

Gender Pay Gap Reporting 2021/2022

Introduction

As an employer with over 250 employees, Farol Ltd is required by law (The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016) to publish an Annual Gender Pay Gap Report. The gender pay gap is the difference between the average (mean or median) earnings of men and women across a workforce.

This is different to Equal Pay, which is ensuring that people are paid the same or similar as others for the same work, in the same geographic location, and with the same or similar experience levels. A Gender Pay Gap can exist even when equal pay is achieved, due to a gender difference in functions that pay differently and in the number of women in senior positions.

Understanding the data and context

We are required to publish:

- the difference in the median hourly pay of men and women, expressed as a percentage;
- the difference in the mean hourly pay of men and women, expressed as a percentage;
- the difference in mean hourly bonus pay, expressed as a percentage;
- the proportion of men and women who received bonus pay; and
- the percentage of men and women in each of four quartile pay bands.

The **median** is the **middle value** and is calculated by organising all of the hourly rates pay in order and selecting the middle number.

The **mean** is our **average pay** and is calculated by adding up all of our hourly rates of pay and dividing by the number of colleagues.

Gender Pay Gap calculations are based on employer payroll data draw from a specific date and time period each year.

Hourly pay is calculated by taking ordinary basic pay and certain other payments received in April 2022 but does not include overtime.

Bonus pay includes financial rewards of various types (such as bonus payments relating to performance/productivity, incentives and commission) paid to employees between April 2021 and March 2022. It does not take into account any basic pay received.

Gender Pay Gap Data (snapshot date 5th April 2022)

On our snapshot date of 5th April 2022 we employed **283** permanent or fixed term employees;

85% Men



Men receiving bonuses:
21%

15% Women



Women receiving bonuses:
12%

2021/2022 Gender Pay Gap

2021/2022 Gender Bonus Gap

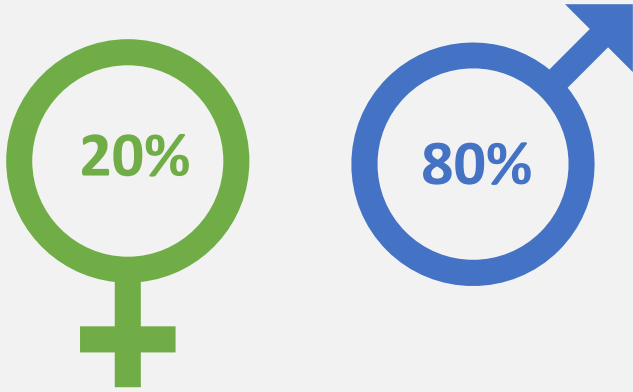
Median	Mean
Men at Farol are paid 3.1% more than women	Men at Farol are paid 7.9% more than Women

Median	Mean
Men at Farol received 96% more than women	Men at Farol receive 78% more than women

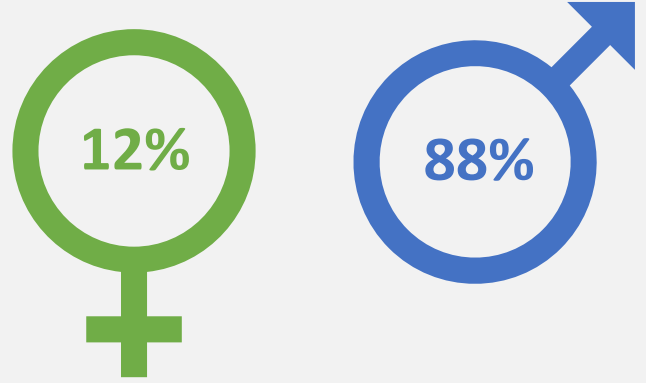
Pay Quartile Breakdown

To create pay quartiles, we have listed the salary of every colleague in order of hourly rate and then split the list into four equal parts to give pay quartiles. Salaries decrease from quartile 1 to quartile 4. Below is a summary of where men and women sit in terms of the quartile pay bands:

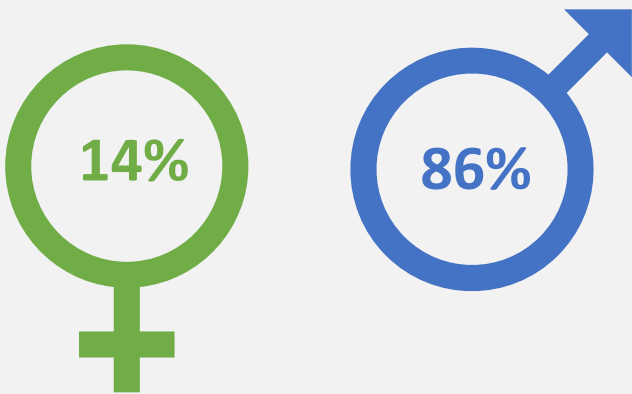
Quartile 1



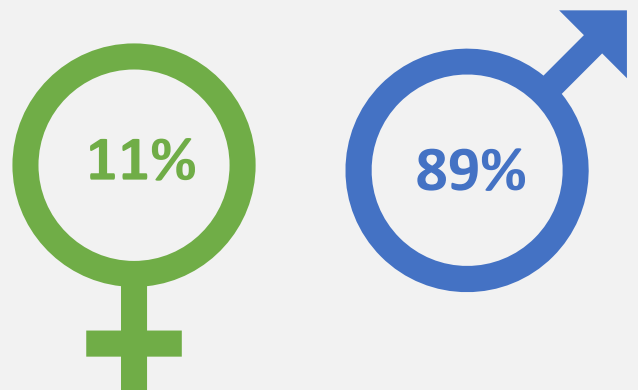
Quartile 2



Quartile 3



Quartile 4



What Our Data Shows

Our female population has grown from 12.7% last year to 15% this year, which is a positive step forward. However, our percentage of men and women in each pay quartile shows that our female population is represented disproportionately in the lowest of the 4 pay quartiles followed by a similar representation in each of the other 3 quartiles. It is encouraging that 20% of our female population sit within the highest pay quartile, as this indicates a good representation of women in senior positions, but we would like to see this increase further.

Our Mean Gender Pay Gap figure using hourly pay is 7.9%. Our Median Gender Pay Gap using hourly pay is 3.1%. These figures are significantly lower than the national average (15% for Mean Gender Pay Gap) but they do not mean that we cannot make improvements. We are confident that men and women are paid equally for doing the same roles, however, we have a higher proportion of women in more junior roles than senior roles and this is something we are addressing via our recruitment methods.

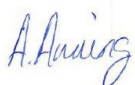
Our figures show that 12% of women received bonus pay last year, compared with 21% of men. However, these figures have been affected by the decision to move the month that annual bonuses were paid last year - there is a large proportion of the employee population who did receive a bonus for the last financial year, however the pay date of the bonus fell outside of the reporting months for Gender Pay Gap calculation purposes. A significantly higher proportion of female employees actually receive a bonus than male staff (last year's GPG report showed figures of 42% for men and 62% of women). This is due to female employees making up a higher proportion of the workforce in roles where bonuses are paid, whereas a large proportion of our male workforce are employed in roles such as Technicians or HGV Drivers, where bonuses are not typically paid.

Again, the Gender Pay Gap figures for bonus pay are not a totally accurate depiction of the bonuses paid for the last financial year due to the date of the payment of annual bonuses being moved. However, when looking at the figures and also taking last's years report into account, it is clear that there is a significant Gender Pay Gap for bonuses, both with the mean and the median percentages. The Mean Gender Pay Gap using bonus pay is 78% and the Median Gender Pay Gap is 96%. The bonus figures include bonuses, incentives and commission and the total bonuses that men receive are significantly higher than for women. This is because a large percentage of the men receiving bonuses/incentives/commission are either Senior Managers, Directors or employed in Sales positions – roles where typically the bonuses/commissions are significant and make up a greater proportion of total remuneration than in other roles, where a higher number of our female workforce are employed.

Farol Approach and Commitment

Farol is not alone in struggling to recruit female employees in certain positions. Almost 50% of our workforce are engineers and there is a large shortage of engineers across the UK, particular amongst women. The agricultural industry is traditionally male dominated, and we have struggled historically to attract female applicants to vacancies, particular in technical positions. As many of our more senior positions are filled internally by people who joined us as Technicians many years previously and have steadily progressed up through the business, the lack of woman joining the company in Technical or junior positions means women are less represented at senior levels than men are. There is also a significant lack of women in Sales positions, which one of the key factors behind the high bonus Gender Pay Gap figures.

Farol is committed to making efforts to attract, recruit and retain more female employees. We are also taking positive action to address gender gaps, by making sure our policies and practices reflect our commitment to equal opportunities regardless of gender. As an organisation we take quality, diversity, and inclusion seriously. We continue to create an environment that provides equal opportunities to all colleagues building career progression to ensure irrespective of gender all reach their potential.



Signed

Dated 31/03/2023.

Ali Anning
HR Director