

Gender Pay Gap Report 2019

Why are we publishing this report?

From 2017 onwards, all employers with more than 250 employees must, by law, publish and report specific figures about their gender pay gap. The 'gender pay gap' is the difference between the average earnings of men and women, expressed relative to men's earnings. Used to its full potential, gender pay gap reporting is a valuable tool for assessing levels of equality in the workplace, female and male participation, and how effectively talent is being maximized.

We are obliged to publish our data on our website and we will also report our findings to the Gender Pay Gap Reporting Service. We will publish these calculations annually and our calculations will always be based on the situation as at 5th April each year. The data provided in this report is calculated using the specific reference date of 5th April 2018.

What data do we provide and what does it mean?

In accordance with the Gender Pay Gap Reporting Regulations, we are required to calculate the following information:

- mean gender pay gap in hourly pay
- median gender pay gap in hourly pay
- mean bonus gender pay gap (where bonuses are paid)
- median bonus gender pay gap (where bonuses are paid)
- proportion of males and females receiving a bonus payment (where bonuses are paid)
- proportion of males and females in each pay quartile

Using both mean and median averages is helpful to give a more balanced overview of an employer's overall gender pay gap. Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but very large or small pay rates can dominate and distort the answer. Median (mid-point) averages are useful to indicate what the 'typical' situation is, and are not distorted by a few very large or very small pay rates.

For the results of the first four calculations:

- A **positive** percentage figure reveals that, typically or overall, female employees have lower pay or bonuses than male employees.
- A **negative** percentage figure reveals that, typically or overall, male employees have lower pay or bonuses than female employees.
- A **zero** percentage figure would reveal no pay gap between the pay or bonuses of typical male and female employees or completely equal pay or bonuses overall.

What is the difference between the gender pay gap and equal pay?

The 'gender pay gap' is different to the issue of 'equal pay'.

Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of an equal value. It is unlawful to pay people unequally because they are a man or a woman.

The gender pay gap shows the difference between the average pay between men and women. If an employer has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with; it may mean that the gender pay gap includes unlawful inequality in pay, but this is not necessarily the case.

What are our results?

Our mean and median gender pay gap in hourly pay, as at 5 April 2017:

Mean gender pay gap: 6.2%

Median gender pay gap: 12%

The figures above show the difference between the mean (average) and median (mid-point) hourly pay of all male and female employees, irrespective of their role, expressed as a percentage of male employees' pay, as at 5 April 2018. Our figures show that overall (as a mean average) women are paid 6.2% less than men, but typically, (as a median average), women are paid 12% less than men.

Our mean gender pay gap has reduced from 10.5% last year which is clearly a positive reflection of the work we have been doing to address this issue. However, our median pay gap has widened slightly to 12 % (from 8.8% last year). This is largely because of the fact that we have (during the relevant period) introduced extra shift work in order to meet customer demand. This work commands a premium and, as our factories are very much male dominated, this has had the effect of boosting the median pay for men relative to women.

Mean bonus gender pay gap (where bonuses are paid): -133.5%

Median bonus gender pay gap (where bonuses are paid): -105%

Percentage of Men receiving bonus pay: 2.1%

Percentage of Women receiving bonus pay: 1.4%

The figures show the difference between the mean (average) and median (mid-point) of bonus payments of all male and female employees who received bonuses in the 12 month period ending on 5th April 2018 expressed as a percentage of male employees' bonus payments.

The difference in terms of the % of men receiving bonuses relative to women is attributable to the fact that most bonus payments are paid to sales staff who are predominantly men and Directors where there was a 62.5/37.5 split in favour of men for the period of calculation. However, the figures also show that the women who did receive bonuses did, on both mean and median average measures, receive higher bonus payments than the men who received them.

Quartile differences

Upper quartile:	Men 72%	Women 28%
Upper middle quartile:	Men 91%	Women 9%
Lower middle quartile:	Men 62.5%	Women 37.5%
Lower quartile:	Men 71.5%	Women 28.5%

The figures above show the gender distributions among our staff in four quartiles based on their hourly pay, as at 5 April 2018.

In all quartiles, there was a significantly greater proportion of men compared to women across all levels of the organisation. This is a reflection of the fact that our work-force is predominantly male. The quartile analysis reveals that there is an even spread of males and females across different pay ranges. In fact, the ratios are practically identical for the lower quartile and the upper quartile.

The figures do, however, demonstrate that, even after considering the male/female split across our workforce as a whole we do appear to have a disproportionate number of men in the upper middle quartile. The reason for this is the introduction of extra shifts in our factories (which are male dominated) over the period in question. Shift work commands a premium and hence this has shifted more men relative to women into the upper middle quartile.

Our commitment to gender equality

“We are committed to being an equal opportunities employer. We value our staff for the contribution they make to our business, regardless of their gender, and we are committed to ensuring that staff are recruited and promoted on the basis of their individual merits.

“We believe that the diversity of our staff is crucial in fostering a creative, innovative and progressive environment where all employees can flourish and achieve their potential. Only by recruiting and retaining the very best staff, irrespective of gender, can we remain at the forefront of our industry”

Peter Schofield, Chairman

Our progress so far

The latest figures published by the Office of National Statistics show that, as a mean average, women are paid 17.9% less than men. Whilst our mean average differential of 6.2% is comparatively good, we still believe that there is more that we can do as an employer to support our female employees and help close our mean average pay gap, particularly at the top of the organisation.

From the snapshot date of 5th April 2017 to the snapshot date of 5th April 2018 the composition of our Board of Directors has shifted from a 70/30 split in favour of men to a 62.5/37.5 split.

It is widely recognised that one of the main reasons for the gender pay gap in the UK is because women are more likely to take time out of their careers to start a family. For that reason, we want to support women and help them return to work, if they wish to, after family leave. For that reason we are encouraging members of staff who are taking maternity leave to enter into an early dialogue about their preferred working arrangements should they wish to return to work, so that we are better prepared and able to accommodate and facilitate requests for flexible working where we can.

Steps we intend to take

We welcome the measures being taken by the Government Equalities Office as an important step along the road to achieving equality in the workplace, but we believe that these figures are only a starting point, more important is the meaningful action that we will now take as an organisation to drive equality and inclusivity. That is why, during the course of the next 12 months, we will be:

- Continuing to deliver diversity training for managers and particularly those involved in recruitment.

- Continuing to include equality and diversity content in induction training for all new staff members
- Conducting a deeper analysis of our data to include:
 - Deeper analysis of women and men in each job;
 - Analysis of the number of men and women who return to work after a period of parental leave to resume their original jobs;
 - Analysis of the proportion of women and men still in post a year after returning to work following family leave;
 - Analysis of gender pay gap for full time staff and for part-time staff;

We also take this opportunity to encourage our colleagues to approach our senior managers and Directors with their suggestions on how we can better foster diversity and inclusivity in every aspect of our organisation.

I confirm that the information provided in this report is accurate as of the snapshot date 5 April 2018.

Signature(s)

David Rogers

Group General Counsel