

## Gender Pay Gap Report April 2018

### Metsä Wood UK Ltd

Metsä Wood UK Ltd are an employer required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Gender Pay Gap seeks to show the difference between the **average** (mean or median) earnings of men and women, and involves us carrying out a number of calculations based on employee gender. We will use our existing HR and payroll records to make the calculations, but the reporting itself will just include the results and will not involve publishing individual employees data.

The measures we are asked to report are:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of male employees receiving a bonus payment
- The proportion of female employees receiving a bonus payment
- The proportion of males and females in each quartile pay band

#### ***So what do these measures mean?***

**Mean:** A mean average involves adding up all of the numbers applicable and dividing the total by how many numbers were in the list.

- **Mean Average Hourly Rate:** A result comparing the mean average hourly rate paid to males versus the mean average hourly rate paid to females.
- **Mean Average Bonus Pay:** A result comparing the mean average of bonus pay paid to males versus the mean average bonus pay paid to females (for the period of 12 months prior to the snapshot date).

**Median:** A median average involves listing all the numbers applicable in numerical order. If there are an odd number of values, the median average is the middle number in the list. If there are an even number of values, the median will be the two central numbers added together and divided by 2.

- **Median Average Hourly Rate:** A result comparing the median average hourly rate paid to males versus the median average hourly rate paid to females.
- **Median Average Bonus Pay:** A result comparing the median average of bonus pay paid to males versus the median average bonus pay paid to females (for the period of 12 months prior to the snapshot date).

**Bonus Payment Proportions:** A result showing the proportions of both males and females that have received a bonus payment (within the period of 12 months prior to the snapshot date) as a percentage of the total number within their gender type.

**Quartiles:** A result showing the proportions of males and females in each of four quartile bands. The four quartile bands are in ascending order from the lowest hourly rate of pay to the highest hourly rate of pay.

### **Who is included?**

Data is included for 'full-pay relevant' employees.

To be included as a full-pay relevant employee, the employee must be paid their full usual pay during the pay period in which the snapshot date falls.

If the employee is paid less than their usual rate because of being on leave for that period, they will not be counted as a full-pay relevant employee. So, for example, if someone takes fully paid annual leave during the pay period, they are still a full-pay employee. However if an employee is on any kind of leave and not being paid their full usual amount in the pay period, they are not full-pay relevant employees.

### **The difference between the Gender Pay Gap and Equal Pay**

Gender Pay Gap differs from Equal Pay.

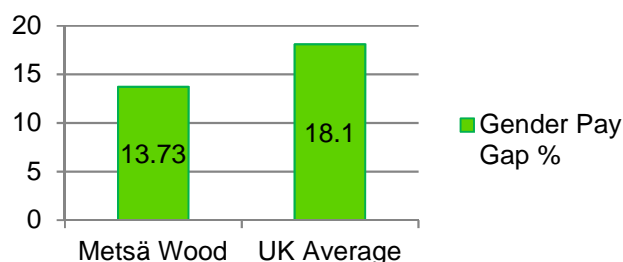
Equal Pay relates to men and women receiving **equal pay for equal work**, whereas, the Gender Pay Gap is a measure of the **difference in average pay between men and women**. It does not relate to equal work or similar jobs, instead, it relates to other factors such as part-time working, taking time out of work for family and caring responsibilities and returning to work in lower roles.

### **Our results**

The results contained within this report pertain to data from the snapshot date of **April 5<sup>th</sup> 2017**.

- The mean gender pay gap for Metsä Wood UK Ltd is 13.7%
- The median gender pay gap for Metsä Wood UK Ltd is 9.1%.
- The mean bonus gender pay gap for Metsä Wood UK Ltd is 50.62%
- The median bonus gender pay gap for Metsä Wood UK Ltd is 32.46%
- The proportion of male employees in Metsä Wood UK Ltd receiving a bonus is 17.1%
- The proportion of female employees in Metsä Wood UK Ltd receiving a bonus is 28.3%.

## **Gender Pay Gap %**

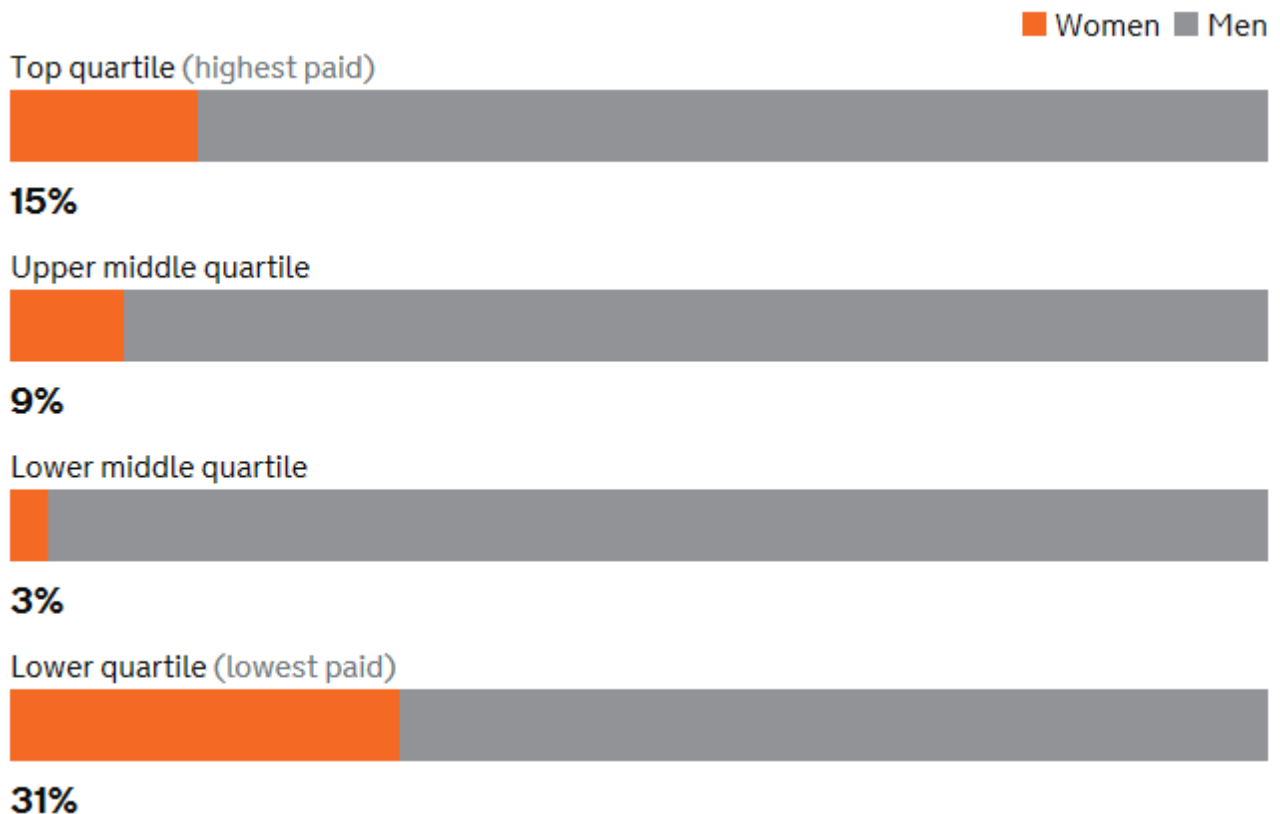


- Pay quartiles by gender

This calculation requires us to show the proportions of male and female full-pay relevant employees in four quartile bands, which is done by dividing the workforce into four equal parts.

Band	Males	Females	Description
A	69%	31%	Includes all employees whose standard hourly rate places them at or below the lower quartile
B	97%	3%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
C	91%	9%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
D	85%	15%	Includes all employees whose standard hourly rate places them above the upper quartile

Perhaps better demonstrated in graphical form, showing the proportion of women in each pay quartile:



The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

### ***What are the underlying causes of Metsä Wood UK's gender pay gap?***

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

Metsä Wood UK is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

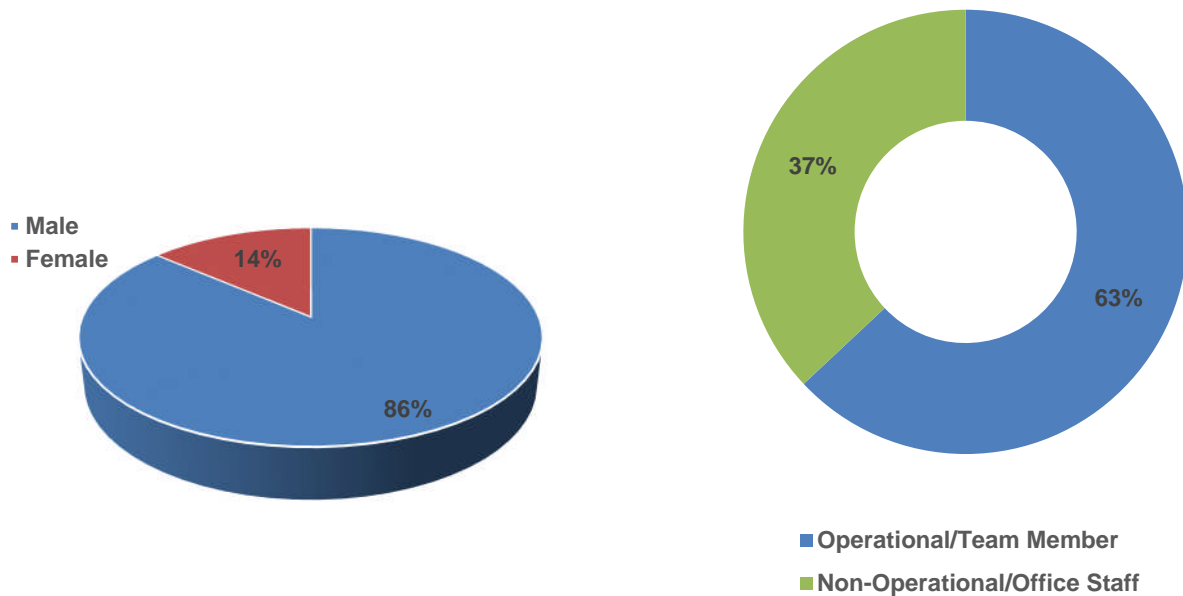
- carries out pay and benefits audits at regular intervals;
- calibrates thoroughly during the annual review process;
- evaluates job roles and pay grades as necessary to ensure a fair structure.

Metsä Wood UK is therefore confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy as a whole, evidence shows that men are more likely than women to be in senior roles, while women are more likely than men to be in lower paid front-line roles. In addition, men are more likely to be in technical and IT-related roles, which can attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole is reflected in the make-up of Metsä Wood UK's workforce. This can be seen above in the table depicting pay quartiles by gender. This shows Metsä Wood UK's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band. However, within Metsä Wood UK, 31% of the employees in Band A are women and 69% men. The percentage of male employees is even higher in the remaining Bands, (Band B - 97%, Band C - 91%, Band D - 85%)

Metsä Wood UK employ far more men than women, this in most part due to the operational, heavy, manual nature of a large proportion of the roles we employ.



### **How does Metsä Wood UK's Gender Pay Gap compare with that of other organisations?**

The vast majority of organisations have a Gender Pay Gap, and we are pleased to be able to say that Metsä Wood UK's gap compares favourably with that of other organisations, including those within our industry.

The mean Gender Pay Gap for the whole economy (according to the November 2016 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.5%, while in the timber and manufacturing sector it is 16.1%. At 13.7%, Metsä Wood UK's mean gender pay gap is, therefore, significantly lower than both that for the whole economy and that for our sector.

The median gender pay gap for the whole economy (according to the November 2016 ONS ASHE figures) is 18.1%. At 10.5%, Metsä Wood UK's median gender pay gap is, therefore, significantly lower than that for the whole economy.

The proportion of men at Metsä Wood UK who received a bonus in the 12 months up to 5 April 2017 was 17.1%, while for women this was 28.3%. This reflects the higher proportion of women in roles that, under our current policy, attract a performance bonus.

### **What is Metsä Wood UK doing to address its Gender Pay Gap?**

While Metsä Wood UK's Gender Pay Gap compares favourably with that of organisations both across the whole UK economy and within our sector, this is not a subject about which Metsä Wood UK is complacent, and it is committed to doing everything that it can to reduce the gap. However, Metsä Wood UK also recognises that its scope to act is limited in some areas - it has, for example, no direct control over the subjects that individuals choose to study or the career choices that they make.

April 2018

During this year we will be looking at where we can improve our practices and policies, and would welcome suggestions and feedback from our employees. Not one initiative alone will, of itself, remove the gender pay gap - and it may be several years before a positive change is seen. However in the meantime, Metsä Wood UK is committed to reporting on an annual basis on what it is doing to reduce the Gender Pay Gap and the progress that it is making.

I, Alice Olsson, Financial Director, confirm that the information in this statement is accurate.

**Signed**



**Date**

04/04/2018

---