



Castell Howell

Gender Pay Gap Report 2020



It has been a very difficult and challenging year for Castell Howell; one that has seen the Company having to adapt and evolve, continuously and with little or no warning, through the unprecedented adversity caused by the pandemic. We have managed to find a way through the storm in no small part because of the people we employ, and because of their support, passion, integrity and resilience.

We value each and every individual and the diversity that they bring to our business. Our policies are entirely inclusive and our procedures don't differentiate in gender in terms of equal opportunities or pay. Everyone is supported in their development at all stages of their employment with us.

We have published our gender pay gap figures annually since 2017 and have seen a consistent negative result in our mean gender pay gap. This means that on average, the women within the Company are paid more than the men and this year is no exception at -3%, which when compared to the national average of 15.5%, is very encouraging.

We know our negative figure is due to the type of roles within the Company that are filled predominantly by women and the remuneration that is associated with those roles. We recognise that this may partly be due to the childcare responsibilities falling disproportionately on women, which means that women are less likely to apply for positions with unsociable hours, such as Warehousing which tend to be lower paid roles.

That said, we are also able to identify that the Covid crisis has impacted our figures significantly, particularly our median pay gap, which for the first time since 2017 is showing a positive percentage (3.4%). With many of our colleagues furloughed and excluded from the pay calculations this year, we are not disheartened by the change in our pay gap results; we know that these figures are temporary and whilst the figures for April 2020 remain significantly low, we are aware that they are a snapshot of very difficult circumstances and are not representative of normal pay arrangements.

With homeworking being forced upon us by the pandemic, we are likely to see a change in flexible working arrangements, which will undoubtedly encourage a shift in the gender percentage in the various roles within the Company. What that shift will emerge as is unclear, but we will continue to support every colleague in his or her needs and continue to recognise our colleagues' work performance and commitment and support their career progression according to their attributes, whatever their gender.



Gayle Budden
Head of Human Resources

GENDER PAY GAP CALCULATIONS

The Gender Pay Gap Regulations 2017 require all UK employers with 250 employees or more to calculate and publish their gender pay gap data on an annual basis. The gender pay gap is the difference between the average earnings of men and women across a workforce and its purpose is to promote transparency and encourage employers to address the difference. The calculations are based on 5th April every year and must include:

- Mean and median gender pay gap (expressed as a percentage of male earnings)
- Mean and median bonus gender pay gap (based on bonuses received in the 12 months leading up to the snapshot date of 5th April)
- Proportion of men and women receiving a bonus payment
- Proportion of men and women in each quartile pay band

Our gender pay data has been collated in accordance with the requirements of the regulations and have been calculated using the pay data of 175 colleagues on 5th April 2020.

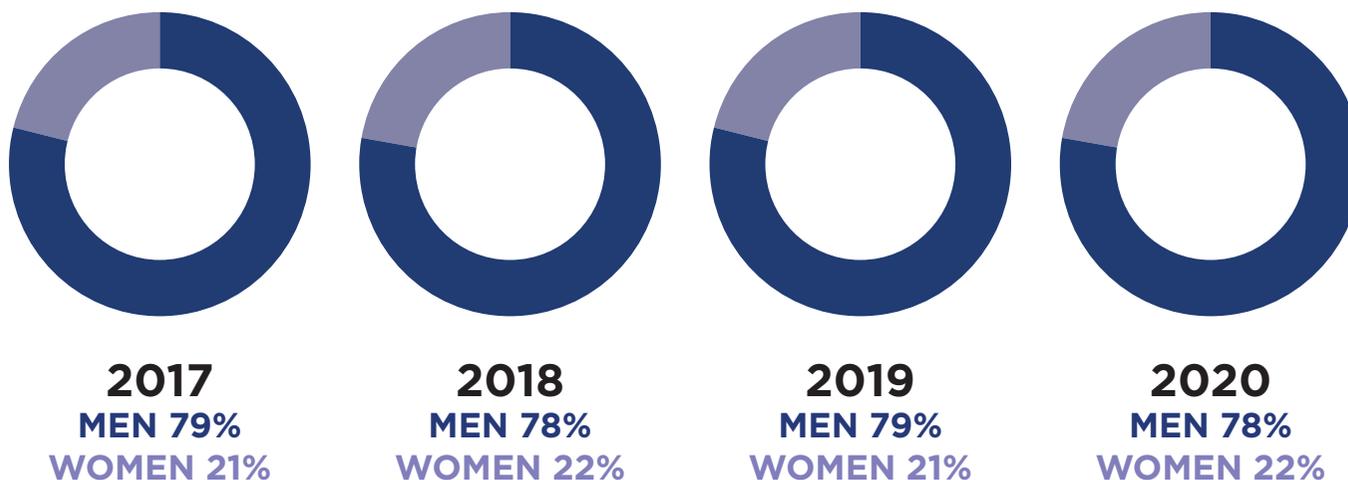
The events of the last 12 months from March 2020, have had a significant impact on our figures. Firstly, due to the number of colleagues being absent from work on furlough, the most significant change is that our data sample size has decreased dramatically from 575 employees in 2019 to 175 in 2020 (figure 1). In addition, whilst the percentage of the women and men whose salaries are included in the data has remained constant when compared to previous years (figure 2), many of the roles and the associated pay that the figures have been based upon previously, have had to be excluded for reporting this year.

FIGURE 1 - DATA SAMPLE

REPORTING YEAR	NO. OF EMPLOYEES
2017	424
2018	501
2019	575
2020	175



FIGURE 2 - PERCENTAGE OF MEN AND WOMEN IN DATA SAMPLE



OUR GENDER PAY GAP

This has meant a change in both our Mean and Median Gender Pay gap figures (Figure 3)

This change has come about due to the necessity to keep more employees in work within 'frontline' departments such as the Warehouse, Transport and the Cash & Carry, which mainly have more male colleagues than women colleagues (92% v 8%). In comparison, there has been a reduced requirement for many office-based roles, such as Telesales and Marketing for example, which are predominantly filled by women colleagues (94%) to remain in work. What this means is that we have seen a significant reduction in the number of higher women salaries that would usually be placed in Quartile 3 being included in the figures (Figure 4)

This has also had a substantial impact on our median pay gap figure; for the first time since reporting in 2017, the median pay gap is showing a positive figure, meaning that on the snapshot date of 5th April 2020, the men were paid more than the women.

We are not discouraged by this, as we know that these results are temporary and they will return to percentages that are more representative of actual arrangements once the reporting parameters return to normal.

FIGURE 3 - MEAN AND MEDIAN GENDER PAY GAP

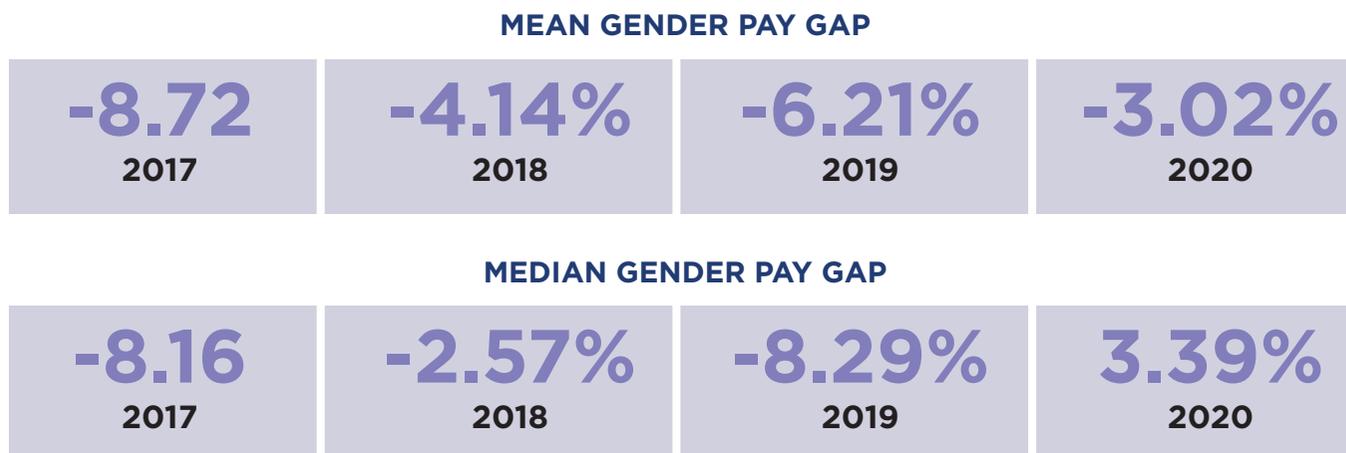
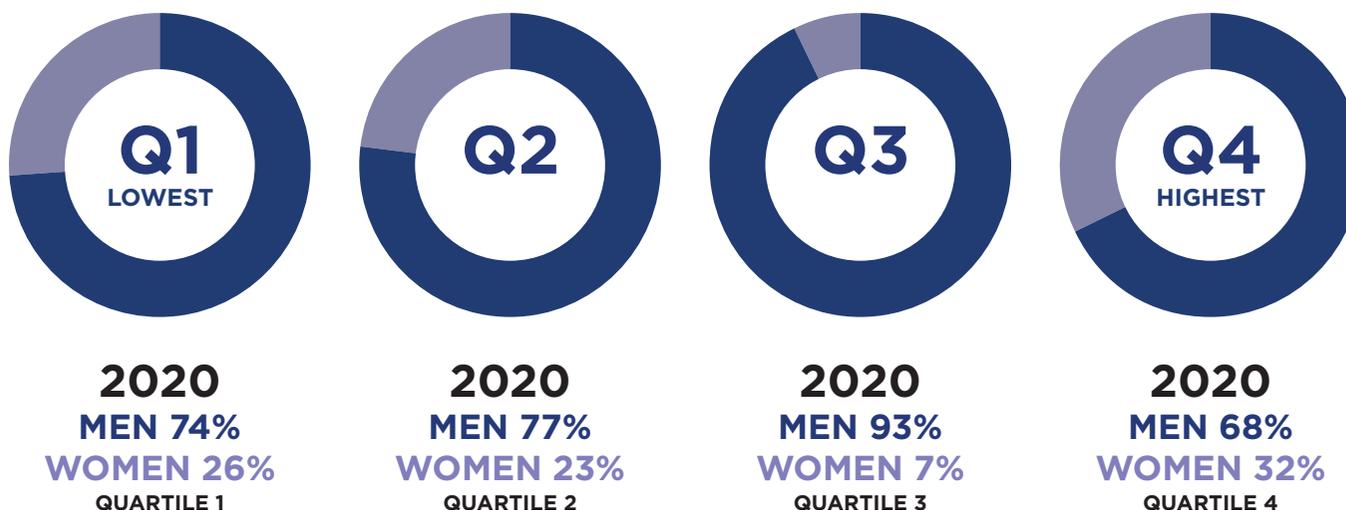


FIGURE 4 - PROPORTION OF MEN AND WOMEN IN EACH QUARTILE PAY BAND



GENDER BONUS GAP

Every colleague is responsible for the success of the business, and we believe it is important to reward those who contribute fairly. Our bonus schemes are open to all colleagues within eligible departments and roles, and all those at the same level or in the same role have the same bonus opportunity. The data collected in relation to bonus pay covers the 12 months prior to April 2020 and includes all monthly performance related bonuses associated with some roles, as well as annual bonuses linked with others.

Of all eligible employees, a higher proportion of women compared to men achieved a bonus during this reporting period (May 2019 to April 2020); 97% and 81% respectively.

The mean and median bonus pay gaps show the subsequent impact of this; on average the bonuses paid to women were 105% higher than the bonuses paid to men, which again is a direct result of the positions that attract the highest bonus threshold being held mostly by women.

FIGURE 5 - PERCENTAGE OF ELIGIBLE MEN AND WOMEN WHO RECEIVED A BONUS (2019-2020)

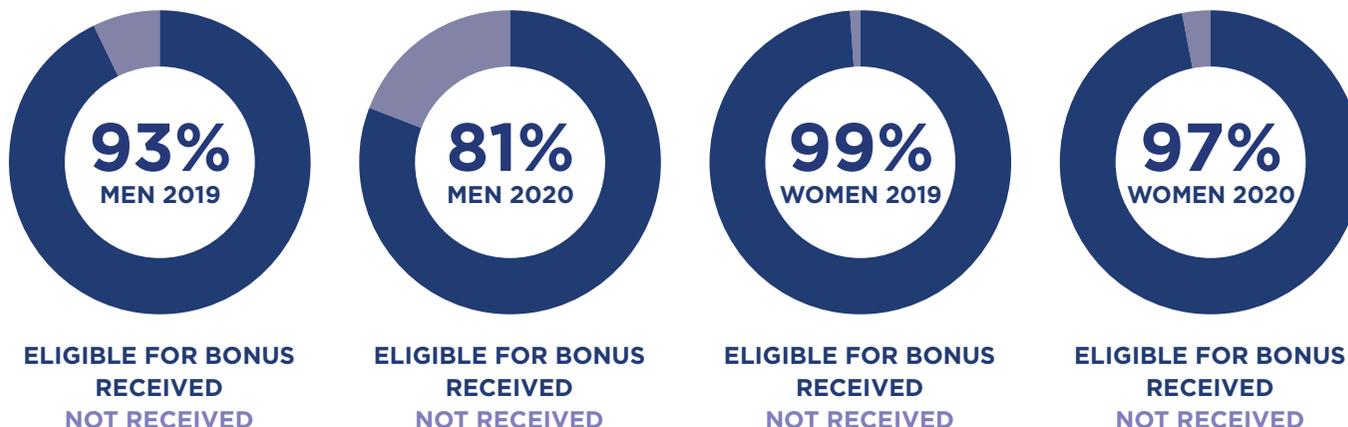


FIGURE 6 - MEAN AND MEDIAN BONUS PAY GAP 2020

MEAN GENDER BONUS GAP



MEDIAN GENDER BONUS GAP



OUR STRATEGY

As the UK is not out of the woods yet and with many colleagues remaining on furlough for the snapshot date this year, we are confident that the figures will still be significantly affected in the next reporting period also.

Nonetheless, we know that our figures have shown over previous years that the women in the Company are paid more than the men, and whilst this goes some way to evidence that we do not discriminate against women when it comes to equal pay and opportunities, we do recognise that a negative pay gap is still a pay gap and we need to make attempts to bring the figure closer to zero in terms of median and mean hourly rate and bonus pay.

This can only be achieved by attracting more women in to roles that are predominantly held by men such as Warehousing and Transport, and attracting more men in to roles that they are currently underrepresented in, such as Accounts and Telesales.

Our Inclusion and Diversity Strategy is ever-evolving to ensure we build more non-bias processes, not only in terms of gender, but in all aspects of diversity. As part of this we are currently reviewing and restructuring our recruitment methods and working on developing our careers pages to attract a more diverse workforce in all departments.



Working with our Health and Wellbeing Coordinator, we are developing initiatives that focus on workforce mental and physical fitness including menopause wellbeing, health screening and Age at Work to create a culture that is inclusive and supportive and where bias and discrimination continues to be non-existent.