

Gender Pay Report 2019

(For period April 2017 – April 2018)

Gender Pay Gap legislation (developed by the Government Equalities Office) introduced in April 2017 requires gategroup to report on legal entities with 250+ employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.



What is the gender pay gap?

The gender pay gap shows the difference between the average (mean/median) earnings between men and women. The calculation is influenced by a number of factors including education level, occupation and the demographics of our workforce. It enables us to assess our level of equity in the workplace, male and female participation and how effectively our talent is being maximised.

What Is Equal Pay?

Equal pay is the difference between men and women who carry out the same job, similar jobs or work of equal value - it is unlawful to pay people differently according to their gender.



What does it all mean?

If we have a particularly high gender pay gap, it can indicate that we have a number of issues to address, and the individual calculations may help to identify what those issues are.

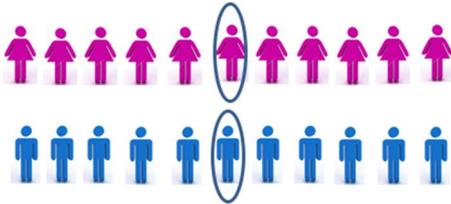
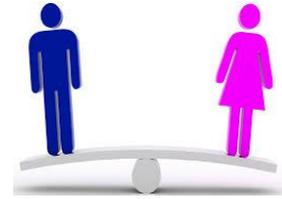
What are we required to report on?

- mean gender pay gap in hourly pay
- median gender pay gap in hourly pay
- mean bonus gender pay gap
- median bonus gender pay gap
- proportion of males and females receiving a bonus payment
- proportion of males and females in each pay quartile

What are the calculations used?

Mean Pay Gap

The mean gender pay gap is the difference in the average hourly pay for women compared to men, within our company.



Median Pay Gap

The median represents the middle point of a population of people. If you lined up all the women within our company and all the men, the median pay gap is the difference between the hourly rate of pay for the middle women compared to that of the middle man.

Gate Gourmet – Gender Pay Analysis

Hourly Rate Gender Pay Gap

- Bonuses paid in the Relevant Pay Period (April 2017 and April 2018) had a big impact on the hourly pay calculation.
- The bonuses paid in April are added to the Ordinary Pay and included in the calculation of the hourly pay.
- STIP Payments were paid in April 2017 but not in April 2018 (April is a snapshot month for the Gender Pay Gap calculation) that's why the mean hourly rate in 2016/17 is significantly higher than in 2017/18.

| Mean Hourly Rate | |
|--------------------------|--------------|
| Male | £ 15.00 |
| Female | £ 11.96 |
| Diff | £ 3.04 |
| Mean Hourly G.P.G | 20.3% |

| Median Hourly Rate | |
|----------------------------|--------------|
| Male | £ 11.33 |
| Female | £ 8.68 |
| Diff | £ 2.65 |
| Median Hourly G.P.G | 23.4% |

- In 2017/18 number of female employees increased by 3% comparing to 2016/17 and male employees by 1.2% bringing the number of female employees to 720 and male employees to 1098.
- Mean hourly rate decreased by £7.61 for men and by £4.65 for women. The mean hourly rate gender pay gap decreased by 6.7 points. The reason for this reduction is due to the data for hourly pay calculation was taken in April; in April 2017 this included bonuses. Bonuses were not paid in April 2018.

Bonus Gender Pay Gap

- Bonuses paid in the Relevant Bonus Pay Period (April to March) were much higher in previous year (2016/17).
- More employees received bonuses in 2016/17 (1231); bonuses paid to 895 employees in 2017/18.

| Mean Bonus Rate | | Median Bonus Rate | |
|-------------------------|--------------|---------------------------|-------------|
| Male | £ 2,570.23 | Male | £ 200.00 |
| Female | £ 1,106.36 | Female | £ 200.00 |
| Diff | £ 1,463.87 | Diff | £ - |
| Mean Bonus G.P.G | 57.0% | Median Bonus G.P.G | 0.0% |

Proportion of males and females receiving a bonus payment

- Bonuses received in the Relevant Bonus Period were higher in 2016/17 due to the double payments in the same tax year.

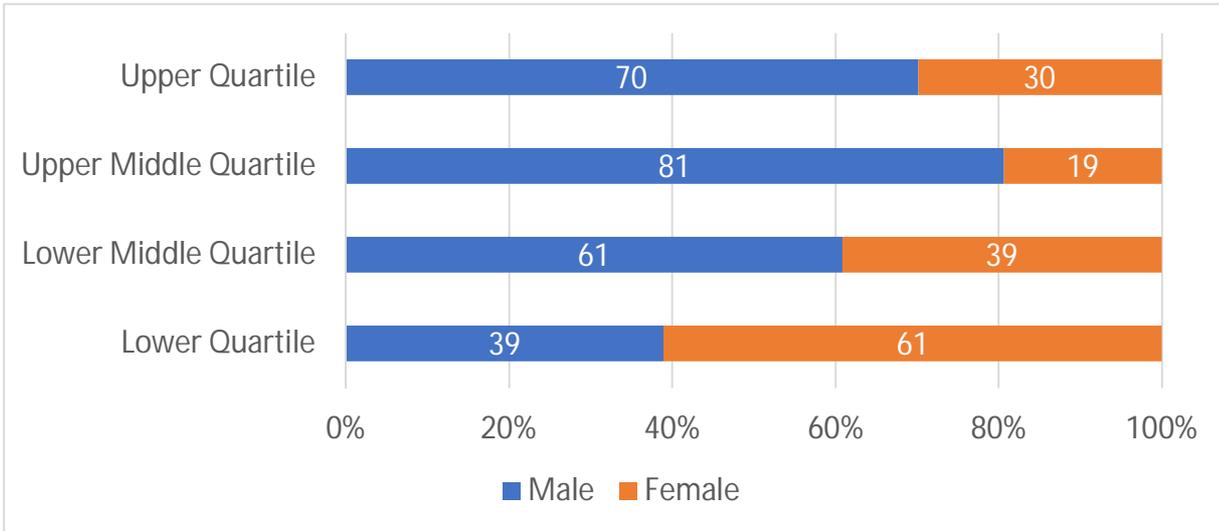
| % Employees Received a Bonus | | |
|------------------------------|------------|------------|
| | Male | Female |
| Received Bonus | 524 | 371 |
| Total Employees | 1,098 | 720 |
| % | 48% | 52% |

- In 2017/18 number of employees who received a bonus payment reduced by 37%. This is due to the timing of the payment of the annual bonus, where the bonus associated with years 15/16 and 16/17 both occurring during the 2016/2017 measurement period and more types of bonuses were paid.
- Bonuses paid to employees reduced by 72% for both genders: from 67% in 2016/17 to 48% in 2017/18 for male and from 72% in 2016/17 to 52% in 2017/18 for female.

Proportion of males and females in each pay quartile

This involves dividing the total list of employees into 4 quartiles, with an equal number of employees in each section. From highest paid to lowest paid, these quartiles are:

- **Upper Quartile** – Female employees increased by 7% while male employees decreased by 3%. This is due to the senior positions being filled by women and different split of hourly pay in quartiles.
- **Upper Middle Quartile** – Male employees increased by 5% and female decreased by 18%. This is due to the different split of hourly pay in the upper middle and upper quartile. More female employees have been allocated to the upper quartile.
- **Lower Middle Quartile** – There was no change.
- **Lower Quartile** – Male employees decreased by 8% and female increased by 5%. Due to the different split of the hourly pay, less male positions fall into this quartile.



What are the calculations telling us?

Majority of our low paid workers are women



This is due to the General Assistant positions being occupied mainly by women. Higher percentage of males are paid high rates and are placed in the upper quartile as more male employees are in the management and senior management positions.

The two middle quartiles are occupied by men

This is due to these rates of pay are paid to Drivers, Loaders, Checkers and Chef positions, which predominately seem to be occupied by men.



Evidence of Improvements

- ✓ Upper Quartile has seen an increase of women, we have made significant improvement in the attraction and development of our female talent.
- ✓ Lower quartile has seen an increase of women, we have been successful in attracting and recruiting more women into the business.

What are we doing to close the Gap?

Appraisal Process

Our annual appraisal processes have been incorporated into our new HR System, HR One. This allows the process to be easier and simpler for employees and managers to access and complete, supporting both male and female colleagues.

Apprenticeships – Take the Lead

A 12-18-month programme, gaining an ILM Level 5 qualification. Our first cohort was a split of 60% men and 40% women, most of them are looking to complete this by June 2019. We shall then be looking to start our second cohort of Apprentices in the later part of 2019.

Family Friendly – Rotas & Part-Time Working

We have been promoting our Family Friendly Policies and Rotas as well as investigating how we can incorporate Part-Time Working into our Operational business to attract different groups of people like New mothers returning to work.

International Women's Day: 8 March

We continue to promote events like this and are sharing several positive stories from Women in our business who have succeeded in developing a long-term career with us.

Operational Graduate Programme

This designed in 2018 with our first Graduates starting with the business in January 2019. 50% of our graduates that we have employed are women and this 18-month programme is intended to support their development and transition into Management and Leadership roles in the business.

Talent Attraction

Our approach to attracting the right talent is to diversify where we advertise our roles, looking at not only generic job boards, but also more niche boards to reach out to new mothers, ex-carers and others who may be looking for part-time work or to return to work after a gap.

Women 2 Women Mentoring Scheme

Started in October 2018, a 9-month programme designed to support several of our key female leaders by pairing them with other women in leadership positions across the group, so they can share knowledge and best practice.

Declaration

We confirm that the gender pay gap calculations for Gate Gourmet London Ltd are accurate and meet the requirements of the current regulations. The calculations and data contained in this statement have been fully reviewed by the Human Resources Director for Western Europe who confirms that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 has been applied correctly.