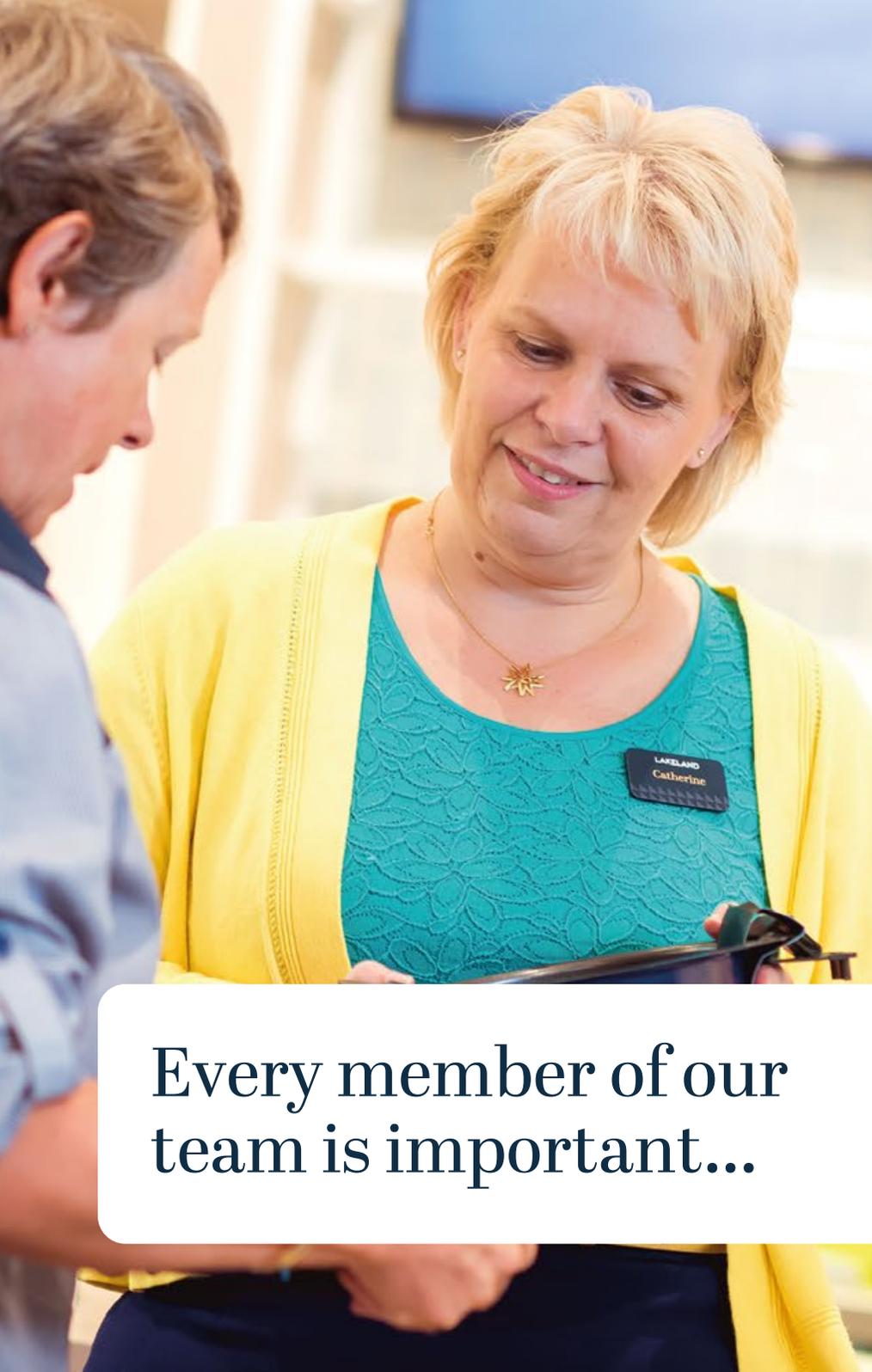


LAKELAND



Gender Pay Gap Report 2018



Every member of our team is important...

Introduction

With over 50 years' experience of specialising in all things cooking and baking, and as experts in innovative cleaning and laundry solutions for the home, we recognise it is the commitment and dedication of our colleagues across the business, alongside the values that we hold dear to our heart, that make Lakeland so special. Trust, service, quality and innovation... they really are much more than just words... this is our essence.

We cherish our essence and our success is founded on our people. Every member of our team is important to us. Our colleagues are at the heart of what makes Lakeland great, and we are committed to the equal treatment of everyone.

As an employer with a 1400-strong workforce, we have prepared our annual Gender Pay Gap report for 2018 to meet the requirements set out by the government to address the gender pay gap.

The good news is that we have made a 2.2% improvement in our mean average gender pay gap results this year, but we are by no means complacent. The challenge of the gender pay gap still remains, and we know we have more to do, but I am confident about the plans we are putting in place to ensure we continue to reduce our gap further. The reality is that there are no quick fixes, but as a business we are committed to making positive, proactive changes.

By analysing our data, we are confident that, as last year, our 2018 gender pay gap is not caused by men and women being paid differently to do the same job, but from the structure of our workforce and the proportion of males in very senior roles. As with most retailers, we have a high proportion of females in front-line roles. In fact, our gender split across the business is currently 80% female to 20% male.

So what are we doing in 2019 to make a difference?

- ▶ We will continue to focus on ensuring we have an equitable pay and grading structure across the business.
- ▶ We're promoting our flexible working job-share opportunities to all colleagues and we will formalise this in our recruitment policy.
- ▶ When it comes to recruitment, we now have a policy to ensure we use gender-balanced panels for interviews to avoid unconscious bias for senior recruitment.
- ▶ We're developing our leadership team, giving both men and women equal opportunities to grow at Lakeland.
- ▶ As in 2018, we will continue to listen to colleagues through annual and pulse surveys and act on feedback where possible.

It is our hope that this document will help set out our data in the clearest way possible.

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

Catherine Nunn
Chief Executive

Catherine Nunn



We are all working together...

What's the difference between Equal Pay and the Gender Pay Gap?

When reading this report, it's important to understand the difference between equal pay and the gender pay gap.

Equal pay deals with the pay differences between men and women who carry out the **same** work, **similar** work, or work of **equal value**.

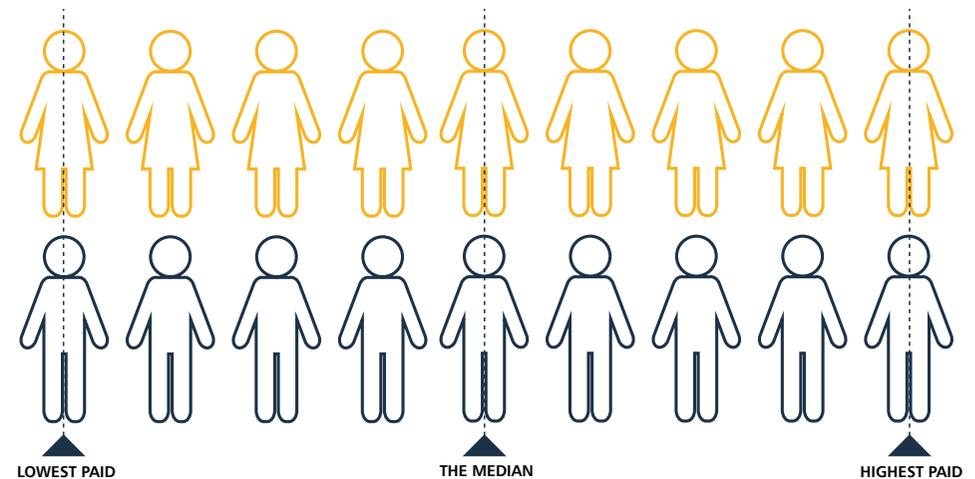
The gender pay gap looks at the **difference between** male and female colleagues' average hourly pay across the whole organisation. It is this difference that creates the pay gap.

WHAT IS THE MEAN?

The mean figure is reached by adding up all the hourly rates and dividing by the total number of employees to achieve an average difference between male and female pay rate.

WHAT IS THE MEDIAN?

The median figure is reached by gathering all of the hourly rates in order and selecting the middle figure. The median gap is reached by calculating the difference between the male and female pay rate.





Creating a better gender balance...

Our 2018 Gender and Bonus Pay Gap

This data is based on the snapshot date of 5 April 2018. The table below shows the 2018 overall gender pay gap and the gender bonus gap (both mean and median).

The difference between men and women	Mean	Median
Gender Pay Gap	33.2%	4.9%
Gender Bonus Gap	54.3%	37.5%

On average, men were paid 33.2% more than women in April 2018, which represents an improvement of 2.2% on our 2017 results. The median gender pay gap in the same period was 4.9% and provides a more representative pay gap position at Lakeland, and positively, is a reduction of 0.7% versus 2017.

In 2017, bonuses were paid to only a small number of colleagues, however in 2018, due to business performance, a bonus was paid to all eligible colleagues at all levels.

The statutory bonus calculation is based on a bonus earnings comparison, and not on the full-time equivalent contracted hours.

Our team is representative of many organisations in the retail sector in that we employ more women than men as a whole, and more women than men in our stores and contact centre. Proportionally, we have more men in our fourth quartile (including the owners) which can impact the results.

At board level, we have a ratio of 3 women to 8 men (this includes the owners of Lakeland - Sam, Martin and Julian Rayner), so although we have a more gender-balanced representation in executive positions this also drives some of our gender pay gap results in the fourth quartile.

If the pay of the Lakeland board is removed from the calculations, our overall mean gender pay gap reduces to 13.4%.

2018 proportion of male and female employees receiving a bonus	Women	Men
Received a bonus	89.7%	83.7%
Did not receive a bonus	10.3%	16.3%

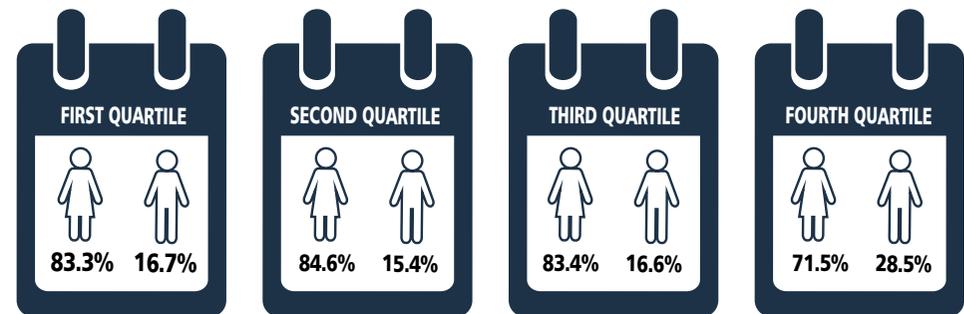


We are committed to closing the gap...

2018 proportion of males and females in each pay quartile

WHAT IS A QUARTILE?

A quartile is created by listing all the rates of pay at Lakeland, from the lowest to the highest. The list is then split into four equal groups and shows the percentage of male and female colleagues in each quartile.



Pay Quartile	Mean Gender Pay Gap
First Quartile	-1.9%
Second Quartile	-0.4%
Third Quartile	1.6%
Fourth Quartile	39.9%

When looking at the 2018 gender pay gap by quartile this shows that the pay differential is slightly in favour of women in the first two quartiles, slightly in favour of men in the third and substantially in favour of men in the fourth quartile.

In our fourth/top quartile the proportion of men, typically in senior roles, including the board, is higher than in the other quartiles at 28.5%. In 2018, our board composition was 73% male (including 3 family owners) and 27% female.



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