



SIG plc Gender Pay Report 2018



March 2019



Introduction

Last year SIG plc ("SIG") welcomed the introduction of new legislation where UK employers are required to publish key metrics on their gender pay gap annually. Our gender pay gap was significantly lower than the national and industry averages and since our results were published we have been making plans to create a more diverse and inclusive organisation that helps us to attract great people and maximise their potential. It's a long term commitment that we are keen to make significant progress on.

The sector as a whole typically has a high representation of males and our data tells us that our employee population is reflective of this.

However, having a diverse and inclusive workforce allows us to benefit from a broad range of skills and experience and we are taking positive steps to change the culture and the mindset of our workforce.

What is the difference between gender pay gap and equal pay?

Gender pay is not the same as equal pay. The gender pay gap shows the difference in the average pay between all men and women across a whole organisation. One of the most influencing factors on the gender pay gap is the distribution of males and females between grades. In addition, there are a number of reasons that may mean people in the same role receive different pay, for example, experience and geographic location.

Equal pay deals with pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The equal pay principle, set out in the Equality Act 2010, is that men and women performing equal work must receive equal pay, unless there is a material reason (not linked to gender) that justifies a difference.

What influences the gender pay and bonus gap at SIG?

As with many organisations, the primary reason for the gap is that we have an under representation of women in senior roles. The industries in which we operate generally face a challenge to attract more women.

Bonus pay gaps are impacted by the relative seniority of the male and female populations. Seniority has a direct impact on the salaries of each population (reflected in the mean and median pay gap results) and an indirect impact on the bonus opportunity of individuals (i.e. individuals in more senior roles tend to have a larger bonus opportunity as a percentage of salary).

Point of note:

The calculation of the gender bonus gap does not take into account individual employee circumstances. Part time working for example, can impact the figures, because more women work part time than men. Where possible, we encourage flexible working to retain employees and remain committed to flexible working recognising that it will have a negative effect on our bonus gap figures.

Point of note:

The calculation method could increase the pay gap for both basic and bonus pay. Overall more women tend to sacrifice salary for pension and childcare, yet these amounts must be deducted from the hourly rates before running the calculations, therefore reducing the average rates of pay.





SIG's gender pay gap - 2018

SIG believes that its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations). Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time.

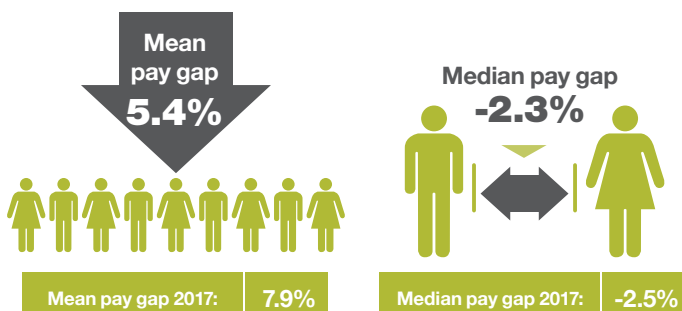
Our median gender pay gap has reduced from 7.9% in 2017 to 5.4% in 2018 and we would like to see a sustained improvement in this measure. This is well below the national average of 17.1% and an industry average of 16.0%.

The proportion of men at SIG who received a bonus in the 12 months up to 5 April 2018 was 38.6%, while for women this was 54.5%. This reflects the higher proportion of women in professional or management roles that, under our current policy, attract a performance bonus. However, the mean and median bonus gaps are significant, indicating that the bonus potential for men is higher than for women.

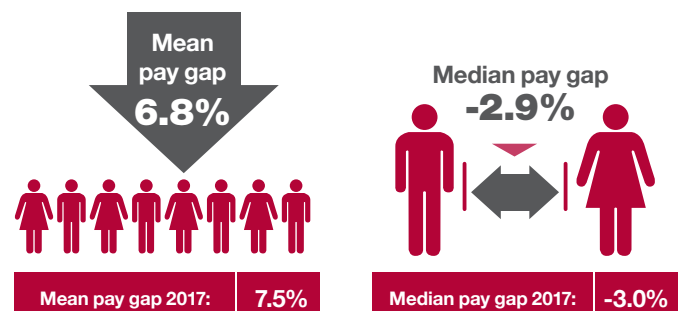
Below, we've set out our gender pay gap results for both SIG Trading Limited (which is required to report under the regulations) and for SIG plc as a whole within the UK (i.e. including employing organisations with less than 250 employees). We have produced an action plan for 2019 which demonstrates our commitment to addressing the factors which impact our pay gap.

Pay

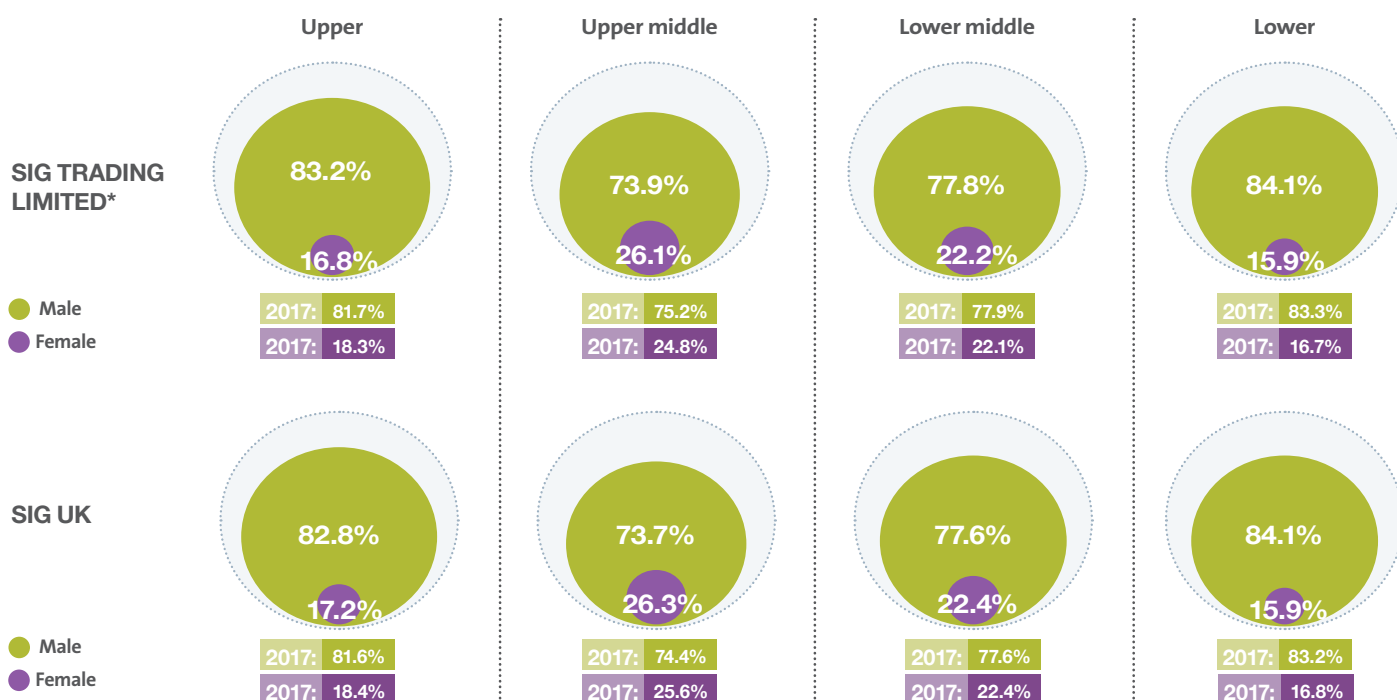
SIG TRADING LIMITED*



SIG UK



Proportion of employees in each pay quartile



Bonus pay

	Mean	Median
SIG TRADING LIMITED*	47.8% 2017: 51.8%	22.5% 2017: 21.4%
SIG UK	51.2% 2017: 48.2%	20.5% 2017: 18.7%

Proportion receiving a bonus





Our commitment to closing the gap

In order to make a real and sustainable difference to our gender pay gap, we are taking positive action for change and focusing on three areas that cover how we engage with potential and current employees.



Attraction and Selection

We will build our brand as a global employer of choice and develop diverse and inclusive approaches to attract and secure the best talent.



Retention

We will think differently about our ways of working to make SIG an inclusive and attractive employer.



Development

We will develop opportunities for all to enable long-term development, progression and succession planning.

For each of these areas we have a detailed action plan and are committed to delivery against this. Change in SIG can only happen when everyone has a greater understanding of the role that they can play in achieving our ambitions.



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MEINIE OLDERSMA
Group Chief Executive

March 2019