ALPLA UK Ltd – Gender Pay Report 2019/20

Executive Summary

As a progressive employer who believes equality is one of the key pillars of a successful business, we have undertaken this report to comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which shows:

A mean gender pay gap of 12.9%
A median gender pay gap of 16.1%
A mean bonus gender pay gap of -2.4%
A median bonus gender pay gap of -56.8%

The proportion of Males receiving a bonus is 61.8% and for Females is 57.0%

The proportion of each gender in each quartile pay band:

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Lower</th>
<th>Lower middle</th>
<th>Upper middle</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>24.6%</td>
<td>7.3%</td>
<td>13.8%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Male</td>
<td>75.4%</td>
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Declaration

I hereby confirm that the information provided in this report to be accurate.

Stephen Whitby
Director
27th March 2020
Introduction

Alpla UK Ltd is required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 before the end of the Tax Year 2019/20. As a progressive employer, who believes fairness in all we do is one of the core foundations to our business approach, we hereby explore the results of the Alpla UK Ltd findings. This statutory requirement involves carrying out six calculations that show the difference between the average earnings of males and females in our UK organisation. We can use these results to assess:

- The levels of gender equality in our workplace;
- The balance of male and female employees at different levels;
- How effectively talent is being maximised and rewarded.

The challenge for Alpla UK Ltd, and across the United Kingdom generally, is to eliminate any gender pay gap.

Gender Pay Calculations

1. The Mean Gender Pay Gap

Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but large or small pay values can dominate and distort the answer.

The mean gender pay gap for April 2019 was 12.9%.

There are 2 main drivers behind the mean gender pay gap, the largest of those being shift working, as all our operational sites are 24/7. As a customer focussed manufacturing company, 70% of all Alpla UK Ltd’s employees work shift-working, 75% of whom are male. Females working these shift-work patterns receive exactly the same remuneration as male comparators.

Whilst there is no occupational reason for male dominance in shift working roles, we have found it extremely difficult to attract and retain a higher density of females to our operational sites/roles, especially those requiring a process/technical and/or engineering bias. The second key driver reflects the lower representation of females at senior levels within the organisation and especially our difficulty in recruiting females in operations, technical and engineering disciplines.

2. The Median Gender Pay Gap

Median averages are useful to indicate what the ‘typical’ situation is, i.e., in the middle of an organisation and are not distorted by very large or small pay rates.

The median gender pay gap for April 2019 was 16.1%.

Once again shift working pay rates were the main driver in the gap due to the significantly higher number of males in shift working. As a median the lower representation of females at senior levels within the organisation is much less pronounced.
3. The Mean Bonus Gender Pay Gap

Whilst this can be a good measure where bonus payments are common across an organisation, large or small bonus payments can dominate and distort the answer where such payments are not prevalent across the business, which is the case for Alpla UK Ltd.

The mean bonus gender pay gap for the 12 months to 5th April 2019 was -2.4%.

Firstly bonus schemes within Alpla UK Ltd are not limited to senior management as 61.1% of the workforce received a bonus payment in tax year 2018/19 inclusive of which 61.8% were paid to males and 57.0% to females, broadly recognising the shift working split across several operational sites within Alpla UK Ltd.

The key driver of the gap is again twofold: firstly, the lower representation of females at senior levels within the organisation; secondly, the scope of the bonus achievement payments across UK operations, where some sites with greater female employee representation had not participated in such KPI metric bonus schemes in that tax year.

4. The Median Bonus Gender Pay Gap

Median averages are useful to indicate what the 'typical' situation is, i.e. in the middle of an organisation and are not distorted by very large or small bonus payments.

The median bonus gender pay gap for April 2019 was -56.8%.

What this represents is that the median bonus pay value actually paid to females was higher/greater than at the same point paid to males.

5. The Proportion of Males and Females Receiving a Bonus Payment

As achievement of bonus payments is based on various business performance metrics, the proportion of those who receive a bonus payment can be skewed from those who were eligible to participate in a bonus scheme.

For the payments which were made in 2018/19 tax year inclusive, 57.0% of females received a bonus payment compared to 61.8% of males who received a bonus payment.

6. The Proportion of Males and Females in Each Quartile Pay Band

The proportion of each gender in quartile pay bands for April 2019 shows:

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Alpla UK Ltd – Action Plan

Recruitment and Retention

Unfortunately fewer females study and work in science, technology, engineering and maths [STEM] disciplines in the UK, and, as these skill sets form a large part of our organisational needs, we will continue to consider both sexes applications for advertised roles. In the medium to longer term our aim is to recruit/develop more female employees into our operational focused functions as well as our Senior Management Team. In order to achieve this aim we will:

- Support national activities from Government and education/training providers to encourage increases in female participation in STEM subjects in and around our local workplace communities and beyond;
- Review our recruitment and retention strategies to ensure they focus on attracting female talent in key areas whilst maintaining Equal Opportunities for all;
- Continue to attempt to break down the stereotypical barriers and beliefs that traditional manufacturing should be a male dominant environment by increasing our links with schools and other educational/training providers.

Bonus Systems

A review of our bonus systems has shown that whilst there was a gender positive outcome, the results highlighted that the majority of our female employees have not participated in such a scheme and this also applies to a significant minority of males too. There have been both cultural and local operational past reasons for this occurring, however Alpla UK Ltd has made several representations to widen the scope of inclusivity and provide a UK-wide framework for all. Our aim still remains the same.

Pay Systems

In determining pay and reward for our employees, we balance a number of factors, including the economic climate, company-wide performance, as well as external market for the roles that we offer. Whilst our reward systems have always ensured full compliance with equal pay, we do intend to integrate gender pay gap considerations into future reviews.

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