



GENDER PAY GAP REPORT FOR 2017

THE MRH (GB) LIMITED GROUP

Introduction

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the MRH (GB) Limited Group is required to carry out Gender Pay Gap Reporting.

This involves carrying out a number of calculations that show the difference between the average earnings of men and women in our organisation. This analysis has been applied to each of the employing companies within the MRH (GB) Limited Group and the findings, along with the actions the Company intends to take as a result, are detailed in this report.

Group Overview

The MRH (GB) Limited Group is the largest independent owner and operator of motor fuel service stations in the UK. The majority of its 491* sites across the UK are run under licence by independent Commission Operators and these sites serve approximately 2.5 million customers every week. The Group sells approximately 2.5bn litres of retail motor fuel every year and has wholesale supply arrangements in place with, amongst others, Shell, BP and Esso.

Following the sale of MRH (GB) Limited in 2016 to U.S. private equity firm Lone Star, it has looked to use its' expertise in motor fuels and retail to lead the transformation of the sector as the market consolidates. Focusing on convenience and food-to-go hubs for the local community, the Group has expanded its own Hurst's brand as well as bringing some well-known high street names to its sites, including Spar, Budgens, Subway, Costa and Greggs.

*as at 31 December 2017

United Kingdom Employing Companies at 5th April 2017

The Gender Pay Gap Analysis was carried out using data as at 5th April 2017. At that time, the MRH (GB) Limited Group contained the following four employing Companies within the United Kingdom:

Malthurst Retail Limited:	The original employing Company of the MRH (GB) Limited Group and the one through which most of the Group's managerial, technical, professional and administrative staff are employed.
Isle of Wight Fuels Limited:	A distributor of hydrocarbon fuels that operates from its terminal on the Isle of Wight.
RFF Limited:	The fast food retailing operation of the MRH Group, providing fresh food and drinks on-the-go under the Subway, Greggs and Costa brands.
Spring Petroleum Company Limited:	Based in West Yorkshire, Spring Petroleum Company Limited consists of 25 directly managed motor fuel service stations.

Gender Pay Gap

Gender Pay Gap analysis identifies the percentage difference between the average (mean or median) earnings and bonuses of men and women. The difference is expressed as a percentage of men's earnings.

Positive percentage figures identify that, overall, female employees have lower pay or bonuses than male employees. By contrast, a negative percentage figure indicates the opposite; namely that male employees have lower pay or bonuses than female employees.

Gender Pay Gap analysis differs from Equal Pay analysis in that it measures the difference in pay based on all men and women in a Company or Group irrespective of what work they are undertaking, rather than focusing on the pay of those carrying out the same or similar jobs or work of equal value.

Measurements

Under the legislation, the Group is obliged to undertake the following calculations of employee's pay.

1. The mean gender pay gap:

This calculation identifies the difference between the mean (average) hourly rate of pay (including salary, allowances and other payments) of males and females who received their full pay during the April 2017 pay period.

2. The median gender pay gap:

This calculation identifies the difference between the median (middle) hourly rate of pay (including salary, allowances and other payments) of males and females who received their full pay during the April 2017 pay period.

3. The proportion of males and females receiving a bonus payment:

This calculation shows the percentage of males and females who were paid any bonus in April 2017 or the 12 months leading up to it.

4. The mean bonus pay gap:

This calculation identifies the difference between the mean (average) bonus pay of all males and females employed as at the 6th April 2017 which were received as at the 6th April 2017 and/or the preceding 12 months.

5. The median bonus pay gap:

This calculation identifies the difference between the mean (middle) bonus pay of all males and females employed as at the 6th April 2017 which were received as at the 6th April 2017 and/or the preceding 12 months.

6. The proportion of males and females in each quartile pay band:

This calculation requires an employer to show the proportions of male and female full-pay relevant employees in four quartile pay bands, which is done by dividing the workforce into four equal parts.

Quartile Bandings

Quartile 1 = Lower Quartile

Quartile 2 = Middle Lower Quartile

Quartile 3 = Upper Middle Quartile

Quartile 4 = Upper Quartile

The MRH (GB) Limited Group

The MRH (GB) Limited Group is the largest independent motor fuel retailer in the UK with 491 sites across the UK. As at the 6th April 2017, the Group had four employing companies. Malthurst Retail Ltd, RFF Ltd, Isle of Wight Fuels Ltd, and Spring Petroleum Company Ltd. Between them, these Companies employed 708 people on this date. These employees work in a diverse range of roles including technical, professional, field operations management, senior management, administrators and data processors, customer services, drivers, sandwich makers and sales assistants.

Gender Pay Gap



The Mean Gender Pay Gap of 15.7% is slightly lower than the average of the 500 employers who have released information in the last 12 months (1) although there are still improvements that the Group wishes to make. The median gender pay gap of 9.6% results from the broad range of pay throughout the Group, and challenges remain for the Company to attract more female staff to middle and senior management roles, roles at petrol filling stations and more males to administration and data processing positions.

Bonus Gap

Percentage of Females and Males Receiving a Bonus



Bonuses are implemented consistently within each employing company, although they are restricted to managers and supervisors in RFF Ltd and Spring Petroleum Ltd.

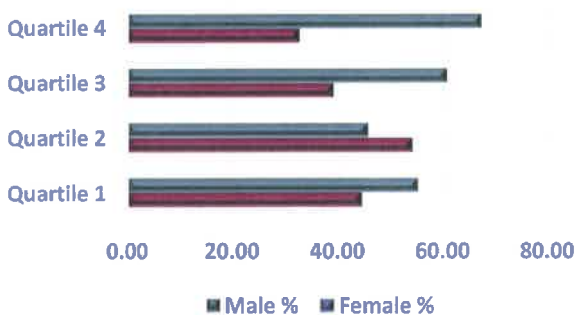
The percentage of female employees receiving bonuses in the Group is approximately 4% greater than their male colleagues. This is predominantly due to the high number of male employees working at Spring Petroleum, for which the bonus scheme is restricted to a relatively small group of managers.



The high percentage of males not receiving a bonus at Spring Petroleum has led to a low mean Bonus Gap within the Group although the median percentage is high. This is as a result of the proportionally higher number of males working in technical and managerial roles, particularly in Malthurst Retail Ltd, where bonuses are linked to salaries and salaries in such technical and managerial roles are the highest in the Group.

Quartiles

Percentage of Males and Females in Each Quartile



The ratio of males and females are broadly similar in the first two quartiles with the high number of males employed at motor fuel service stations counter balancing the signification levels of females working in financial processing and administration roles in Malthurst Retail Ltd.

Despite making significant progress in recruiting females to Senior Management and the Accountancy positions, there remains a dominance of males working in the technical and managerial roles that mostly comprise the 3rd and 4th quartiles. This may, in part, be due to the impact that breaks in working related to childcare have traditionally had on female careers (2) and the Group will explore whether adjustments are required to make its working conditions more family-friendly.

Malthurst Retail Limited

Malthurst Retail Ltd is the original employing Company of the MRH (GB) Limited Group and provides the professional services, management and administrative and financial support to the Group's network of motor fuel service stations across the UK. This Company has a large Finance Department and field team as well as other professional and technical departments such as Marketing, Property, Customer Services, HR, Legal and engineering. The Company employs a large number of professional/technical and managerial staff (including those who make up the Strategic Leadership Team) as well as a significant number of administrative and data processing workers.

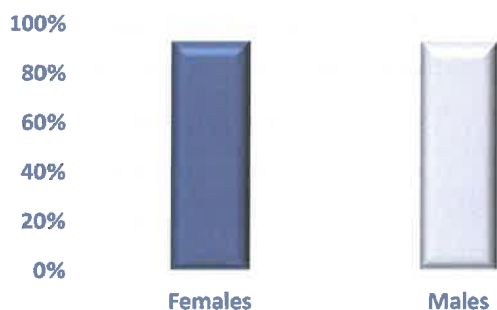
Gender Pay Gap



The Company's Gender Pay Gap between men and women is driven by (i) the higher proportion of men in middle and senior management positions who are more likely to receive higher levels of pay and (ii) the dominance of females in clerical, administrative and data processing roles. Whilst the Company has seen more women recruited and promoted to middle and senior management roles within the Company in recent years, it recognises there is more that needs to be done. In particular, it needs to consider how more females can be attracted to the Area Manager job role (which is predominantly undertaken by men).

Bonus Gap

Percentage of Females and Males Receiving a Bonus



The Company runs a discretionary Annual Bonus programme, the criteria for which was applied equally to all staff who met the qualifying criteria in financial year 2016-17. Ordinarily this would ensure that the proportion of men and women receiving a bonus would be the same but, in this instance, females marginally outnumber men by 0.6 percentage points (meaning that a slightly higher proportion of female employees met the criteria for receipt of a bonus).

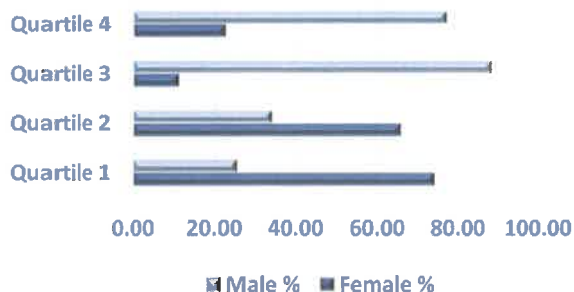


The link of the discretionary bonus scheme to salaries has meant that, on average, men have received higher average bonuses than females. This is because males occupy a higher proportion of middle and senior positions within the business which typically attract higher salaries.

The median figure is also influenced by the large number of clerical, administrative and data processing roles which are largely occupied by females.

Quartiles

Percentage of Males and Females in Each Quartile



Quartile figures indicate both the dominance of females in clerical, administrative and data processing roles and the higher proportion of men in Senior and, in particular, middle management and professional positions.

Of particular significance is that the large majority of staff employed as Accounts Assistants are female whilst the opposite is true for Area and Regional Manager roles within the business.

Isle of Wight Fuels Limited

Isle of Wight Fuels Ltd provides a range of hydrocarbon fuels, oils and lubricants for domestic, agricultural and commercial use from its storage facility in East Cowes. It distributes 1.5 million litres of fuel a week across the Isle of Wight through its fleet of road tankers. The Company employs 15 people of which 30% are tanker drivers and most of which are male. Three of the workforce are females who carry out administrative, sales and management roles.

Gender Pay Gap



The Gender Pay Gap is influenced by the 30% of the workforce who are professional tanker drivers. These three roles are occupied by men, but this is very much consistent with industry patterns of employment (3). Moreover, two of the three managerial positions are occupied by men and these are more highly-paid job roles.

Bonus Gap

Percentage of Females and Males Receiving a Bonus



With a workforce of just 15, Isle of Wight Fuel Limited's Gender Pay Gap analysis is vulnerable to the exaggerations associated with small sample sizes.

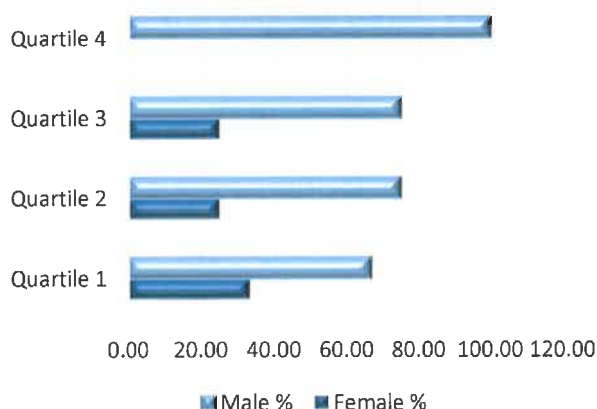
The Company introduced a bonus scheme for sales/administration staff, all of whom are female. As a consequence, the number of females receiving a bonus, as expressed as a percentage, is significantly higher than that of males.



The Bonus Pay Gap is largely influenced by the General Manager being on a separate, salary-based bonus scheme.

Quartiles

Percentage of Males and Females in Each Quarter



The three females within the Company each occupy one of the first three pay quartiles. The upper two quartiles are dominated by those in managerial and driving jobs while the lower two quartiles are made up primarily of those undertaking manual or administrative duties.

RFF Limited

RFF Ltd is the fast food retailing operation of the MRH (GB) Limited Group, providing freshly prepared food and drinks to customers at more than 30 key sites across the UK under the Subway, Greggs and Costa brands. Its employees consist of Team Members, Supervisors, and above-site staff including Area and Brand Managers.

Gender Pay Gap



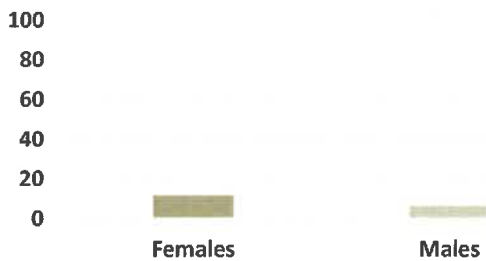
62% of staff receive pay linked to the statutory Minimum Wage or Living Wage. However, 60% of all employees within the Company are females who, on average, have a longer length of service than their male colleagues.

The company fills many of its supervisory and managerial positions through internal promotion from counter service roles and it is therefore unsurprising that the dominance of females within the Company is reflected in the proportion that progress into these higher paid positions.

As a consequence, the Company has a negative Gender Pay Gap figures indicating that on average, females are paid more than men.

Bonus Gap

Percentage of Males and Females Receiving a Bonus



Within the Company, bonus payments are restricted to Managers and Supervisors and the dominance of females within these roles has led to the percentage of females receiving bonuses being higher than men.

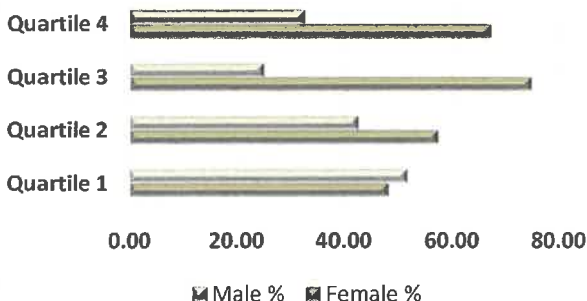
However, this gap may improve as a number of males newly recruited to managerial positions will become eligible for the first time to receive bonus payments.



More females than males received bonus payments, and this is reflected in both the mean and median bonus payment percentages which are significantly higher for females than males. However, it is predicted that this will change following the appointment of a number of men to managerial positions.

Quartiles

The Percentage of Males and Females in Each Quartile



Unsurprisingly, the alignment of pay with statutory minimum wage or living wage rates has led to the even distribution of females and males within the first (lower) quartile.

However, due to the higher number of females occupying supervisory / managerial positions and which also receive bonuses, both the Upper Middle and Upper Quartiles are dominated by females.

Spring Petroleum Company Limited

Spring Petroleum Company Ltd consists of 25 directly managed petrol filling stations in the West Yorkshire region. The business employs staff in a number of roles including customer-facing, administrative, managerial and area management roles.

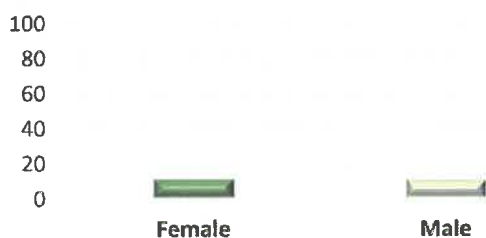
Gender Pay Gap



Spring Petroleum Company Ltd employs more men than women at all levels of the organisation. However, as the pay of the majority of the employees is either directly or indirectly linked to statutory minimum wage rates, the Gender Pay Gap is small; mainly derived from the higher proportion of men in the small number of managerial job roles.

Bonus Gap

Percentage of Females and Males Receiving a Bonus



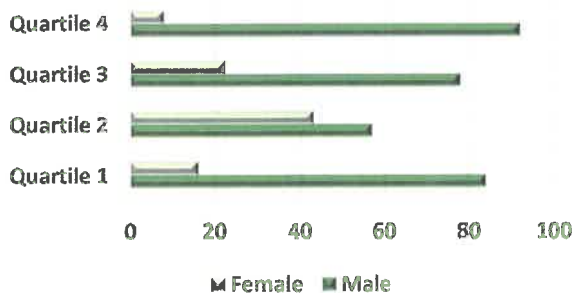
The Company bonus scheme is restricted to a relatively small number of managers meeting the criteria and, while more males are employed in managerial roles, the ratio to those receiving a bonus is very similar between the genders.



More males are employed in senior positions which attract bonuses within the Company. Therefore, the mean and median bonus payments are higher for males than females.

Quartiles

The Percentage of Males and Females in Each Quartile



This measurement identifies that males significantly outnumber females in all quartiles.

Overall Conclusions

The Group has made significant progress in relation to recruiting and promoting females into senior managerial positions. The number of women in the Senior/Strategic Leadership roles, including the Chief Executive Officer, has risen from 11% to 28% in less than two years and compares favourably with the average of 21 % for companies in G7 countries (4).

In addition, the Group has also made some progress in relation to technical/professional roles, with females now holding 65% of Management, Management Accounting and Accountancy Trainee roles within the Finance Department and 66% of the Legal Team (as at date of publication).

It is hoped that these female role models will encourage others to seek out development and career opportunities within the Group, particularly in Engineering and IT which remain dominated by males (a trend that is replicated across the UK (5), (6) and (7)).

The management of the Group recognises that it is desirable for female participation rates in these and other male-dominated roles (such as Area and Regional Managers) to be increased. It is also desirable to attract more males to undertake job roles in aspects of the business such as administration, data processing and customer-facing activities; although this is an issue that is by no means unique to the MRH (GB) Limited group (8).

In addition, the Group also needs to understand the reasons for the specific gender dominance observed in both RFF Ltd and Spring Petroleum Company Ltd.

Steps the Group Intends to Take

In order to reduce the gender pay gaps described in this report, the management of the Group intends to undertake the following steps.

- Consider what can be done to attract more males to work for RFF Ltd.
- Consider how females can be encouraged to apply for and undertake Area Manager and Regional Manager job roles.
- Consider what can be done to attract more males to Accounts Assistant roles.
- Develop a plan of action to increase the participation rate of female employees in senior managerial job roles.

For the avoidance of doubt, no action is proposed in relation to Spring Petroleum Company Limited because the business is to be converted to Commission Operation by July 2018 and so will have no employees after the end of that month.

Declaration

I confirm that the data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'Dr Karen J Dickens', written over a horizontal line.

Dr Karen J Dickens
Chief Executive Officer
MRH (GB) Limited

TABLE OF CALCULATIONS

	MRH (GB) Ltd Group	Malthurst Retail Ltd	Isle of Wight Fuels Ltd	RFF Ltd	Spring Petroleum Company Ltd
Mean Gender Pay Gap	15.7%	21.7%	15.9%	-6.2%	5%
Median Gender Pay Gap	9.6%	39.7%	2.8%	-17.9%	3%
% of Males Receiving a bonus	31%	92%	16.7%	6.3%	10%
% of Females Receiving a bonus	35%	93%	100%	11.5%	11%
Mean Gender Bonus Gap	12.5%	16.4%	55.3%	-223%	17%
Median Gender bonus Gap	71.7%	63%	92.6%	-115.9%	38%
Percentage of Males / Females In Upper Quartile	67.5% / 32.5%	77.3% / 22.7	100% / 0%	32.7% / 67.3%	92% / 8%
Percentage of Males / Females In Upper Middle Quartile	60.8% / 39.2%	88.65% / 11.35%	75% / 25%	25% / 75%	78% / 22%
Percentage of Males / Females In Lower Middle Quartile	45.8% / 54.2%	34.1% / 65.9%	75% / 25%	42.6% / 57.4%	57% / 43%
Percentage of Males / Females In Lower Quartile	55.3% / 44.7%	25.6% / 74.4%	66.7% / 33.3%	51.7% / 48.3%	84% / 16%

Sources

- 1: Palmer K, BBC News Website, 8th January 2018, Gender pay gap: More than 500 firms reveal their figures
- 2: PWC, November 2016, 'Women Returning; the £1 billion career break penalty for professional women'
- 3: Claffey D, the Guardian, Fri 26 Apr 2013, 'Meet Women 'Doing Men's Jobs''.
- 4: Grant Thornton International Business Report, 2014, Annual Survey.
- 5: Peacock L, The Telegraph, 2nd August 2012, 'Women in UK Engineering Jobs 'Worryingly Low'', quoting study by the Institution of Engineering and Technology.
- 6: Computer Weekly, 2018, Annual Survey.
- 7: Office of National Statistics , 2013, Women in the Labour Market (Latest release).
- 8: Stewart H, The Guardian, 25th September 2013, 'UK Women Remain Concentrated in Lower-Paid Work', quoting Office for National Statistics Survey.