

Vesuvius UK Limited

Gender Pay Gap Report 2018

At Vesuvius, we believe that the dedication and professionalism of our people is the most significant contributor to our success. Having a balance of cultures, ethnicities and genders helps to promote innovation and creativity, and the diversity of our employees is one of the core strengths of the Group.

Vesuvius is committed to providing equality of opportunity in all areas of human resources, whether in recruitment and selection, promotion or training and development. Vesuvius supports equal pay for equal work, which is underpinned by our global job evaluation framework.

Gender Pay legislation requires UK employers with 250 or more employees to publish statistics to show the “pay gap” between male and female employees. The information below summarises the data for Vesuvius UK Ltd as at 5 April 2018. On this date Vesuvius UK Ltd had 279 employees (235 male and 44 female).

Gender Pay Gap

	Mean*	Median**
Gender Pay Gap	21.9%	20.74%

* *Mean* – a comparison of the average pay for a woman and the average pay for a man

** *Median* – a comparison of the “middle pay” for a woman if all pay amounts were sorted from low to high and similarly the “middle pay” for a man.

Vesuvius UK Ltd has a mean gender pay gap of 21.9% and a median gender pay gap of 20.74%, which is significantly higher than the current national median of 17.9% cited by the Office of National Statistics.

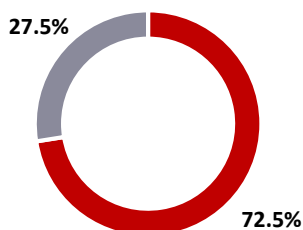
Pay Quartiles - Proportion of male and female employees according to quartile pay bands

The quartile analysis below shows the proportion of men and women in each of our pay quartiles. Women are under-represented at Vesuvius UK Ltd, reflecting the situation in our industry more generally.

Lower Quartile

Male: 50

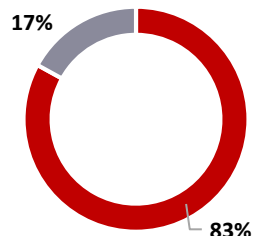
Female: 19



Lower Middle Quartile

Male: 58

Female: 12



Upper Middle Quartile

Male: 64

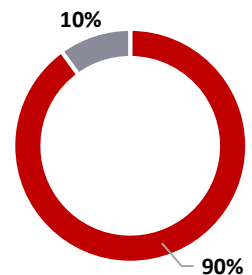
Female: 6



Upper Quartile

Male: 63

Female: 7



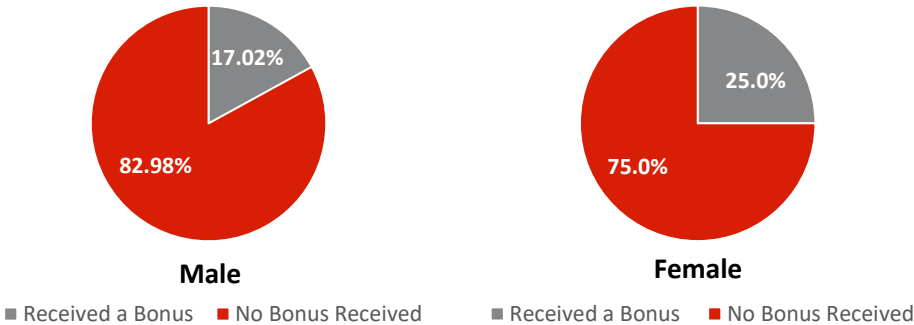
■ Male ■ Female

Bonus Pay Gap – based on the 12 months preceding 5 April 2018

	Mean*	Median**
Gender Bonus Gap	49.4%	52%

- * *Mean* – a comparison of the average bonus for a woman and the average bonus for a man
- ** *Median* – a comparison of the “middle pay” for a woman if all pay amounts were sorted from low to high and similarly the “middle pay” for a man.

Proportion of Employees receiving a Bonus during the period



The majority of employees at Vesuvius UK Ltd do not receive a bonus, but for those that do, the mean bonus gap is 49.4% and the median bonus gap is 52%. This reflects the fact that there are fewer women than men in the most senior roles.

Reducing Our Gender Pay Gap

As a Group, Vesuvius is committed to maintaining fair gender pay balance and recognises that, in line with other companies of our size and nature, we have unbalanced gender representation. We are seeking to address this as part of our wider commitment to diversity, by:

- Attracting more female talent into the organisation, including our senior management and supporting the development of our existing talent pool to facilitate upward progression
- Offering fair and equitable remuneration and reward - this will continue to be a fundamental element of all our policies and procedures

Narrative on why the gap exists

A career in our industry is about finding solutions, embracing the latest technologies, developing and making innovative products. We offer good pay and benefits, opportunities for career progression, the chance to work overseas and yet in spite of this, we still struggle to attract women into our workforce.

According to the latest Office of National Statistics data, the gender split in manufacturing is 76% men and 24% women. As an industry we hope to work to close this gap

- (a) Women at Vesuvius UK account for 16% of the workforce which, according to EEF Ltd (The Manufacturers’ organisation), is below the average for UK manufacturing companies of 24%.

- (b) Most females are employed in positions in lower grades in the organisation in departments including Administration, Customer Services and Finance.
- (c) Several females work part time, and many of the jobs available on a part-time basis are of lower grades.
- (d) Proportion Receiving Bonus: Entitlement to the corporate bonus plan is based on job grade, with most female employees holding lower grade roles. Performance bonus payments were higher in 2018 than 2017, as 'one-off' retention bonuses were made to key personnel in Finance and Customer Services to facilitate the transference of transactional roles to the Shared Services Centre in Krakow, Poland.
- (e) A local sales commission plan operates for sales representatives based in Tamworth. All the participants of the plan are male.
- (f) Two female Upper Quartile employees had a significant effect on the statistics - one received no pay increase in the period and one increased her pension contribution from 18-60% which reduced her hourly pay by 32%.
- (g) One male Upper Quartile employee received a salary increase of 36% in January 2018.
- (h) Six women working in Finance & Customer Services left the company due to the shared services re-organisation.
- (i) Five women joined Vesuvius during the same period; three were minimum wage interns, one a graduate in the lower quartile and one Manager in the Upper Quartile.

Following an internal review, the 2017 reported figures were re-stated due a calculation error. This resulted in a slight difference in the Mean Gap (15.60% to 16.20%), but no difference in the Median.



(Signed)

Michael Satterthwaite
Finance Director, Vesuvius UK Ltd



(Signed)

Heather Hughes
UK HR Manager