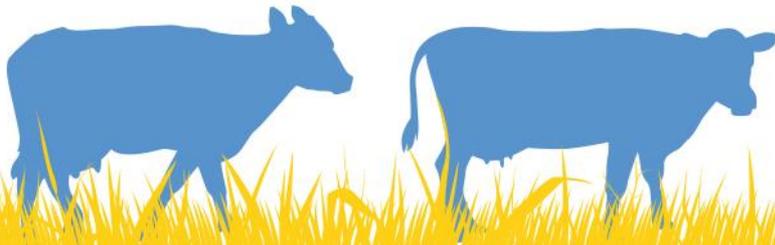


# Gender Pay Gap

Snapshot date: 5 April 2019

Published: February 2020



# Gender Pay Gap



## Why do we publish a gender pay gap report

From April 2017, all organisations that employ over 250 employees are required by law to carry out this report under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The information used to produce the reports is based on data as at 5 April 2019. The information must be published within one year of the relevant snapshot date (before March 30th of the following calendar year). The results will be published on our website and a government site.

FM and FMCC are registered as separate entities and each employs fewer than 250 employees so we are not legally bound to publish a report for either company but we have decided once again to publish our group information keeping in line with one of our values around fairness and integrity.

## The difference between gender pay and equal pay

The gender pay gap is an equality measure that shows the difference in average earnings between women and men over a standard time period. The gender pay gap report is used to calculate the difference between the average earnings of men and women in our organisation, it does not measure equal pay. First Milk is committed to treating all male and female employees equally in their terms and conditions of employment including pay.

## Calculations

- A mean average involves adding up all of the numbers and dividing the result by how many numbers were in the list. Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but very large or small pay rates or bonuses can 'dominate' and distort the answer.
- A median average involves listing all of the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. Median averages are useful to indicate what the 'typical' situation is i.e. in the middle of an organisation and are not distorted by very large or small pay rates or bonuses.
- A positive percentage figure (which almost all organisations are likely to have) reveals that typically or overall, female employees have lower pay or bonuses than male employees.
- A negative percentage figure (which some organisations may have) reveals that typically or overall, male employees have lower pay or bonuses than female employees.
- A zero percentage figure (which is highly unlikely, but could exist for a median pay gap where a lot of employees are concentrated in the same pay grade) would reveal no gap between the pay or bonuses of typical male and female employees or completely equal pay or bonuses overall.

# First Milk Facts



Number of employees at the snapshot date of 5 April 2019

235

77% Male

23% Female

	% Split Across Sites		
Arran	3%	17%	83%
Campbeltown	11%	36%	64%
Haverfordwest	30%	10%	90%
LDC	33%	18%	82%
Cirrus	23%	42%	58%

This shows that in common with many other businesses, particularly those in our sector, we employ many more males than females particularly within our manufacturing sites.

# Gender Pay Gap



## Mean gender pay gap

6.2%

April 2018 2.1%

## Median gender pay gap

6.9%

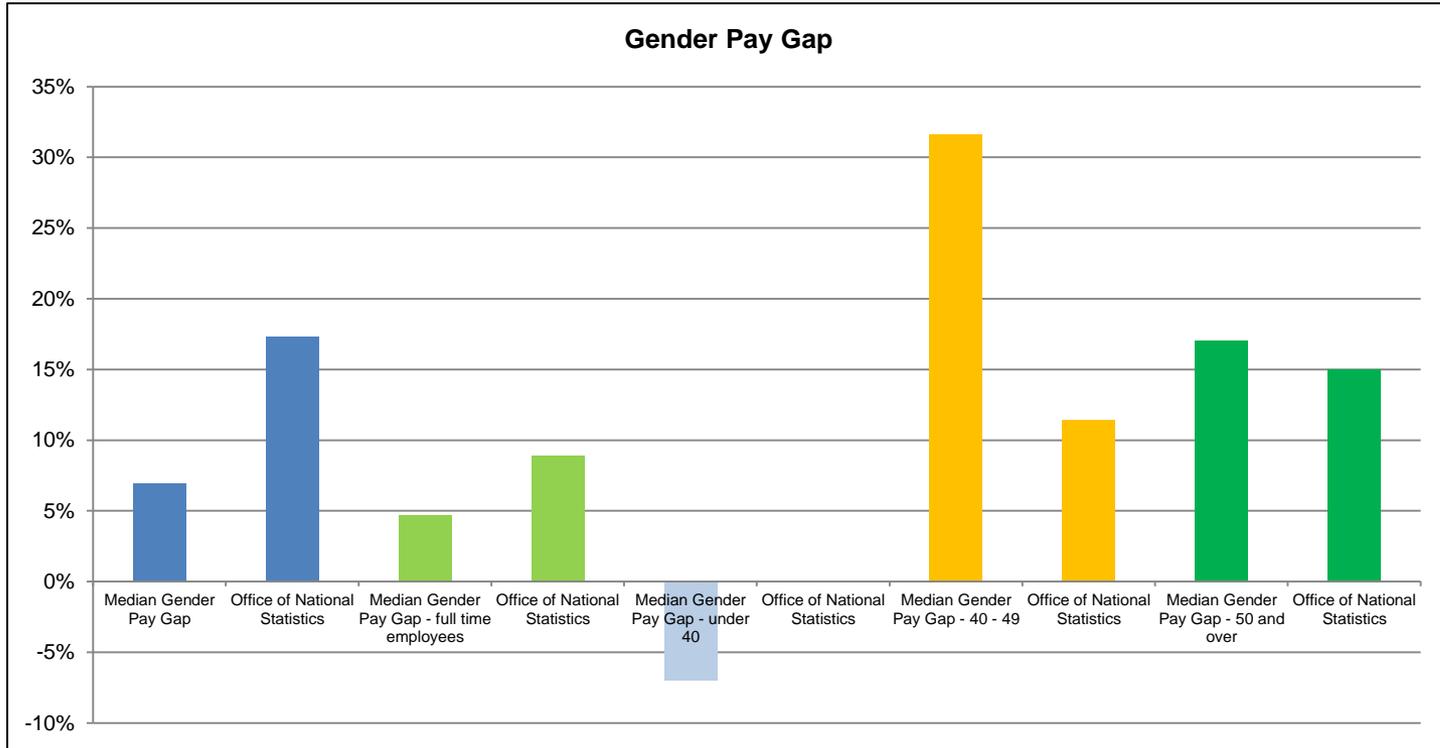
April 2018 -6.5%

The median pay gap for employees across our business is 6.9%. The Office of National Statistics confirmed the gap fell from 17.8% in 2018 to 17.3% in 2019 for all employees. The median gender pay gap for full time employees stands at 8.9%.

The gender pay gap is driven by our manufacturing sites where the majority of roles are held by men, consistent with the wider manufacturing sector and also:

- Our average hour rate increased by 10% on last year, 5% increase for females and 11% increase for males
- 6% of our employees are part time of whom 82% are female (2018: 7%, 81% female)
- The female population in our two highest quartiles has dropped by 32% but increased by 12% in the lowest quartiles
- Historically our flexible working positions are lower paid and predominantly filled by females while our higher quartile positions are occupied by males
- Eight female employees have moved from the upper middle quartile to the lower middle quartile. This is due to This does not reflect a change in salary is not due to receiving lower pay but due to the split of the quartiles. Four male employees have moved up from the lower quartiles
- Eight new males employees
- We have only had two female leaves from the highest two quartiles

# By Age



Our biggest gender pay gaps are found in our 40 and over populations:

- <40 population = 27% female with 53% in the higher two quartiles
- 40-49 population = 32% female with 47% in the higher two quartiles
- >50 population = 21% female with 24% in the higher two quartiles



# Bonus Pay Gap



Mean gender pay gap

**-101.2%**

April 2018 29.7%

Median gender pay gap

**-11.5%**

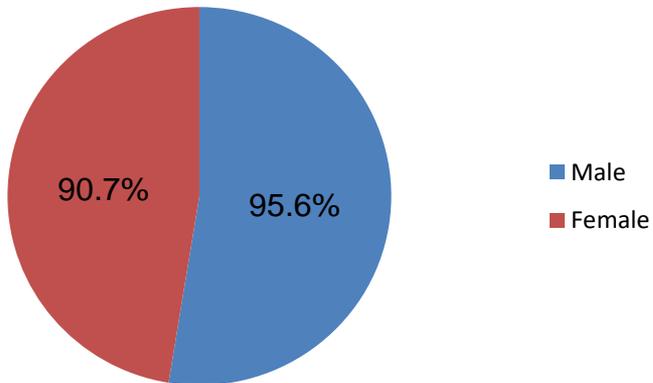
April 2018 8.8%

The bonus calculations are taken from the 12 month period ending on the snapshot date of 5 April 2019.

Increase mainly due to:

- The company performed better in FY17/18 than the previous year therefore paid higher bonus payments. In addition the CEO received a bonus payment in FY18/19 but not last year

# Proportion of males & females receiving a bonus



April 2018:	
Male	91.7%
Female	82.8%

Our company bonus is based on business and individual KPI's and is paid to all employees when the targets are met.

The employees who have not received a bonus have either not been employed at the time the bonus was paid out or had not been employed in the business long enough to qualify for a bonus.

# Proportion of males & females in each quartile band



The pay quartiles show the proportion of male and female employees in each of the quartile pay bands.

	No of Employees in Quartile	2019		2018	
Lower quartile	49	36.7%	63.3%	29.3%	70.7%
Lower middle quartile	48	22.9%	77.1%	15.5%	84.5%
Upper middle quartile	48	18.8%	81.3%	31.0%	69.0%
Upper quartile	48	25.0%	75.0%	22.4%	77.6%

The female population in our two highest quartiles has dropped by 32% but increased by 12% in the lowest quartiles

	2019		2018	
	M	F	M	F
Highest two quartiles	75	21	85	31
Lower two quartiles	68	29	90	26

Our results could be attributed to the vast majority of roles being held by men but also that the majority of senior roles are also held by men. The female population of the lowest two quartiles are mainly part time employees or production workers while the higher two quartiles are office staff

# Declaration



We confirm that First Milk Limited's gender pay gap calculations are accurate and meet the requirements of the regulations and the mythology provided in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 has been applied correctly.

*Shelagh Hancock*

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Shelagh Hancock  
Chief Executive