

STOBART GROUP

Stobart Group is a highly visible brand with operations across the UK. We're recognised as a UK Superbrand and this means we are among the UK's best brands for quality, reliability and distinction. Our business is focused on delivering growth in three sectors; Aviation (including London Southend Airport), Energy and Rail & Civils.

This document reports on gender pay across Stobart Rail & Civils Limited and London Southend Airport Company Limited. These are the businesses within Stobart Group that employ over 250 employees. In the future, we will be voluntarily reporting on gender pay across all our businesses.

We want to attract talent and build a sustainable business. To deliver this we need to ensure that we become a truly inclusive and diverse organisation. Although our results are consistent with other businesses in our sector, we recognise there is more that we can do to address this balance and will be focussing on this during 2019/20.

OUR RESULTS

Our workforce

	London Southend Airport	Stobart Rail & Civils
Men in workforce	61%	79%
Women in workforce	39%	21%

The MEAN pay gap

The mean gender pay gap is the difference in the average hourly pay for women compared to men, within our business.

The MEDIAN pay gap

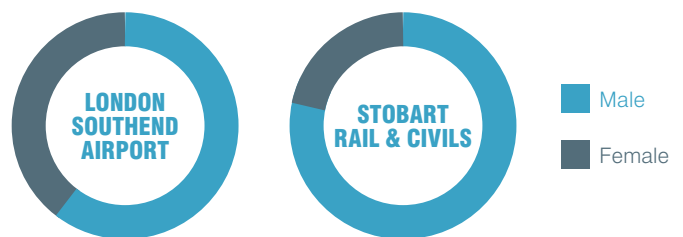
The median gender pay gap represents the middle point of a population. In order to explain this, imagine that all the women in our business stood in a line, and all the men stood in a line. The median pay gap is the difference between the hourly pay rate for the women stood in the middle of that line compared to the pay of the men in the middle of their line.

We have reduced the pay gap in both businesses significantly over the last year

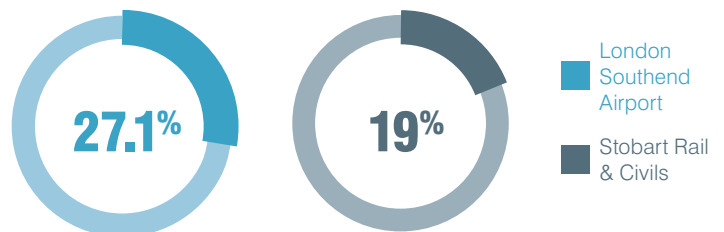
The difference in Mean pay at London Southend Airport has improved by 4.7% and the difference in median pay has improved by 11.8%. The difference in Mean pay at Stobart Rail & Civils is an improvement of 4.8% compared to last year.

	London Southend Airport	Stobart Rail & Civils
Difference in MEAN hourly rate of pay	27.1%	19%
Difference in MEDIAN hourly rate of pay	8.2%	25.8%

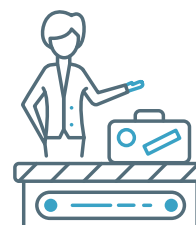
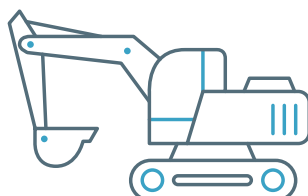
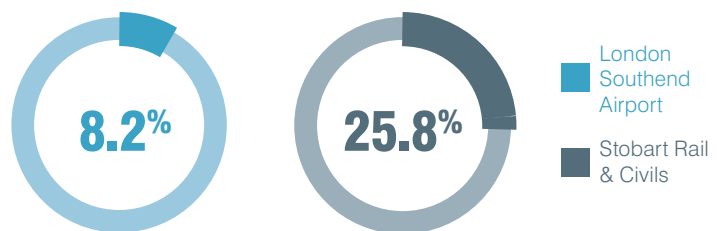
MALE / FEMALE SPLIT IN WORKFORCE



DIFFERENCE IN MEAN HOURLY RATE OF PAY



DIFFERENCE IN MEDIAN HOURLY RATE OF PAY



Population by pay quartiles

Quartile band	London Southend Airport		Stobart Rail & Civils	
	Male employees	Female employees	Male employees	Female employees
Lower (1)	43.9%	56.1%	80.7%	19.3%
Lower middle (2)	53.7%	46.3%	66.7%	33.3%
Upper middle (3)	72%	28%	91.2%	8.8%
Upper (4)	73.2%	26.8%	89.5%	10.5%

The chart above ranks all our colleagues' pay from lowest to highest. The chart then divides our people it into four equal groups. The first quartile band (Lower 1) represents the lowest paid, whilst the last quartile band (Upper 4) represents the highest paid. This analysis shows that there are proportionally more male colleagues than female colleagues in the highest paid quartile. It is this gender mix that creates our gap in pay.

However, we have made improvements from the previous year. For example, we have 9.2% more female employees in the Upper Quartile at London Southend Airport than last year.

The major contributing factor to our imbalance within Stobart Rail is that the rail industry is a traditionally male dominated sector. Within this sector there is also a shortage of suitably qualified candidates, both male and female. It can therefore be challenging to recruit for these positions regardless of gender and we often have to rely on recruitment agencies to source appropriately qualified candidates. However, we are taking proactive steps to promote rail industry careers to women.

TAKING ACTION

Message from Angela Smith:

We aim to attract, retain and develop the best people, whatever their backgrounds. We should continue to challenge ourselves to do better and that's not just about following regulations but because of a commitment to our people and here's how:

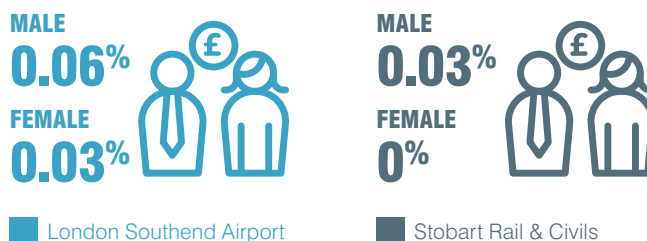
- Reporting next year on progress with our overall equality and diversity strategy. This includes:**
 - Improve the way we record and monitor equality and diversity data. This will help us to have better awareness of our workforce profile and identify target areas for improvements.
 - Look for opportunities to expand our diverse community of employees and ensure we actively oppose all forms of unlawful discrimination.
 - Ensure inclusive recruitment from end to end, helping to remove any unconscious bias that may occur during the recruitment and selection process.
 - Make senior positions within our business more attractive to women and ensure that their skills are fully utilised.

The Bonus Gap

	London Southend Airport		Stobart Rail & Civils	
	Male	Female	Male	Female
Difference in MEAN bonus pay	0.5%		100%	
Difference in MEDIAN bonus pay	0.8%		100%	
Proportion of employees receiving bonus pay	0.06%	0.03%	0.03%	0%

Our bonuses tend to be paid to people in more senior positions within our organisation. We currently have a much higher proportion of men than women in senior roles, causing the imbalance in bonuses.

PROPORTION OF EMPLOYEES RECEIVING BONUS PAY



- Place a renewed focus on performance appraisals and individual objectives which focus on career development and succession planning for all of our employees.
- Have agile and flexible working policies including maternity, paternity and shared parental leave. We will be improving communications to ensure that these policies are fully understood and utilised by both men and women.

I look forward to reporting on our progress next year.

Angela Smith

Angela Smith
Group People Director

DECLARATION

We confirm that the information and data reported are accurate and in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Warwick Brady
Warwick Brady
Chief Executive Officer

