

## Flint Ink (UK) Ltd - Gender Pay Report April 2017

The UK government has introduced a requirement for large employers to share their gender pay gap. The gender pay gap shows the difference between the average earnings of men and women.

Flint Group has several legal entities linked to the separate business units, and the requirement for gender pay gap reporting is for legal entities with 250 or more employees. As a result, the information provided in this narrative is for **Flint Ink (UK) Ltd** only, which is the largest employing Flint Group entity in the UK.

The gender pay information used throughout this report is based on Flint Ink (UK) Ltd employee salary information on the snapshot date (the date the government set for the gender pay calculations to be taken from the payroll information) of 5<sup>th</sup> April 2017, and using the calculations stated in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Company is clear that the gender pay gap is different to equal pay. Gender pay considers the average rates of pay for men and women across pay quartiles, whereas equal pay looks at the salary for both men and women performing the same work or work of equal value. Flint Group has ensured that its gender pay gap doesn't result from paying men and women different salaries for the same work or work of equal value.

### **Ratio of male to female employees in each quartile pay band**

The table below shows the gender distribution across four equally sized quartile pay bands. This information highlights the fact that Flint Ink (UK) Ltd employs more male employees than female employees (304 males to 42 females), however we recognise that this is not unusual in a manufacturing environment. The report also highlights that the ratio of men to women across each quartile is fairly consistent throughout the quartiles, save for the lower pay quartile which has a higher proportion of women in comparison with the other quartiles.

	<b>Male</b>	<b>Female</b>
<b>Lower Quartile</b> (lowest hourly pay)	82.56%	17.44%
<b>Lower Middle Quartile</b>	91.95%	8.05%
<b>Upper Middle Quartile</b>	87.36%	12.64%
<b>Upper Quartile</b> (highest hourly pay)	89.53%	10.47%

### **Gender pay and bonus gap summary**

The table below shows the mean and median gender pay and bonus gap for Flint Ink (UK) Ltd. As Flint Ink (UK) Ltd employ a significantly larger proportion of males compared to females, it is not wholly unexpected that the average pay and bonus of our male employees when compared to females is higher. The Company believes that the median represents a truer reflection of the gender pay gap in Flint Ink (UK) Ltd as it is a more robust measurement which is not impacted by extreme data, such as bonuses paid on the snapshot date, in the same way that the mean figure is.

	<b>Mean</b>	<b>Median</b>
<b>Hourly Pay</b>	48.33%	2.33%
<b>Bonus</b>	53.44%	-34.9%

### **Proportion receiving a bonus**

This chart shows the proportion of male and female employees receiving a bonus in the 12 months prior to the snapshot date.

<b>Male</b>	<b>Female</b>
46.05%	38.10%

We should note that Flint Ink (UK) Ltd operate a number of different bonus plans each tailored to the site/business unit. Bonuses can be achieved based on overall business or site performance, using objective KPIs.

### **Actions going forward**

Flint Group are committed to ensuring that all employees have opportunities to progress within the Company thus enabling them to earn higher salaries and bonuses.

Since the snapshot date of 5<sup>th</sup> April 2017, Flint Ink (UK) Ltd has, on merit only, promoted and/or recruited females in 4 key management roles in the business. These four roles directly contribute to the success of the business and involve high levels of responsibility which is fairly rewarded. This helps demonstrate access to opportunities within Flint Ink (UK) Ltd (and across Flint Group generally) is based on competence, talent and contribution irrespective of gender.

Flint Group is committed to ethical business practices, personal integrity, and compliance with the Company Code of Conduct. We recognise talent and contribution irrespective of gender, and decisions on hiring, salary, benefits and advancement are based solely on the employee's ability to do the job. However, we believe there are always opportunities to develop further, and we support the focus on narrowing the gender pay gap. As information becomes available through sharing the gender pay gap, Flint Group will be able to benchmark where we stand compare to other similar companies and identify any actions required for future development.

All Flint Group employees are in the process of completing an organisational health index (OHI) survey, where employees have the opportunity to share their views with the Company, and Flint Group can fully understand what's happening beneath the surface. In Flint Group, every voice counts, and we look forward to receiving the results of the OHI and identifying further development opportunities within the business.

Russell Taylor  
Senior VP HR, HSE, Comms, Sustainability

## **Appendix**

**Snapshot date** – the date the government set for the gender pay calculations to be taken from the payroll information

**Mean** – A mean average involves adding up all of the numbers and dividing the result by how many numbers were in the list

**Median** – A median average involves listing all of the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers

**Quartile** – A quartile is achieved by dividing the workforce into four equal parts. Employees are sorted by hourly rate of pay from the lowest to the highest, and then divided into four equal sections (called quartiles)

**Full pay relevant employee** – all employees who were paid their full pay during the pay period in which the snapshot date falls i.e. if someone was on unpaid leave or statutory sick pay they are not included as a full pay relevant employee

**Calculation for the proportion of males and females in each quartile pay band** – all male and female full-pay relevant employees are ranked from the lowest hourly rate of pay to the highest hourly pay rate. This list is then divided into four sections (called quartiles) with an equal number of employees in each section (or as close as possible to this). The following calculation is then applied to show the proportion of male and female employees:

The first calculation is:

$$\frac{A}{C} \times 100$$

The second calculation is:

$$\frac{B}{C} \times 100$$

A is the number of male full-pay relevant employees in the quartile

B is the number of female full-pay relevant employees in the quartile and C is the total number of employees in the quartile

C is the total number of employees in the quartile. The second calculation is B divided by C X 100

**Calculation for mean hourly pay:**

$$\frac{(A - B)}{A} \times 100$$

A is the mean hourly rate of pay of all male full-pay relevant employees

B is the mean hourly rate of pay of all female full-pay relevant employees

The result is expressed as a percentage

**Calculation for median hourly pay:**

$$\frac{(A - B)}{A} \times 100$$

A is the median hourly rate of pay of all male full-pay relevant employees

B is the median hourly rate of pay of all female full-pay relevant employees

The result is expressed as a percentage

**Calculation for mean gender bonus gap:**

$$\frac{(A - B)}{A} \times 100$$

A is the mean bonus pay of all male relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date

B is the mean bonus pay of all female relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date

The result is expressed as a percentage

Please note that female and male relevant employees who were not paid bonus pay during the 12 month period ending with the snapshot date are not included

**Calculation for median gender bonus gap:**

$$\frac{(A - B)}{A} \times 100$$

A is the median bonus pay of all male relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date

B is the median bonus pay of all female relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date

The result is expressed as a percentage

Please note that female and male relevant employees who were not paid bonus pay during the 12 month period ending with the snapshot date are not included

**Calculation for the proportion of males and females receiving a bonus:**

The first part of the calculation is:

$$\frac{A}{B} \times 100$$

A is the number of male relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date

B is the number of male relevant employees

The second part of the calculation is:

$$\frac{C}{D} \times 100$$

C is the number of female relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date

D is the number of female relevant employees

For any further information, please see Equality Act 2010 (Gender Pay Gap Information) Regulations 2017