

a.f. blakemore
& son ltd

Gender Pay Gap Report 2017



Foreword



Last year my family's business celebrated its 100th birthday. Throughout this history we've always taken great pride in the relationship we have with our colleagues: one that is founded on inclusion and openness, and this is evident in the many long-serving and committed colleagues that we have across our group of companies.

As a result, A.F. Blakemore welcomes the UK Government's requirement for companies to report upon the gender pay gap, which identifies the average amount that women and men are paid across the total workforce. This initiative has called upon businesses

like ourselves to identify, understand and act upon its gender pay gap and prompt even further action to be taken in this vital area.

Whilst important measures of employee engagement such as our annual colleague survey indicate no significant differences in employee perception of our business between gender groups, our gender pay gap data indicates an overall mean difference between male and female pay of 21.16%. This is explained in the statistical split in representation of male and female colleagues at the lower end of our scale compared to ratios in more senior, higher paid roles. Clearly our data shows that these results are driven by challenges in progressing females through our business compared to men.

We believe that an indicator of a truly successful business is that it represents all parts of the communities in which it serves. This belief is reflected in the company's core purpose, as outlined in our values statement, The Blakemore Way, "to grow a profitable and sustainable family business for the benefit of our staff, customers and communities." The need to open up opportunities for all individuals to develop, innovate and maximise their potential is a priority for A.F. Blakemore & Son Ltd as we embark upon our second century in business, and I am personally committed to ensuring a greater reflection of today's society in our board rooms.

Caoire Blakemore

Commercial Director
Chair of A.F. Blakemore Equality, Inclusion and Diversity Steering Group

What is the Gender Pay Gap?

Background – The Legal Framework:

- The regulations form part of the Equality Act 2010 and apply to employers in the public and private and sectors with 250 or more employees.
- The information required of employers must be published within 12 months beginning with the relevant date (5 April 2017) and annually thereafter.
- Specific gender pay information to be published entails:
 - ◇ Mean and median gender pay gap
 - ◇ Mean and median gender bonus gap
 - ◇ Proportion of males and females receiving a bonus
 - ◇ Proportion of males and females by quartile pay band

Definitions:

It is important not to confuse the gender pay gap with equal pay.

- **Gender pay gap** is a measure of difference between the average hourly earnings of men and women.
- **Equal pay** is the right for men and women to be paid the same when doing the same, or equivalent, work. This legal requirement is a matter of principle that A.F. Blakemore is committed to.

What is A.F. Blakemore's Gender Pay Gap?

A.F. Blakemore & Son Ltd's employee data as of the 12 months prior to April 5 2017:



Total employee headcount:

7,635

(excluding newspaper distributors)



Female colleagues:

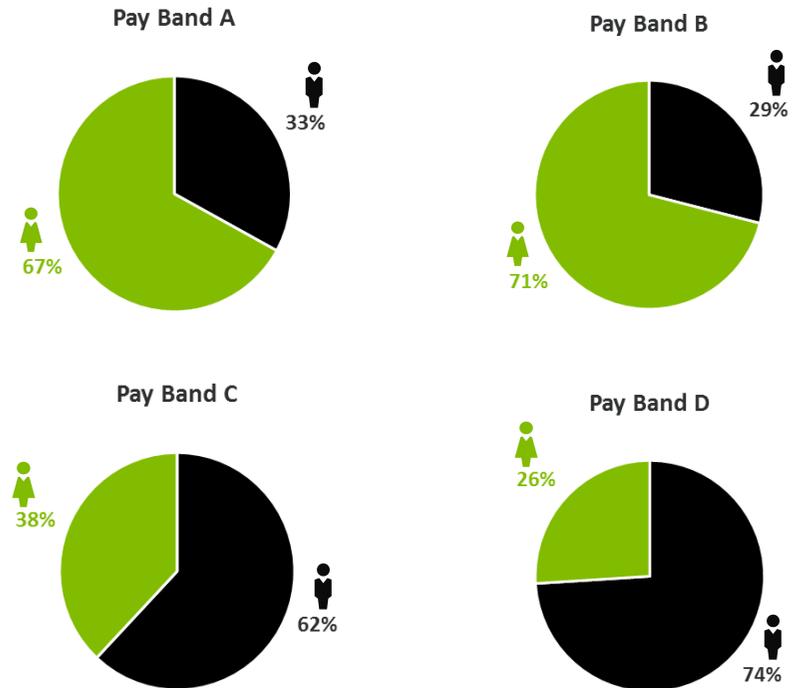
4,332



Male colleagues:

3,303

The number of male and female relevant employees according to quartile pay bands A, B, C and D (A being the lowest pay rates and D being the highest pay rates):



Area	Female	Male	Difference
The difference in mean pay during the pay period between male and female employees	£8.10	£10.27	21.16%
The difference in median pay during the pay period between male and female employees	£7.54	£8.30	9.16%
The difference in mean bonus payments between male and female employees	£1,695.15	£2,962.65	42.78%
The median in bonus payments between male and female employees	£1,170.00	£1,912.07	38.81%
The proportion of male and female employees who receive a bonus	8.34%	34.18%	75.89%

Quartile	Gender	Employees	% of Quartile
A	Female	1,278	67
A	Male	630	33
B	Female	1,360	71
B	Male	548	29
C	Female	719	38
C	Male	1,189	62
D	Female	505	26
D	Male	1,406	74

What are the Reasons Behind A.F. Blakemore's Gender Pay Gap?

One of the most significant challenges facing A.F. Blakemore in addressing its gender pay gap stems from the fact that there is a higher portion of women than men in junior roles, whilst there are fewer women than men in the most senior managerial positions.

Whilst females comprise 67% of our more junior positions, males comprise 74% of A.F. Blakemore's most senior roles.



A.F. Blakemore has always been committed to employing the best person for the role regardless of their gender, or any other characteristics.

The company's data, however, is indicative of the position and challenges surrounding female progression witnessed across the retail and wholesale sectors in which the business operates.

According to Women in Retail*, women make up 60% of retail work, but only 10% of them make it into executive roles. Likewise, Women in Wholesale** research indicates that whilst women account for 47% of people working across the sector, only an estimated 11% of these are senior level managers and directors.

It is this disproportionate representation of males and females at senior levels that creates a difference in mean pay.

Improvements are required within the company's working practices and talent policies to ensure that women can progress as easily as men.

* Women in Retail and Elixirr Report 2016 — "The Commercial Advantage of More Women in the Boardroom"

** Women in Wholesale Report 2017 — "Six Steps to Nurture, Grow and Advance Talent in Wholesale"

What is A.F. Blakemore's Commitment to Closing the Gap?

Greater female representation in senior positions undoubtedly provides greater diversity of opinion, perspective and innovation across the business, which will in turn improve the company's reputation and ultimately bottom-line results.

To help drive this change A.F. Blakemore commissioned internal research in 2016 which sought the views of female employees in relation to their experiences of working for the company. The research included an online survey that was followed up by a series of focus group discussions, led by an independent facilitator. Discussions focussed upon the company's approach to inclusion, culture and barriers to progression and resulted in the A.F. Blakemore Board identifying the importance of developing a more strategic approach to address this issue.

Subsequently the company has established an Equality, Inclusion and Diversity Steering Group, steered by Caoire Blakemore, that focuses upon the areas set out below.

Education & Inclusion	Policy Development	Recruitment
Leadership engagement	Develop an Equality, Inclusion and Diversity policy	Continue to develop our inclusive culture with strong values, as outlined in the Blakemore Way
Staff engagement/activities	Promote our Family Friendly policies, including a relaunch of our Maternity, Paternity and Shared Parental Leave information packs	Establish a more flexible approach to recruitment and retention, and invest in a bespoke applicant tracking system to include blind CVs
Coaching, mentoring and networking	Review and amend benefits	Ensure the use of gender-neutral language to advertise roles
Promote best practice case studies to empower management	Create a 'Benefits Booklet'	Standardised recruitment processes and measurements to inform the EID strategy
Analysing and Benchmarking		

The EID Action Plan was launched by Group HR Director, Ian Diment, at the 2017 Women in Wholesale Conference that also coincided with the company's first ever Equality, Inclusion and Diversity Week, which formed part of A.F. Blakemore's centenary celebrations.

A.F. Blakemore's key activity to date includes:



- **The Launch of an Equality, Inclusion and Diversity Awareness Programme**

We have launched an Equality, Inclusion & Diversity awareness session that will be rolled out across the company's entire management team in 2018.

The half-day session, which has already been delivered to the A.F. Blakemore senior executive team, highlights the benefits of a diverse workforce as well as the importance of respect for others, dignity at work, awareness of unconscious bias and EID-related policies.

The sessions will also further consult our management team on their perspectives of EID at A.F. Blakemore and all feedback will be presented and actioned by the company's EID steering group.

- **Gender-Neutral Job Advertising**

We have undertaken research on the language that is used within our recruitment practices and used this to ensure that we have gender-neutral language within our job adverts to help attract more candidates to our vacancies.



- **Anonymised Open Applications for our Future Leaders Programme**

A.F. Blakemore's new Future Leaders Apprenticeship programme was launched in 2018 with candidates selected via an anonymous open application process.

The ILM Level 3 Diploma in Management Apprenticeship, which runs over 18 months, aims to help colleagues develop a range of essential management skills and build up their leadership capability. Six female and six male delegates have made up the initial course intake.

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This is a significant and long-term L&D course that has the potential to be a core strand of A.F. Blakemore's future leadership development plans.

I believe that the recruitment process for this programme and subsequent assessment day have provided some high-calibre candidates, and I look forward to supporting them on their journey.

Sharanjeet Juss, A.F. Blakemore Learning & Development Projects Officer

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- **The A.F. Blakemore Graduate and Apprenticeship Programmes**

In 2017 A.F. Blakemore launched new warehouse & distribution and LGV driver apprentice schemes. These are being introduced to encourage more young people to consider a career with us and help shift perceptions of sectors such as logistics.

Since the launch of the programme in May 2017 the company has recruited 21 logistics apprentices, with three of those being female. This is a good start and we intend to build upon this over the coming months by promoting these roles and helping encourage more females to consider an apprenticeship, in what may traditionally be perceived as a male-dominated environment.

In 2015 A.F. Blakemore also launched a graduate scheme. In addition to an ongoing development programme, all graduates have access to an internal behavioural coach, to provide ongoing support in relation to workplace attitudes and resilience.

Our Graduate Programme was launched in 2015 with the purpose to attract and develop a diverse talent pool of future leaders to support the growth of a sustainable business. Since its launch, 27 graduates have joined the programme. Of these, 14 recruits have been female and 13 male.



I confirm that the data published in this report is accurate. Caoire Blakemore, Commercial Director — A.F. Blakemore & Son Ltd