

2022 GENDER PAY GAP REPORT



INTRODUCTION

At the National Composites Centre (NCC) we are committed to building a diverse and inclusive workforce. We aim to reward all our staff fairly, regardless of gender, ethnicity or any other personal characteristic.

Achieving our ambition depends on having good quality data, a strong understanding of that data, and using that understanding to inform targeted, consistent actions to drive improvements. Since the last report, a significant amount of time and effort has gone into building that understanding, allowing us to create a more targeted and informed roadmap.

We recognise that the gap has widened since our previous report. A lot of thoughtful analysis has been undertaken to understand potential causes for this. We acknowledge that our pay gap will fluctuate over time as we try to increase the number of women working at all levels of the organisation, to greater reflect the society in which we operate. Looking at the snapshot year to date, we can already see some positive trends, and will continue to build on this. It is important to reiterate that we don't pay people differently based on their characteristics.

As a Leadership Team we will continue to challenge ourselves and each other to act inclusively, and we encourage accountability from all employees. We take our responsibility to lead by example seriously, setting a positive culture and ensuring the NCC remains a desirable place to work. I'm confident we have the right plan to drive this change now and over the longer term.

Tim Rose

Chief Financial and Operating Officer, National Composites Centre

WHAT IS THE GENDER PAY GAP?

The gender pay gap is the difference between the average hourly earnings for all the men in the organisation compared to the average hourly earnings of all the women in the organisation. It is not the same as equal pay, which is a legal requirement to ensure that individual men and women are not paid unfairly for the same roles.

All companies with more than 250 employees are legally required to report their gender pay gap annually.

The figures in this report are based on a snapshot of salary data taken on 31st March annually. This report contains data from 1st April 2021 until 31st March 2022.

Six key statistics are shown in this report:

- The difference in average hourly pay between men and women at the snapshot dates (mean and median).
- The difference in average bonuses paid to men and women in the 12 months leading up to the snapshot dates (mean and median).
- The proportion of men and women who received a bonus payment in the 12 months leading up to the snapshot date.
- The proportion of men and women in each of four quartile pay bands.



WHAT DO OUR RESULTS SHOW US?

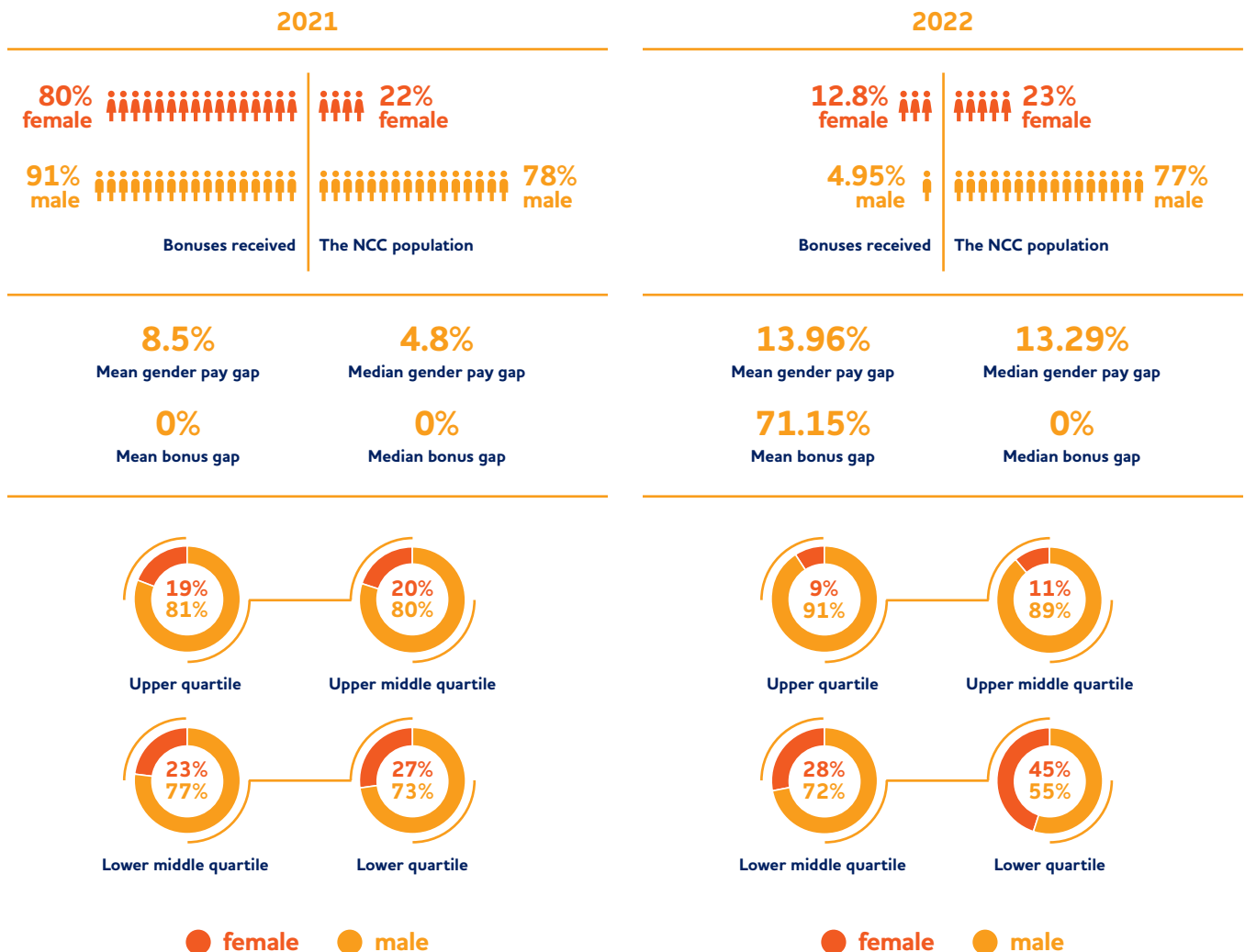
The gender pay gap at the NCC has seen a slight increase in our snapshot for 2022.

It is important that we understand the factors that have led to this increase over the last 12 months, so we can learn and work to reduce this once again. We believe there are several contributing factors, including:

- Although there has been a net growth in the proportion of women at the NCC from 22% to 23% (27% of our new recruits were female), our male new starters assume more senior positions with higher salaries.
- After the global pandemic we saw challenges in recruitment and retention, and a need to acquire talent at premium costs, particularly in operational areas such as Finance and IT, which are both industries that are notably under-represented by women.
- A third of our female leavers held senior positions within the NCC. Out of the 123 new starters that joined the NCC, six females were recruited into senior roles, and by comparison 40 male new starters joined at a senior level (T5/P5 upwards). The reduction of senior female colleagues in technical grades has contributed towards the increased gender pay gap, and there continues to be a challenge with the number of external female applicants at senior levels.

Other notable findings when analysing the snapshot at 31st March 2022 include:

- 16% of those promoted in this period were female, and 60% of these were promoted into senior positions (grade 5 and above).
- As of March 2022, 30% of the senior leadership team are female and in the most senior roles in the professional (P) grade, P5 and upwards, women make up 44% of the population.
- We have seen a decrease in the number of female colleagues in the upper and upper middle quartiles, which again reflect the challenges we saw with females in senior roles leaving, and difficulties recruiting females into senior technical positions.
- Our annual equal pay audit review demonstrates that there is pay equity within the NCC, with fair pay between men and women in the same or similar roles.
- Bonus data relates to a small number of qualification rewards that were paid under our reward policy as a result of employees successfully completing qualifications, as well as early careers onboarding payments. Eligibility criteria for these payments was applied fairly and consistently to male and female colleagues.



WHAT ARE WE DOING TO CLOSE THE GAP?

As highlighted, the gender pay gap continues to exist within the NCC. We are committed to fostering a workplace that is equal, diverse and inclusive, and to reducing the gender pay gap. To do this we must first understand why the gap exists.

Our analysis suggests that this is mainly due to the relative under-representation of women in technical roles, particularly in senior grades. Although progress has been made over recent years, there continues to be under-representation in these roles, which has been exacerbated by recent difficulties in recruitment and retention in relation to these positions.

Despite having seen an increase in the gender pay gap, there are some positives that we can continue to build on.

There are a variety of ongoing and planned activities for the coming year we believe will promote gender equality, as well as diversity and inclusion more generally. These include:

- Continue the delivery of our Equality, Diversity and Inclusion roadmap with aspirations and commitments that have been sponsored by senior leadership.
- Training designed to support the continued development of inclusive leadership behaviours.
- A future focus on coaching and mentoring to enable organic growth.
- A review of recruitment policy and practice, along with specific recruitment training for hiring managers to include inclusivity and unconscious bias.
- The continuation and growth of an inclusive employee forum to champion our commitment to drive improvements in equality, diversity and Inclusion in the NCC, including establishing a Women's led Network.
- Embedded flexible and hybrid working practices, enabling all staff to better balance their work around caring and other responsibilities.
- Continual monitoring of diversity data to enable us to identify, and take steps to mitigate, areas of under-representation.
- Closer working with our colleagues in the wider High Value Manufacturing Centre to share learning, best practice and initiatives, including the participation in EDI charter for the Catapult network.
- Continue our implementation of the STEM strategy to look at inspiring future generations.

