



Gender Pay Report 2019

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 both company and individual performance. As an employer of around 18,000 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.

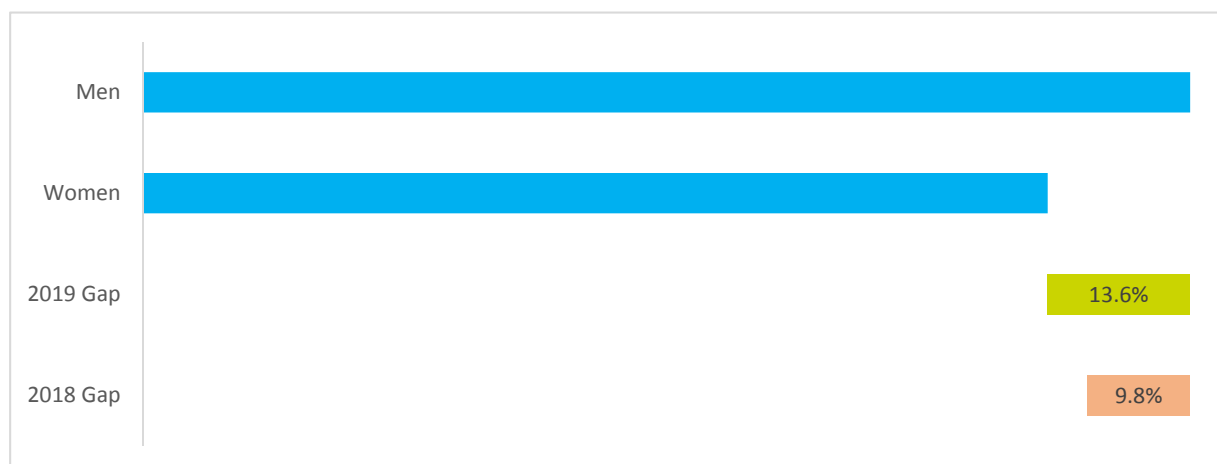
Gender pay gap is different to equal pay which is when men and women are paid the same for carrying out the same work. The gender pay gap shows the difference in the average pay between men and women across the business. We are confident that men and women are paid the same salary for fulfilling the same job role within our stores. However, a gender pay gap exists in our business because women continue to be under-represented in senior roles in some functions. This is evident in the data which shows that a higher proportion of women are in the lowest paid quartile and a lower proportion of women are in the highest paid quartile. This reflects the fact that roles within our stores provide flexible and local employment opportunities that many women find attractive. We recognise that we need to continue to support women to progress into our most senior roles.

Our gender pay gap results (data as at 5 April 2019)

The following charts demonstrate our areas of positive change and progress against last year.

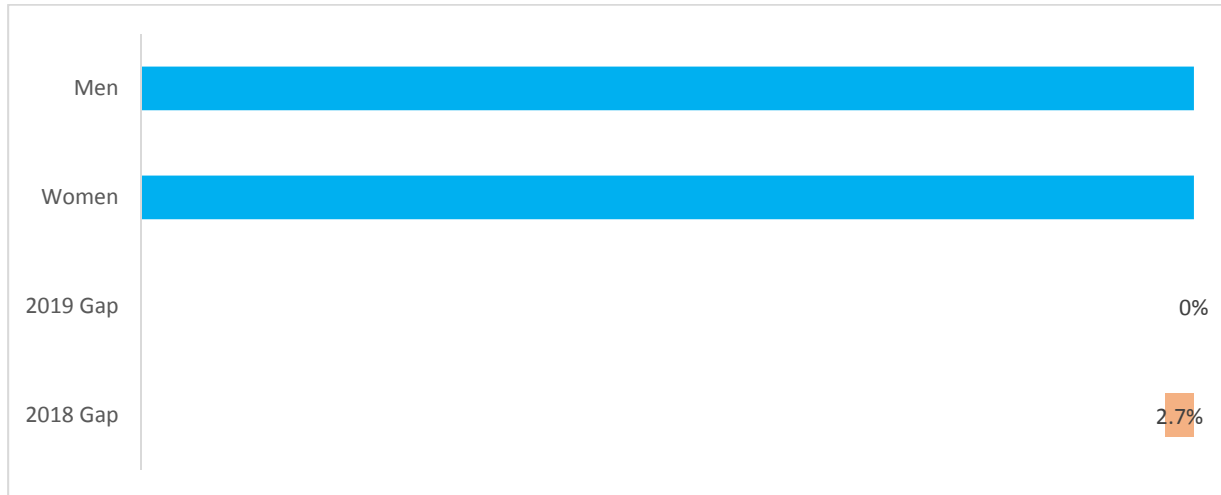
Our mean pay gap in 2019 was 13.6%, representing an increase of 3.8% on the previous year. Our analysis shows that although men and women are paid equally for fulfilling the same job role, we have a higher percentage of males employed in supervisory/managerial roles which attract higher remuneration.

Mean pay gap



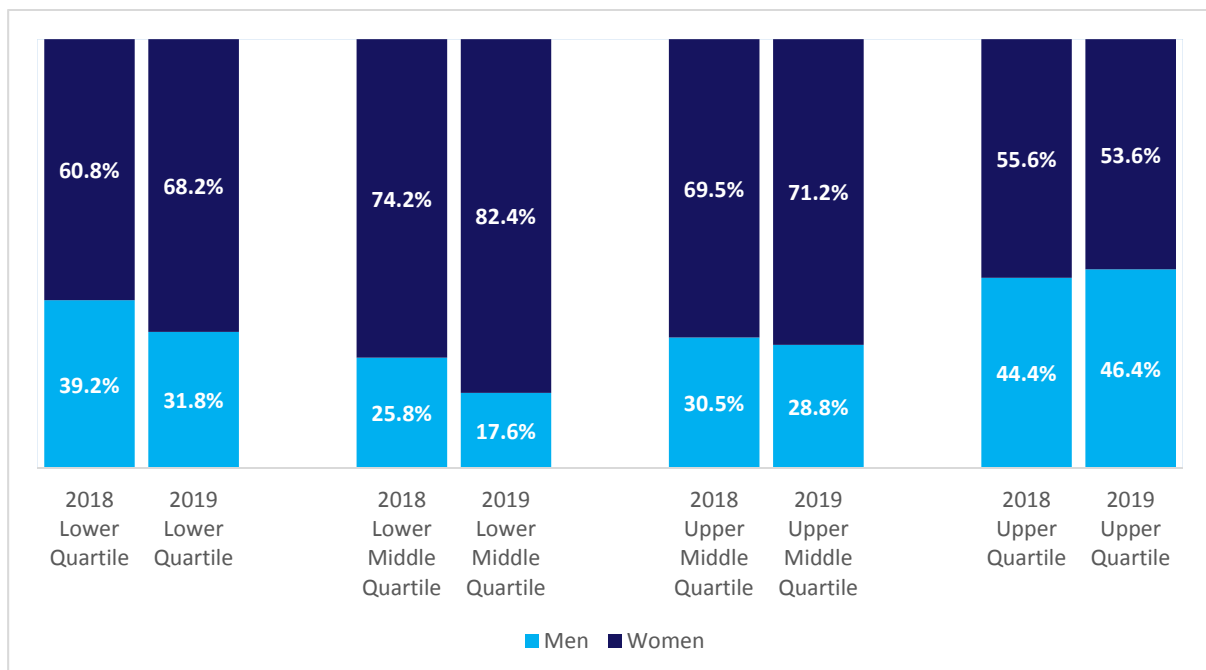
Median pay gap

We are pleased to report that our median pay gap in 2019 is 0%, an improvement from 2.7% in 2018.



The UK average median gender pay gap is 17.3% (ONS, 2019) (2018: 17.8%)

We continue to have challenges in relation to the unequal distribution of female/male colleagues both at lower and upper quartiles. There is a disparity at the lower end with a disproportionate number of women versus men. Although we have filled a number of senior roles with female appointees, we have not yet fully addressed the issue of women being underrepresented at a senior level.



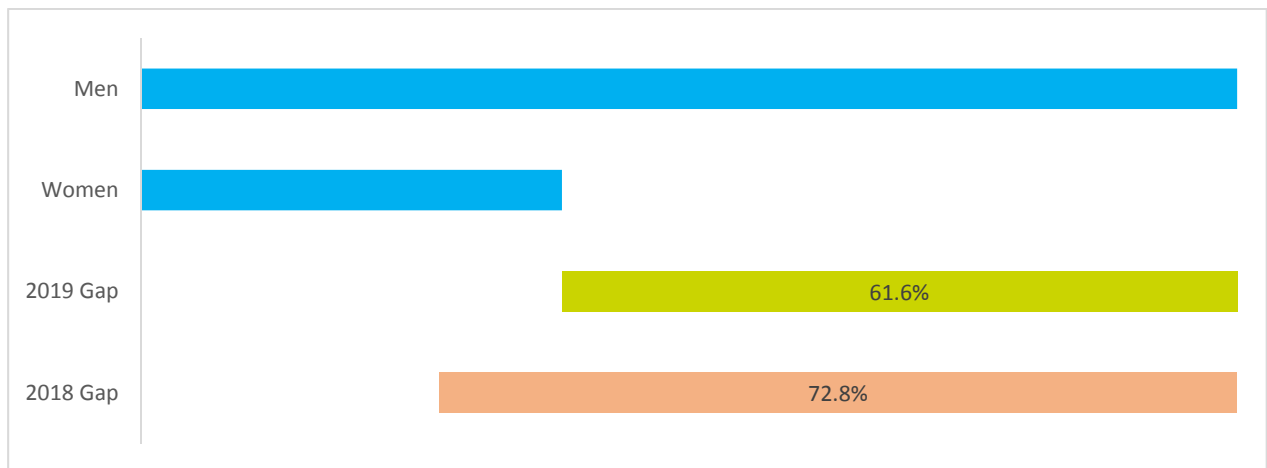


Bonus pay (bonus payments made during the 12 months ending 5 April 2019)

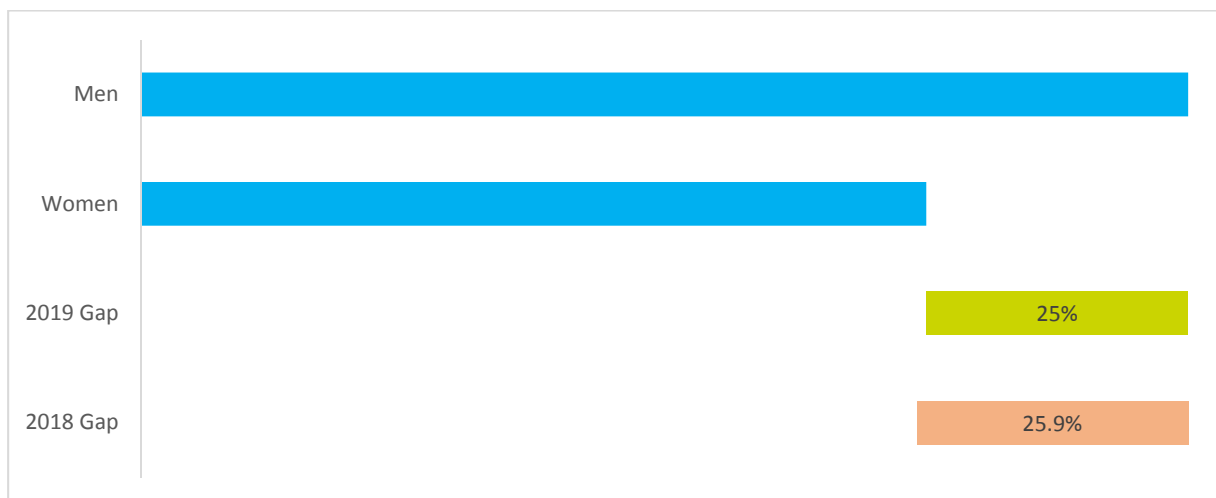
We reward eligible colleagues through a combination of both sales and performance related bonuses. Our bonus scheme is gender neutral by design, and we award the same bonus to men and women who are carrying out a job role where similar degrees of skills and responsibility exist. We employ a large number of women of which a significant proportion receive a form of bonus. Our bonus gap exists because, whilst we have a large population of female colleagues who receive sales related bonuses, women are still under-represented in the most senior roles which are eligible for the larger performance related bonuses.

In 2019 our mean bonus gap is 61.6%, which represents an 11.2% improvement on the previous year. Our median bonus gap has also improved to 25.0%, from 25.9% in 2018.

Mean bonus gap



Median bonus gap





Addressing the gender pay gap

We know that taking considered and deliberate action to ensure talented women progress is important, together with instilling an inclusive culture. Our Company values help and guide us in making McColl's a great place to work and we continue to support colleagues through the delivery of our People Plan which includes the following:

- Women@McColl's programme helps to develop skills and confidence in female colleagues identified as having the potential to progress to more senior roles
- Flexible working arrangements for all colleagues including an option to purchase additional leave
- Lack of gender bias throughout our recruitment cycle
- Listening and responding to our colleagues through regular engagement initiatives such as our Colleague Survey and Colleague Forums.

I confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Karen Bird
Colleague & Operations Director
March 2020