Booker Gender Pay Report 2017/18

We're committed to creating a truly inclusive workplace where everyone's welcome.

BOOKER



At Booker, we're proud of our people and we believe having a diverse and inclusive team is essential to help our customers prosper both now and in the future.

Charles Wilson Chief Executive, Booker Booker's commitment to our customers is 'choice up, prices down and better service' and they tell us that the best thing about Booker is our people. We're proud that Booker is a place for people to get on and reach their full potential.

We value each of our colleagues and we're committed to creating a diverse and inclusive workforce that reflects our customers and the communities we serve.

This year our median gender pay gap is 21.0% which is higher than the UK national average of 17.9%*. We are very clear that there is more work to do and are committed to making progress.

We see two key factors contributing to the pay gap. Firstly, we have more men working shifts at times that pay premiums, and secondly we have a higher proportion of men in more senior roles. It is important to note that the hourly rate for our hourly paid colleagues is the same for the same role, regardless of gender. The key factor contributing to the median bonus gap of 0.9% and the mean bonus gap of 58.3% is that we have a higher proportion of men in more senior roles.

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At Booker, we're proud of our people and we believe having a diverse and inclusive team is essential to help our customers prosper both now and in the future. As part of our commitment to make progress, we are taking actions which we believe are right to support our colleagues and improve our gender balance.

These are important first steps and we understand it will take time to reduce our gender pay gap. However by taking clear, positive and inclusive actions, we believe we will achieve this and continue to build an inclusive culture in our business.

Thank you,

Charles

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Our data

In this report, we are sharing our gender pay gap data for the 12 months to April 2018.

We've used the pay data for over 12,000 Booker colleagues to calculate our gender pay gap.

Understanding the gender pay gap

The gender pay gap measures the difference between men and women's average pay within an organisation regardless of their role or work level.

This is different to equal pay which compares the pay of men and women who perform the same role or roles of equal value.

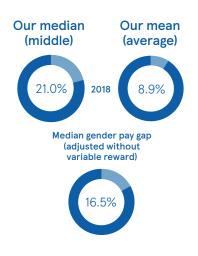
Gender pay gap

The figures opposite show our gender pay gap as a percentage in both median and mean pay for 2018.

Our median gender pay gap is 21.0% in 2018 and our mean gender pay gap is 8.9% in 2018. Our analysis shows that the pay gap is largely driven by a higher proportion of men in more senior roles.

As per the regulations, the data that is used to calculate our gender pay gap has been taken from April 2018 when Booker Group merged with Tesco. At this time, all Booker colleagues received a one off acquisition bonus which is shown in our gender pay gap.

Additionally in April 2018, we made payments under our long-term incentive plan which is part of our total reward package for senior leaders. When we adjust this figure to represent pay without any variable rewards, our median gender pay gap reduces to 16.5% which is below the UK national average.



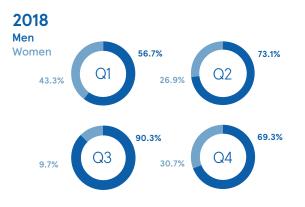


Pay quartiles

The figures below show the gender balance within each of our pay quartiles for 2018.

Within each of the quartiles there is an equal number of colleagues, ranging from Quartile 1 which includes the lowest paid colleagues to Quartile 4 which includes the highest paid colleagues.

Our analysis of the pay quartiles shows that there are fewer women in Quartiles 3 and 4 where there is a higher proportion of men in more senior, higher paid roles.



Gender bonus gap

The figures below show the percentage of men and women who received a bonus payment as well as the percentage difference in bonus amount for the year ending 5 April 2018.

It's really important that every colleague is recognised and rewarded for the success of our business. Our figures show that almost an equal proportion of men and women received a bonus in 2018. Our median bonus gap is 0.9% and our mean bonus gap is 58.3%. Through our analysis, we know that this is driven primarily by a higher proportion of men in senior roles which typically have higher bonus opportunities.

2018

Percentage of men and women who received a bonus

Men	95.8%				
Women	95.4%				
Bonus gap					
Median	0.9%				
Mean	58.3%				

Our bonus figures for 2018 include a one off acquisition bonus which was paid to all colleagues in April 2018 when Booker Group merged with Tesco.

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Our actions

We are committed to taking clear, positive and inclusive actions that will help us to achieve gender balance at every level of our business.

We know that the key driver of our gender pay gap is that we have a higher proportion of men in more senior roles. We're confident that our actions will help us tackle this as we're focusing our efforts in two key areas – supporting and attracting talented women and sustaining an inclusive culture.

We understand that it will take time to reduce our gender pay gap but we're confident that we can achieve this and continue to build an inclusive culture in our business.

Support and attract talented women

- Inclusive recruitment practices we are always inclusive when we recruit for our roles and we've spent time working with our recruitment partners, line managers and colleagues to ensure they share our focus on creating a truly diverse workplace. Additionally, we're bringing more conscious inclusion to our recruitment practices for senior leaders to ensure that the candidate experience is completely consistent, adding rigour to remove bias, regardless of business area.
- Personal development plans we will be working closely with a number of women at all levels of our business to understand their aspirations and help them to develop and progress in their career.
- Mentoring we are building a network of colleagues to mentor talented women in our business and support them to achieve their career ambitions.

Sustain an inclusive culture

- Diversity and inclusion training we are reviewing our policies and practices to ensure that all of our colleagues have an inclusive experience and feel encouraged and supported in reaching their full potential. We will also benchmark these against the external market.
- Creating a diverse and inclusive culture we will be working closely with our colleagues at Tesco to ensure we spread best practice and consistency across Booker Group.
- Inclusion in Tesco colleague networks Booker colleagues are able to join the five colleague networks at Tesco ensuring they have a strong voice and are actively engaged in the development of plans that support diversity and inclusion.
- Maternity, paternity and adoption leave we provide paid maternity, paternity and adoption leave to all colleagues in addition to shared parental leave and time off for IVF treatment. We believe giving parents flexibility in how they share the care of their child in the first year following birth or adoption is important which is why we allow them to work for part of the time and then resume leave at a later date if they choose to.
- Sabbaticals we also offer career breaks of up to one year to help colleagues pursue an ambition, manage a change of circumstance, travel or just be there for their family.
- Flexible working we will be working collectively with the wholesale industry on The Timewise Wholesale Pioneers Programme to better understand how we can offer more flexible ways of working for colleagues across our business. This will help us to support colleagues, while still delivering the best experience for our customers.

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Our gender pay figures for Booker businesses

In this report, we are sharing our gender pay figures for Booker Group which includes Booker Limited, Makro Self-Service Wholesalers Limited, Booker Retail Partner (GB) Limited (BRP) and Ritter Courivaud Limited.

Statutory Requirement	Booker Group	Booker Ltd.	Makro	BRP	Ritter
Gender pay gap: median	21.0%	18.9%	19.5%	-41.3%	-52.5%
Gender pay gap: mean	8.9%	7.4%	26.2%	-21.6%	-20.3%
Proportion of men/women in lower quartile pay band (M%/F%)	56.7%/ 43.3%	62.3%/ 37.7%	38.5%/ 61.5%	89.4%/ 10.6%	96.2%/ 3.8%
Proportion of men/ women in lower middle quartile pay band (M%/F%)	73.1%/ 26.9%	71.3%/ 28.7%	50.6%/ 49.4%	92.0%/ 8.0%	89.7%/ 10.3%
Proportion of men/ women in upper middle quartile pay band (M%/F%)	90.3%/ 9.7%	91.6%/ 8.4%	72.2%/ 27.8%	61.7%/ 38.3%	74.6%/ 25.4%
Proportion of men/ women in upper quartile pay band (M%/F%)	69.3%/ 30.7%	71.0%/ 29.0%	67.0%/ 33.0%	71.9%/ 28.1%	71.2%/ 28.8%
Proportion of men who received a bonus	95.8%	97.7%	96.0%	80.8%	96.6%
Proportion of women who received a bonus	95.4%	98.5%	97.5%	57.8%	92.7%
Bonus: median	0.9%	1.1%	-2.1%	95.2%	72.9%
Bonus: mean	58.3%	58.0%	64.2%	66.0%	51.2%

I confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Charles Wilson, Chief Executive, Booker.

Appendix: Understanding how we calculate our gender pay and bonus gap

Calculating the gender pay gap

The gender pay gap measures the difference in total hourly pay between all women in a business and all men in a business. There are two ways we must report this, as a median percentage and as a mean percentage.

Median

• The median is the figure that falls in the middle of a range when all hourly pay is stacked from lowest to highest. The median gender pay gap is the difference between the middle figure for all women's hourly pay and the middle figure for all men's hourly pay.

Mean

• The mean is the average figure when you consider the hourly pay for all men and all women. The mean gender pay gap is the difference between the average hourly pay for all women and the average hourly pay for all men.



Calculating our pay quartiles

The pay quartiles measure how many men and women are represented in each quarter of the business when all men and women's hourly pay is stacked from lowest in Quartile 1 to highest in Quartile 4.

Calculating the gender bonus gap

The gender bonus gap measures the difference in total bonus payments between all women in a business and all men in a business. There are two ways we must report this, as a median percentage and a mean percentage. We also must report the proportion of men and women who received a bonus payment.

Proportion of colleagues to receive a bonus

• The proportion of women who received a bonus is shown as a percentage of all women in the business and the proportion of men who received a bonus is shown as a percentage of all men in the business.

Median

• The median is the figure that falls in the middle of a range when all bonus payments are stacked from lowest to highest. The median gender bonus gap is the difference between the middle figure for all women's bonus payments and the middle figure for all men's bonus payments.

Mean

• The mean is the average figure when you consider the bonus payments for all men and all women. The mean gender bonus gap is the difference between the average bonus payment for all women and the average bonus payment for all men.

It's important to note that colleagues who work part-time receive their bonus on a pro-rata basis, but we are required to report our gender bonus gap calculation without adjusting these to the full time equivalent payment.

More information on these calculations can be found on the <u>government website</u>.

