

Gender Pay Gap Report 2018



Committed to equal opportunities for all

Women make up 50% of our UK workforce and 30% of our Operating Board. However, many of our most senior (and therefore highest-paid) people are currently men, a factor that influences both our gender pay and bonus gaps. This results in a gender pay gap of 10.0%, which is 0.3% less than last year and significantly less than the national average* of 17.9%. We continually strive to address our pay gap.

At Stonegate, we are committed to both the development of all of our employees and to ensuring that we operate a meritocracy, where progression is open to all on the basis of talent and potential rather than any other factors. We operate an award winning career development programme and have industry-leading engagement levels. This demonstrates that we have the platform in place to ensure that we remain an employer where opportunities are open to all. We are very proud to have been awarded Best Pub Employer (501+ employees) at the Publican Awards 2019.

Since the publication of last year's Gender Pay Report, we have conducted a bespoke piece of research within the business to understand what we can do better to enable even more women to progress within our business. On the back of this work we have now commenced a programme of activity to respond to the findings from this research, which includes a review of our flexible working practices, a review of some roles in the business where we struggle to attract women and an internal mentoring programme to assist women with potential to progress.

I firmly believe that these interventions, aligned with our existing award winning career pathway, will further reduce our Gender Pay Gap and help us to realise our vision of being the best drink led pub and bar operator in the UK.



Simon Longbottom
Chief Executive Officer



* Source: www.ons.gov.uk

OUR VISION

To be the best drinks-led managed pub company in the UK

To achieve this, we put our five values at the heart of everything we do:

- We have fun
- We invest wisely
- We are raring to go
- We are straightforward
- We are one team

We aim to create an environment free from any form of discrimination where all employment decisions are based on merit, ability and potential.

WE HAVE
FUN

WE
INVEST
WISELY

WE ARE
RARING
TO GO

WE ARE
STRAIGHT
FORWARD

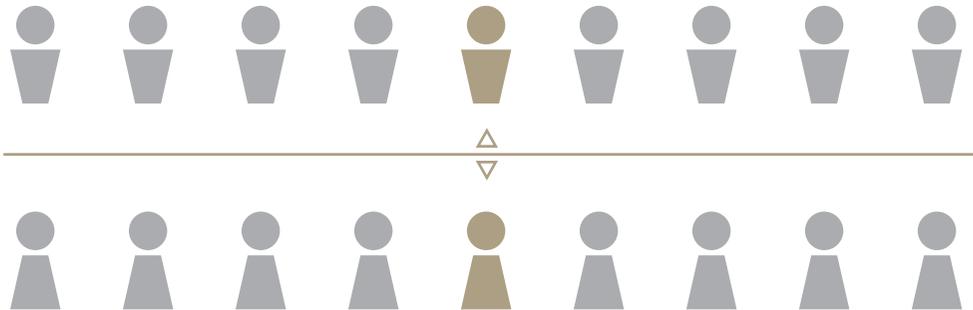
WE ARE ONE
TEAM

Understanding the gender pay gap

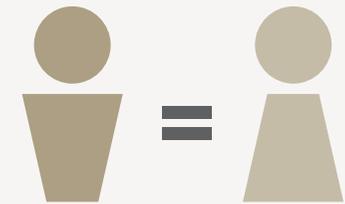
Put simply, the gender pay gap is an equality measure that shows the difference in average earnings between women and men across our business. This is expressed as a percentage of men's earnings and is recorded in two ways: the **mean** and **median**.

To calculate our mean gap, we take the average pay for all women and the average pay for all men. We then divide the difference between these two numbers by the men average figure and multiply it by 100. This gives us our mean gap as a percentage.

Our median gap is calculated by taking all payments made to women from highest to lowest and all payments made to men from highest to lowest. We then identify the middle payment made to men and women. The median is the difference between these two numbers divided by the men number and multiplied by 100.



Similarly, **the gender bonus pay gap** is an equality measure that shows the difference in bonus payments earned over the year between men and women. It is expressed as a percentage of men's bonus earnings and again is recorded as the mean and median.



This is not the same as equal pay which looks at men and women in the same employment performing either the same job or work of equal value.



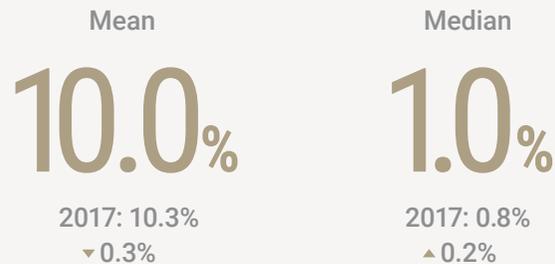
Making sense of the data

We are committed to ensuring that everyone is rewarded fairly for their work. Our mean gender pay gap of 10% is below the UK average* of 17.9%.

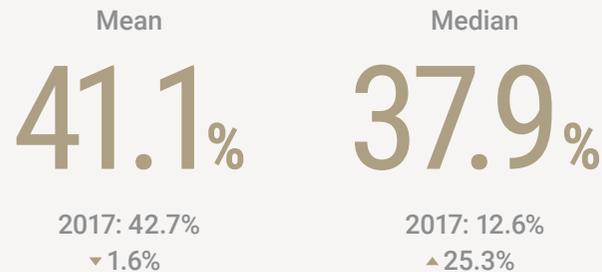
Our analysis of our gender pay gap shows that women represent 50% of our population. 30% of our Operating Board is made up of women. 79% of employees in senior higher paid roles are men, which is the main reason for our gender pay gap.

We offer a profit-led bonus scheme that our Site Managers and Pub Support Team are eligible for. The mean gap has a larger disparity due to the number of men in more senior higher paying roles.

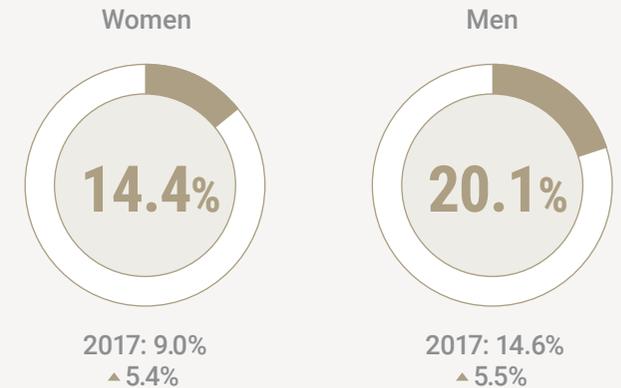
Our mean and median gender pay gap



Our mean and median bonus gender pay gap



Proportion of men and women receiving a bonus payment



Proportion of men and women in each quartile

| Quartile | Women | Men |
|--------------|-------|-----|
| Upper | 37% | 63% |
| Upper middle | 49% | 51% |
| Lower middle | 54% | 46% |
| Lower | 57% | 43% |

* Source: www.ons.gov.uk

Be At One

Stonegate acquired Be At One in July 2018. Gender Pay figures for this business to April 2018 are as follows:

Our mean and median gender pay gap

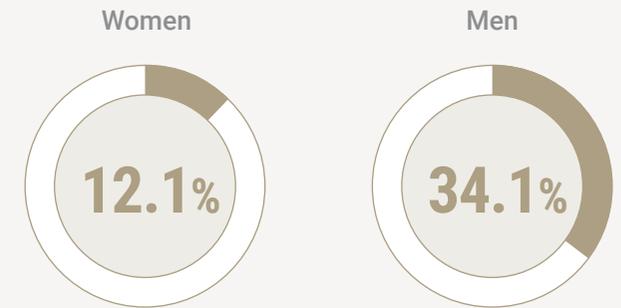


Our mean and median bonus gender pay gap



* The minus numbers mean women are paid a higher bonus than men.

Proportion of men and women receiving a bonus payment



Proportion of men and women in each quartile

| Quartile | Women | Men |
|--------------|-------|-----|
| Upper | 32% | 68% |
| Upper middle | 30% | 70% |
| Lower middle | 36% | 64% |
| Lower | 37% | 63% |

Committed to making a difference

We believe that our recruitment and progression tools fully support our desire to be an equal opportunities employer. We are proud of our track record over the last couple of years of promoting more General Managers into senior operational and support team positions.

RECRUITMENT

We are particularly proud of our strengths based recruitment approach. By engaging with employees at all levels through focus groups we were able to identify our '7 strengths to success' within Stonegate. This means we focus on attitude and motivations over experience when recruiting, thus supporting our equal opportunities ethos.

TRAINING AND DEVELOPMENT

People have always been at the heart of the organisation within Stonegate and 'Albert's Theory of Progression' is the key platform for the career path that enables each and every one of our employees to have the opportunity to achieve their ambition.

Our comprehensive 'Albert's Theory of Progression' interactive career development pathway consists of a number of programmes that pull together the structured learning that is the foundation of the career path offered from the 'bar to the boardroom' culture which we embrace as a business. It was introduced to demonstrate the career path opportunities, and the learnings required to progress within the business. Each programme, fully supported by the Board and Senior Team, sees employees move rapidly from team member to General Manager and General Managers moving into the pub support management teams. Since we launched 'Albert's Theory of Progression' over 8,000 employees have travelled along our career development pathway

STONEGATE APPRENTICESHIPS

Stonegate Apprenticeship has seen over 2,000 employees engage with the programme since it launched in 2011. These 'Stonegate mapped' Apprenticeships sat on the National Qualifications Framework to ensure that the employees working their way through Albert's Theory of Progression gained nationally recognised qualifications along the way.

Since the introduction of the new standards, Stonegate has developed a Back of House Career Pathway, 'Albert's Evolution', for the development of Kitchen Teams from a team member through to Area Chef. The new L3/L4 standard has been designed, developed and tailored to the business to enhance learning in four key areas: Leadership, Customer, Business and People, with an added training aid called FUSE to adapt to all learning styles.



Our 'Albert's Theory of Progression' interactive career development pathway is the foundation of the career path offered from the 'bar to the boardroom'.

2,000⁺

employees engaged with Stonegate Apprenticeship since it launched in 2011



DECLARATION

We confirm that the information and data reported are accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 as at 5 April 2018.



Signed by
Simon Longbottom
Chief Executive Officer

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