

Annual Gender Pay Gap Report

This is Cepac's report for the snapshot date of 5 April 2019:

OUR TOTAL PAY GAP

On average (mean), male employees earned

15.4%

more than female employees

The median pay gap shows male employees earned

17.0%

more than female employees

OUR TOTAL BONUS GAP

76.7%

of female employees received a bonus

87.0%

of male employees received a bonus

Average (mean), male bonus payments were

37.6%

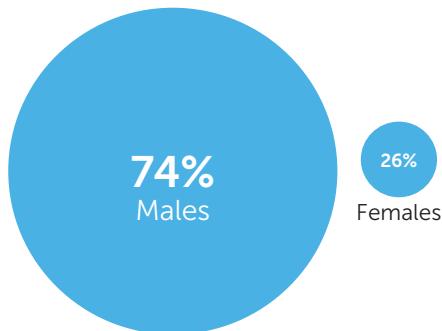
higher than female bonus payments

Median male bonus payments were

77.2%

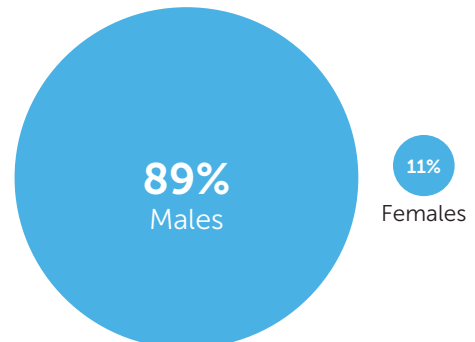
higher than female bonus payments

Band A



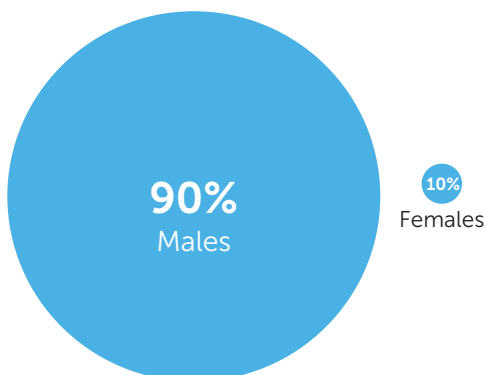
Includes all employees whose standard hourly rate places them at or below the lower quartile

Band B



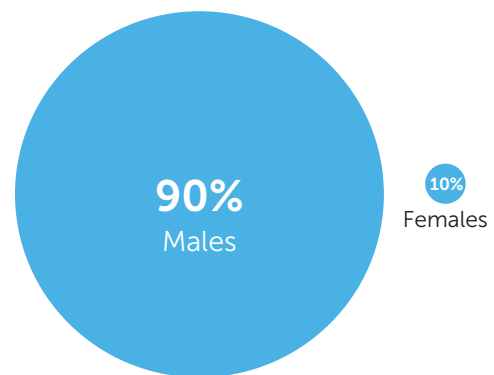
Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median

Band C



Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile

Band D



Includes all employees whose standard hourly rate places them above the upper quartile

What are the underlying causes of Cepac's gender pay gap?

Under the law, men and women must receive equal pay for:

- the same or broadly similar work
- work rated as equivalent under a job evaluation scheme
- work of equal value

We are committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

As such, we will:

- carry out pay and benefits audits at regular intervals
- provide regular equal pay training for all managers and other staff members who are involved in pay reviews
- evaluate job roles and pay grades as necessary to ensure a fair structure

We are therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. The gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end

of the organisation. In addition, men are more likely to be in machinery-based, technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole is reflected in the make-up of Cepac's workforce, where the majority of manufacturing machinery operators are men and the majority of line manager and senior manager roles are held by men.

This can be seen above in the table depicting pay quartiles by gender. This shows Cepac's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band. The percentage of male employees increases throughout the Bands, from 74% in Band A to 90% in Band D. This is because most roles in Cepac are manufacturing roles, held by men, and most senior management positions are also held by men. However, our efforts towards ensuring equal opportunity and reward for everyone has resulted in band D percentages reducing from 2018 figures.



How does Cepac's gender pay gap compare with that of other organisations?

The vast majority of organisations have a gender pay gap, and Cepac's gap compares closely with that of other organisations, including those within the manufacturing industry.

ONS data published in November 2019 shows that the national average median gender pay gap across all industry sectors now stands at 17.3%. In the manufacturing sector, the median gender pay gap in the manufacturing industry stands at 18.1%. At 17.0%, Cepac's median gender pay gap is therefore better than the average for both our sector and the whole country.



Bonus pay gap

The proportion of men at Cepac who received a bonus in the 12 months up to 5 April 2019 was 87%, while for women this was 77%. This reflects the higher proportion of men in the manufacturing and management roles that, under our current policy, attract a performance bonus.

The mean gender bonus gap and the median gender bonus gap for Cepac were 38% and 77% respectively.



What is Cepac doing to address its gender pay gap?

While Cepac's gender pay gap compares with that of organisations both across the whole UK economy and within the manufacturing sector, we are not complacent and we remain committed to doing everything that we can to reduce the gap. However, we recognise that our scope to act is limited in some areas – we have, for example, no direct control over the subjects that individuals choose to study or the career choices that they make.

Cepac is committed to promoting gender diversity in all areas of its workforce, including the following specific actions:

Maintaining an evidence base

To identify any barriers to gender equality and inform priorities for action, in 2018 Cepac introduced gender monitoring in key areas of the business.

Reviewing the flexible working policy

Cepac's flexible working policy will continue to be reviewed to ensure that it does not inhibit the continuing improvement of our gender pay gap performance.

Supporting parents

Cepac will continually review and develop best practice guidelines for managers on supporting employees prior to, during and on return from maternity and other parental leave.

None of these initiatives will, of itself, remove the gender pay gap – and it may be several years before some have any impact at all.

In the meantime, we are committed to reporting on an annual basis on what we are doing to reduce the gender pay gap and the progress that we are making.

Cepac is also committed to:

- Ensuring our recruitment policies and decisions support our drive toward equality
- Continue working with local communities and schools to encourage men and women into a career in manufacturing

Any further initiatives launched throughout the year will be reported on the company's internal communication channels.

I, Martin Costa (Finance Director) confirm that the information in this statement is accurate.

Signed



5th April 2020

