

GENDER PAY GAP STATEMENT 2019

UNDERSTANDING THE GENDER PAY GAP

The gender pay gap is a measure of the difference in the average pay of men and women, irrespective of the nature of their work or the number of hours per week, across the entire organisation. This includes each business area which for the Sterling Group is Retail, Restaurants, Distribution and Administration.

This measure is different from equal pay comparison, which relates to men and women being paid equally for equal work.

It looks at the data relevant at the snapshot date of 5 April 2018.

KEY MEASURES USED IN GENDER PAY CALCULATIONS

The pay data used is from the entire group workforce of over 600 employees.

The key measures are:-

- a) Mean Gender Pay Gap
Which represents the difference between the average hourly rate paid to male versus female employees across the group regardless of roles. This is expressed as a percentage difference from the male rate.
- b) Median Gender Pay Gap
The Media pay is calculated by listing all male hourly rates in numerical order and comparing the middle rate to that calculated from a similar list of female staff. The pay gap is the difference as a percentage from the male rate.
- c) Mean and Median Bonus Gender Pay Gap
The above calculations are also applied when comparing bonus payments over the same 12 month period; the term “Bonus” relates to commissions and to bonus. The Mean and Median Gender Pay Gap is calculated in a similar basis to b) above.
- d) Proportion of male and female staff receiving bonus.
- e) Proportion of males and females in each quartile pay band.

Snapshot Data - April 2018 (Company*)

a) Mean hourly pay gap	10%
b) Median hourly pay gap	12%
c) Mean bonus pay gap	19%
d) Median bonus pay gap	51%
e) Proportion of staff receiving bonus	55%
f) Proportion of Male receiving bonus	75%
Proportion of Female receiving bonus	35%

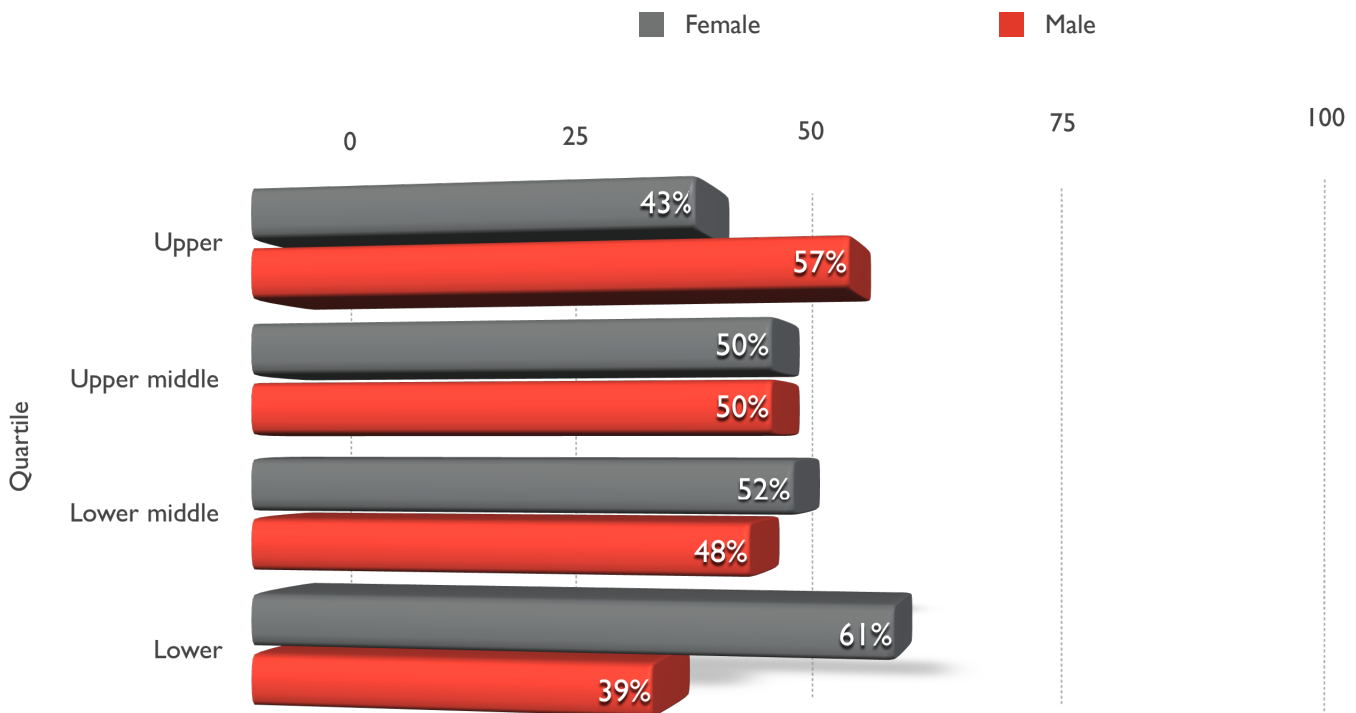
*Company = Sterling Furniture Group Ltd

Snapshot Data - April 2018 (Group*)

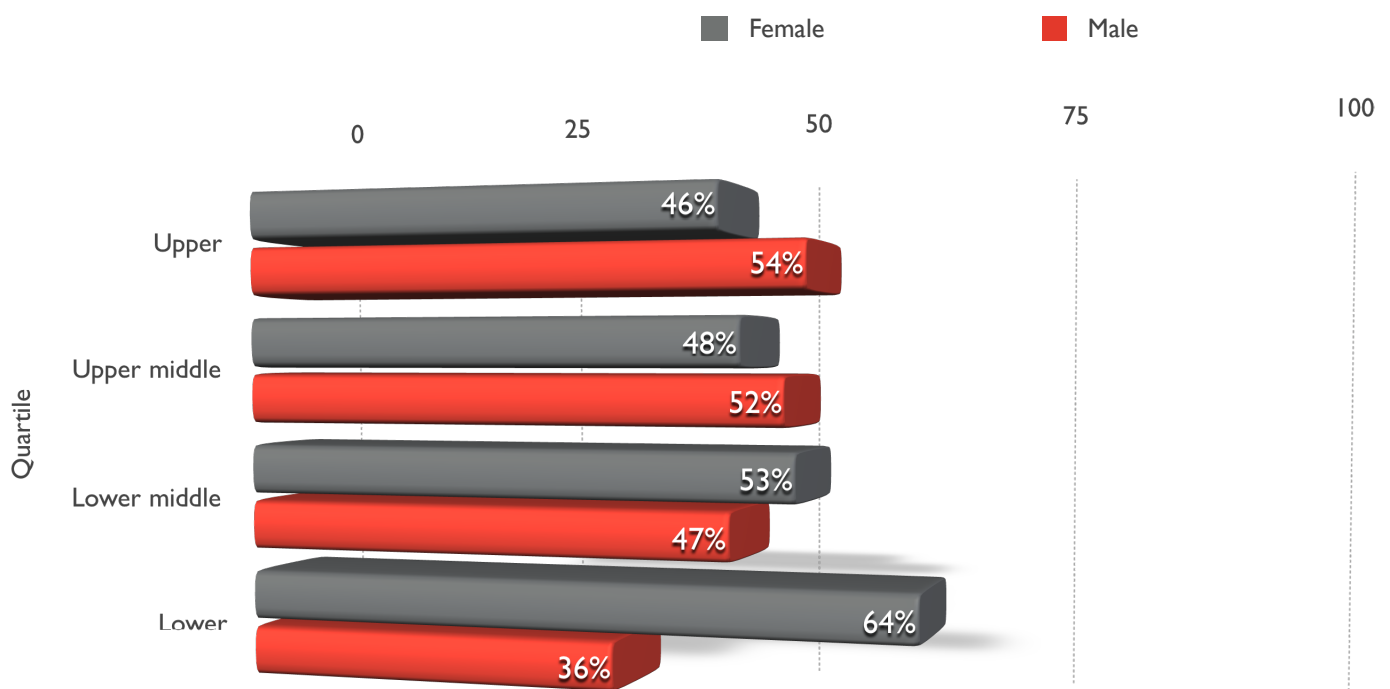
a) Mean hourly pay gap	9%
b) Median hourly pay gap	9%
c) Mean bonus pay gap	1%
d) Median bonus pay gap	45%
e) Proportion of staff receiving bonus	45%
f) Proportion of Male receiving bonus	71%
Proportion of Female receiving bonus	32%

* Group = Sterling Furniture Group Ltd and all Subsidiaries

Proportion of male and female staff in each quartile pay band (company)



Proportion of male and female staff in each quartile pay band (group)



MORE DETAILS

In reviewing the Gender Pay Gap statistics it is useful to note that the group overall split of the workforce is 48% male and 52% female.

While this split is relatively even overall it changes significantly when we look at the difference business units and functions.

The employees linked to big ticket sales and the supporting management are male biased and their income is heavily affected by commission and bonuses which generally results in higher pay. These employees are also generally full time.

The employees linked to restaurants and general retail are biased towards female staff. These jobs are often part time and do not earn commission or bonus.

The Head Office function and senior management group have a male bias and these roles tend to be higher paid and can have a bonus element.

The above factors have led to the group having an overall Mean Gender Pay Gap of 9% and a Median Pay gap of 9%. The overall group proportion of staff receiving a bonus is 45%. From staff receiving a bonus the proportion of female staff is 32% compared to the proportion of male staff which is 71%.

PAY GAP LOWER THAN INDUSTRY AVERAGE BUT OUR FOCUS CONTINUES

The gender imbalance in terms of senior staff roles and sales roles, together with the high number of female staff in the traditionally lower paid retail assistant and hospitality areas of the business are the main contributors to the Gender Pay Gap.

The overall pay gap figures for Sterling Furniture Group and SFG plus all subsidiaries are both lower than the industry average and reflect the efforts the company has made to ensure opportunities are equal for all staff.

We are pleased to note the improved figures for the group & all its subsidiaries when we compare our snapshot data of 2018 with the previous year - a reduction of 5% for the mean hourly pay gap and of 1% in the median hourly pay gap.

The percentage of female staff in the upper and upper middle quartiles has also increased – by 1% in the upper and 7% in the upper middle

The business continues to review barriers to encourage more women to apply for senior management roles. In addition the business is also looking at ways to encourage more women to take up higher paid sales roles.

The work done on the gender pay gap analysis has helped illuminate business areas where there is a gender pay imbalance and consider ways in which this can be addressed. Reducing the gap as we have over the 12 month period does not make us complacent – this process is on-going.

Sterling has operated for almost 46 years and has built a successful business around quality and service.

This has been brought about by our hardworking and capable staff. We are committed to ensuring we have a fair and balanced approach to staff recruitment, development and recognition and an environment where all employees can reach their full potential and reward.

Gordon L Mearns
Managing Director