

BETTYS & TAYLORS GROUP

A GREAT YORKSHIRE FAMILY BUSINESS

Gender Pay Report 2020

Introduction

We're now a 100-year old family business and strongly believe that our people are the most critical ingredient in our success. We work hard to be an employer of choice – a place where people love to work, feel involved, valued, recognised and rewarded for our business success. We aspire to be an inclusive employer, where diversity is welcomed and valued, and where there are no barriers to talent.

Our first Gender Pay Report was published in 2017 and we value the annual opportunity reporting provides to review our gender balance and pay performance. This year, with four years of data behind us, we've looked at the cumulative picture and concluded that although our gap is largely driven by wider social norms, it's our responsibility to understand and address some of the reasons behind it.

Our analysis shows that our gap is largely driven by the demographics of our organisation. We want to be a business where there's a good balance of men and women working across all levels, functions and roles. Currently this isn't the case. Our balance is skewed by more men than women working in Taylors production roles and an under representation of men in Bettys operational roles – the roles that make up the largest proportion of our workforce. There are also now fewer women than men in the highest paid leadership roles. This is a significant shift from our first Gender Pay Report, when we had a strong gender balance across senior roles within the organisation.

We know that a good gender balance, across all levels and across roles, is beneficial not just to our people, but our business and wider society. In the year ahead, led by our Collaborative CEO team, we're committed to growing our knowledge and building our approach and capacity to work towards a truly inclusive culture where everyone can thrive and our roles are attractive to all.

We also know there are no quick fixes, that we need to be realistic and shouldn't expect our reported figures to change quickly. Small movements in the data – both up and down – aren't unexpected and don't necessarily evidence a trend. However, our family business values mean that we're serious and committed in our intent not just to understand the demographic and social context behind our Gender Pay Gap, but why it's persisting and what we can do to address it.

We'll continue to be open and transparent about our progress, challenges and learning.

What is a Gender Pay Gap?

At Bettys & Taylors we welcome annual gender pay gap reporting to encourage businesses to review and develop their processes for ensuring equality.

A gender pay gap is a measure of the difference in average pay of men and women across a business. It's different to an equal pay comparison which would involve direct comparison of two people or groups of people carrying out work of equal value. Businesses are required to report on six different gender pay figures:

- **The mean (or arithmetic average) gender pay gap.** This is calculated by adding all female employees' hourly rates of pay together and dividing by the total number of women, and adding all male employees' hourly rates of pay together and dividing by the total number of men. The mean pay gap is then calculated as the average male rate *minus* the average female rate *divided* by the average male rate.
- **The median gender pay gap.** The median is the mid-point when the hourly rates of pay of all employees are ordered from highest to lowest, or vice versa. The median pay gap is then calculated as the median male rate *minus* the median female rate *divided* by the median male rate.
- **A breakdown of workforce earning distribution by quartile.** The Lower Quartile contains the 25% lowest hourly rates of pay and Upper Quartile includes the 25% highest hourly rates of pay. This provides an overview of earning distribution between men and women across the company.
- **The percentage of women and men receiving bonuses.**
- **The mean gender bonus gap.**
- **The median gender bonus gap.**

Both mean and median gender bonus gaps are based on the actual bonus payments received in the last year, rather than on hourly rates of pay.

Every relevant business must provide the same data working to the same methodology, allowing comparisons between different employers.

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Our 2020 Gender Pay data:

Our family business is committed to being an employer of choice, with a guiding principle of an equitable, egalitarian and inclusive approach to reward.

At Bettys & Taylors we employ approximately 1500 people in a diverse range of roles covering retail, catering, craft baking, manufacturing and support functions. Our workforce is c.42% male and c.58% female, and our pay rates are based on job role and reviewed using a well-defined methodology including the benchmarking of roles with market data.

Our gender pay gap is influenced by the demographics of our business, particularly the high proportion of women in Bettys front-line operational roles.

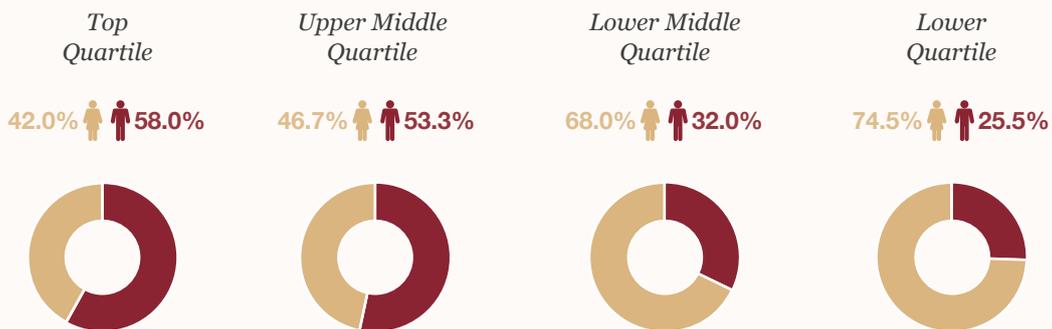
	<i>MEAN</i> Gender Pay Gap	<i>MEDIAN</i> Gender Pay Gap
Bettys & Taylors Gender Pay Gap	22.9%	18.9%
UK National Average*	14.6%	15.5%
Bettys & Taylors Gender Pay Bonus Gap	26.4%	25.4%

*UK National Average data source from the Office of National Statistics – Provisional Data November 2020

Percentage of employees who received a bonus



Proportion of males and females in each pay quartile



All data was based on a snapshot date of 5th April 2020

What's behind our Gender Pay Gap and how has it changed since last year?

Gender pay differences can be due to a number of factors. Our pay gap is influenced by the demographics of our business. This includes:

- A significantly smaller number of men working in retail, catering and hospitality roles in Bettys – roles which make up a large proportion of our workforce. Within the retail and catering industry as a whole, the flexible and local nature of frontline roles are typically more favoured by women. In 2020, 72% of Bettys operational roles were held by women and just 28% by men.
- Taylors – like many manufacturing businesses – employs a large proportion of men in manufacturing operational roles. In 2020, men held 84% of Taylors production roles, while 16% were held by women.
- A higher number of men (66%) than women (34%) in the most senior roles in the organisation. This includes our Collaborative CEO team and Leadership Teams.

Our data shows that if we reported on Bettys and Taylors businesses separately, we'd have a different result. If Bettys were a standalone business the Mean Gender Pay Gap would be 13.5%, compared with a retail trade (excluding vehicles and motorcycles) mean pay gap of 16.2%* in 2020. Meanwhile the Taylors Mean Gender Pay Gap would be -0.3% (female pay gap), compared with a manufacturing industry mean pay gap of 11.5%*. While we could take reassurance from these figures, both of which are better than national averages, our Group context shows how there's progress to be made in terms of achieving balanced gender representation across different job functions within the business.

Everyone working in our business plays a part in our success and we believe we should all share in our prosperity. All our people are eligible for our Group Prosperity Scheme bonus – a profit-sharing scheme, paid each quarter, at the same percentage of salary. The small number of employees who didn't receive the bonus largely represents recently recruited employees who had not received a bonus payment by the date we took our data snapshot (April 2020).

In line with the reporting requirements, the Bonus Gap figures are calculated by actual payments, rather than full-time equivalent. As such our Gender Bonus Gap figures are higher than the mean and median pay gap levels due to a larger number of women working part-time.

Our 2017, 2018 and 2019 Gender Pay Reports can be found here: www.bettysandtaylor.co.uk/resources. Compared with last year, our 2020 Mean and Median Gender Pay Gaps have increased slightly. This increase has been driven by changes within our leadership teams. For a business our size, just a few changes in post-holders from female to male and vice versa, can have an impact on the figures – and that has been the case this year. Meanwhile, our Mean and Median Gender Bonus Gaps have decreased compared with 2019 (from 38.3% to 26.4% for Mean Gender Bonus Gap). This was driven by a £500 Centenary Bonus paid to all employees, regardless of whether they were full-time or part-time.

As a business we believe our focus should be on driving equality, opportunity and fairness for all, rather than activities that simply focus on the numbers. The data does, however, support debate and discussion and encourages us to continue to focus on processes and approaches that encourage equality and fairness for everyone.

**UK National Average data source from the Office of National Statistics – Provisional Data November 2020*

What are we doing to ensure fairness for all?

We're committed to being a business that recruits, retains and progresses the best people and supports everyone to be the best that they can be – for everyone's benefit. Our Equality & Diversity policy outlines our commitment to a workplace which is fair for everyone.

To support our people and their progression, we have a full and varied training, learning and development curriculum. This includes a 'People Leader Academy' for new team leaders, leadership programmes, along with in-house and external 1-to-1 developers.

Over the last year we've also continued to review and develop our working practices to ensure they are flexible and attractive to both genders. This has included new guidelines to encourage a more open-minded informal approach to flexible working, which will help both men and women balance work and home commitments.

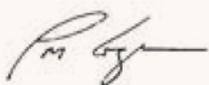
We recognise that a modern and progressive approach to family leave, with policies which offer flexibility and choice and support men and women to share childcare responsibilities, is one way employers can try to drive improvements in societal gender pay gaps over time. That's why this year we've made significant improvements to our family leave policies, increasing both our enhanced maternity/adoption pay and enhanced paternity pay as well as introducing enhanced shared parental pay at the same level as our enhanced maternity/adoption pay. We believe this evidences our commitment not only to being a family-friendly employer, but also demonstrates tangible action to help shift some of the societal norms which currently play a significant part in gender pay gaps.

We also make a concentrated effort to listen to our people about their experiences of the workplace – through listening groups, a wellbeing survey and an annual happiness at work survey.

As businesses and society have managed the impacts of the Covid-19 pandemic, it's widely recognised there's likely to be a disproportionate impact on women's pay. Women are more likely to work in industries impacted by lockdown and more likely to fulfil caring responsibilities. Throughout the period of the pandemic, we've been committed to ensuring that our people are treated fairly and equally, no matter where they work within the business or regardless of their personal circumstances. Our Bettys branches closed for a significant period of time, but we continued to pay all our people full salary, including bonus, regardless of where they worked. We also recognised that many of our people – both male and female – were likely to have additional caring responsibilities. As a diverse and family-owned business, we were able to ensure that our people weren't penalised because of circumstances beyond their control.

As mentioned in our introduction, in the year ahead we'll also be working to explore how we can create a more inclusive organisation for the future and to understand how we can address some of the gender imbalances that exist within our business. This work is being led by our CCEO team, with cross business Equality, Diversity and Inclusion workshops with our people planned in for early 2021.

I confirm that these figures have been reviewed by our Collaborative CEO and that we're committed to equality and will continue to use the annual Gender Pay Report as an opportunity to review our performance and practices.



Paul Cogan

Group Finance and Resources Director

27th January 2021