

Gender Pay Gap Reporting 2018

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which came into force on 6th April 2017, HLC (Wood Products) Limited is required to publish gender pay gap information on the HM Government reporting website and also on our own website. These regulations apply to all businesses that employ more than 250 people.

Unlike equal pay data, which considers the differences in pay between females and males carrying out similar jobs of equal value, the gender pay gap is a measure of the difference in the average earnings of males and females across the company as a whole, irrespective of role. Percentage figures that are positive denote higher male earnings, whereas negative percentage figures would denote higher female earnings.

Since April 2017, public, private and voluntary sector organisations with 250 or more employees have to report on their gender pay gaps annually, using six different measures:

- **Mean gender pay gap:** The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- **Median gender pay gap:** The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- **Mean bonus gap:** The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Median bonus gap:** The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Bonus proportions:** The proportions of male and female relevant employees who were paid bonus pay during the relevant period.
- **Quartile pay bands:** The proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

The aim of gender pay gap reporting is to show how large the pay gap is between an organisation's male and female employees. The data must be published on the employer's own website and a government website, and the intention is to encourage employers to take action to reduce or eliminate their gender pay gaps in order to create fairer more inclusive workplaces. Taking a snapshot of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations, but a snapshot may also mask the fluidity of gender pay gaps. Gender pay gaps can fluctuate from month to month and across pay quartiles depending on changes to headcount. It's important to monitor the gender pay gap across the year, and not just on the snapshot date. Doing so gives an organisation a better understanding of what drives its gender pay gap figure at any given time, and in turn, how it can be reduced.

Our second Gender Pay Gap report has been produced in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 which shows:

- A mean gender pay gap of 11.2% (2017: 12.7%)
- A median gender pay gap of 10.4% (2017: 16.1%)
- A mean bonus gender pay gap of 73.2% (2017: 57.5%)
- A median bonus gender pay gap of 57.1% (2017: 57.5%)

- A bonus payment was received by 5.0% of males and 41.7% of females (2017: 0.7% of males, 6.7% of females)

Below are the quartile figures showing the proportion of each gender in each quartile pay band:

Quartile	Female		Male	
	2018	2017	2018	2017
Lower	6.5%	9.3%	93.5%	90.7%
Lower Middle	2.6%	2.7%	97.4%	97.3%
Upper Middle	3.9%	5.3%	96.1%	94.7%
Upper	2.5%	2.7%	97.5%	97.3%

The UK Office for National Statistics estimates that a 17.9%¹ median gender pay gap exists across all industries and all employees in 2018, reducing from the 2017 revised estimate of 18.4%. In comparison our equivalent figure for 2018 is 10.4%, which is better than the national average.

HLC (Wood Products) is an equal opportunities employer. Therefore, we believe that the gender pay gap disclosed in this Report reflects structural differences in the level and types of jobs carried out by males and females within our workplaces. Our remuneration practices are designed to reward and recognise the contribution of all employees, and be free of gender bias.

2018 saw an improvement in the gender pay gap for the business, both in terms of mean and median pay gaps.

In total 5.0% of males and 41.7% of females received a bonus in the 12 months to 5th April 2018, with male bonus earnings being 57.1% higher than female. These bonus figures are significantly skewed by the small number of senior people that received a higher bonus in this period, which was based on profitability outcomes against set targets.

HLC (Wood Products) is committed to reducing the gender pay gap by the active progression of females within our business. We are also positively discriminating for the recruitment of females into our business, and progress will be tracked by the annual gender pay gap report.

The data contained within this Report has been calculated using the mechanisms set out in the gender pay gap reporting legislation, in line with mandatory requirements, and I can confirm that it is accurate.



David Mercer
Group Operations Director

Footnote:

¹ Office for National Statistics, "All Employees - ASHE: Table 1.12 Gender Pay Gap", 2018 Provisional, www.ons.gov.uk/