PORTMEIRIONGROUP

GENDER PAY GAP REPORT

APRIL 2019

PORTMEIRIONGROUP

Building a diverse workforce and maintaining an inclusive workplace is vitally important to Portmeirion Group in achieving our strategic vision and is an integral element of our company values. We strive to eliminate any gender bias in our pay and remuneration systems and understand that equal pay between males and females is a moral obligation and a legal right in accordance with the Equality Act 2010. As a business we regularly monitor equal pay internally to ensure that both male and female employees are remunerated appropriately.

We have conducted the analysis below in accordance with the Equality Act 2010 Gender Pay Gap Information Regulations which came into effect in April 2017 (the "Regulations").

Portmeirion Group UK Limited is the main operating subsidiary of Portmeirion Group PLC. It is the only UK Company within the Portmeirion Group that employs over 250 people and therefore the only company required to report under the Regulations. **The statements and figures in this report relate solely to Portmeirion Group UK Limited (the "Company").**

Pay gap based on 5th April 2018 snapshot date

	Mean	Median
Hourly pay	13.9%	6.6%

The UK-wide pay gap between male and female employees is 13.9% as a mean figure[1] and 6.6% as a median figure[2]. We are pleased to report that our gender pay gap is much lower than the mean gender pay gap of 17.9**%** cited by the Office for National Statistics (ONS).

It is important to note that the pay figures used in the calculations are recorded after deductions for any salary sacrifice arrangement, as stipulated by the Regulations. The Company gives employees the option to enter into such agreements for tax efficient pension savings and the provision of childcare

vouchers. The resulting effect is that the pay used for the purposes of calculating the gender pay gap is significantly reduced for employees electing an element of salary sacrifice. Our analysis of the gender pay gap shows that this has an effect on our figures as we have a greater number of female employees making use of salary sacrifice arrangements than male employees; this trend continued in 2018 with more female employees joining our salary sacrifice schemes.

The figures also reflect a change in strategy for the business with more employees working night shifts which attract premium rates; more males elect to work these shifts.   Additionally we have increased our number of staff qualified to use mechanical handling equipment which again commands enhanced rates of pay, similarly more male than female staff elect to undergo this training. It is important to note that the offer of training is extended to both our male and female employees.

There is some flexibility in the level of salaries paid to employees particularly in management roles as this is dictated by knowledge, skills and experience as well as market conditions. However gender is not a factor in how much we pay our employees.

The Company has an equal balance between male and female employees, with females representing 51% of the workforce.

Proportion of male and female employees by quartile pay

	Male	Female
Top Quartile	53.2%	46.8%
Upper Middle Quartile	54.3%	45.7%
Lower Middle Quartile	59%	41%
Lower Quartile	27.8%	72.2%

Bonus gap based on 12 months preceding 5th April 2018

	Mean	Median
Bonus	76%	0.4%

The UK-wide bonus gap for the Company is 76% as a mean figure and 0.4% as a median figure.

The mean bonus gap is primarily driven by the elements of incentives that are included within the calculations, for example only the most senior employees participate in share scheme incentives which deliver a taxable gain and is part of "bonus" as defined by the Regulations.

As reflected in the pay quartile figures, there are more male employees within Portmeirion Group UK's Board of Directors and Senior Management team than females; 26% and 74% respectively. Employees at such senior positions are rewarded by different levels of incentives, including participation in share schemes and incentive structures directly linked to Group results and yielding higher incentive payments than the average employee. Furthermore, bonus pay includes sales related bonuses and as we have twice as many males employed in such roles as we do females, this also has an effect on the figures.

Proportion of employees receiving a bonus

Male	99.28%
Female	98.98%

The figures show 99.28% of male employees and 98.98% of female employees received a bonus during the snapshot period. These figures demonstrate our commitment to give male and female employees an equal opportunity to earn a bonus and be rewarded for their contribution to the company's success.

Our commitments

Portmeirion Group is committed to diversity and inclusion in all parts of our workforce and believe that this equality should be supported through fair pay. We support reward and recognition schemes within the company and Group as a whole. A review of our remuneration policy is undertaken annually.

The provision of certain welfare benefits for our team members is key to our remuneration policy and therefore every employee is eligible for a significant level of life cover, health care, employer pension contributions and all receive annual holiday entitlement in excess of their statutory entitlement. Annual incentives, on which the bonus gap reporting is based, are only one element of our employee reward package.

We will continue to review our Company policies, procedures and practices to ensure that, so far as possible, we offer flexible working hours and shift patterns and opportunities for part-time working which tend to be more attractive to female employees. During 2018, as part of a policy review, we introduced enhanced levels of company maternity pay.

We have a robust recruitment policy which stipulates that the Company will recruit, train and reward based on merit and provide opportunities for our employees to fulfil their ambitions regardless of gender or any other protected characteristic.

This statement confirms that the published information is accurate at the time of publishing.

Samantha Pearce
Human Resources Director – Portmeirion Group UK Limited
4th April 2019

[1]The mean is the average of all the numbers in a dataset.
[2]The median is the numerical value which splits the top 50% of the population from the bottom 50%.