

# Gender Pay Gap Report



# Introduction



**Kate Hobhouse**  
Chairman

As a business that has been around for over 300 years, Fortnum's has seen great change. It has stood through the poignant moments in history – from women's right to vote, to the first female prime minister and it has witnessed the subtle changes in society's attitudes and behaviours. Throughout, Fortnum's has evolved to remain relevant to the customers and community it serves.

Over the last few years, we have seen a greater emphasis on equality, diversity and inclusion from governments, society and the media. Building a business that values difference, and in which people feel they belong and can thrive, has always been important to me. As a company that employs over a thousand people globally, it is our responsibility to provide everyone with the same opportunities to succeed.

Having reported our gender pay gap for five years now, it is reassuring to see that these beliefs and desires have translated to a relatively small gender pay gap each year.

Gender equality has always been important to me; ensuring that our teams, regardless of gender, are paid fairly for the same role. Our workforce is made up of 53% female and 47% male, which is largely reflective of the UK population. I am proud to have so many inspiring female senior leaders at Fortnum's: 72% of those at leadership level, just below the Executive team, are women. There have been huge efforts to reach into new communities to support the female talent of tomorrow, to understand our female colleagues' experiences better, and provide them with the support they need to excel.

However, it is not just what we do within Fortnum's to invoke change that matters, it is the role we play in facilitating conversations, celebrating women in the industry and fostering future talent. In the spring of 2023, we flung open the doors of our Food & Drink Studio at 181 Piccadilly and have since hosted 37 female chefs in the space.

Our impact will be greatest if we work with others to drive change. This year we teamed up with Diversity in Retail and WiHTL (Women in Hospitality, Travel and Leisure) to join like-minded businesses in sharing best practice. In doing so we have gained expertise and experience and a wealth of resources which help us challenge our thinking and inform our initiatives.

Equally, kindness and empathy are so important in a world that is experiencing so much change. Our Belonging Network and Family Network play a vital role in creating a community for our teams, providing a space for education, celebration and connection.

I am pleased with the great progress that has been made in the last year. Not only have we broadened our connections with other businesses to drive change, but we have really celebrated women in our industry and created more interventions to support women in their current and future careers.

March 2024



"I truly believe that greater diversity makes for happier, more engaged and more effective teams and it is imperative that we continue to find and address any barriers to development and progression. I am encouraged by the fact there are so many women in our Management Group; at this level within Fortnum's, women currently outnumber the men in the room. At the start of this year, I took on the role of Executive Sponsor for Inclusion and Diversity and part of this important responsibility is chairing our Belonging Network meetings. I have been so impressed by the passion of this group of employees from across our business; I learn something at each discussion and am excited by the conversations happening and the ways we are challenging ourselves to ensure everyone here feels a sense of belonging."

**Tom Athron**, Chief Executive Officer

# Measuring the gender pay gap

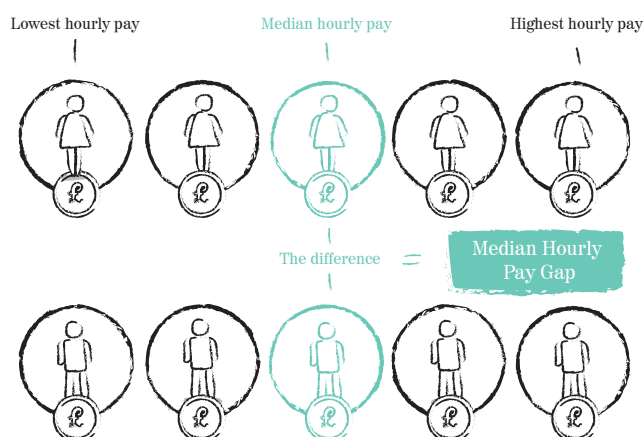


The gender pay gap shows the difference in average pay between women and men. This is different to equal pay which relates to the pay women and men receive for the same role or work. All companies with over 250 employees within the UK must report their gender pay gap, across four categories:

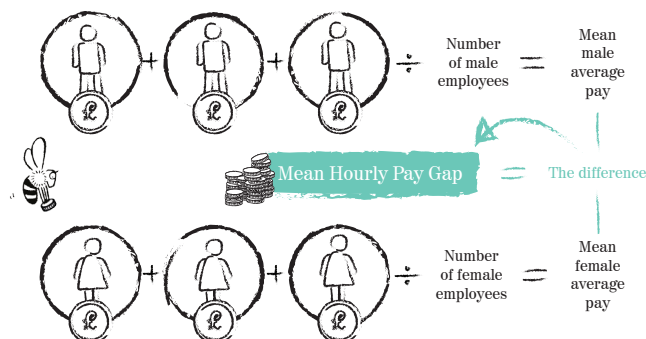
1. Mean and median gender pay gap in hourly pay
2. Mean and median bonus gender pay gap
3. Proportion of women and men receiving a bonus payment
4. Proportion of women and men in each pay quartile

As of 5th April 2023 (the date of reporting) Fortnum & Mason in the UK comprised of 4 stores and 9 hospitality outlets, employing people across three core areas: Retail and Stock Operations, Head Office and Hospitality in a range of disciplines from Chefs to Sales Associates and Warehouse Operatives, to Marketeers and Finance professionals. At the time of reporting, Fortnum & Mason employed 957 (up from 869 in 2022) permanent and fixed term employees; 53% women and 47% men. As defined by the government, the gender pay gap calculations must only take into account “full pay relevant employees” at the date of reporting. That means any employee who was paid less than their usual rate, due to long-term leave during that period, is not included in this report. This report takes into account 898 full pay relevant employees.

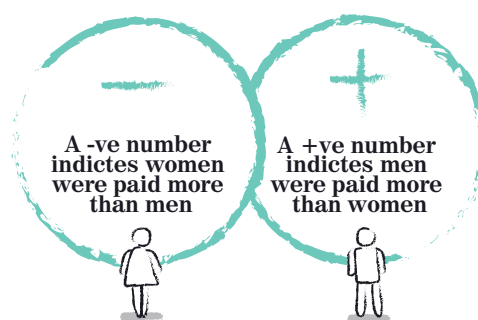
## How we calculate the median difference



## How we calculate the mean difference



## What does this tell us?



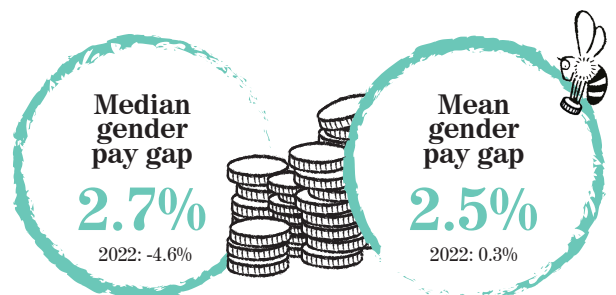


# Our gender pay gap

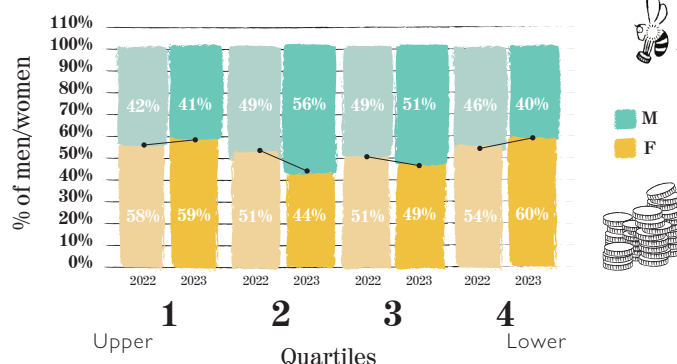


As of 5th April 2023, the **median gender pay gap** at Fortnum & Mason was 2.7% (2022: -4.6%). The **mean gender pay gap** was 2.5% (2022: 0.3%). At a headline level, this means that on average, across the company, women were paid a fraction less than men. The explanation of what has driven this slight shift can be found on page 7 in 'Explaining our Pay Gap'.

In 2023, the representation of women and men at Fortnum's was very balanced with 53% women versus 47% men, however there was a greater proportion of women in both our **upper and lower pay quartile**, at 59% and 60% respectively.



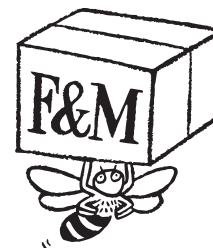
Proportion of women and men in each quartile



The information being published relates to employees of Fortnum & Mason PLC on the UK government snapshot date of 5 April 2023. The ordinary pay gap relates to pay received in the period of April 2023. The bonus gap relates to variable payments received in the 12 months to 5 April 2023. I confirm that the gender pay gap data in this report is accurate.

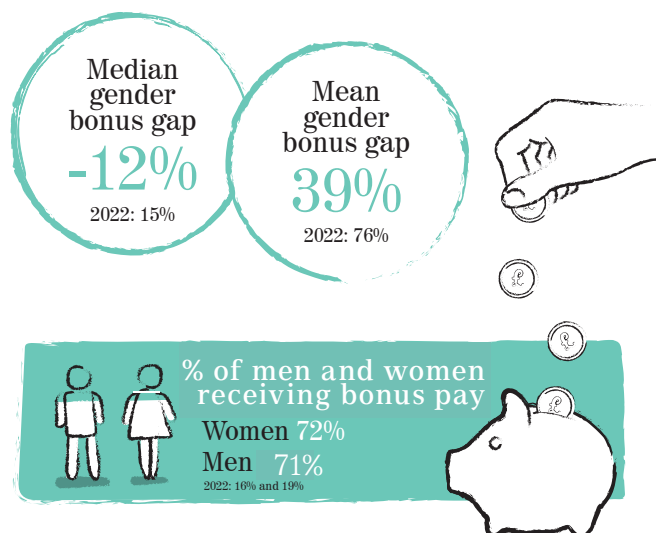
**Justin Carmichael**, Chief Financial Officer

# Bonus Pay Gap



The **gender bonus pay gap** calculation was based upon those eligible to receive a bonus. Of those eligible, an even % of men and women received a bonus – at 71% and 72% respectively.

The **median gender bonus pay gap** was -12% (15% in 2022), whilst the **mean gender bonus pay gap** was 39% (76% in 2022). This was driven by more women being eligible for a bonus, and them making up the majority of our upper pay quartile (59% women, 41% men). Whilst the mean bonus pay gap was driven largely by the Executive Team sitting at the top of the upper pay quartile, with the majority of them being men (six men to two women).



“When the Food & Drink Studio opened its doors in the Spring of 2023, it set out to not only champion Fortnum’s products and people, but to embody Fortnum’s values. Central to this is being an inclusive and forward-thinking space, that welcomes a variety of voices and looks to shine a light on the heroes within our industry. Women of all ages and backgrounds have both attended and delivered our events: from young adults signposted to us through our Centrepoint partners, university leavers starting out in their careers, women on day-release from prison looking for a new start in life to established female chefs, business-owners, producers and craftspeople.”

**Hatty Cary** – Food & Drink Studio Producer

# Explaining Our Pay Gap



Since reporting began, Fortnum's gender pay gap has remained very close to zero – with slight movements across the years – some times moving in favour of men and other times in favour of women, driven by small shifts in distribution of men and women across the organisation and at each of the pay quartiles.

This year, whilst we saw very little movement in the distribution of men and women in the lower middle pay quartile and the upper pay quartile, there was a reduction in women in the upper middle pay quartile, and an increase in women in the lowest pay quartile. This had an impact on our gender pay gap calculations.

Additionally, when analysing the make-up of the pay quartiles, we can see that more men are in the top 10 paid in the upper pay quartile and more men are the top 5 paid in the upper middle pay quartile. Also, whilst the lowest pay quartile is impacted by starters and leavers in the year (who all received part pay), there were more women in the bottom 5.

Following a strong recovery off the back of the pandemic, bonuses were paid to all eligible employees in December 2022. This year, more women than men received a bonus with the median bonus pay gap in favour of women (-12%). The mean bonus pay gap also reduced considerably this year, as more employees were eligible for a bonus compared to our previous reporting year (646 employees versus 150 employees in 2022) when bonuses primarily consisted of small long-service awards, recruitment referral incentives, and a small number of payments to Senior Executives as part of a long term incentive plan – driving the greater gap.

Across our three core business areas: Head Office, Hospitality and Retail, there was a relatively even split of men and women in Retail (54% W/ 46% M), a far greater proportion of women than men in our Head Office (69% W/31% M), and a greater proportion of men than women in Hospitality (38% W/ 62% M). We continued to attract a good number of women to careers at Fortnum's with 59% of our new joiners being women. We saw a relatively even balance of men and women being promoted throughout the year (48% women versus 52% men).



"Being a mum to a 14-year-old has led me to be involved in our Family Network, which focuses on providing support and opportunities for parents within the company. Parents are often disproportionately burdened with caregiving responsibilities, which can hinder their ability to advance their career. Our network acknowledges this challenge and provides solutions. Our people are our most important asset and we must look after them. I enjoy being involved in events that bring our families closer to our work. It allows our colleagues to learn that team members have another big role outside of work, and it provides the chance to show our children where mum or dad spend their time when they are not at home."

**Petra Theart**, General Manager, Hospitality

# Our approach

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## Supporting our people

In 2022, we created Belonging Network Champions to represent and be ambassadors for diversity agendas of importance to our teams at Fortnum's. The champions lead working groups that create meaningful moments for celebration and education throughout the year: for Gender, this has focused on International Women's Day (IWD) and International Men's Day to date. Our first IWD panel discussion brought together five highly successful career women from different industries to share stories of how the world of work has changed and the challenges they have overcome to reach the top of their game.

In March 2023, we unveiled our new Food & Drink Studio at Piccadilly. As well as a place to enjoy food and drink experiences – from supper clubs to masterclasses – it is a hub where like-minded people come together for conversations on topics impacting our industry.

The hospitality industry in the UK employs over 2.4 million people, whilst the balance of men and women is fairly even across the industry, there is far lower representation of women in professional chef roles (only 18.5%<sup>\*</sup>). The Studio has been a brilliant platform to showcase the work and talent of incredible women in the food industry, with over 37 women chefs delivering events in the space since opening.

Although International Women's Day featured in the Studio's programme, the focus on championing existing women in the industry, as well as inspiring and supporting those looking to pursue a career

in hospitality, is ongoing. We regularly hold events with young people from Centrepoin (our charity partner) in the Studio – from cooking workshops to more business focused sessions – giving them the opportunity to gain skills and confidence ahead of seeking employment. One of our quarterly skills sessions in the Studio saw young women, supported by Centrepoin, attend an event hosted by Social Pantry, a female-founded B-Corp who work with prison-leavers to forge careers in hospitality.

Knowing the important role language and tone of voice play in cementing a culture, we have taken steps to make the language we use more inclusive, removing gender coded words and phrases on our new careers site using a third party tool. This is just the beginning, as we continue to drive a more inclusive experience across our careers site.

## Celebrating and Educating

Allyship for those in minority and under-represented groups is critical in creating belonging within a culture. Celebrating women in the industry and educating our teams around individual experiences and the barriers to progress for women today continues to be a priority at Fortnum's.

It is widely known that women in the UK are more likely to take on caring responsibilities than men\*, having a profound impact on career progression. Our Family Network, set up in 2020, is open to everyone and creates spaces for a host of different conversations about starting, raising and supporting families – in all shapes and forms – through different life stages. The network also provides a community for connecting with other parents and carers; a forum to share experiences, concerns and ideas; a regular programme of activity; and resources and insights for navigating

the phases and challenges of parenting and caring for dependants.

Our Belonging Network Champions continue to drive our annual calendar of events that speak to important matters of inclusion. As well as celebrating International Women's Day and men's health month, our monthly wellbeing newsletter includes regular features on health of both men and women throughout the year – from menopause to stress, and imposter syndrome.

In 2023 we launched our allyship training for manager level and above, as it is our belief that having a common language and understanding of our inherent and unconscious bias, and what we can do differently to drive inclusion – whether that is by educating ourselves, calling out unacceptable behaviour or giving those a voice who may not naturally have one.

We are proud to be a platform for many women in the food industry and have teamed up with some incredible chefs, such as: Sabrina Gayour – the food writer and chef, Emily Scott – Chef and restaurateur. Inspired by our ongoing commitment to crafts in all its forms, we also work with some highly skilled makers, including Sabina Savage, Rachel Spelling and Laura Vann and house trunk shows and Meet the Makers exhibitions to really showcase their craft and talents.



"There is great diversity in our team with people from many different backgrounds; I learn a lot from my coworkers about their cultures. I believe it is really important that women see hospitality as a career for them, especially in the kitchen. Historically, leadership roles for women in professional kitchens were scarce due to the fast pace, aggressive tactics and long hours. While progress has been made over the last decade, challenges persist. The industry must continue to evolve to promote gender equality and create safe working environments for all. As a parent, it's great forming bonds with other Fortnum's parents at Family Network events, as we understand each other's struggles and can discuss and exchange in an informal way."

**Gareth D'Souza**, Head Chef

\* [Who Cares? BITC and Ipsos](https://www.bitc.org.uk/wp-content/uploads/2022/12/bitc-gender-presentation-ipsosmori-who-cares-april22.pdf), March 2022, [www.bitc.org.uk/wp-content/uploads/2022/12/bitc-gender-presentation-ipsosmori-who-cares-april22.pdf](https://www.bitc.org.uk/wp-content/uploads/2022/12/bitc-gender-presentation-ipsosmori-who-cares-april22.pdf)

## Data and insights

We know just how difficult it is to affect change without measuring it. Having launched an initiative to gather personal data in 2022, a year on we had a completion rate of 80%, giving us much better insight of the make-up of our teams - with the ultimate goal of understanding barriers to progression for underrepresented groups. For the first time, this year, we asked demographic and diversity questions as part of our annual survey engagement survey, giving much better insight into the views of men and women, their experiences of working at Fortnum's and their sense of belonging.

We know the challenges impacting our industry are ones that we cannot solve alone, and through dialogue with other companies, sharing insight and best practice, we can make more of an impact. It's why in 2023, we became members of a community organisation Diversity in Retail (DiR) and WIHTL – whose aim is to bring together organisations to share experiences and in doing so drive forward meaningful progress in creating inclusive workplaces for all. The community places great emphasis on developing future female leaders through multiple interventions – including their women in the workplace survey, which we contributed to this year.

## Attracting and developing

We believe in the importance of underrepresented groups seeing themselves in positions of seniority and have a goal to maintain representation of women in leadership roles Year on Year. Through our partnership with DiR/WIHTL, we are supporting our future women leaders to grow their skills and accelerate their development. In 2023 we trialled their Global Women Leaders' Programme – with Lisa Camm, Head of Digital Transformation, gaining an entry on the Women to Watch Index 2024.

Outreach into the community to develop future talent of tomorrow has been, and continues to be, a key priority and we have formed new relationships with a number of charities. This includes the Katherine Lowe Settlement who we have been working with to support female refugees to gain confidence, skills and experience and in doing so better equip them for entry into work in the UK. We have also been working closely with the Fashion Retail Academy to provide students interested in luxury retail an opportunity to work alongside our Visual Merchandising Teams.



"Becoming a new dad during my time at Fortnum's has shown how much support is provided, through the enhanced packages and the Family Network. I have loved being part of the network to help support others who are going on the same journey as me; it has also shown me a bigger supporting side to Fortnum's. Everyone can come to celebrate our families; it brings us closer together and allows us to educate each other along the way. I was nervous about discussing my journey to parenthood with Fortnum's: in a same sex marriage, our journey to parenthood was via surrogacy. But there was nothing to be nervous about, my line manager was 100% supportive and – coming back from shared parental leave after five months – they were flexible with what I need to achieve a good work life balance."

**Liu Norman-Wong**, Senior Merchandiser