

synthomer



Synthomer UK:

Gender Pay Gap Report 2020

CEO Foreword:



Calum MacLean

Synthomer delivered a strong performance in 2020, thanks to the hard work and dedication of our employees. In the coming years we hope to build on this performance by fostering more innovative thinking and growth. This can be achieved, in part, by developing a more inclusive workplace and attracting a more diverse workforce.

The 2020 report shows some promising improvement in our gender pay gap, with our median pay gap

reducing for the third year in a row. Additionally, we have seen the number of women represented in the top two pay quartiles rise. Nevertheless, we continue to face challenges in closing the gap, particularly around bonus pay. This is, in part, due to the profile of our workforce. Men represent the majority of our workforce (73%) and continue to represent the majority of senior employees within the Company. We remain committed to closing the gap across the company.

In 2020 we continued to recognise the importance of role models in gender diversity, and were pleased to appoint Caroline Johnstone as Chair of the Board as well as welcoming Cynthia Dubin as a Non-Executive Director to our Board. Our Diversity & Inclusion Steering Group and Diversity & Inclusion Leadership Team continue to support and advocate for change across the business. The leadership

team launched a number of initiatives including process reviews, interview training and awareness building. Our Diversity and Inclusion learning page was launched and is designed to help raise awareness of the importance of diversity in business and to start conversations around inclusion. We also launched our women's network 'Engender' which aims to provide networking and development opportunities for women across Synthomer.

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 black ink that reads "Calum MacLean". The signature is written in a cursive, slightly stylized font.

Calum MacLean,
Chief Executive Officer
July 2021

What you need to know:

What is the gender pay gap?

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

Therefore a company which has a higher number of men in senior roles and a higher number junior roles held by women, is likely to have a gender pay gap.

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

At Synthomer, we are fully compliant with equal pay requirements, however we have more men than women in senior positions which results in a gender pay gap.

Gender pay gap reporting explained:

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

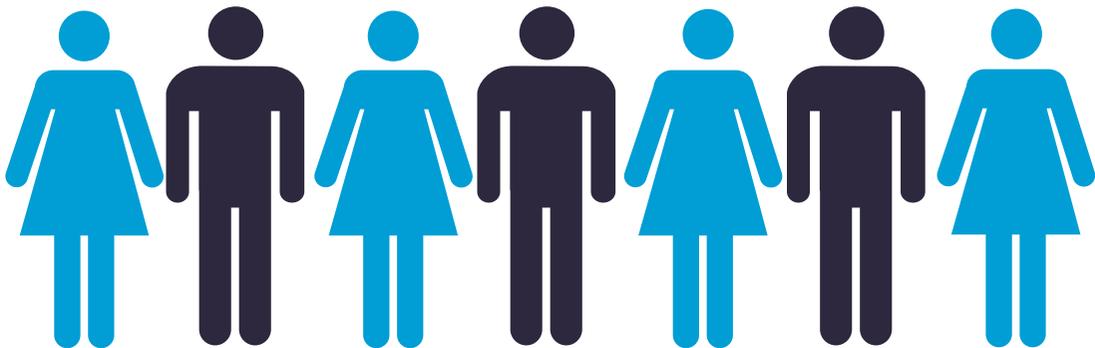


Our Gender Pay Gap:

There has been a reduction in both our mean and median pay gaps this year

Our 2020 numbers show an improvement in both our mean and median gender pay gap, with our median pay gap improving consistently over the last three years. However, we recognise that our gender pay gap remains primarily due to the a smaller number of women represented in our senior leadership population.

Whilst we have continued to make improvements year or year, we recognise that there is still more to do. We believe that the changes we have made, and continue to make, will enable us to deliver meaningful improvements.



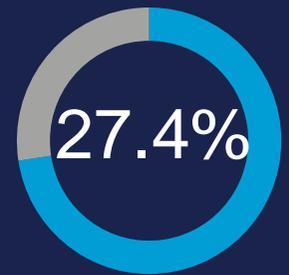
Mean



2020



2019



2018

Median



2020



2019



2018

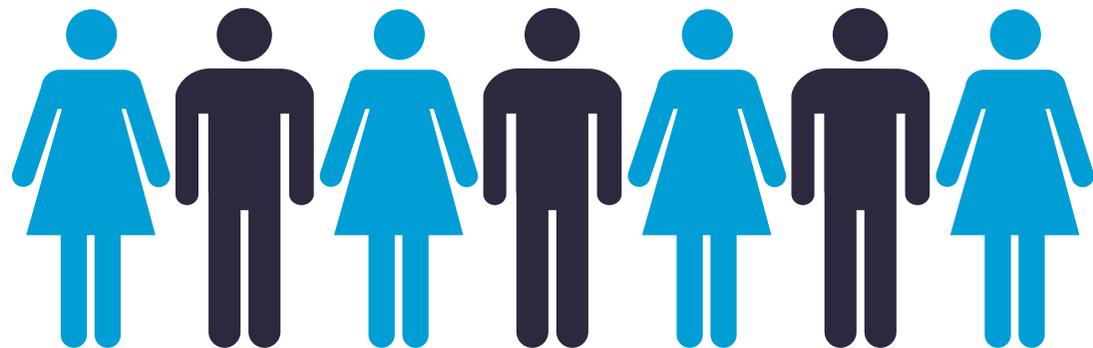
The infographic above shows our overall mean and median gender pay gap based on hourly rates of pay as at the snapshot date (i.e. 5 April 2020).

Our Bonus Pay Gap:

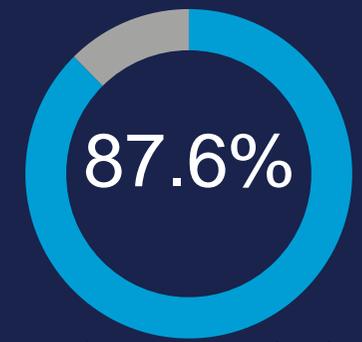
We are continuing to look at ways to reduce the bonus pay gap in Synthomer

A consequence of the fact that a higher number of men hold senior positions than women, is a larger bonus pay gap. These senior positions command larger bonuses than more junior positions.

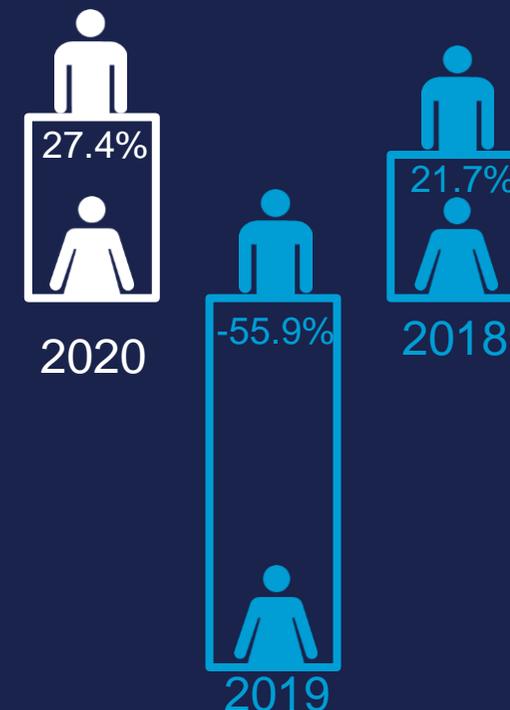
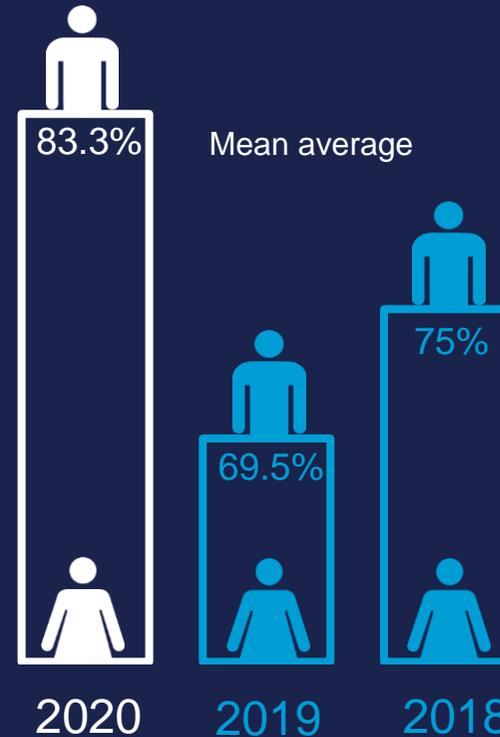
All UK employees are eligible to receive a bonus subject to a minimum service qualification period of 3 months, therefore the difference between men and women receiving a bonus this year is reflective of the demographic of our recruitment over FY19.



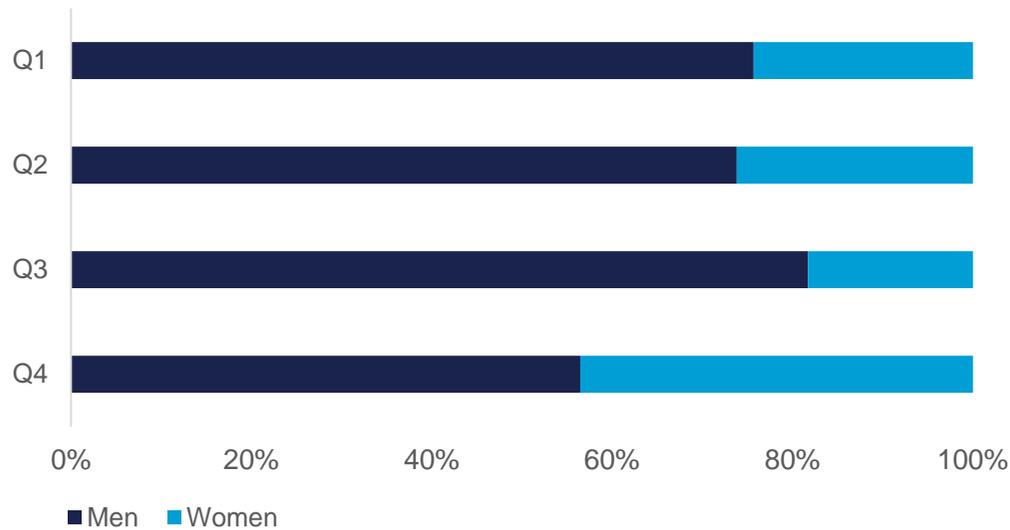
of men received a bonus



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.

There is a significantly greater proportion of male employees across all levels of our business. This is reflected in the gender split in senior positions, the majority of which being held by male employees. We have slightly improved the percentage of women in the top three quartiles since last year's report, but we recognise that there is further work needed and we are committed to taking the necessary action to do this.



What are we doing to close the gap?

Our approach centres on three main areas: Attraction, Retention and Progression

Attraction

In 2020, Caroline Johnstone was appointed as Chair of Synthomer's Board and Cynthia Dubin joined the Board as a Non-Executive Director. As such the Synthomer Board now comprises of one third female membership, thereby meeting the target of the Hampton Alexander report.

We launched interview skills training to our management population this year and updated our processes to ensure all roles are advertised internally within Synthomer. This expands the pool of candidates and gives greater visibility of progression opportunities to all employees. In 2021 we will continue to review our recruitment practices and processes. Plans include updating our IT systems to advertise all open positions globally and utilising targeted recruitment campaigns to attract a more diverse pool of applicants.

Our European graduate scheme continues to attract high quality graduates. Over the last three years, more than 50% of our graduate recruits have been female (87.5% in 2020, an increase from 66% in 2019)

'Across our industry and at Synthomer, we must do better in developing diverse talent'

Attraction



Retention



Progression

Retention

To support our managers in building inclusive teams, we have launched our Diversity and Inclusion learning page, which gives support on a number of topics including self-awareness and unconscious bias.

We also recognise the impact that starting a family can have on all our employees, particularly our female employees. That's why in 2020 we relaunched our Family Friendly policies including a new adoption policy and the introduction of a maternity bonus.

In 2021 we will also be expanding our women's network 'ENGENDER', which offers a space for our female employees to support one another.

Alongside our women's network, we are planning the development of a mentor scheme as part of our ENGENDER network, to empower our female employees in their development and achievement of career goals.

Progression

We are continuing to support our female employees with their career progression through our Talent Development programme. Between 2017 and 2019, 46% of attendees were female. Whilst the programme was paused in 2020 due to the pandemic, we remain committed to ensuring our female talent is supported in career development in the following years when the programme is restarted.

We continued to expand the scope of our talent conversations to include all team members, ensuring that all top talent is recognised and opportunities highlighted for career progression globally.

Our ENGENDER network will also be focused on helping women progress within Synthomer. Plans include inviting external speakers to talk on topics such as 'The Voice of Women in Business', and internal discussions with senior leaders on female progression within the business.

