

Gender Pay Gap Report

Background & Context

From April 2017, all organisations that employ over 250 employees are required to report annually on their gender pay gap. This is Northwood Hygiene Products first Gender Pay Report. It is based on a “snapshot” of the pay of all Northwood Hygiene Product employees as at 5th April 2017, as well as annual payments and bonuses which were paid between 6th April 2016 and 5th April 2017.

The gender pay gap is defined as the differences in the average earnings of men and women over a standard time period, regardless of their role seniority. It is distinct from equal pay, which is about ensuring that men and women are paid the same for carrying out work of equal value. We are confident that we strive to meet our equal pay obligations.

Our Workforce

Our workforce consists of significantly more males than females; this trend is consistent with demographics in the wider manufacturing sector. Our gender pay gap results should be considered in the context of this distribution as the predominance of males to females has a significant influence on our overall gender pay gaps.

Headcount as of April 2017:

	Proportion of Male Employees	Proportion of Female Employees
Manual Workers (shop floor based)	177(84%)	35(16%)
Staff Workers	19(39%)	30(61%)
Management	42(78%)	12(22%)
Directors	8 (89%)	1 (11%)
Overall	246(76%)	78(24%)

Gender Pay Gap Results

The following results, in line with mandatory requirements, have been calculated as at 5th April 2017.

	Difference in rate for men and women (£)	Difference in rate for men and women (%)
Mean Gender Pay Gap *average pay for all men and average for all women employees	£1.65	11.9%
Median Gender Pay Gap * middle value of pay for all men and middle value for all women employees	£0.61	6%
Mean Bonus Pay Gap *average bonus for all men and average for all women employees	£1,818.09	63%
Median Bonus Pay Gap *middle values of bonuses paid to all men compared to all women employees	£500	50%
Proportion of Males Receiving Bonus	N/A	13%
Proportion of Females Receiving Bonus	N/A	18%

Quartile Pay Bands	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
Male	62%	84%	78%	81%
Female	38%	16%	22%	19%

Key Findings:

Pay

The overall median gender pay gap for all employees based on businesses with over 250 employees in 2017 was 19.3%, according to the Office for National Statistics. The EEF calculated the median gender pay gap for full-time employees in manufacturing sector as 18.8%. At 6%, Northwood Hygiene Products median gender pay gap is, therefore, significantly lower than the national average and within the manufacturing sector.

The underlying reason behind the gap is predominantly due to the lower representation of women at all levels within our business, with only 24% of our overall workforce being female and only 11% operating at the most senior level of the business.

Northwood Hygiene Products recruit for all vacant positions based on the candidate's skills and experience relevant to the role and are confident that our recruitment processes are inclusive to both genders. The gender ratio of our workforce is representative of the distribution of candidates applying for all vacant roles within our business.

We are confident that we do not have any processes or practices which would see people being paid differently due to their gender.

Bonus

Discretionary bonuses are paid relative to company and individual performance on an annual basis to managers and directors. Bonuses are performance related and are rewarded based on a percentage of the eligible employees' salary.

We are aware that there is a gap in our gender pay gap figures relating to bonuses. This is explained similarly to the reasons why we have a gender pay gap, due to the composition of our senior workforce (Director level) and the fact that there are more male than female employees working in management and Director roles.

Whilst we acknowledge we have a gender pay gap, we are confident that our practices in relation to the issuing of bonuses is in no way related to inequality, but down to lack of female representation in roles eligible for a higher bonus amounts.

Conclusion

Whilst we acknowledge we have a gender pay gap, we're clear on why it exists and are focused on the steps we need to take to close the gap. In order to reduce the gap, Northwood Hygiene Products are reviewing the following strategies:

- **Tackling the gender imbalance** – As an equal opportunities employer, we firmly believe in appointing the best candidate for the role, regardless of their gender or other factors.
- **Supporting the future development of employees to recognise their potential** – In 2017 Northwood Hygiene Products introduced an annual appraisal process, through which employees have the opportunity to discuss their development needs thus allowing employees to receive adequate support to develop their future potential irrespective of their gender.

I confirm that Northwood Hygiene Products is committed to the principle of gender pay equality and has prepared its 2017 gender pay gap results in line with mandatory requirements.

A handwritten signature in blue ink, appearing to read 'P. King'.

Paul King

CEO

Northwood Hygiene Products Limited