

HOTCHKISS LTD - GENDER PAY GAP REPORT

Hotchkiss Ltd is required by law to publish an annual gender pay gap report.

This is our report for the snapshot date of 5 April 2017.

- The mean gender pay gap for Hotchkiss Ltd is 19.4%
- The median gender pay gap for Hotchkiss Ltd is 3.7%
- The mean gender bonus gap for Hotchkiss Ltd is 77.0%
- The median gender bonus gap for Hotchkiss Ltd is 27.5%
- The proportion of male employees in Hotchkiss Ltd receiving a bonus is 67% and the proportion of female employees receiving a bonus is 40%.

Pay quartiles by gender:

Band	Males	Females	Description
A	76%	24%	Includes all employees whose standard hourly rate places them at or below the lower quartile
B	91%	9%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
C	73%	26%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
D	92%	8%	Includes all employees whose standard hourly rate places them above the upper quartile

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

What are the underlying causes of Hotchkiss Ltd's gender pay gap?

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

Hotchkiss Ltd is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

Hotchkiss Ltd is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work; a fact that the figures presented do not account for. Indeed we have carried out our own investigation which has confirmed parity of pay in roles that are currently being carried out by both men and women within the organisation. Rather the gender pay gap is the result of the limited number of women within the construction industry, 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), while women are more likely than men to be in front-line roles at the lower end of the organisation. 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, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole, and indeed that within the construction industry, is reflected in the make-up of Hotchkiss Ltd's workforce, where the majority of administrative staff are women, while the majority of line manager and senior manager roles are held by men. The vast majority of staff within our site and workshop teams are male.

This can be seen above in the table depicting pay quartiles by gender. This shows Hotchkiss Ltd's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of

employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band. However, within Hotchkiss Ltd, the percentage of males in each Band varies between 73% and 92%.

Unlike most organisations within our industry, we have a female Board Director and female heads of departments.

How does Hotchkiss Ltd's gender pay gap compare with that of other organisations?

The vast majority of organisations have a gender pay gap, and we are pleased to be able to say that Hotchkiss Ltd's gap compares favourably with that of other organisations, including those within our industry.

The mean gender pay gap for the whole economy (according to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.4%, while in the construction sector it is 13.8%. At 19.4%, Hotchkiss Ltd's mean gender pay gap is, therefore, in line with the whole economy and that for our sector.

The median gender pay gap for the whole economy (according to the October 2017 ONS ASHE figures) is 18.4%, while in the construction sector it is 18.6%. At 3.7%, Hotchkiss Ltd's median gender pay gap is, therefore, significantly lower than both that for the whole economy and that for our sector.

Comparison with other organisations

	Hotchkiss Ltd	2017 ONS ASHE whole sector	2017 ONS ASHE construction sector
Mean gender pay gap	19.4%	17.4%	13.8%
Median gender pay gap	3.7%	18.4%	17.9%

The mean gender bonus gap for Hotchkiss Ltd is 77%; however as a median this reduces to 27.5%. When looked at in terms of cash amounts rather than percentage terms, the figures involved are comparatively small and largely represent the bonus incentive scheme in operation in our manufacturing and installation departments which have a predominantly male workforce. This also explains why 67% of men received a bonus whilst for women this was 40%.

What is Hotchkiss Ltd doing to address its gender pay gap?

While Hotchkiss Ltd's gender pay gap compares favourably with that of organisations both across the whole UK economy and within the construction sector, this is not a subject about which we are complacent, and are committed to doing everything that we can to reduce the gap. However, we also recognise that our scope to act is limited in some areas – we have, for example, no direct control over the subjects that individuals choose to study or the career choices that they make.

To date, the steps that Hotchkiss Ltd has taken to promote gender diversity including creating an annual drive for female apprentices within the construction industry. We are passionate about encouraging more women to consider a career within the construction industry and do indeed have very capable female apprentices within our organisation. Regrettably, despite our best efforts, the number of female apprenticeship applicants we receive each year are still very small in number.

This initiative will not, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, Hotchkiss Ltd is committed to reporting on an annual basis on what we are doing to reduce the gender pay gap and the progress that we are making.

I, David Baldock, Managing Director, confirm that the information in this statement is accurate.

Signed



Date

4th April 2018