



## Gender pay gap

The success and strength of our business is down to the contribution that each and every single colleague makes, and we work hard to reward our colleagues fairly, and in a way which reflects company and individual performance. As an employer of over 22,000 colleagues we aim to provide a working environment where individuals can build a successful career, reach their full potential and feel supported in managing their interests and commitments outside of work, whatever they may be.

From April 2018 the UK Government requires all employers with more than 250 employees to publish their gender pay gap. Gender pay gap is different to equal pay which is when men and women are paid the same for carrying out the same work. The gender pay gap shows the difference in the average pay between men and women across the entire business, regardless of job role.

### Our gender pay gap results (data as at 5<sup>th</sup> April 2017)

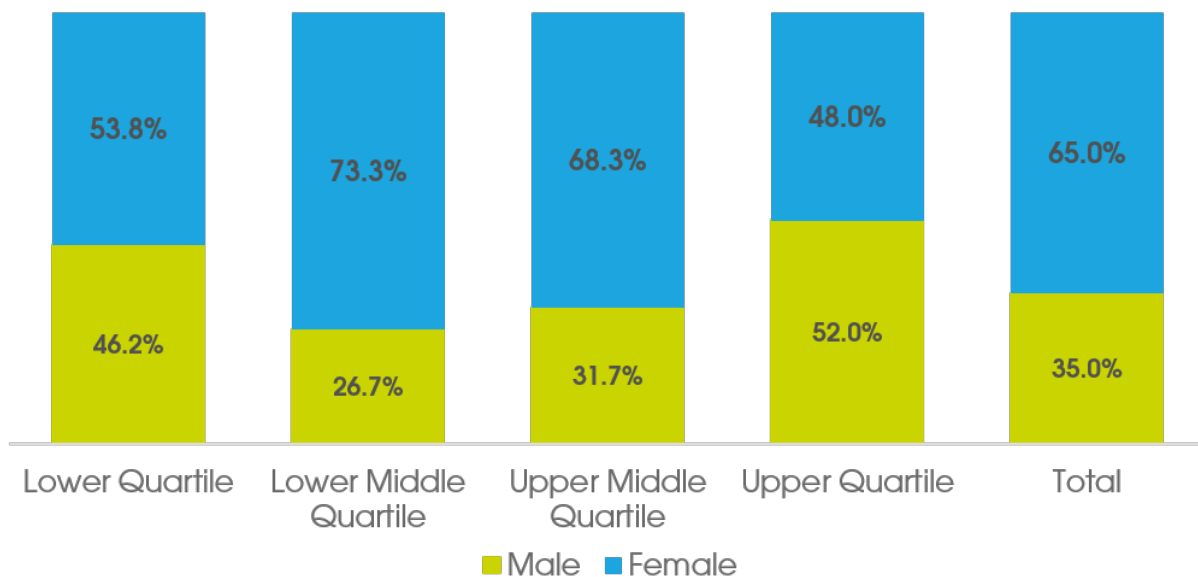
#### Mean pay gap



#### Median pay gap



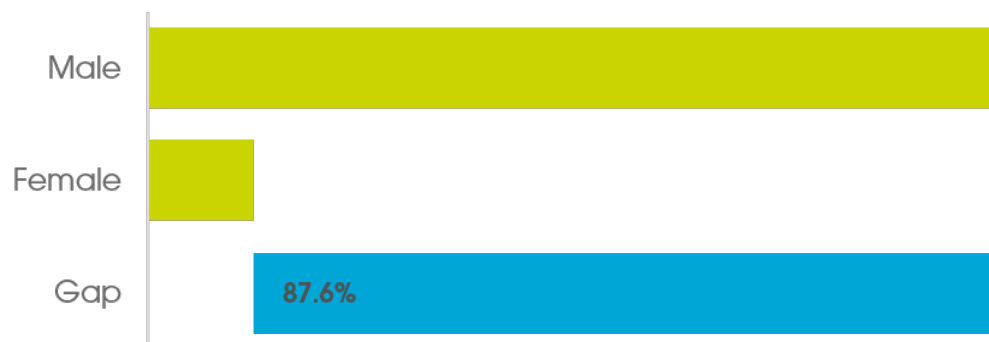
We are confident that men and women are paid the same salary for fulfilling the same job role at McColl's. However, a gender pay gap exists in our business because women are underrepresented in senior roles in some functions. This is evident in the table below which shows that a higher proportion of women at McColl's are in the lowest paid quartile (the 25% of colleagues receiving the lowest pay) and that a lower proportion of women are in the highest paid quartile (the 25% of colleagues receiving the highest pay). This reflects the fact that roles within our stores provide flexible and local employment opportunities that many women find attractive but we recognise that we need to do more to support women progress into our most senior roles.



### Bonus pay (Bonus payments made during the 12 months ending 5<sup>th</sup> April 2017)

We reward eligible colleagues through a combination of both sales and performance related bonuses. Our bonus scheme is gender neutral by design, and we award the same bonus to men and women who are carrying out a job role where similar degrees of skills and responsibility exist. We employ a large number of women of which a significant proportion receive a form of bonus (39% female colleagues receive a bonus versus 32% of male colleagues). After conducting a deep analysis, our bonus gap exists because, whilst we have a large population of female colleagues who receive sales related bonuses, women are underrepresented in the most senior roles which are eligible for the larger performance related bonuses. Our bonus pay gap results are below.

### Mean bonus gap



## Median bonus gap



## Addressing the gender pay gap

The analysis of our gender pay gap provides us with further insight into how women are represented at McColl's and a way of measuring our progress in supporting them to reach their full potential with us. We know that taking considered and deliberate action to ensure talented women progress is important, together with instilling an inclusive culture. We have a gender pay gap focus group who meet regularly to discuss plans to address the gap and ensure action is taken within the business. Our recently launched company values will help to guide us in making McColl's a great place to work and we will continue to support colleagues through the delivery of a strong people plan, which includes:

- focusing on our Women@McColl's programme, which is aimed at developing skills and confidence in women who have the potential to move up through work levels, or move across roles and functions to gain experience and business breadth
- providing unconscious bias training for our leadership teams
- ensuring we have:
  - a strong Return to Work programme
  - a flexible working environment for all colleagues
- reviewing our recruitment processes
- building a strong talent programme to ensure colleagues have an opportunity to develop and broaden or progress their careers
- introducing a new performance framework that includes meaningful job descriptions and a robust review process which will support colleagues in reaching their full potential
- listening to our colleagues, through forums, networking groups, and using our engagement surveys

Additionally, in 2017, our Chief Executive, Jonathan Miller, became an ambassador for Retail Week's 'Be Inspired' programme which aims to proactively develop future female talent within retail. He is committed to leading effective initiatives within McColl's, including the actions identified above, that will help reduce our gender pay gap and ensure all colleagues achieve their full potential within the business.