GENDER PAY REPORT 2019

As a Group with Global reach and ambition, a fantastic heritage and a focus on world-class innovation, diversity and equality are not just nice to haves. They are an essential part of securing the future of our business.

The spotlight on James Cropper’s position as an innovator has been particularly bright in recent years. Carving new avenues for growth through innovation is part of the James Cropper legacy. Some 15% of our workforce is fully dedicated to research and development.

We see the relationship we have with each of our people as a partnership. This approach underpins our staff turnover and outstanding record of long service. The result is a wealth of knowledge and skills staying in the business that are fundamental to our capacity for growth.

Our commitment to building a culture with no obstacles to progression is reflected in the productivity we see every day, as well as our world class products and services.
Our continued investment in training is essential to our output as well as securing the future of our business.

We are proud that 5% of our staff are currently active in apprenticeships.

Our commitment to promoting equality across our business extends to our apprenticeship programme where females account for a significant proportion of this learning profile.

We’ve always appreciated that our people are at the heart of what we do and through the generations have striven to build teams where everyone has the opportunity to reach their potential.

At James Cropper, behaving and interacting with others with integrity is at the core of what we do, across all of our global locations. This is not an easy value to measure, although we believe the longevity of our relationships with employees, customers and suppliers is testimony to this.

This value underpins all the others and much else besides. It is about valuing every individual we come across in our working lives.

Community focus is a broad ranging value that goes beyond our relationships and support for the communities around our operations. We believe in social responsibility more broadly. We are involved in committees, boards and initiatives internationally, nationally and locally.
**Striving for Gender Equality - it Matters to our Business**

In line with the Gender Pay Gap Information Regulations 2017 we have carried out six calculations that show the difference between the average earnings of men and women in our organisation. James Cropper PLC is a business where we believe that men and women should be paid equally in equivalent roles as supported by our job evaluation process and where gender is not a factor in performance.

We are a manufacturing business and across the group and within our Paper business it is typical that a greater proportion of men are attracted to our mostly shift-based operational roles. Some 93% of our manufacturing operational roles are filled by men; this trend feeds into the overall gender balance across our Group where we employ 84% men vs. 16% women.

We are employing a number of strategies to attract the best people to join our business. These range from working with schools, colleges and universities to delivering equal opportunities in our numerous apprentice and graduate programmes.

**Our Overall Gender Pay Gap Remains Lower than the National Average**

Overall the gender pay gap measured across the James Cropper PLC Group increased during 2018 however, it remains well below the 2018 National Average of 17.9% for all employees. Within our larger James Cropper Speciality Paper subsidiary the gender pay gap increased during 2018 to a level above the National Average.

These changes in the gender pay gap were due in the main to the resignation of a small number of senior female employees during this reporting period which has increased the 2018 gender pay gap as per the graphs below. We are confident this is a temporary increase due to the timing of the report, as a real time report run in February 2019 shows a significantly reduced gender pay gap when comparing 2018 and 2019 data.

Despite these increases we are confident that men and women in equivalent roles are paid equally. However, we continually work hard to evaluate and understand any reasons for gender pay differences in our business to ensure they are not the result of any limitations in the recruitment, career or salary progression for either gender.

As part of our review of the 2018 data we have agreed the following actions in order to promote an inclusive workplace which in turn will contribute to reducing our Gender Pay Gap.

- Improving the visibility of our maternity/paternity leave policies, including increasing awareness of these at selection-stage
- Attracting more women into all roles across the business (including engineering/operations/executive level roles)
- Making sure that women are encouraged to progress within James Cropper plc and are always offered the same opportunities for growth as men
NATIONAL AVERAGE GENDER PAY GAP – WOMEN ARE PAID 17.9% LESS THAN MEN (Office National Statistics 2018)

Female pay compared to male pay at James Cropper

The above figures show that on average, for this reporting period, men are paid 10.9% more than women in James Cropper PLC and 18.6% more than women in James Cropper Speciality Paper.

Proportion of men and women in each pay quartile
Equality and Trends in Bonus Pay

At James Cropper PLC, all UK based employees are entitled to take part in our Profit Bonus Scheme, with each person having the option to take cash or shares. We are confident that bonuses are offered equally to men and women in return for equal performance or service - but we also like to offer flexibility in the way bonus payments are made with the outcome that women are more likely to take shares than men. The graphs below show only the cash bonus payment in line with reporting requirements.

Bonus payments are variable based on company performance.

Proportion of Male and Female Employees receiving a bonus

Bonus Gender Pay Gap
The above figures show that on average women were paid 2% more in cash bonus than men in James Cropper PLC. However, men were paid 3.3% more in cash bonuses than women in James Cropper Speciality Paper.

Phil Wild
Chief Executive Officer