

Our 2017 Gender Pay Gap Report

We are passionate about fairness, equality and inclusion and are committed to reducing our gender pay gap.

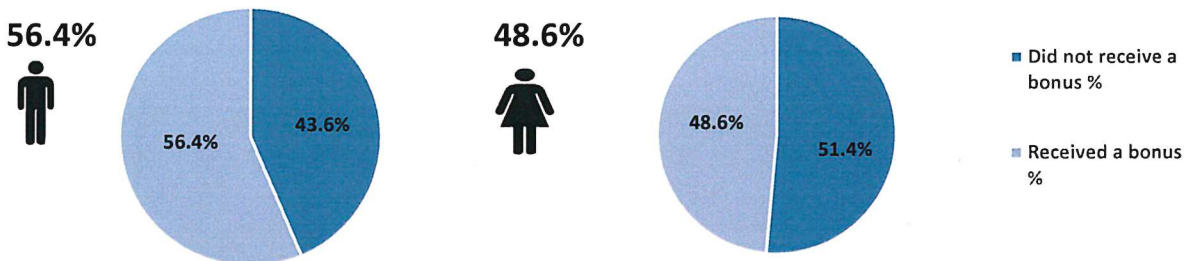
Pay & Bonus Gap

Difference between men and women

	Mean	Median
Hourly fixed pay	9.6%	-3.1%
Bonus paid	16.0%	-5.4%

The above table shows the differences in the average pay between men and women and the regulations require both median and mean figures to be reported. The median shows the mid-point salary of any sample, calculated through sorting the hourly rates from lowest to highest and calculating the middle value. It also captures the mean and median difference between bonuses paid to men and women at Connect in the year up to 5th April 2017. The total number of staff included in the calculation for the reporting period is 565 with a gender breakdown of 62% male and 38% female. It should be noted that the median gender pay and bonus gap figure is a minus figure which is largely influenced by the number of male employees working in our blue collar roles such as Warehouse Operatives. 77% of the roles within these departments are filled by male employees. These positions attract the lowest bonus figures and hourly pay.

Proportion of colleagues awarded a bonus for 2016



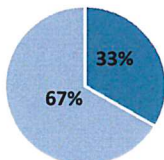
Bonus amounts tend to increase with seniority. This means the bonus gap is therefore influenced by a higher proportion of men in senior roles. The difference between the proportions of men and women who received a bonus payment was relatively small, however, the positions that attract the lowest bonus figures are generally those associated with distribution and warehousing, 77% are occupied by male employees

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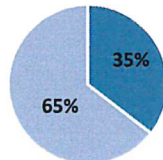
Pay Quartiles

Quartile 1



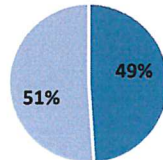
0.27% pay gap

Quartile 2



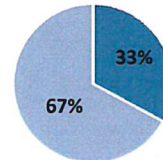
-1.35% pay gap

Quartile 3



-0.10% pay gap

Quartile 4



21.68% pay gap

Male
Female

The hourly pay quartiles show the proportion of men and women that are in each pay quartile, when employees are arranged in order of hourly pay rate. All quartiles have a higher proportion of male employees than female.

To achieve our strategic objectives, Connect Distribution needs an engaged, capable and diverse workforce that feels valued and is committed to achieving the business goals. We understand that key to this is establishing a culture where our people feel proud to work for us and they are all valued for their personal contribution regardless of role. We are already taking steps to drive culture change including how we recognise and reward the contribution of all our employees.

We have recently undertaken a benchmarking review at our National Distribution Centre and Contact Centre where 54 % of our employees are employed. In line with the review we have made positive changes to the pay in the lower quartile salaries.

We are confident that men and women are paid equally for doing the same job at Connect Distribution, however the greater proportion of men than women in senior roles contributes towards our gender pay gap.

Recruitment

Our aim is to recruit from the widest possible talent pool; this ensures we have a diverse workforce. We are working towards ensuring that specialist training is provided to managers in the business who are part of the recruitment process in order to avoid unconscious bias. We have recently appointed a female Finance Director onto the board who will be joining the business in May 2018.

Development

We have recently launched our 'Leading the Way' Leadership programme aimed at all management levels within the business. In order to develop our people we have also supported our managers in obtaining further professional qualifications.

There is still more to do and we will continue to focus on building an inclusive culture at Connect and to ensure that we are always continuously improving.

I confirm the data reported is accurate

Andrew Sharp
Managing Director