

# GENDER PAY GAP REPORT 2021



# INTRODUCTION

*At Scott Bader, our mission is to build an inclusive work environment through our diverse communities across the world. We aim to attract, develop, and inspire talent that unleashes innovation and allows us to perform at our very best and create a culture in which everyone feels that they have an equal opportunity to participate and belong.*

The UK Government introduced Gender Pay Gap reporting legislation in 2017 which requires companies who employ 250 or more people to publish statutory calculations every year showing the difference between the average earnings between men and women.

Scott Bader has legal entities in the UK: Scott Bader Company Limited and Scott Bader UK Limited. Although each legal entity does not meet the minimum headcount requirements which requires it to report its own gender pay report, as an organisation committed to the principle of transparency and equality in the workplace, we have voluntarily decided to publish our gender pay gap information. This is a combined report of both legal entities as of 5th April 2021.

We are pleased with the progress we are making on gender pay and on the activities we are implementing to create an inclusive and engaged culture. We believe it is important to close the gender pay gap and encourage diversity to enable us to attract, retain and develop the best talent.



**Kevin Matthews**  
Group Chief Executive Officer



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# THE REGULATIONS

*It is important to understand the difference between gender pay gap and equal pay.*

Gender pay gap shows the difference between average hourly earnings of men and women across the organisation. Equal pay refers to a legal requirement, introduced

in 1970 and updated in 2010, that men and women within the same organisation must receive equal pay for doing like-for-like or similar jobs. Gender Pay Gap reporting

was introduced in 2017 where companies falling within the reporting framework are required to disclose their gender pay gap annually.

# THE CALCULATIONS

*As part of gender pay gap reporting, we are required to complete calculations on six key metrics.*

The mean is the comparison of the average pay for a female and the average pay for a male. As all jobs pay differently, and the number of men and women in these jobs will vary, a gender pay gap will exist.

The median pay gap takes all colleagues, in order of increasing pay, for women and men and compares

the pay of the female in the middle of their line with the pay of the male in the middle of their line.

At Scott Bader we support gender pay reporting and are committed to gender neutral reward, recruitment, and progression to meet our 2036 vision of unleashing colleague potential.

## 1. MEAN GENDER PAY GAP

The difference in the mean pay of men and women as a percentage

## 2. MEDIAN GENDER PAY GAP

The difference in the median pay of men and women as a percentage

## 3. MEAN BONUS GAP

The difference in mean bonus of men and women as a percentage

## 4. MEDIAN BONUS GAP

The difference in median bonus of men and women as a percentage

## 5. BONUS PROPORTIONS

Percentage proportion of men and women who receive bonus pay

## 6. QUARTILE PAY BANDS

Percentage proportion of men and women in each of four pay quartiles



# OUR RESULTS

## SCOTT BADER UK PAY GAP 2021

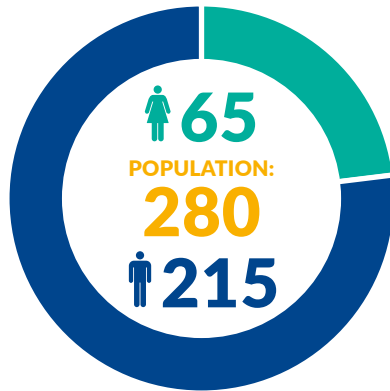
MEAN PAY GAP

**9.9%**

MEDIAN PAY GAP

**0.9%**

National average:  
15.4%



## SCOTT BADER UK PAY GAP 2020

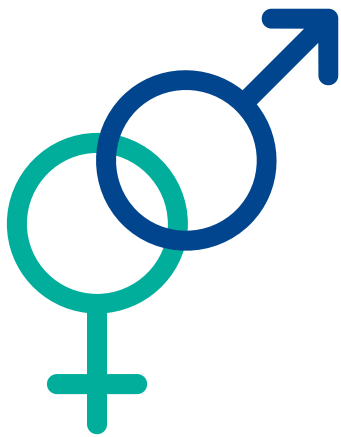
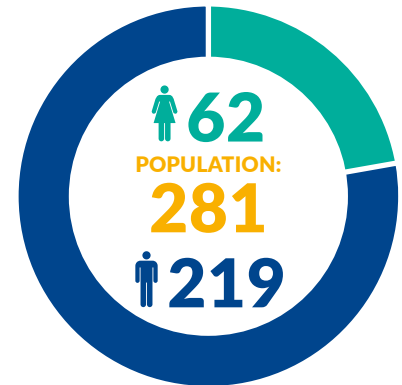
MEAN PAY GAP

**12.5%**

MEDIAN PAY GAP

**0.7%**

National average:  
15.5%



### BONUS GAP 2021

MEAN BONUS GAP

**17.9%**

MEDIAN BONUS GAP

**2.2%**

### BONUS GAP 2020

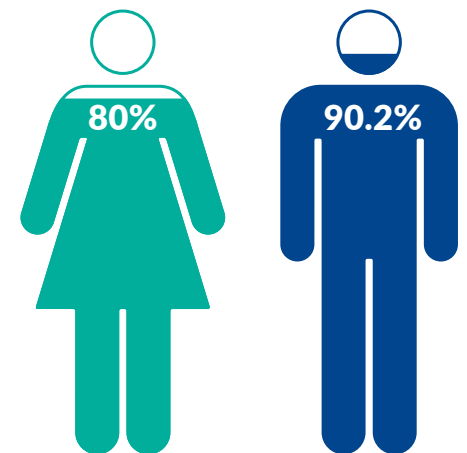
MEAN BONUS GAP

**29.7%**

MEDIAN BONUS GAP

**13.8%**

### PROPORTION IN RECEIPT OF A BONUS 2021



### PAY QUARTILES 2021

UPPER



UPPER MIDDLE



LOWER MIDDLE

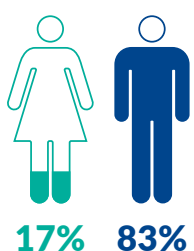


LOWER

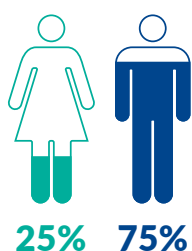


### PAY QUARTILES 2020

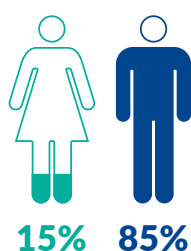
UPPER



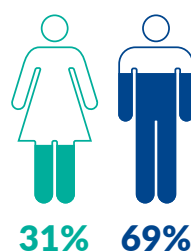
UPPER MIDDLE



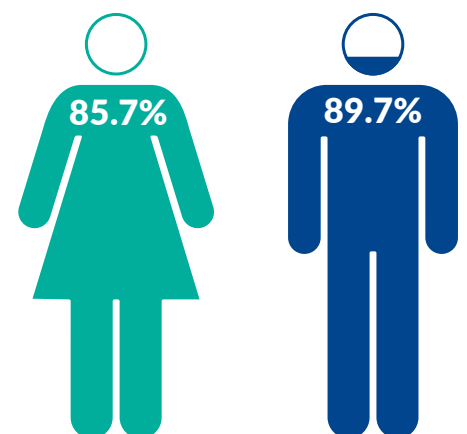
LOWER MIDDLE



LOWER



### PROPORTION IN RECEIPT OF A BONUS 2020



All numbers have been calculated in line with regulatory guidelines.



# UNDERSTANDING OUR RESULTS

*We are proud to report that our median gender pay gap at 0.9% continues to be significantly lower than the national average of 15.4% as estimated by the Office for National Statistics (ONS) for 2021.*



**HUMANITY**

The median gender pay gap is widely considered as the most representative because the mean gender pay gap can be sensitive to outliers if there are one or two highly paid people. We remain focused on ensuring that we reduce the gap further and work on other key metrics to ensure we create a fully inclusive working environment where all our colleagues can unleash their potential and be the best they can be.

As reported in our last gender pay report, we need to consider that as is common with the manufacturing and chemical industry, we have a predominantly male workforce, which account for 76.8% of the total workforce. We employ 280 colleagues across the two Scott Bader legal entities, 93.6% of whom work full time. Our female colleagues represent 72.2% of our part time colleagues.

We have seen an increase in female representation from 22.1% in 2020 to 23.2% in 2021 due to our increased activity in talent acquisition.

Our mean and median bonus gaps are 17.9% and 2.2% respectively and both measures have improved from our report in 2020 because we have more females appointed at senior levels in comparison to our 2020 data. We operate two main types of bonus schemes – the Profit Performance Plan (PPP) and the Group Staff Bonus (GSB). All colleagues are eligible to participate in these schemes from their start date. The PPP is a % of annual salary (including any shift premium) and the GSB is a fixed amount to all colleagues. The bonus proportion metric not being 100% can be explained by the timing of the payment which was paid in April 2021 for the bonus scheme year ending 31 December 2020. Any new starters from 1st January 2021 would not

have been eligible to receive a payment for the 2020 scheme.

We have a third bonus scheme which is focused on our sales team and only colleagues employed as a member of the sales team are eligible to participate. Most of our sales teams are male with only 3.9% of females receiving the sales bonus in 2021. Our operational team is 48.2% male, and they work shifts. Our bonus gap is therefore largely influenced by a lack of female representation in operational and sales roles which attract additional allowances and bonus schemes.

Although we are proud of our flexible working policies which enable colleagues to work reduced hours if they choose to, this impacts our mean bonus gap as 72.2% of colleagues who work reduced hours are women and their bonuses are pro-rated to reflect the hours worked.



# THE FUTURE

*We are pleased with our continued progress with addressing the gender pay gap and will continue to ensure that colleagues in similar roles are paid equitably for the same or equivalent work.*

Scott Bader is committed to ensuring that pay and reward is based on merit, not gender. We aim to attract, develop and inspire talent that unleashes innovation, allows us to perform at our very best and create a culture in which everyone feels they have an equal opportunity to participate and belong.

We have been working on several initiatives which have been having a positive impact on our diversity and inclusion as well as addressing gender pay gaps.

## TRAINING AND DEVELOPMENT

We continue to support colleagues with training and education and have completed e-Learning as well as unconscious bias training to help us achieve a respectful and inclusive workplace. We have committed to work towards achieving ISO 30415:2021 Diversity and Inclusion and are making steady progress with the work we need to put in place to be able to achieve the standard.

We introduced a Women in Leadership Development Programme in the autumn of 2019 and the feedback on the programme was overwhelmingly positive. We have since run three virtual WIL programmes with 60 women attending. The programme covers training on personal branding, presence, impact, beliefs, and confidence. We are seeing the impact of these programmes with an increase of women in our leadership grades

from 28.3% to 31.2% at the end of 2021. We aim to continue supporting women and their personal growth.

We launched our first RISE programme in 2021 which focused on developing diverse leaders of the future. This programme had 14 participants across the group and concluded with presentations to the Group Leadership Team and Group Board in October 2021. The presentation outlined what actions the Company should take to ensure an inclusive workplace based on the values and founding principles and what action each RISE participant would take personally and as a group.

We will launch another RISE programme in Q3 2022.

Of the internal moves we made in 2021, 28% of these were females who received an increase in salary because of a promotion, expanded role or increased responsibility.

We launched our leadership competency framework for an initial pilot group of 110 people in 2021 which captures the expectations of our colleagues and our leaders in terms of managing self, managing others, and managing the business. The pilot group were asked to complete a self-assessment and held a discussion with their line manager to agree a development plan. We followed this with talent reviews and succession planning. Phase 2 and Phase 3 of implementation to our remaining colleagues will take place during 2022.



Functional competency frameworks have also been developed for Finance and Technology. Commercial, HR and Operations will be completed in 2022 and will be used to support colleagues' personal development. We are continuing to deploy the Training Assessment Scheme (TAS) across other functions in Operations as well as in other manufacturing sites.

## FAIR PAY AND REWARD

We have been addressing fair pay and reward with the introduction of a pay and reward framework with focus on specific job families with a commitment to addressing any pay gaps. We have been using the salary review process in 2021 and 2022 to address priority areas and our investment into ensuring colleagues are fairly and consistently rewarded will continue.

We will be carrying out a further salary benchmarking activity in 2022 to measure our progress and to get up to date salary data.

All colleagues are eligible to participate in the Profit Performance Plan (PPP) from their start date as well as the Group Staff Bonus (GSB). Colleagues who are part of the Sales Team are also eligible to participate in the Sales Bonus. We are conducting a variable pay benchmarking activity and the results will be shared and discussed with the Remuneration Committee.

## DATA CAPTURE AND REPORTING

We invested in a global HR information system to allow us to capture and report on people data. This has been fully deployed across the group and we are now able to capture our people data. Due to GDPR or equivalent requirements we continue to encourage our colleagues in "count me in" to give their consent to share their Gender and Ethnicity so we can measure, set KPI's and improve our gender and diversity and inclusion reporting.

We will be publishing our second Employee, Environment, Social & Governance Report in Q2 2022.

Our results for 2021 are very encouraging and we know that we can continue to do more from a diversity and inclusive perspective. At Scott Bader we have always recruited and promoted the right people for the right jobs based on personal merit and regardless of gender or any other personal characteristic and we will continue to do so in the future.

We are developing our Employee Value Proposition (EVP) and have invested in appointing a Talent Acquisition Business Partner. We are focusing on recruiting from a wider possible talent pool and are taking measures to attract diverse candidates and will continue to

advertise vacancies internally to drive a greater gender balance in our management and senior positions. Our Learning & Development programmes focus on new talent management and succession planning to ensure we have a diverse mix of colleagues with a wide range of skills, competencies and behaviours to enable them to be the best they can be.



**Julie Thorburn**  
Group HR Director

# REFLECTIONS FROM OUR RISE PARTICIPANTS

*"It was a great pleasure to work with my coach around leadership qualities, social networking and personal brand statement. She helped me to overcome mental barriers, work on my values and be open and confident about taking new career opportunities. Developing a growth mindset and a better understanding of our inner selves was an essential part of our work."*



**Elena Romanova**  
Key Account Manager CIS

*"The RISE programme has been very useful and also eye-opening for me in many ways. On one hand, I could use the techniques learned and skills transferred almost immediately, and I can also build upon them in the future. I have found the one-to-one coaching especially practical; I could discuss day-to-day issues and overarching career perspectives as well on the back of my personal development journey. On the other hand, I gained insight into the work and thinking of colleagues across the globe and also in other functional departments of Scott Bader. Finally, the diversity and inclusivity aspect of the training and the team has transformed my thinking permanently and given a new insight and decision factor to my work and approach to others too."*



**Greg Lipoczi**  
Sales Development Manager - New Technologies

*"The RISE programme was beneficial to me because I learnt about diversity and the different personality traits, how to conduct myself in meetings and public speaking events and also about coaching and how it can help individuals, as well as the organization. Overall, RISE has given me an opportunity to understand others better and also to learn to be more accepting of my colleagues."*



**Vernon Gomez**  
Technical & Quality Supervisor

*"I really enjoyed the RISE programme, it has helped me on many different levels. It has given me tools to build confidence, increase engagement and unleash my potential. It has helped me understand myself better, become more self-aware, and communicate more effectively with others. I am also a better listener and am able to coach myself through challenging situations both in my personal and professional life. I'm thankful for the skills I've gained, as well as the great friendships that I've made through the programme."*



**Cherice Jacob**  
Group Commercial Business Analyst

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