

Gender Pay Gap Report 2020

Introduction

In line with UK government requirements, we have published our Gender Pay Gap data as at 5 April 2020.

At Distell we believe it is essential to create and maintain an inclusive culture where every member of staff, irrespective of their gender, is valued and offered equal opportunities. It is through diversity of experiences and backgrounds that our company can grow and flourish.

We are committed to improving the gender balance at all levels of the organisation and I'm pleased that we've already made positive progress in doing so over the last few years. However, we recognise that improvements still need to be made and we will strive to address the areas where we can do better in the upcoming year. We remain wholly committed to providing an environment where each employee feels empowered to fully engage in their work every day.



I confirm that the gender pay gap data contained in this report is accurate.

Alison Craig

Head of HR - International

What is the Gender Pay Gap?

The gender pay gap is the difference between the average earnings of males and females across an organisation, expressed relative to male's earnings. One of the main reasons for the gender pay gap in our society is that males are statistically more likely to be in senior roles.

The gender pay gap is not the same as equal pay. Equal Pay refers to paying males and female the same for doing the same work, similar work or work of equal value and there has been legislation outlining equal pay obligations in the UK for over 50 years. In the UK and around the world we are committed to providing equal pay for equal work and have reward and remuneration processes in place to ensure this.

Legal Requirements

The data which must be reported to comply with Government guidelines are:

1. The difference in mean and median hourly pay between males and females.
2. The difference in mean and median bonus pay between males and females.
3. The proportion of males and females receiving a bonus.
4. The distribution of male and female pay across four pay quartiles (Lower, Lower Middle, Upper Middle and Upper).

The elements of pay to be included in the calculation of hourly rate includes basic pay, bonuses and allowances but excludes overtime, redundancy payments, termination payments, benefits in kind and any salary sacrifice schemes.

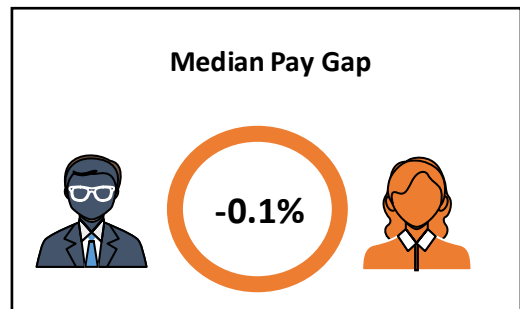
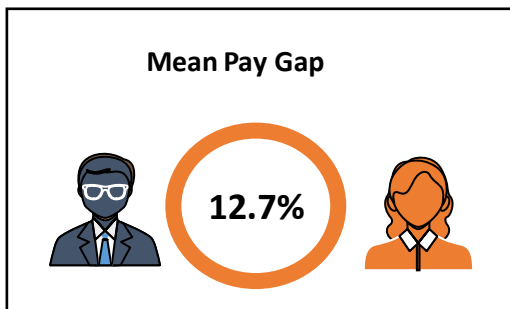
What is our current Gender Pay Gap?

Our Pay

Our mean hourly pay gap is 12.7%, meaning that female's hourly rate is 12.7% lower than male's hourly rate. While this gap is higher than the mean national average of 6.5%, it's worth noting that the mean is calculated by adding up all the pay of employees in an organisation and dividing that figure by the number of employees, meaning the final figure can be skewed by a small number of highly paid individuals.

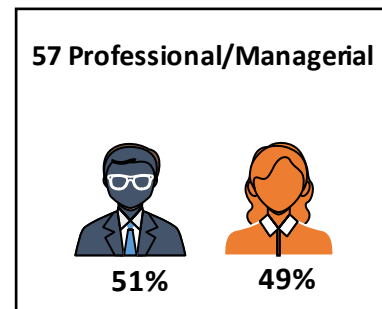
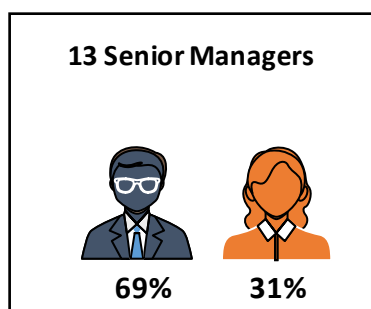
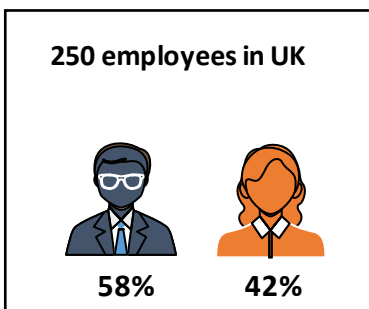
By comparison, our median hourly pay gap is -0.1%, meaning that female's hourly rate is 0.1% higher than male's hourly rate. When talking about the gender pay gap, people tend to talk about the median figure rather than the mean. The median is the number that falls in the middle of a range when everyone's pay is lined up from smallest to largest and is more representative when there is a lot of variation in pay.

Our median hourly gap demonstrates how close we are to having no gender pay gap, however until both the mean and median gaps are closed we still have work to do.

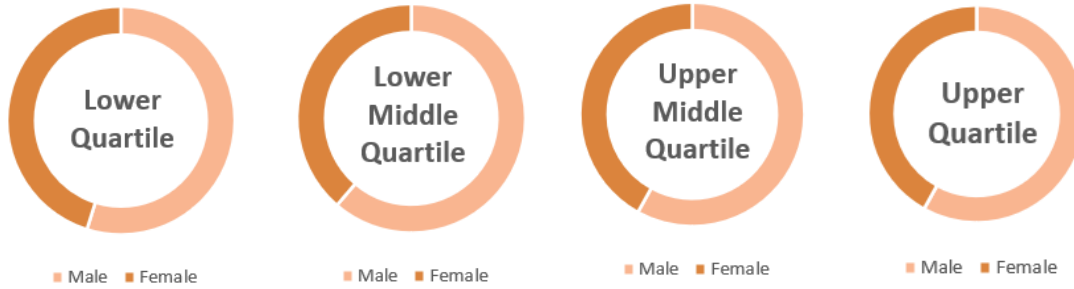


Our Work Force

Similarly to many organisations, the most significant challenge we face in addressing our gender pay gap is the lower proportion of females than males in our more senior and management roles.



Proportion of Males and Females by Pay quartile



Male	54.8%
Female	45.2%

Male	61.3%
Female	38.7%

Male	58.1%
Female	41.9%

Male	58.1%
Female	41.9%

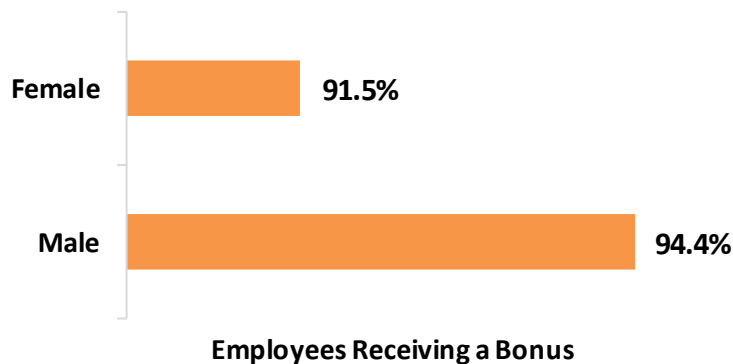
In order for there to be no gender pay gap, there would need to be an equal ratio of males to females in each quartile. While there are gaps in all 4 quartiles, we have seen an increase of females in the Lower and the Upper Middle quartiles. Conversely, we have seen a decrease of females in the Lower Middle and Upper quartiles.

Decreased representation of females in the top pay quartile can be explained by a higher level of turnover by females than males between 2019 and 2021 and an increase in the number of males moving into the Upper quartile. This demonstrates that there are still considerable improvements to be made to ensure females are equally represented at senior management level positions.

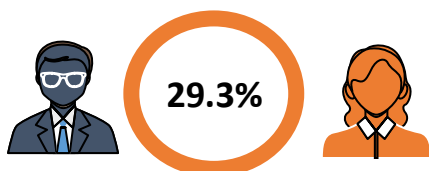
Our Bonus

The proportion of females receiving a bonus has increased from 87.6% in 2019 to 91.5% in 2020. Our mean bonus gap has improved from 44.5% in 2019 to 29.3% in 2020 and our median bonus gap has also improved from 4.6% to -6%.

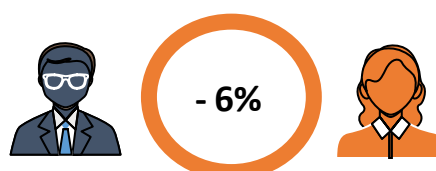
While these positive improvements demonstrate our resolve to ensuring greater representation of females across our organisation, we recognise that there is a lot more work to be done to achieve gender parity.



Mean Bonus Gap



Median Bonus Gap



What have we done?

Our actions so far include;

- Introduction of a Hybrid working model, allowing employees to work from home up to 3 days per week.
- Introduction of a Menopause policy and delivery of compulsory training to people managers to ensure they are equipped to have supportive conversations with any team members going through the menopause and look at the best ways to help support that person. Studies show that almost 900,000 females in the UK have left their jobs over an undefined period of time because of menopausal symptoms. This means females are leaving the workplace at a time when they are likely to be eligible for senior management roles, lessening diversity at executive level and contributing to the gender pay gap.
- Worked with our recruitment partners to ensure that applications are anonymised to reduce unconscious bias during candidate screening.
- Reviewed our Family Friendly related policies to identify how we can better support parents and developed guidelines for managers on how to support employees prior to, during and on return from maternity leave.
- Developed a Management Development Programme for our people managers, delivering training to 23 females in people management positions and 6 females with development plans to become managers.

What more will we be doing?

We are committed to continuing to embed our inclusive culture that promotes diversity, from recruitment to career progression. Some of our plans include;

- Introduction of a Diversity, Equity & Inclusion strategy with goals tied to Diversity, Equity & Inclusion metrics.
- Roll out of Unconscious Bias training to all Distell International employees.
- An external and independent salary and benefits benchmarking review, including additional checks in relation to gender disparity.

- Developing a refined and transparent Performance and Talent Management process that supports career development, particularly looking at how we support people into more senior positions and identifying opportunities to ensure our internal talent pipeline is more diverse and values difference.
- Reviewing working practices at Leadership level to develop a working culture that enables genuine work life balance in all areas and at all levels.

Notes:

- *Mean pay gap: this is commonly known as the average calculated by adding the wages of all employees and dividing this by the number of employees. The mean gender pay gap is therefore the difference between male mean pay and female mean pay.*
- *Median pay gap: the median is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median gap is the difference between the employee in the middle of the range of male pay and the middle employee in the range of female pay.*
- *Pay quartiles refer to the proportion of males and females in each quarter of the employer's pay rates from the lowest to the highest for our UK based employees.*
- *Professional and Managerial figures consider employees in Grades 10– 12.*
- *Senior Manager figures consider employees in Grades 13 and above.*
- *Bonuses paid in the year up to 5 April 2020 are used for the calculation of the bonus gap.*
- *Sources - Office of National Statistics and Wellbeing of Women Group*

