



GENDER PAY STATEMENT

INTRODUCTION

At The Dune Group, we are committed to employing the very best people. We recruit according to a commitment to the company's vision and values, and irrespective of gender.

We work very hard to promote an inclusive and diverse culture that encourages everyone to reach their full potential; the focus being on developing skills and gaining experience that supports a long and fulfilling career with us.

We employ 1,842 people across our business in retail stores, a distribution centre and at head office. 85% of all employees are women; with 48% of our senior leadership team and 40% of our directors being women.

The gender pay gap described in this report is primarily a result of an over-representation of women within our store teams where rates of pay tend to be lower than within our head office functions where female staff are under-represented. We offer several flexible working options with 68% of all women employed working part-time against 38% of our male employees.

The following report on gender pay at The Dune Group is presented to show the statutory data covering all our UK employees who are contracted to either Dune Group Limited or Dune International Limited. We believe that the

statistics outlined within this report provide valuable insight into the composition of our teams and help us as we continue to strive for even greater inclusivity and diversity.

We will not be complacent in ensuring equality is consistently practiced across our business and monitoring our gender pay gap helps us focus on one aspect of this. We are committed to ensuring we continue to offer equal opportunities for male and female applicants and employees at The Dune Group. Our current recruitment, progression, performance, learning and development, reward and benefit policies and practices are not gender biased, and we will continue to ensure they remain fair and equitable.

I confirm that the data contained in this report is accurate.



James Cox
CEO, The Dune Group

WHAT IS THE GENDER PAY GAP?

A gender pay gap is a measure of the difference in the average pay of all men against the average pay of all women, regardless of the nature of their work, across the entire business.

It is different from an equal pay comparison, which would compare the pay of two people or groups of people carrying out the same, similar or equivalent work.

MEASURING THE GENDER PAY GAP

Calculations of both the mean and median gender pay, and of quartile pay bands, are based on data from April 2017 only. Ordinary pay covers contracted hourly rates of pay including pay for leave and shift premiums.

The mean gender pay gap is calculated by adding up the hourly rates of ordinary pay for all employees in a list and dividing the total by the number of people in the list.

The median gender pay gap is calculated by creating a list of all female employees, and a list of all male employees, in order of hourly rates of ordinary pay from highest to lowest. The median gap is the difference in hourly rates of ordinary pay of the female in the middle of her list when compared to the hourly rates of ordinary pay of the man in the middle of his list.

The mean and median figures in relation to bonus pay cover the year up until 5th April 2017. Bonus pay includes any additional pay relating to performance when in the form of money or vouchers.

Pay quartiles are calculated by listing the hourly rates of pay for each employee across the business from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each.

OUR RESULTS

■ Women ■ Men

Hourly Rate:

Women's Mean Rate: **33.2%** ↓

Women's Median Rate: **8.0%** ↓

Bonus Pay:

Women's Mean Rate: **86.1%** ↓

Women's Median Rate: **4.1%** ↓

Who Received Bonus Pay:

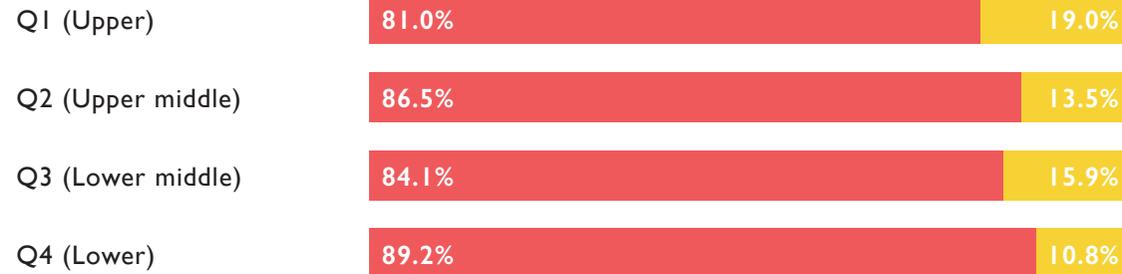
61.5%

43.9%

OUR RESULTS CONTINUED

■ Women ■ Men

Pay Quartiles:



UNDERSTANDING OUR PAY GAP

- 85% of all employees are female, however women are over-represented in lower paid roles
- We have proportionately fewer women working in head office and logistics functions which typically attract higher rates of pay
- Our bonus schemes are designed to be gender neutral
- The higher proportion of women working flexibly means that in aggregate women earn smaller bonuses by value
- A deferred bonus payment to directors relating to the year ending January 2015 has a considerable impact on the mean bonus pay gap since a majority of the beneficiaries were men

It is important to highlight that the Gender Pay Gap does not measure Pay Equality, which concerns whether men and women receive equal pay for equivalent work or roles. At The Dune Group, we believe that there should be no differences in pay between genders performing equivalent roles. For this reason, we have clear pay structures in place within our buying and merchandising teams in head office and across our store and distribution centre teams. These pay structures have no link to gender, and are benchmarked and reviewed annually to ensure they remain competitive.