Vascutek Gender Pay Gap Report

Vascutek is committed to fostering a culture of diversity with a commitment to promoting equality of opportunity and eliminating any form of discrimination in the workplace.

The Gender Pay Gap reporting requirements support that commitment.

What are the Gender Pay Gap Regulations?

The Equality Act 2010 (Gender Pay Gap Information) Regulations are new regulations which require UK Companies with more than 250 employees to publish a report on their gender pay gap each year on 5 April. This is the first year that reports are being published under the regulations.

The gender pay gap simply shows the difference in average pay between all men and women in a workforce irrespective of the work they do.

It is not the same as equal pay. Equal Pay legislation focuses on whether men and women are paid the same for carrying out the same or similar jobs.

A gender pay gap can arise for a number of different reasons for example low representation of women at a senior level or in certain roles.

Carrying out the analysis for our business has been very informative – it has allowed to us to explore the reasons for any gap and it has given us confidence that there is no issue with the separate matter of equality of pay between men and women doing the same or similar jobs.

799 associates on 5 April 2017
769 people included

401 Female
368 Male

We are required to collect and report on pay data collected at a snapshot date of 5 April 2017.
Our Gender Pay Gap Results

Those members of staff are split across the organisation as follows.

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Quartile</td>
<td>40.10%</td>
<td>59.90%</td>
</tr>
<tr>
<td>Upper Middle Quartile</td>
<td>57.51%</td>
<td>42.49%</td>
</tr>
<tr>
<td>Lower Middle Quartile</td>
<td>56.48%</td>
<td>43.52%</td>
</tr>
<tr>
<td>Lower Quartile</td>
<td>54.17%</td>
<td>45.83%</td>
</tr>
</tbody>
</table>

There are more men occupying the most senior roles and engineering roles which sit in the upper quartile compared to other roles in our business where women hold a greater number of roles.

There is a more even balance of men and woman in the other 3 quartiles and we are therefore pleased with this result and are happy our recruitment and retention policies are working well. With our approach to equality of opportunity we expect woman to progress through our organisation to the upper quartile thereby reducing the gap in future years.
Hourly Rates

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Gender Pay Gap</td>
<td>5.54%</td>
</tr>
<tr>
<td>Mean Gender Pay Gap</td>
<td>15.38%</td>
</tr>
<tr>
<td>UK Average</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

The median gender pay gap is **5.54%** which is well below the UK national average of **18.4%**.

The Median Gender Pay Gap is calculated by listing the hourly rates of pay in ascending order for all male and female employees and then finding the number in the centre of that list. The Mean Gender Pay Gap is calculated by taking the average of all male and all female hourly rates of pay.

This reflects the fact that we endeavour to ensure that all employees are remunerated fairly and also equally for the work they do irrespective of gender. The mean gender pay gap could be accounted for by the following factors:

There is a higher take-up of some salary sacrifice benefits such as purchase of additional holidays by women. Salary sacrifice reduces an employee’s entitlement to cash remuneration in return for some form of non-cash benefit such as holiday that is not reflected in their salary or wages. Such benefits must be excluded when calculating the gender pay gap in hourly rates and this can result in the salaries of those opting into these benefits appearing lower.

The nature of the work done at Vascutek means that we operate a shift system. Certain shifts attract shift premiums. A higher proportion of men opt to work the shifts that attract the higher nightshift premium increasing their average hourly rate for the purposes of gender pay gap calculations.

This may be because women prefer to opt for more standard hours to meet caring responsibilities which in turn has the effect of lowering the female average hourly rate of pay. When adjustments are made to the published figure for this, the gap narrows substantially.

At the snapshot date for calculating the gender pay gap in hourly rate, there were maternity leavers in our business. The exclusion of them from the calculations, in line with Government guidance, may have had the effect of depressing the average hourly rate of pay for female members of staff.

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1 Office of National Statistics, 2017
The Median Bonus Gender Pay Gap is calculated by listing the total bonus payment for each male and female employee who was paid bonus in ascending order and then finding the number in the centre of that list. Our Median Bonus Gender Pay Gap is very small. This gives us confidence that there is no inequality in the bonus payments paid to men and women doing the same or similar roles.

The Mean Bonus Gender Pay Gap shows the difference between the average bonus pay paid to male and female employees. The gap can be accounted for as follows:

The more senior roles in the organisation have different demands placed on them and reward is driven by performance in role. This can result in more senior roles attracting higher levels of bonus.

As the most senior roles/senior leadership roles in the organisation are predominantly occupied by men, this results in a larger Mean Bonus Gender Pay Gap.

Associates on maternity leave only accrue bonus for the first 4 weeks of maternity leave.

As an organisation we do strive to ensure that there are no barriers operating (real or perceived) to prevent or discourage women from applying for or being promoted into more senior roles and we will continue to do that.
### Hourly Rates

<table>
<thead>
<tr>
<th>Males receiving bonus</th>
<th>88.56%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females receiving bonus</td>
<td>85.34%</td>
</tr>
</tbody>
</table>

The bonus payments used for the purposes of the calculation were those paid between 06/04/2016 and 05/04/2017.

Those who did not receive a bonus were new associates who had joined the company after 01/01/2016 and were therefore ineligible during that year. During this time there had been a higher number of operator positions involving sewing which is predominately a female role.
Statement

This statement has been prepared and published in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

I confirm that the data and gender pay calculations are accurate.

Lorna McGill
Pension and Reward Manager

For further information please contact Lorna McGill, Pension and Reward Manager.