

SSP's Gender Pay Gap Report 2020



INTRODUCTION

The gender pay gap is a measure of the difference in the average pay of men and women – whatever their role – across an organisation. It is different to equal pay, which directly compares men and women carrying out the same or similar work.

By law, all companies in the UK with more than 250 employees are now required to report on gender pay. Within SSP Group plc, this includes Select Service Partner UK Limited (SSP UK) and Rail Gourmet UK Limited (RG).

To understand the gender pay gap, there are six key indicators on which companies are asked to report: the mean and median differences in hourly pay; mean and median differences in bonus pay; the proportion of male and female employees who received a bonus; and the proportion of male and female employees in each of the quartile pay bands.

What's included in our hourly pay?

At SSP, hourly pay includes (but is not limited to) base pay, premium payments (e.g. unsociable hours) and travel allowances as applicable. Excluded are payments for redundancy and benefits-in-kind. Employees on family or sick leave are also not included. This year, furloughed employees are not included in the hourly pay calculations.

What's included in our bonus gap?

All full-pay relevant employees who received a bonus within the 12-month period that ends on the snapshot date, these numbers are inclusive of colleagues who have been furloughed. Bonus comprises of (but is not limited to) profit sharing, commissions, long-term incentives and long service awards.

What is the mean?

The mean is the arithmetic average of the numbers. It's calculated by adding up all the numbers, and then dividing by how many numbers there are.

What is the median?

The median is the middle number. It's calculated by listing all the numbers in numerical order and picking the one in the middle.

WHAT IS OUR GENDER PAY GAP?

Within **SSP UK**, 51% of our colleagues are male, and 49% are female.
The difference in hourly pay between males and females is as follows:

Mean	22.3%
Median	9.7%

Within **RG**, 80% of our colleagues are male, and 20% are female.
The difference in hourly pay between males and females is as follows:

Mean	-0.7%
Median	3.4%

Understanding our gender pay gap

Like in many other sectors, Covid-19 has had a noticeable impact on our business. At the annual snapshot date of 5 April 2020, a high proportion of our employees were furloughed under the Coronavirus Job Retention Scheme. The regulations require us to exclude furloughed employees from the hourly pay gap and pay quartile analysis, resulting in a significant reduction in the population for each entity.

Our analysis identified that the main contributor to the difference in our gap for SSP UK this year was the significant change in the eligible population. As furloughed colleagues could not be included in the calculations, a year-on-year comparison would not give meaningful results. Ideally, we would run an additional analysis including employees on furlough, however, the number of employees on variable hours and the averaging period for the furlough calculation makes a like-for-like comparison to 2019 impractical. Our RG business was less effected by Covid-19 and has therefore seen less variation in the gender pay gap figures compared to 2019.

As reported in 2019, we continue to consider the following three factors as the main contributors to our gender pay gap:

1. Management roles: Across our management roles, there are currently more men than women at higher management grades who are therefore receiving higher salaries.
2. Hourly Paid roles: The majority of our UK colleagues are on an hourly wage contract with the majority at Team Member level. We currently employ more female than male Team Members.
3. Premium payments: Team Members working 'unsociable' hours, e.g. night shifts, are paid a premium for this. As a result, their hourly pay is higher compared to someone working day shifts. Within our Team Member population, a higher percentage of men than women work 'unsociable' shifts.

Although our gender pay gap has increased from last year, we are confident the main cause of the shift is a result of the reporting requirements and not driven by changes in reward policies, practices, or a change in the population overall.

WHAT IS OUR BONUS GAP?

Across all **SSP UK** colleagues, 38% of males and 39% of females received a bonus. The difference in bonus payments between males and females is as follows:

Mean 45.9%

Median 17.0%

Across all **RG** colleagues, 39% of males and 56% of females received a bonus. The difference in bonus payments between males and females is as follows:

Mean 31.2%

Median -15.0%

Understanding our bonus gap

At both SSP UK and RG, the bonuses awarded to our salaried colleagues are based on a percentage of their salary, so those with higher salaries also have a higher bonus potential. As was the case last year, our mean bonus payments are higher amongst our male salaried colleagues because we have more males than females in more senior roles.

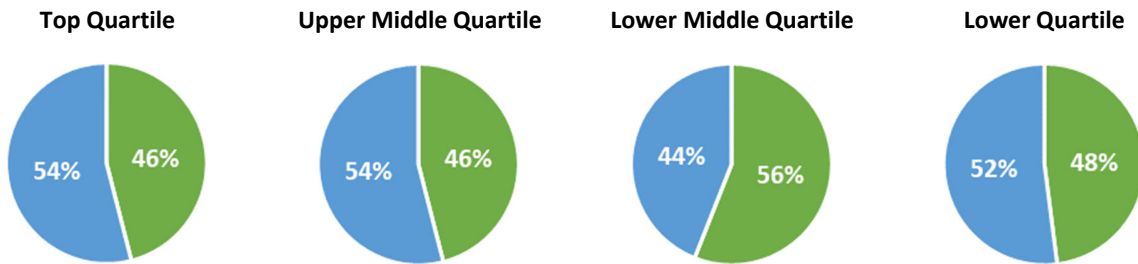
Our hourly paid colleagues who are eligible for a bonus are incentivised by schemes that pay an additional amount per hour, so those working longer shifts will qualify for a larger aggregate bonus if they hit their targets. Due to the fact that on average our female hourly colleagues work fewer hours, with many preferring the flexibility this brings, their total bonus pot is less than that of a male colleague working longer shifts.

In RG, significantly more females than males receive bonuses. However, the majority of the bonuses are received by hourly paid female colleagues as small commission-based payments (as a percentage of their on-board sales). On the other hand, the men receiving bonuses at RG are predominantly salaried colleagues, so their bonuses are higher.

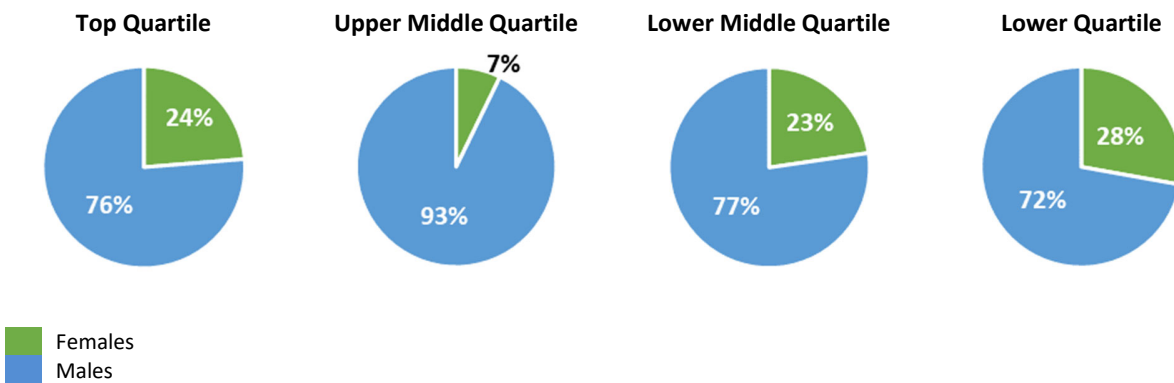
HOW IS OUR PAY DISTRIBUTED?

The distribution of men and women is shown in pay quartiles which are calculated by splitting the whole workforce into four equal sized bands based on hourly pay, from highest to lowest. The percentage of men and women is calculated for each band. Although the omission of furloughed employees has not had a major impact on the pay quartiles, it has led to a reduction in female representation in the top two quartiles for both SSP UK and RG.

Pay quartiles for SSP UK



Pay quartiles for RG



CONCLUSION

The figures presented in this report were negatively impacted by Covid-19, specifically the necessary action of closing our units, significantly restructuring our business and furloughing a high proportion of our colleagues. We remain committed to closing the gender pay gap and creating more opportunities for our female colleagues to grow through our business into more senior leadership positions.

Throughout the past year, whilst our business was largely hibernated, we have used this time to strengthen our fundamentals, including reviewing and relaunching our People Strategy, a key pillar of which is the launch of our Group-wide Diversity, Equity & Inclusion Policy. This forms the framework for more purposeful action on this agenda item and sets a clear direction and ambition. We also note that this will not be fixed overnight hence our desire not to lose momentum during these challenging times. As our refreshed People Strategy shifts to action, we will be placing an even greater focus on diversity, equity and inclusion activities, to give all our colleagues the opportunity to realise their combined and individual potential.

Nathan Clements, Chief People Officer