues is celebrated, valued and respected in our open minded and inclusive culture. Everyone can be their best and own their part in the company's success, working effectively as part of a team through our shared values.

Build an inclusive workplace.

We build an inclusive workplace, from our senior leaders championing inclusion and diversity, to our people managers building and growing their diverse teams, and to ensuring policies and process are free from bias and do not exclude.



We are Dixons Carphone: Diverse colleagues and customers alike.

Excited by our Vision and united by our shared Values, we enjoy being part of an inclusive company where everyone belongs, and diversity is our strength.

OUR AMBITIONS

To best represent the diversity of our customers and wider society throughout our workforce.

- Three priority focus areas have been identified to accelerate progress: gender; race, and generational equality and diversity.
- While raising awareness and establishing a baseline on wider diversity dimensions (disability, LGBTQ+, religion etc).

To improve the capability, confidence and commitment of all leaders and colleagues to create an inclusive culture.

- Through leadership interventions, building of people management skills, and key communications/ engagement with colleagues across all diverse groups

To be recognised internally and externally as a diverse and inclusive employer.

- Through external benchmarking, celebrating diversity internally, and external recognition.

2020 HIGHLIGHTS

With a clear Inclusion and Diversity (I&D) Strategy defined, the focus for 2020 was to invest in some key partnerships and make tangible public commitments to drive progress in our three primary focus areas: gender, race and generational equality and diversity. In doing this, we proactively engaged our diverse colleague base across the business, while tapping into the passion and commitment of our leaders in driving an inclusive workplace.

ENGAGING WITH OUR COLLEAGUES

International Women's Day (March 2020)

We used International Women's Day as a platform to celebrate the many talented women we already have working for us and to reaffirm our commitment to improving gender balance moving forwards.



We invested in a week of communications and activities including a virtual 'Fireside Chat' with our Group Chief Executive, Alex Baldock and Lindsay Haselhurst, our recently appointed female Chief Supply Chain Officer, a 'Career Series' profiling 15 senior women from across our business, blog posts from our Executive Committee members, a panel discussion hosted by our HQ Diversity Network, and the sharing of many stories and videos on our internal social channel, Workplace.

Celebrating Moments that Matter (ongoing)

Throughout the year we have continued to engage colleagues in dialogue and raise awareness of different aspects of inclusion and diversity, by marking important moments that matter including LGBTQ History Month, Pride Month, Mental Health Awareness Week, Ramadan, Diwali International Men's Day, International Day for Persons with Disabilities, and Hanukkah

National Inclusion Week (September 2020)

We recognised National Inclusion Week across our business with a focus on sharing colleague stories of everyday inclusion, creating a virtual chain of inclusion across the business with hundreds of videos and posts shared by colleagues across our internal social channels.



During the week we also ran a series of virtual seminars on topics including Unconscious Bias, How to Talk About Race and a Q&A session with our CEO and Chief Supply Chain Officer.

Virtual Peak Conference

The pandemic led to our annual conference being held virtually this year, meaning we could open out to a wider audience across the business. Inclusion and Diversity featured as one of our focused 'Discovery Zones' and was one of the most visited virtual zones during the event.

LEADERSHIP COMMITMENT

The Leadership Inclusion Forum

In September 2020, we launched our Leadership Inclusion Forum. Chaired by our CEO, with a member of our PLC Board attending as board advisor, and made up of 14 leadership representatives from across our business, the forum is meeting quarterly to help shape, guide and champion the delivery of our I&D strategy.

A Focus on Inclusive Leadership

As part of our ongoing investment in building leadership capability across the company, in late autumn we ran a series of Inclusive Leadership Workshops with our Executive Committee and Group Leadership team focused on the important role leaders play in making meaningful progress on driving inclusion from the front. These workshops are being extended to our senior and middle managers during 2021.

INVESTING IN KEY PARTNERSHIPS

Business in The Community – the Prince's Responsible Business Network

To support our efforts to become a more diverse and inclusive employer we have joined forces with **Business in The Community** (BiTC). With a wealth of experience, resources and networks at their fingertips, BiTC are helping bring to life our three strategic focus areas; gender; race, and generational equality and diversity.

The Race at Work Charter

As part of this partnership we were proud to become a signatory of the **Race at Work Charter**, joining the ranks of many other leading **organisations** in taking tangible action against the five commitments of the charter. We were also pleased to announce the appointment of our internal Race at Work Champion as one of our PLC Board Non Executive Directors, Eileen Burbidge, who also joins our Leadership Inclusion Forum in the role of Board Advisor.



Looking forwards

As we move into 2021, we plan to continue our investment in supporting and growing our diverse colleague base, with two pilot programmes in the pipeline focused on female talent, supporting an emerging LGBTQ+ colleague network, and partnering with some additional NGOs on disability/accessibility and LGBTQ+ inclusion. All of these efforts will continue to be shaped and championed by our Leadership Inclusion Forum.

GENDER PAY GAP EXPLAINED

GENDER PAY GAP REPORTING REQUIREMENTS

- All companies with 250 or more employees are now required to publish their gender pay gap under new legislation that came into force in April 2017.
- Employers are required to publish the gap in pay between men and women on both a median basis and a mean basis. In addition, employers are required to disclose the distribution of gender by pay quartile – four groups split and grouped around pay bands, indicating the proportion of men and women in each quartile.
- Employers are required to publish the gender bonus gap between men and women, calculated over a 12 month period. Employers must publish both median and mean pay results.
- Employers are also required to disclose percentages of staff receiving bonuses by gender.

IMPORTANT NOTE:

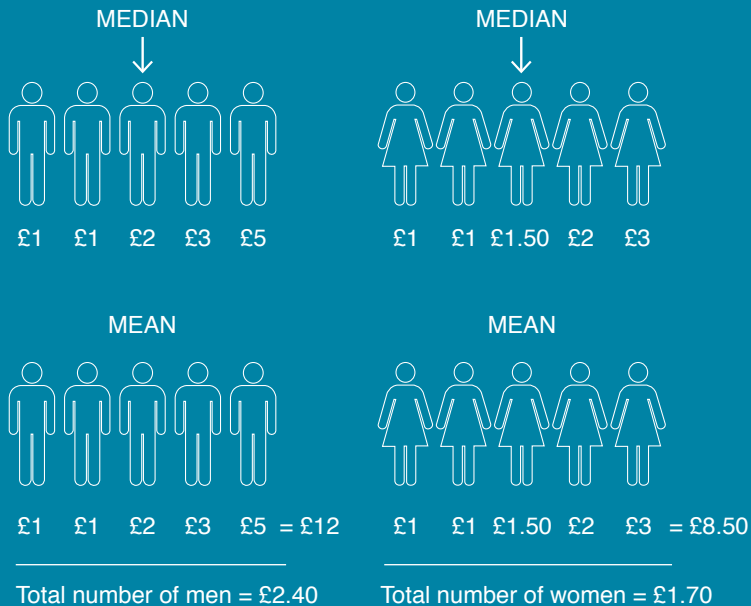
The gender pay gap is the difference between what men typically earn in an organisation compared to what women earn, irrespective of their role or seniority. It is not a measure of Equal Pay – e.g. individual level pay between men and women performing the same or like work or work that has been rated of equal value.*

GENDER PAY GAP

This is the difference between the hourly rate of pay of men and women, expressed as a percentage of the men's hourly pay rate. The gender pay gap is reported on both a mean (average) and median (mid-point on a distribution) basis.

MEAN VS. MEDIAN

The reporting requirements use both the median and the mean to capture different views of pay distribution across the business. The mean is an average and can be distorted by even a small number of extremes and measures both high and low. The median is the mid-point and is not affected by these extremes. This can be seen in the example below.



HELPFUL LINKS

- [Dixons Carphone 2019/20 annual report Business in the Community](#)
- [Race at Work Charter](#)
- [ONS Gender Pay Gap in the UK 2020](#)
- [Gov.UK Gender Pay Gap Service: April 19-20 data](#)

This report shows our gender pay gap and gender bonus pay gap for both DSG Retail Ltd and The Carphone Warehouse Ltd, as well as showing the results across the combined total company. It has been conducted across 26,095 colleagues.

I confirm that the data in this report is accurate.

Paula Coughlan
Chief People Officer

* source: Mercer - What the difference is between 'Gender Pay Gap' and 'Equal Pay'