



## Gender Pay Gap Report for April 2017

Following the introduction of new regulations, employers with 250 or more employees are now required to publish specific information regarding its Gender pay gap (GPG). The long term aim of GDP reporting is to redress the balance of male to female employees in higher paid roles.

The gender pay gap in the UK should not be confused with ideas of 'equal pay' and 'pay equity'. These are legal requirements to pay men and women the same for performing the same work, and have been in place in the UK for over 40 years. At Swizzels Matlow we pay according to the job role, regardless of the employee's gender – for example a male operative will receive the same hourly pay as a female operative. As with many other manufacturing organisations, one of the main drivers behind our gender pay gap is the balance of men and women in our business and across job levels and roles.

According to the latest Office of National Statistics (ONS) data the gender split in manufacturing is 76% men and 24% women whereas at Swizzels Matlow the split is 64% men and 36% women.

**The gender pay gap** is the measure of the difference between men's and women's hourly earnings in a company as a whole and does not take in to account role or position in the company.

The calculation takes in to account base pay, allowances and any other bonus and incentive pay paid in April 2017.

We are also required to calculate **the gender bonus gap** which is the difference in all incentive pay received by men and women in the 12 months up to April 2017. This includes all bonuses, long-term incentives and sales commission payments.

This new GPG disclosure is about highlighting issues that drive the gap, namely fewer women in senior positions and men dominating specialist positions that can carry a premium in the market. It forces us to look at ways to address the issues and find solutions to reduce the Gap year on year.

In each case we have been asked to look at the MEAN and the MEDIAN amount.

The MEAN is calculated by adding up the total pay of employees and dividing by the employees in the list. This calculation is completed separately for men and women and the totals are compared. While useful, this 'true average' is easily skewed by a small number of high or low earners.

The MEDIAN is the number which is in the middle of a ranking of individuals pay from lowest to highest. This is broadly understood by statisticians to be the best view of 'typical' pay, as extremes of low and high pay do not affect the median.

Reporting both mean and median figures provides a more rounded understanding of the GPG.

Gender pay gap quartile figures calculate an organisation's figures to show the proportion of male and female employees in four pay bands. To do this, employees are ranked from highest to lowest paid, then divided into four equal parts ('quartiles') to work out the percentage of men and women in each of the four parts.

**The results of our GDP analysis are shown below:**

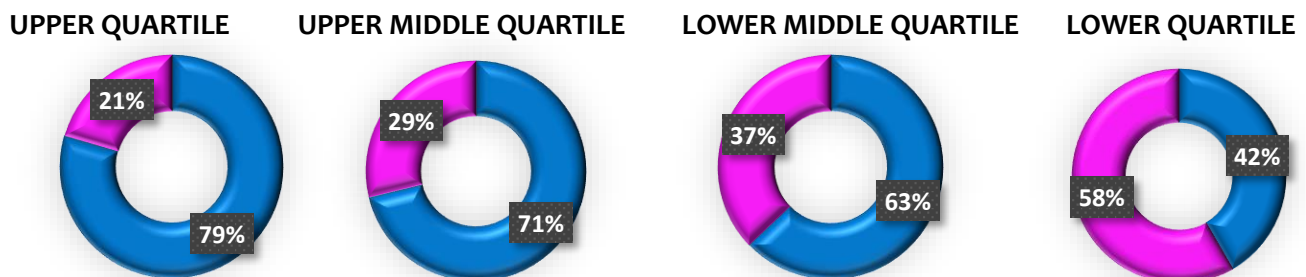
The **mean pay gap** across our business is 22.9%, while the **median gap** is 10.5%.

Our analysis shows that the majority of our colleagues in part-time roles are female and a higher proportion of our workforce in administrative roles are female, while engineering and process roles are predominantly male which impacts upon the hourly average wage and overall gender pay gap result.

The **mean bonus gap** across our business is 61.6% and the **median bonus gap** is 20%

Our gender bonus gap figure is driven primarily by our senior management team being predominantly male and our leadership team having more male than female members. The roles at this level in the organisation, as in most organisations, attract a higher bonus entitlement.

The above also explains the results of our Quartile figures.



### **So what are we doing to reduce the gap?**

We are committed to be an Employer of Choice and therefore, this plan plays an integral part of Strategic Goals and Company Values.

We are already in the process of developing our careers website with the aim of attracting a range of candidates for our opportunities, regardless of gender. It is important that the website shows that women can succeed in roles that may have typically been seen as male dominant.

We place a high importance on training and developing all levels in our organisation. We have a dedicated Refreshers Centre for training and we pride ourselves on providing the best and most bespoke leadership development and vocational qualifications. We also provide coaching and mentoring to help colleagues maximise their full potential in our business.

We have partnered with A-Class training providers to provide apprenticeship schemes in both engineering and manufacturing, offering opportunities within our business for colleagues to learn and develop new skills and experiences. We have reviewed our engineering apprenticeship scheme to make it more attractive to female candidates and we have introduced a number of management development schemes to support colleague progression, of which a large proportion of the participants are women.

We will continue to embed diversity and inclusion in our Company Values and will explore new opportunities for implanting best practice within our processes and culture