

# Morgan Technical Ceramics Ltd – Gender Pay Gap Report 2018

## Introduction

The phrase "gender pay gap" refers to the difference in the average earnings of men and women within the same organisation. It compares all employees and does not take into account differences in the role performed, individual skills and experience, performance in role, or other considerations which fairly impact the way in which different employees are paid.

There is an important distinction between gender pay gap reporting, which relates to pay averages across the organisation, and the concept of "equal pay", which refers to individual male and female employees being paid equally for doing the same job at the same level. From 5 April 2017, employers are obliged to annually publish certain information relating to the salaries and bonuses paid to their male staff members as compared to their female staff members.

For 2018, it is apparent from the data that we continue to have a gender pay gap. Our analysis of the data consistently indicates that our gender pay gap is not caused by an equal pay problem, but is a consequence of having more men than women in senior roles. Key insights gathered from this analysis, as well as additional sources of data, have been integrated into the Group diversity and inclusion agenda.

## Key causes of the gender pay gap

We have performed an analysis to understand the key causes of the gender pay gap and compared this to our 2017 data. The key points from this analysis are as follows:

- Our gender pay gap continues to be caused by having more men than women in senior roles. The pay quartiles data (section B), shows that this is the case (81% male in the top quartile of pay rates) and this is the key factor affecting the results for both pay and bonuses.
- We have noted a reduction in the gender pay gap between 2018 and 2017. While this is certainly a desired shift, the reduction is partly because some of our senior male leaders have shifted to a different legal entity (because of a reorganisation) that is not in the scope of the reporting requirements.

- A review of bonus payments indicates that the typical profile of the population includes site based employees (often with some form of profit share bonus scheme) combined with a smaller population in senior leadership team roles (typically eligible for an executive bonus scheme).
- The median bonus payments increased for 2018. This increase, combined with the typical bonus profile as noted above, produced a larger median bonus gap.
- We have noted a reduction in the mean bonus gap between 2018 and 2017. While this is a desired shift as noted above, the reduction is partly because some of our senior male leaders have shifted to a different legal entity (because of a reorganisation) that is not in the scope of the reporting requirements.
- The majority of employees are covered by some form of bonus scheme as shown in the final table, with virtually no difference between the overall eligibility of men and women.

## Conclusion

This analysis has shown us that we do not have an equal pay issue (i.e. we pay people equally for doing the same work, regardless of their gender). It also tells us we continue to have more men at the top of our organisation, where pay and bonuses are inevitably higher.

We are using these results to help guide the inclusivity and diversity agenda in our business with the goal of reducing, and ultimately eliminating, the gender pay gap.



**Pete Raby**

CEO

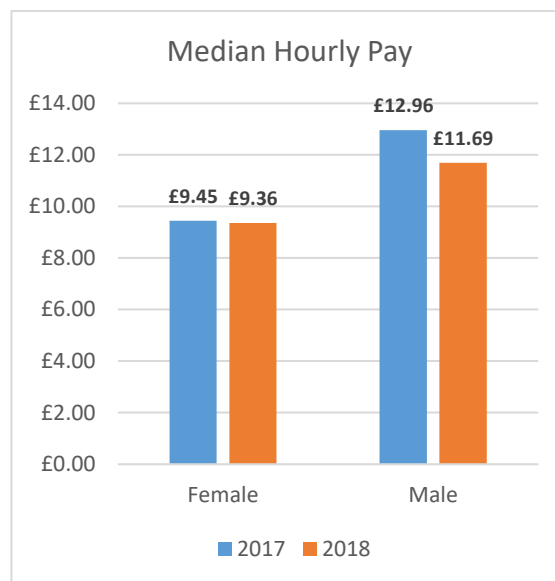
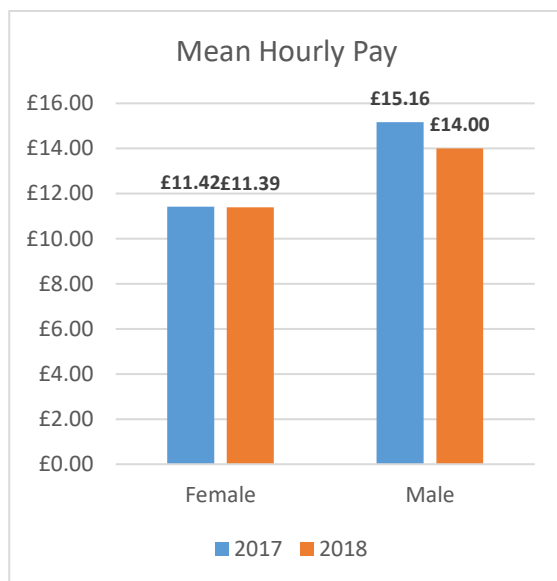
## Statutory Data

The data presented below has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The figures are based on information as at 5 April 2018, with a comparison to 2017.

### A: Gender Pay Gap

**Mean Gender Pay Gap: 19% (25% in 2017)**

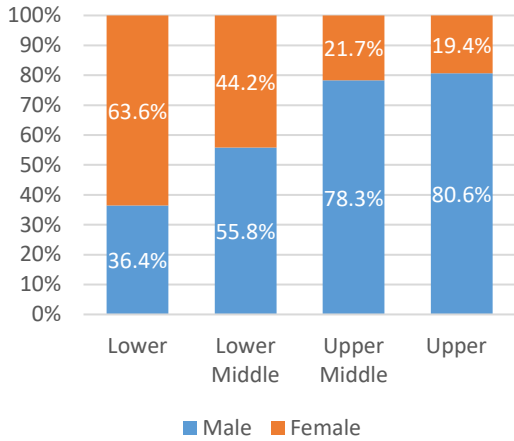
**Median Gender Pay Gap: 20% (27% in 2017)**



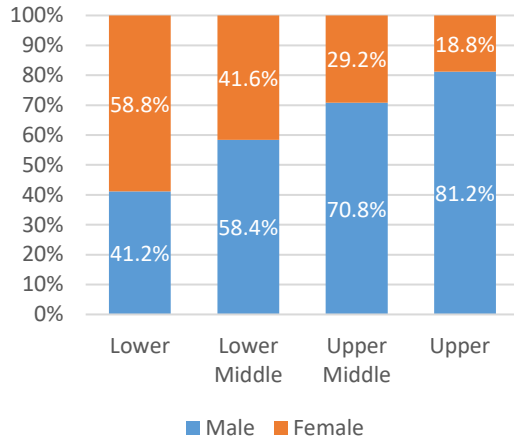
### B: Pay Quartile Information

	2017		2018	
	Male	Female	Male	Female
<b>Lower</b>	36.4%	63.6%	41.2%	58.8%
<b>Lower Middle</b>	55.8%	44.2%	58.4%	41.6%
<b>Upper Middle</b>	78.3%	21.7%	70.8%	29.2%
<b>Upper</b>	80.6%	19.4%	81.2%	18.8%

2017 Percentage of Male and Female Employees by Pay Quartile



2018 Percentage of Male and Female Employees by Pay Quartile

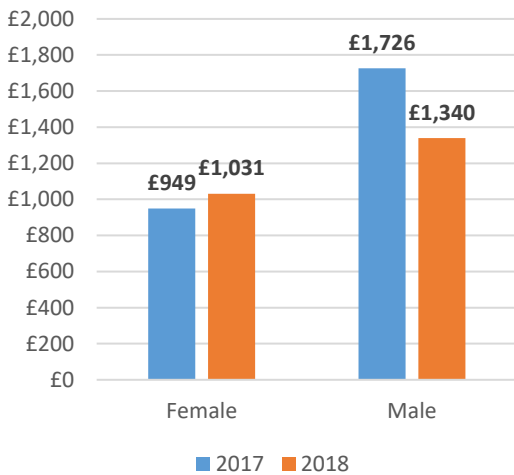


## C: Gender Bonus Gap

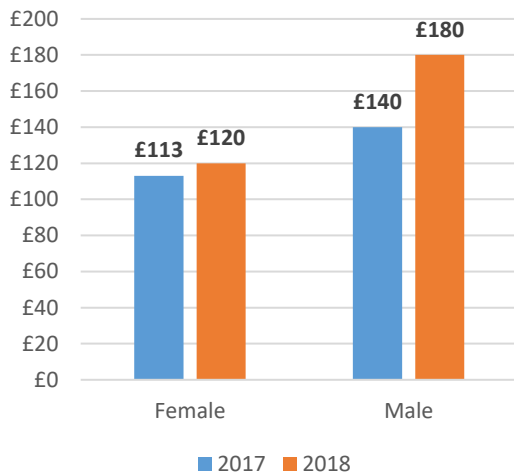
**Mean Gender Bonus Gap: 23% (45% in 2017)**

**Median Gender Bonus Gap: 33% (19% in 2017)**

Mean Bonus



Median Bonus



## D: Proportion of male and female employees receiving bonuses

