



GENDER PAY GAP REPORT 2017

INTRODUCTION

Under new legislation that came into effect in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap.

We are happy to report that LEON's gender pay gap is smaller than both the UK and food & beverage service sector averages.

We do however see it as our responsibility to understand and address the reasons behind the gap. The main value of the data in this report is the awareness it raises and the actions we take.

We pride ourselves on being a diverse and inclusive employer, and already encourage flexibility, including part-time work. We are keen to address any barriers that prevent anyone fulfilling their potential at LEON, regardless of gender, sexuality, ethnicity, parenting, age, religion and disability.

MEASURING THE GENDER PAY GAP

What is the gender pay gap?

Gender pay gap is a measure of the difference in the average pay of men and women.

It is different from an equal pay comparison, which would involve direct comparison of two groups of people carrying out same, similar or equivalent work.

How are the median / mean gaps calculated?

Imagine a picture where all women at LEON stood next to each other in one line in order of lowest hourly rate of pay to highest and the men did the same. The median gender pay gap is the difference in pay between the middle person in the women line and the men line.

The other measure is the mean gender pay gap, which shows the difference in average hourly rate of pay between men and women. The mean pay gap tends to be influenced by skews in different numbers of men and women in different roles.

How are pay quartiles calculated?

Quartiles are calculated by listing the pay rates of everyone at LEON from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of men and women in each.

What's included in our calculations?

Calculations of mean and median pay and of quartile pay bands are based on data from relevant full-pay employees who were working with us on 5 April 2017. Bonus calculations use bonus pay from the twelve months ending on 5 April 2017 for all relevant employees.



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OUR 2017 RESULTS

Pay – hourly rate

Women's rate is...

	LEON	UK food & beverage service sector*	UK across all industries*
Median	0.1% lower	5.0% lower	18.4% lower
Mean	10.7% lower	11.9% lower	17.4% lower

* Based on estimates from Annual Survey of Hours and Earnings 2017

Pay quartiles

Proportion of male and female employees according to quartile pay bands

	Male	Female
Upper quartile	48%	52%
Upper middle quartile	42%	58%
Lower middle quartile	43%	57%
Lower quartile	44%	56%

Bonus pay

% of people who received bonus pay

Male	Female
87%	88%

Women's bonus pay is ...

Median	29.1% lower
Mean	27.8 % lower



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UNDERSTANDING THE GAP

<i>As of April 2017</i>	People	% male	% female
Hourly team members	742	44%	56%
Salaried managers	92	49%	51%
Support team	53	45%	55%
Senior team	10	70%	30%
LEON total	897	45%	55%

Women made up 55% of our workforce in April 2017 and they constituted **the majority across all roles, except the senior team.**

While **our median hourly pay gap is only 0.1%**, our **mean hourly gap is higher at 10.7%**, driven by the underrepresentation of women in the senior team. **If we had 50:50 gender mix across all roles, the mean hourly pay rate gap would reduce from 10.7% to 2.8%.**

It is worth noting that the **composition of our senior team has changed noticeably in the last 12 months in favour of women** (up from 30% to 45%), with the addition of Karen Stone (UK Managing Director) and Shereen Ritchie (UK Operations Director) to the team hence we expect the mean gap to reduce noticeably in 2018. We have also had some great internal promotions such as Rebecca Di Mambro, who is now our Head of Marketing, Erica Molyneaux, who is now our Head of Food, and Emily Hawkley, who became an Operations Manager.

While the **bonus pay-out is similar for both women and men (88% and 87% respectively)**, there is a **noticeable gap with respect to mean bonus pay.**

Bonus payments are highly influenced by the number of hours worked, particularly for team members, which constitute over 80% of our workforce. The **average bonus payment** over a 12-month period therefore tends to be **lower for a part-time vs. full-time team member.** This is because the bonus gap is calculated based on the bonus amount paid per employee rather than the bonus amount paid per hour worked. Since we **encourage flexible working and female employees are a lot more likely to work part-time**, this has a **large impact on reported bonus pay figures.**

Last year, **38% of hourly paid female team members worked part-time compared to 25% of hourly paid male team members, resulting in a 15% mean bonus pay gap between hourly paid female and male paid team members.** This **gap is significantly lower across other roles** (e.g. 3% bonus pay gap for salaried managers), where part timers constitute a smaller share of the relevant population.

We believe this gap is not necessary a bad thing since it is an outcome of encouraging and enabling flexible working.



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WHAT WE ARE DOING TO ADDRESS GENDER IMBALANCE

- 1. We are proud of the fact our team already has a healthy balance of women and men across all roles. We will continue to actively support people to succeed and grow into more senior positions based on merit, regardless of gender.**
- 2. We will continue to actively promote our existing policies of flexible working and shared parental leave.**
- 3. We will encourage our recruitment team to continue to interview a balanced and diverse set of candidates for all roles.**