



Synthomer UK: Gender Pay Gap Report 2021

CEO Foreword:



Michael Willome

At Synthomer, we are committed to challenging stereotypes to create a culture that is inclusive, and an environment where diversity is celebrated. We believe that performance is driven by innovative thinking which in turn is fostered by an inclusive and diverse environment. When the workforce is comprised of talented individuals from different backgrounds different perspectives and potentially overlooked viewpoints are considered and heard. In short: when everyone is included, everyone wins.

The 2021 report unfortunately does not entirely reflect the hard work and progress Synthomer has made in this area. Our gender pay gap has increased, both the mean and median gender pay gaps. This is

in part due to the increase in the number of women employed in the lower two quartiles of our organisation. Although, the number of women employed in the upper two quartiles of the organisation has increased, the majority of our senior positions which are the highest paying positions, continue to be held by men. In 2021 the percentage of women in our most senior roles increased from 15% to 20% and we have a target of 25% for the end of 2022. We recognise the importance of continuing to attract, develop and retain women in the upper two quartiles of the organisation, something Synthomer remains committed to. Improvements have been made around our bonus pay gap. This year saw both our mean and median bonus gaps close.

In addition to a 5% increase in women in senior roles in 2021 we were pleased to announce the appointment of Lily Liu as Chief Financial Officer in November 2021 and look forward to her joining Synthomer in 2022. This continues our commitment to ensuring there are senior female role models within the business for our more junior female employees. In line with our continued focus on Diversity and Inclusion, further appointments to our Executive

Committee of female leaders will be made in 2022. Our Diversity & Inclusion Steering Group and Diversity & Inclusion Leadership Team have become firmly established in our business and delivered a range of interventions in 2021 including senior leader awareness building workshops, new regional D&I teams and process changes to ensure that our succession planning is inclusive. As a result of the Diversity & Inclusion Steering Group and Diversity & Inclusion Leadership Team's hard work D&I is now a regular topic at Board and Executive Committee meetings. ENGENDER, our women's network which aims to provide networking and development opportunities for women across Synthomer, has continued to grow from strength to strength. This year has seen a calendar of external speakers, networking events and group discussions.

Accuracy statement: I confirm the gender pay gap data contained in this report is accurate and has been produced in accordance with the regulations

A handwritten signature in blue ink that reads "M. Willome". The signature is written in a cursive, slightly stylized font.

Michael Willome,
Chief Executive Officer
March 2022

Our Reporting Requirements

The gender pay gap is a means of measuring the difference between the average hourly earnings of men and women in an organisation, irrespective of their roles or seniority.

This is different to equal pay which is a legal requirement to ensure that men and women who undertake similar roles receive equal pay.

The UK government requires companies with more than 250 employees to publish the following information:

1. Mean and median gender pay gap
2. Mean and median bonus pay gap
3. Proportion of men and women who receive a bonus
4. Distribution of men and women across quartile pay bands

At Synthomer, we are fully compliant with equal pay requirements. We have a gender pay gap as a result of the higher number of men in senior roles than women. We understand why we have a gender pay gap at Synthomer, this is mainly due to the high proportion of women in entry level positions and the relatively low levels of female representation at the senior level.

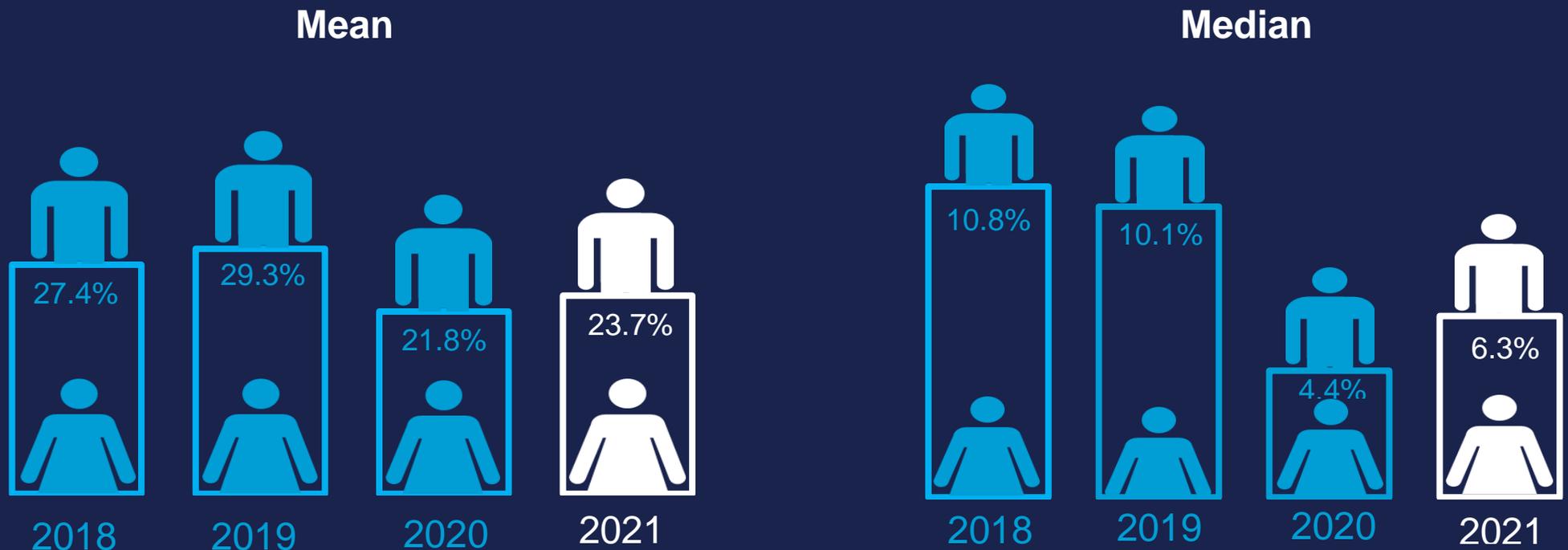


Our Gender Pay Gap:

There has been a small increase in both our mean and median gender pay gaps this year

In 2021, and throughout the pandemic, Synthomer continued to grow as an organisation. Through recruitment the number of women employed at the lower levels of the organisation has increased. Whilst we did also managed to increase the number of women at senior levels there was not enough change in this demographic to alter our gender pay gap. We were also unable to increase the representation of women in the mid-senior management level of the organisation with the representation remaining the same as in 2020.

The result is that our gender split at the lower levels of the organisation has improved but little change has been over the mid -senior levels resulting in an increase in our gender pay gap for this year. Whilst this is disappointing for Synthomer, it highlights the importance of maintaining momentum in the work we have been doing and the necessity of continuing to drive forward changes that deliver impactful improvements in this area.



Our Bonus Pay Gap:

Both our mean and median bonus pay gaps have reduced this year.

Our bonus gap remains a result of the fact that a higher number of men hold senior positions than women and therefore command larger bonuses. However as we work to diversify our senior leadership this bonus gap is reducing.

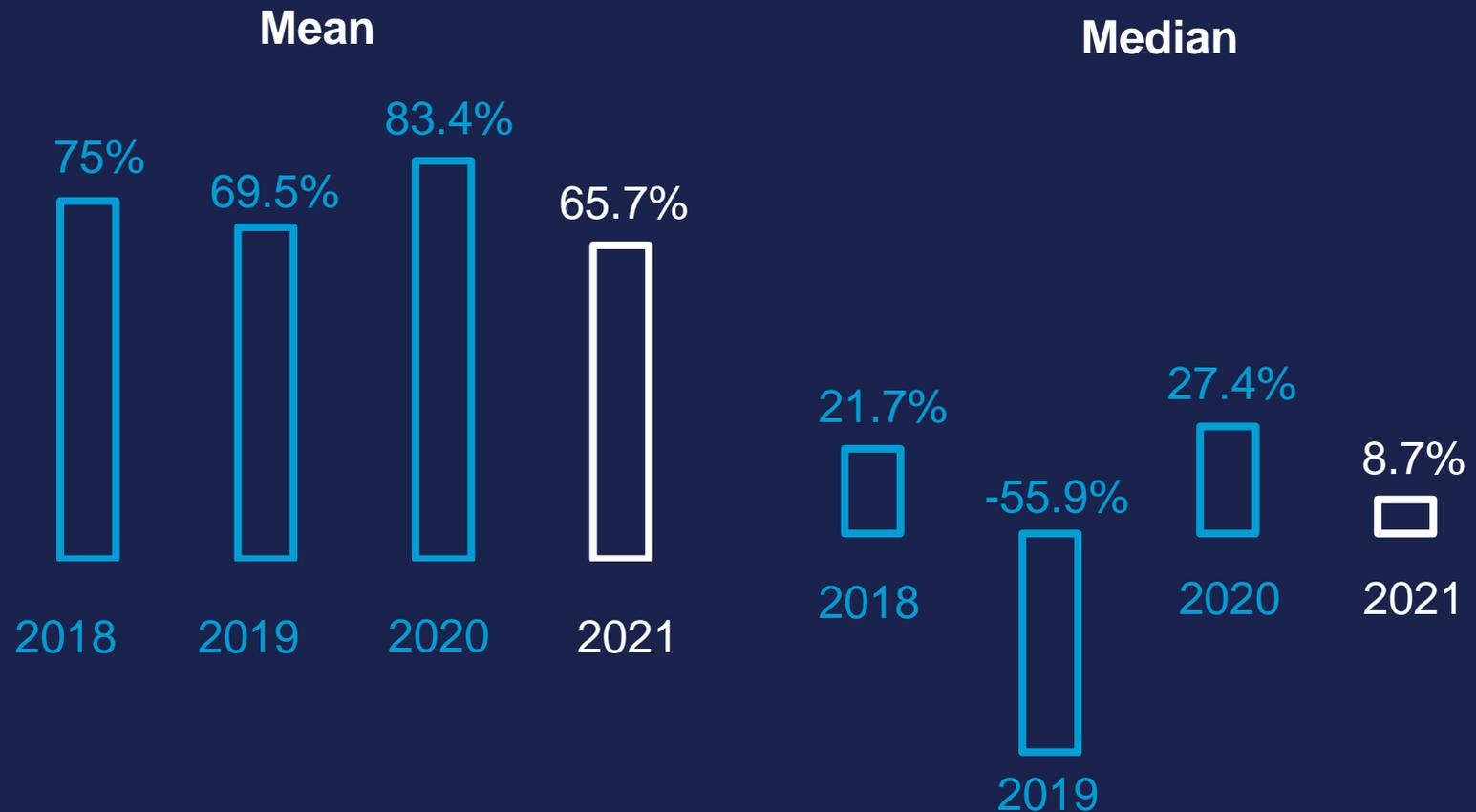
All UK employees are eligible to receive a bonus subject to a minimum service qualification period of 3 months, therefore the difference between men and women receiving a bonus this year is reflective of the demographic of our new hires pre October 2020 (our cut-off date for eligibility for the 2021 bonus).



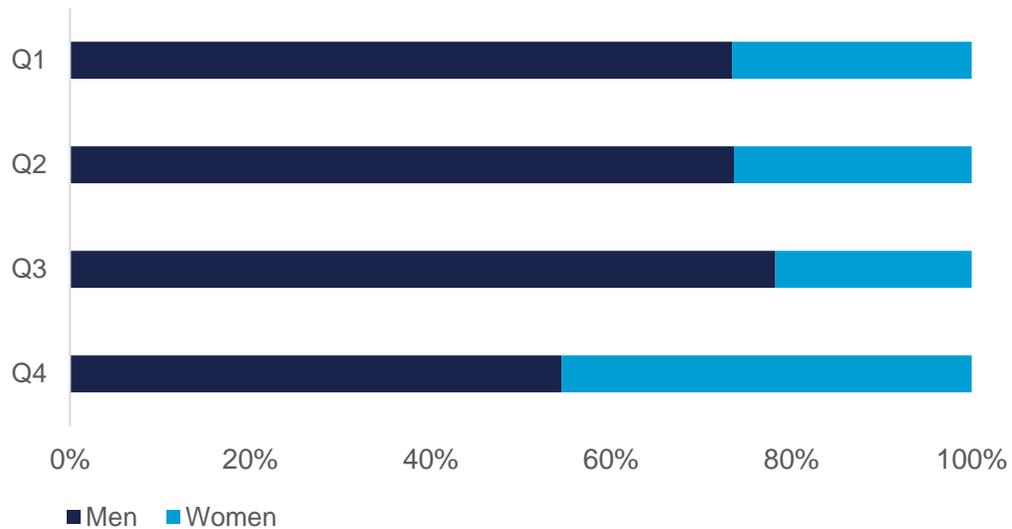
of men received a bonus



of women received a bonus



Pay Quartiles:



The pay quartiles displayed above are created by ordering the hourly pay rates of all our employees from lowest to highest, and dividing this into 4 equal sized quartiles: Q1 being the highest and Q4 the lowest.

Synthomer remains an organisation where there is a much larger population of male employees across each level of the business. We have incrementally improved the gender split at all levels this year and have improved the percentage of women in the top three quartiles three years in a row. However we recognise that there is further work required and particular focus is needed on the Upper Middle Quartile where moving the dial on representation has proven challenging, we are committed to taking the necessary action to do this.



Our Actions

Our approach centres on three main areas:

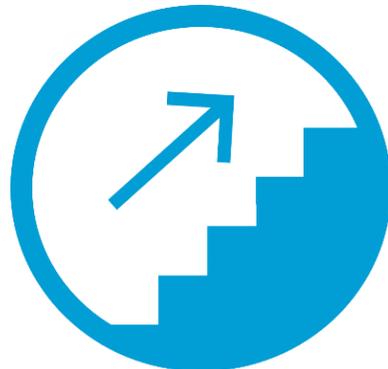
Attraction



Retention



Progression



'We have more

to do in many areas – including one particularly close to my heart, which is making our culture more diverse, inclusive, and supportive of the employees who drive our success'

Caroline Johnstone, Chair

Attraction

Synthomer has continued to increase the proportion of women in senior leadership positions in 2021 achieving our target of 20% of women in senior roles by the end of the year. In November 2021 we announced that Lily Liu would be joining Synthomer as Chief Financial Officer, succeeding Steve Bennett. Lily will join Synthomer mid-2022 and will become the second female member of the Executive Committee following the appointment of Ana Perroni as President, Industrial Specialities in early 2022.

In 2021 we reviewed our recruitment practices and processes. With the implementation of our new HR systems, we ensured that all job roles were advertised internally thereby widening the pool of candidates and expanding the opportunity for internal progression. In 2022 we aim to continue this work with the implementation of diverse selection panels for hiring mid-senior leaders.

Our graduate scheme continues to attract female candidates. Over the last 4 years, at least 50% of our graduate recruits have been female (50% in 2021, 87.5% in 2020, and 66% in 2019)



Retention and Progression



In order to understand the diversity of the employees progressing their careers within Synthomer we started using a new diversity and inclusion dashboard. This gives us the opportunity to spot opportunities for our employees and ensure that our succession planning is inclusive. Additionally we established a new diversity and inclusion governance structure to ensure we embed accountability for diversity and inclusion across all levels of the business. This ensures that our employees feel valued within the organisation and that all employees career goals are considered when progression opportunities arise.

In 2021 our ENGENDER network grew from strength to strength, providing a space of our female employees to empower one another, network and support each other in their career development. Due to the success of the ENGENDER in the UK, the network has now expanded with the launch of ENGENDER in Asia.

'We set up ENGENDER – our women's network – to create a safe environment for discussion on issues that women face in the workplace and to help support one another through our careers.'

Ana Perroni Laloe, President, Industrial Specialities