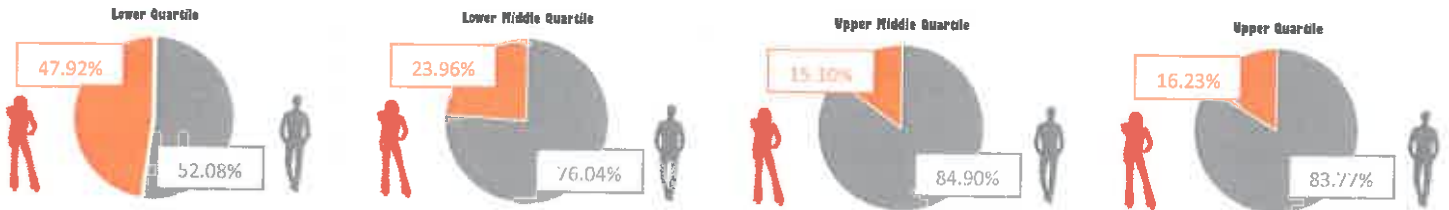


Gender Pay Report 2016-17

As a family business, we are passionate about our values of courage, quality, community, nurturing and togetherness, seeking to bring them to life in every aspect of our business. Treating everyone fairly and equally in all aspects of their employment is a very important part of who we are and what we do.

Our gender pay gap

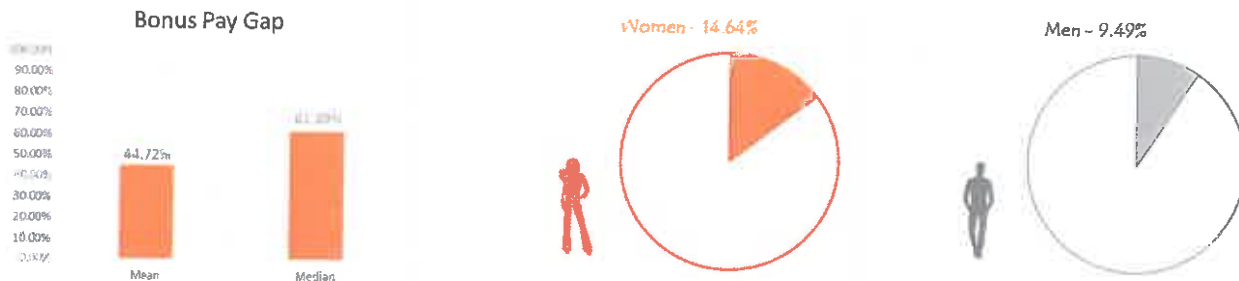
Our gender pay gap, based on employees' hourly rates of pay as at 5 April 2017 is 15.26% (mean) and 14.12% (median). This compares to the UK mean gender pay gap of 18.4% and median gender pay gap of 17.4%. The charts (below) show the proportions of men and women in the lower, lower middle, upper middle and upper quartile pay bands.



Our gender bonus gap

We have a formal bonus scheme for middle/senior managers and award other 'one off' special bonuses in cases of outstanding achievement. We also have a long service award scheme which provides payments in recognition of 15, 30 and 40 years of service.

Our bonus pay gap for the period 6 April 2016 to 5 April 2017 is 44.72% (mean) and 61.39% (median); see below. 14.64% of women, as a proportion of all women employed, received a bonus; higher than the comparable figure for men at 9.49%.



Understanding our gender pay and bonus gaps

About 65% of our workforce is employed working shifts, including nights, 24/7, in roles which historically have been predominantly occupied by men – process/plant/machine Operators, Engineers and Drivers. The skilled nature of these roles, together with the more 'unsocial' shifts worked, attracts premium pay rates. Our analysis indicates that this accounts for much of our gender pay gap. The remainder of our gender pay gap is due to the fact that we have more men employed in senior roles within the organisation. This is both a cultural and societal legacy, indicative of the career choices people have made and the fact we have relatively low levels of staff turnover.

The median bonus gap is skewed by the inclusion of long service payments, the majority of which were paid to men as we have more longer serving males than females. The mean bonus gap is a reflection of the fact that there are more men in senior roles and also that some of our women in senior roles work part time, meaning that their bonuses are pro rated.

Action

We are confident that men and women are paid equally for doing the same or similar roles across the organisation. However, we are committed to reducing our gender pay gap over time and propose to:

- ✓ continue to explore how we attract more women into the skilled and more senior roles, including understanding career choices and flexible working opportunities;
- ✓ consider if and how we can better support women in their career development;
- ✓ explore how we can continue to support women returning to work through various flexible working opportunities; and
- ✓ communicate internally and enhance our understanding of our gender pay and bonus gap results.

I confirm that the data reported is accurate

Robert Higginson, Chairman & MD