

SSP's Gender Pay Gap Report 2021



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. This report details the pay gap as of 5 April 2021.

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. Furloughed employees are also not included in the hourly pay calculations.

What's included in our bonus pay gap?

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

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**, 52% of our full pay relevant colleagues are male, and 48% are female. The difference in hourly pay between males and females is as follows:

Mean	23.5%
Median	12.5%

Within **RG**, 82% of our full pay relevant colleagues are male, and 18% are female. The difference in hourly pay between males and females is as follows:

Mean	2.5%
Median	-0.2%

Understanding our gender pay gap

Covid-19 has continued to have an impact on our business. At the annual snapshot date of 5 April 2021, a high proportion of our colleagues 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 that was included in the gender pay gap calculations for each entity, compared to reporting in 2019.

Our analysis identifies that the main contributor to the difference in our gap for SSP UK compared to 2019, before the impact of Covid-19, was the significant change in the eligible population. For the 2021 snapshot, sections of the business were beginning to reopen while others remained closed. Due to the significant structural differences in the eligible population of 2021 compared to 2019, a comparison against “pre-Covid” figures does 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. As the eligible population at of 5 April 2021 was not significantly different to that in 2020, the reported results for 2020 and 2021 are fairly similar.

The eligible population of our RG business was less significantly impacted by Covid-19 and has therefore seen less variation in the gender pay gap figures compared to 2020 and 2019.

As reported in 2020, we continue to consider the following three factors as the main contributors to our gender pay gap, and therefore remain our areas of focus as part of our People Plan:

1. **Management roles:** Across our management roles, there are 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 marginally 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, 15% of males and 9% of females received a bonus. The difference in bonus payments between males and females is as follows:

Mean	28.9%
Median	47.1%

Across all **RG** colleagues, 5% of males and 12% of females received a bonus. The difference in bonus payments between males and females is as follows:

Mean	14.8%
Median	78.8%

Understanding our bonus gap

For both SSP UK and RG our mean bonus gap has fallen since the 2020 snapshot date, while the median gap has increased. For the 2020 snapshot date a large proportion of the bonus reporting period was before the influence of Covid-19, whereas the full 12 months was impacted for the 2021 reporting period. In the 12 months of the 2021 reporting period there were no management bonuses paid, which in any normal year is the main component of this calculation. This has resulted in a smaller population receiving a bonus versus the 2020 report and has caused significant volatility in the bonus pay gap year-on-year, which makes a meaningful comparison with previous results much more difficult to assess.

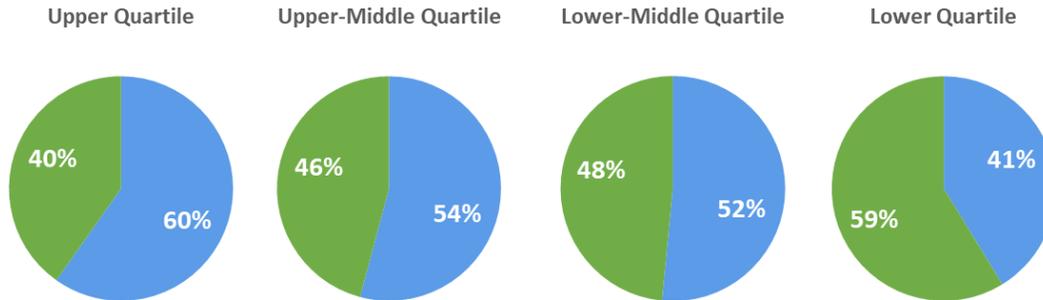
Within SSP UK, our hourly paid colleagues who are eligible for a bonus are incentivised by schemes that pay an additional amount per hour, so those working longer shifts will qualify for a larger aggregate bonus if they hit their targets. For this reporting period, our female hourly colleagues have on average worked fewer hours and therefore their average bonus is less than that of male colleagues working longer shifts. We recognise that the bonus pay gap calculation will not account for any difference in working hours that any bonus payment was based on, however we continue to support the needs of our colleagues through flexible working arrangements where possible.

In RG, significantly more females than males received bonuses, however, the majority of the bonuses received by hourly paid female colleagues were small commission-based payments. The total number of eligible bonus payments for both male and female colleagues in RG was very small, and this has resulted in considerable volatility in the reported bonus gaps year-on-year.

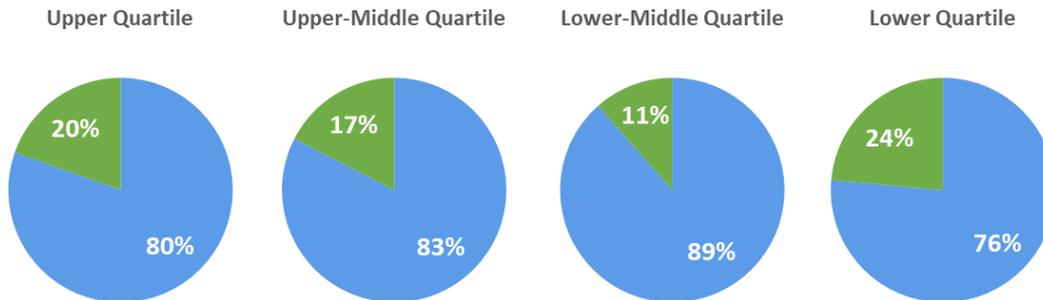
HOW IS OUR PAY DISTRIBUTED?

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 heavily impacted by Covid-19, specifically the necessary action of closing our units, furloughing a high proportion of our colleagues, and the snapshot date falling at a time when the business was just beginning to reopen. 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 as part of an inclusive and integrated People Plan.

In the six months since our last gender pay gap submission we have relaunched our Diversity, Equity, and Inclusion agenda and published our policy, which now sits as a key pillar as part of our new People Strategy. Whilst our published gender pay gap is not yet where we want it to be, we are clear on our areas of focus as our business continues to recover in these challenging times. Operationally, we continue to place much effort on engagement, through our colleague survey and listening groups, as well as on talent development, with business-wide reviews, greater visibility to job opportunities and the inclusion of 'female first' programmes where appropriate, to give all the greatest chance to realise their combined and individual potential. As a business our people purpose continues to be: **"A great place to work where everyone can fulfil their potential"**.

Nathan Clements, Chief People Officer