Under legislation introduced in 2017, employers with in excess of 250 employees are required to publish a prescribed analysis relating to the gender pay gap within their organisation on an annual basis. The table above is the result of the analysis carried out in 2019.

This report is based upon the 291 employees in place within ARRK Europe Limited at the snapshot date of 5th April 2019.

**Gender Pay Gap**

The median pay gap is defined as the difference between the median hourly rate of pay that male and female full-pay relevant employees receive. With a percentage of 11.4% (2018: 9.6%) it is indicated that male employees typically receive a higher rate than female employees. This is an increase from the previous year largely due to a majority of the increase in relevant staff numbers over the period from 254 to 291 being male.

Additional analysis shows that the mean gender pay gap percentage has reduced to 2.3% (2018: 5.4%).

**Gender Bonus Pay Gap**

Of those employees that were paid a bonus during the qualifying period, the gender bonus pay gap analyses the differences in the levels of bonus paid to each gender. For 2019 the median level of bonus paid to female employees was 6.6% lower (2018: 0.0%) than the bonus paid to male employees. The mean average bonus paid to female employees was 18.7% lower (2018: 21.5%) than that paid to male employees.
Proportion of males and females receiving a bonus payment

In this reporting period 131 (2018: 139) male and 16 (2018: 27) female staff received a bonus. This represents 52.0% (2018: 70.6%) of all eligible male staff and 41.0% (2018: 79.4%) of all eligible female staff.

Proportion of males and females in each quartile band

This calculation shows the proportions of male and female full-pay relevant employees in four quartile bands. This is done by dividing the workforce into four equal parts. The employees are listed in order of their hourly pay rate, with the highest levels appearing in the upper quartile and the lowest levels in the lower quartile. This report shows that for this reporting period the upper two quartiles were made up of 88% (2018: 88%) of male employees, with the lower two quartiles showing 85% (2018: 83%).

Summary

The analysis of our gender pay gap indicates that the percentage of female staff employed has fallen to 13.4% (2018: 14.7%). This is due to the total number of employees increasing over this period with the establishment of a new manufacturing facility in Kings Norton. The majority of the new employees are male. With the proportion of male employees increasing, the median gender pay gap has increased slightly from 9.6% in 2018 to 11.4%. In contrast, the mean gender pay gap has again reduced, dropping from 5.4% in 2018 to 2.3% in 2019.

A quarterly bonus scheme remains in place for all employees linked to the performance of the individual site at which the individual is based. The percentage of staff receiving bonuses has dropped for both male and female employees. The percentage of males receiving a bonus has dropped by 26% with the percentage of females receiving a bonus dropping by 48%. This difference in variance can be explained by the larger number of female employees being based at a particular site that did not receive a business performance based bonus during the period.

The percentages of male and female employees in the upper two quartiles has remained similar to previous levels. With the increase in staffing for the new site at Kings Norton predominantly being male there has been an increase in the percentage of male employees in the lower quartiles, and a corresponding decrease in the percentage of female staff.

The explanation of the changes in the gender pay gap percentages continues to suggest that the business is proactively addressing the gaps.

As with all organisations in the UK, we continue to operate an Equal Opportunities policy in which we select, recruit, develop and promote the very best people, basing our judgement solely on suitability for the job. We are also committed to promoting flexible working where possible and instigate reviews of our reward systems regularly. It is anticipated that the continuation of these actions will go some way towards reducing the current gender pay gap further.

Declaration

I confirm that the ARRK Europe Limited gender pay gap calculations are accurate and fully meet the requirements of The Equality Act 2010 (Gender Pay Gap information) Regulations.

[Signature]
Simon Holmes
Finance Director