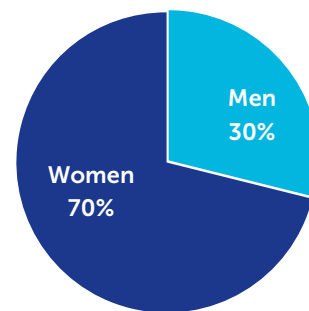


Scottish Midland Co-operative Society is Scotland's largest independent co-operative and has been at the heart of Scottish communities since 1859. We employ around 4,100 people in Scotland, Northern Ireland and the North of England across 260 retail outlets.

The Society is committed to creating a diverse and gender balanced workforce, reflective of the communities in which we operate and the customers we serve. The Society has robust processes in place to ensure pay levels are reviewed using a fair and consistent methodology.

Our pay policy is gender neutral and we are confident that men and women are being paid equally for equivalent jobs. Over 85% of our employees are on fixed pay rates for their roles. The remainder of roles are benchmarked externally using Willis Towers Watson pay survey information and verified by an independent remuneration advisor.



Total number of relevant employees - 4,131

2020 Results

The Society has seen a year on year reduction in its mean gender pay gap since it started reporting its data in 2017. This reflects the fact that more women have been recruited to higher paid senior and executive level roles, which have traditionally been filled by a higher percentage of males. Furthermore, the Society's approach and engagement of colleagues in its training programmes has seen more females move into management roles.

There was a marginal increase in the median pay gap in 2020. The main reason is due to the changes in the size and shape of the organisation due to impact of covid, which means the median male and female comparators used for the calculation has shifted.

While a gender pay gap persists, we do not believe this is a gender pay issue. Our pay gap is a reflection of the retail industry, where the majority of our customer facing and administrative employees are part-time and these part-time roles have traditionally been more attractive to female applicants.

Impact of Covid

The 2020 results have been skewed by the impact of the pandemic. The results suggest a marked shift in the gender split at the lower quartile of the employee population, with more men being recruited at this level when compared to previous years. This is not a true picture and represents a moment-in-time situation when predominately female colleagues in the Society's non-food business were furloughed and accordingly not fully accounted for in the analysis, while the availability of staff recruited to fill temporary vacancies were predominately male.

The Society is confident that in the absence of these factors, the 2020 results would have been broadly in line with 2019, albeit with a positive shift in the mean gender pay gap results.

Difference between men and women	Mean	Median
Gender Pay Gap 2019	17%	0%
Gender Pay Gap 2020	16.13%	0.57%

Quartile	Women 2020	Men 2020
Top Quartile	52.69%	47.31%
Upper Middle Quartile	71.04%	28.96%
Lower Middle Quartile	80.54%	19.46%
Lower Quartile	53.01%	46.99%

Bonus Pay	Men	Women
Those who received bonus pay	75.38%	67.32%

Difference between men and women	Mean	Median
Gender Bonus Gap	22.2%	15.73%

The regulations state that actual bonus payments are used for comparison. More part-time colleagues are female which distorts the comparison.

I confirm that the Scotmid pay gap data is accurate and has been collated in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Margaret Anne Clark
Head of People & Performance - August 2021

Action Taken

- Promotion of flexible working.
- Ensuring all our vacancies are available to internal candidates.
- Benchmarking pay rates externally using national survey data.
- Where possible, subject to candidate suitability, we have ensured that shortlists for senior roles are gender balanced.
- Where possible ensuring gender balance in future managers' training programme.

What is planned

- Improve opportunities for flexible working by introducing a hybrid working trial and the promotion of more flexibility in ways of working.
- Continue to ensure that gender equality is a key factor in succession planning for leadership roles.
- Ongoing analysis of pay reviews to ensure there is no gender bias.