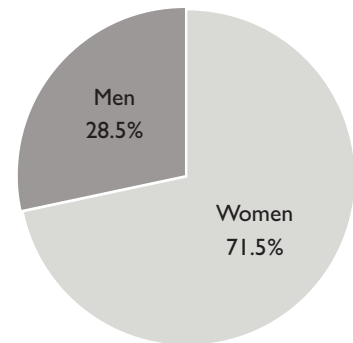


The Society believes in creating a diverse and gender balanced workforce that reflects the communities where we operate and the customers we serve.

The Society has a policy and process 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 who work for us are being equally paid for doing equivalent jobs. 95% of our roles are covered by rate for the job pay scales. The remainder of roles are benchmarked externally using Willis Towers Watson pay survey information and verified by an independent remuneration advisor.



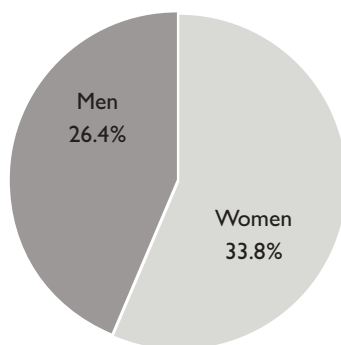
Total number of employees - 4,038

Pay-Quartiles	Men	Women
Top	41.7%	58.3%
Upper-Middle	20.8%	79.2%
Lower-Middle	13.7%	86.3%
Lower	37.9%	62.1%

As the quartiles above show we employ a higher proportion of women than men across all levels, however we still have a higher number of men in fewer but more highly paid roles.

Difference between men and women	Mean	Median
Gender Pay Gap	22.5%	2.2%

Bonus awards



Difference between men and women	Mean	Median
Gender Bonus Gap	69.1%	23.1%

Analysing the Gap

We believe our gender pay gap is not a pay issue and we have not found any inconsistency in how we pay women and men for the same role but our pay gap is a reflection of the retail industry where the vast majority of our customer facing and administrative employees are part time, these part time roles have traditionally been attractive to female applicants.

The gap is also explained by a lack of female representation in certain roles, mainly in our professional and technical roles in Head Office.

Action Taken

- Promotion of flexible working.
- Ensuring all our vacancies are available to internal candidates.
- Benchmarking pay rates externally using national survey data.

Future Actions

- Improve opportunities for flexible working.
- Continue to ensure that gender is taken into consideration in succession planning for key leadership roles.
- Analysis of pay reviews to ensure there is no gender bias.

Steve McDonald,
Head of People & Performance.
March 2018