

## 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 Product Ltd third Gender Pay Report. It is based on a “snapshot” of the pay of all Northwood Hygiene Product employees as of 5th April 2020, as well as annual payments and bonuses which were paid between 6th April 2019 and 5th April 2020.

The gender pay gap is defined as the differences in the average earnings of men and women over a standard time, regardless of their role seniority. This helps give a more balanced overview of the Gender Pay Gap across an organisation. In general, it measures the difference between the hourly average earnings of men and the hourly average earnings of women. 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 continue to 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 2020:*

|  | <b>Proportion of Male Employees</b> | <b>Proportion of Female Employees</b> |
|--|-------------------------------------|---------------------------------------|
| <b>Manual Workers (shop floor based)</b> | 166 (81%)                           | 38 (19%)                              |
| <b>Staff Workers</b>                     | 28 (50%)                            | 28 (50%)                              |
| <b>Management</b>                        | 27 (75%)                            | 9 (25%)                               |
| <b>Directors</b>                         | 6 (86%)                             | 1 (14%)                               |
| <b>Overall</b>                           | <b>227 (75%)</b>                    | <b>76 (25%)</b>                       |

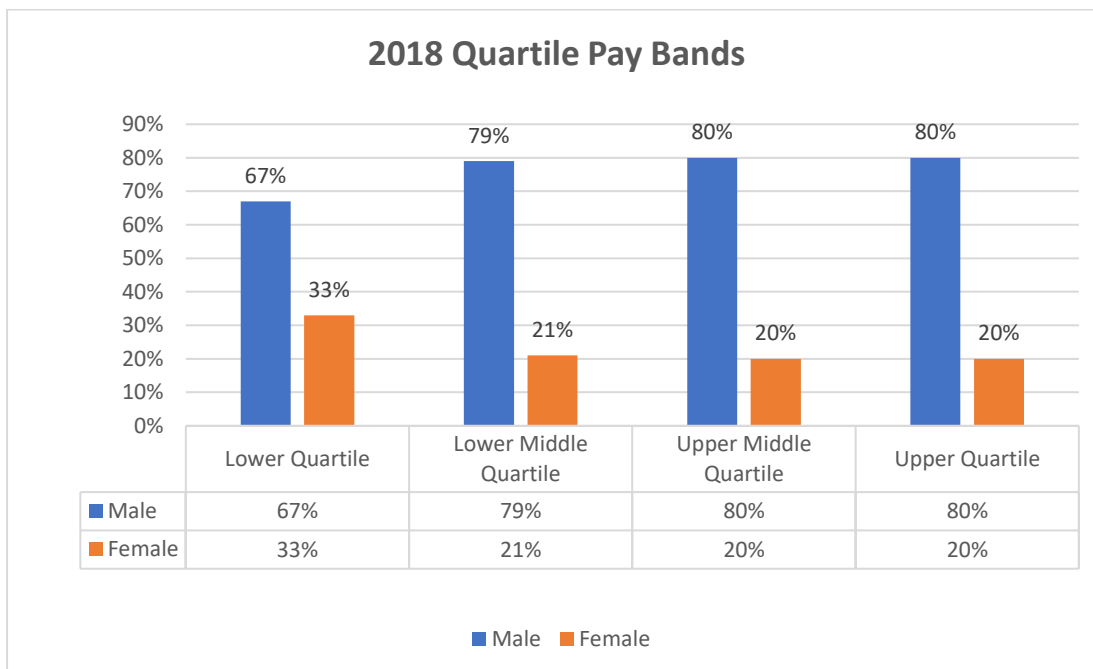
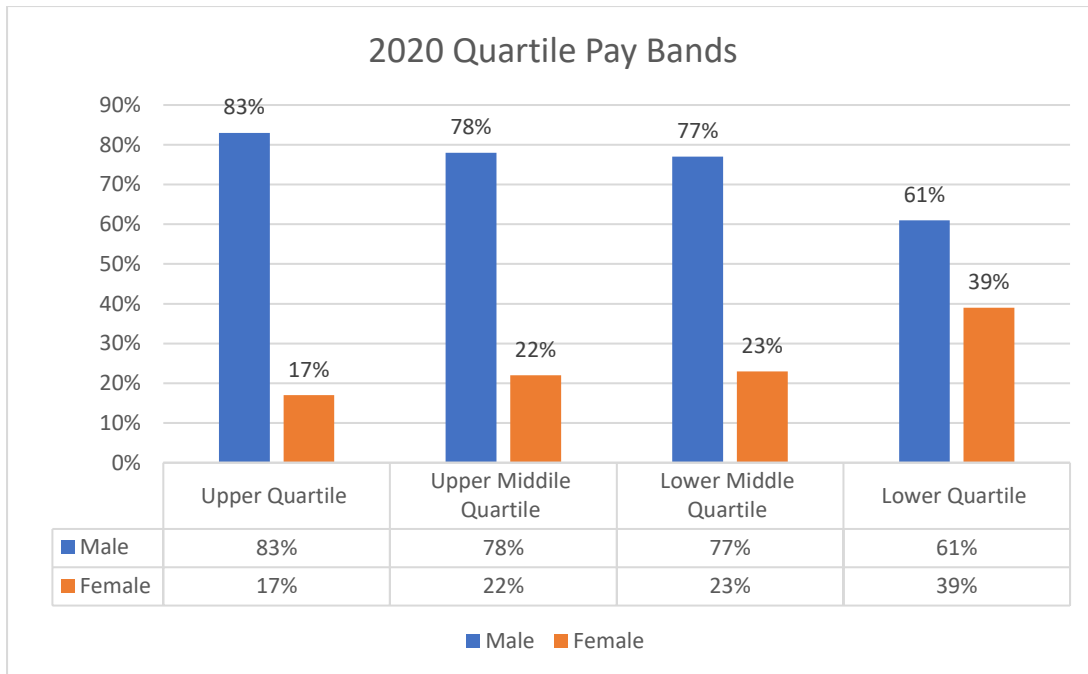
### Gender Pay Gap Results

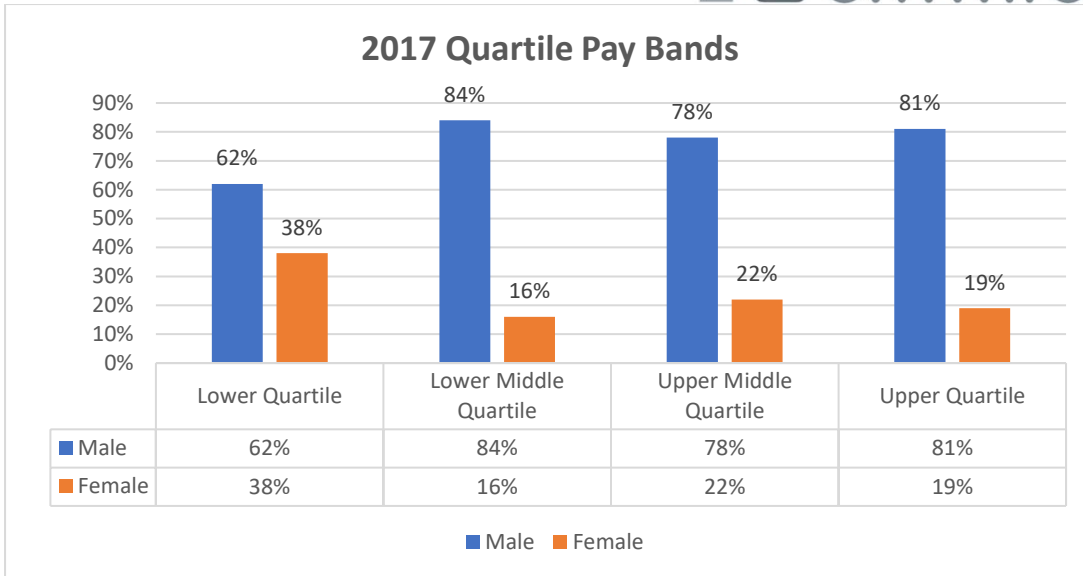
The following results, in line with mandatory requirements, have been calculated as of 5th April 2020.

|  | Difference in rate for men and women 2020(£) | Difference in rate for men and women 2020 (%) | 2018 Figures | % Differences in 2018 v 2020 |
|--|--|---|--------------|------------------------------|
| <b>Mean Gender Pay Gap</b><br>*average pay for all men and average for all women employees                 | £2.42  | 15.6%   | 9.8%         | 5.8%                         |
| <b>Median Gender Pay Gap</b><br>* middle value of pay for all men and middle value for all women employees | £1.84  | 15.2%   | 7.2%         | 8%                           |
| <b>Mean Bonus Pay Gap</b><br>*average bonus for all men and average for all women employees                | £5866.60                                     | 65%   | 66%          | -1%                          |
| <b>Median Bonus Pay Gap</b><br>*middle values of bonuses paid to all men compared to all women employees   | £5309  | 72%   | 60%          | 12%                          |

|  | April 2020 | April 2018 | April 2017 |
|--|------------|------------|------------|
| <b>Proportion of Males Receiving Bonus</b>   | 14%        | 13%        | 13%        |
| <b>Proportion of Females Receiving Bonus</b> | 13%        | 20%        | 18%        |

### Quartile Pay Band Results





**Key Findings:**

**Pay**

Northwood Hygiene Products Mean Gender Pay Gap has increased by 5.8% and our Median Gender Pay Gap has increased by 8% since 2018.

The ONS reported a slightly higher national average median pay gap of 16.3% for the manufacturing sector in 2020 -2021 therefore NHP remains lower than the sector average.

We recognise that whilst we the mean and median gender pay gap has increased within our business, it is important to understand that the method of calculation does impact the figures. Specifically, the calculation for all the reported mandatory requirements must into account “deductions” made via salary sacrifice even though it is not a true deduction of overall compensation. In 2018 GPG reported figures did not include pension salary sacrifice deductions as the Company had not implemented this scheme at this time. From April 2018 pension salary sacrifice was introduced and therefore this detrimentally impact the figures.

The underlying reason behind the gap remains due to the gender imbalance within the manufacturing industry and we welcome the work the Government is doing via the education system to increase the number of young people–boys and girls–taking Science, Technology, Engineering and Mathematics (STEM) subjects; and the efforts the industry is making to diversify the workforce. The manufacturing industry has historically been male dominated, and manufacturers struggle to attract and retain woman in the industry. We have increased our female workforce population within manual worker by 3% since 2018 but we need to focus on improving the female ratios within management and senior management/Director roles.

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 ensure that the language that we use is inclusive and for

recent Director recruitment, we have engaged with external recruitment agencies who focus on promoting diversity and gender equality throughout their campaigns

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 reward.

### **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. As an equal opportunity's employer, we continue to appoint the best candidate for the role, regardless of their gender or other factors. We are committed to identifying initiatives which help us effectively attract, develop and retain women at all career stages. Our policies and practices are designed to ensure that all employees are paid fairly.

I confirm that Northwood Hygiene Products is committed to the principle of gender pay equality and has prepared its 2020 gender pay gap results in line with mandatory requirements.

Paul King

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

CEO

Northwood Hygiene Products