



**BRITISH
STEEL**

GENDER PAY GAP REPORT

Snap Shot Date 5th April 2021

APRIL 2021

BUILDING STRONGER FUTURES

Gender pay gap

Overview

As of April 2017, if you employ more than 250 employees and operate within the public, private or voluntary sectors there has been a requirement to report gender pay gaps.

The aim is to establish how large or small the pay gap is between female and male workers. This data will be published on both the company website and the Government website to encourage employers to plan to improve where practically possible.

This report is based on April 2021 payroll for consistent reporting as pay and headcount fluctuate radically throughout the year.

The results below will show:

- **Mean and median pay gap** – difference in hourly rate between male full pay relevant and female full-pay relevant employees
- **Mean and median bonus gap** - difference in paid bonus between male relevant and female relevant employees
- **Bonus proportions** – the percentage of male and female full pay relevant employees who received a bonus during the bonus snapshot year) **NOT APPLICABLE FOR THIS YEARS SUBMISSION**
- **Quartile pay bands** – the percentage of male and female full pay relevant employees falling into the 4 equal sections sorted by hourly rate
- **Annual bonus pay gap** – difference in bonus payments made over the 12 month period prior to the snapshot date. Mean and median figures based on payments and percentage of female and male who received bonus payment out of the divide of gender groups.

Our results

Table 1 – Mean and median pay gap

Hourly Pay	2020	2021
Mean gender pay gap	6.15%	9.79%
Median pay gap	4.52%	12.36%

Table 1 shows our mean and median hourly pay gender pay gap at the snapshot date of 5 April 2021.

Mean female average hourly rate is £14.56 and male average hourly rate is £16.14

Median female hourly rate is £13.90 and male is £15.86

270 female workers and 3734 male workers who have relevant earning in April for this analysis.

Table 2 – Quartiles by pay bands

	Lower quartile		Lower middle quartile		Upper middle quartile		Top quartile	
	2020	2021	2020	2021	2020	2021	2020	2021
Male	90.3%	89.2%	95.0%	92.8%	95.3%	96.9%	93.7%	94.1%
Female	9.7%	10.8%	5.0%	7.2%	4.7%	3.1%	6.3%	5.9%

Table 2 shows the gender distribution across British Steel in 4 equally sized quartiles arranged by hourly rate in comparison to 2020 reporting.

Explanation

The nature of the work undertaken by British Steel dictates that it is typically heavily resourced by male employees who make up a large number of the core skilled Steelmaking Manufacturing and Engineering roles. These roles on average demand the higher rates of pay within the business due to the skills and experience level and type, and are remunerated in line with industry benchmark. Whilst we also employ relatively large numbers of female employees, the majority of these are typically in support and functional type roles, which on average command a lower pay rate in line with industry benchmark. This is borne out by the mean and median gender pay gap returns which show that the average rates of pay for male employees is greater than females by up to 10% over the past two years.

The widening of the gender pay gap as shown between 2020 and 2021 arises from the fact that during the course of 2021 the company insourced a significant number of roles onto its headcount. The majority of these roles were support type roles which are not core to the business in terms of Steel Manufacturing and therefore typically command a lower rate of pay. Many of the positions in these previously outsourced roles were historically held by females. This insourcing exercise therefore increased the number of female employees that we employ directly within the business (by circa 50%) however due to

the lower pay that these non- core roles attract, this insourcing exercise has diluted both the mean and medium salaries of the female employees resulting in the gender pay gap increasing as shown.

Table 3 – Annual Bonus Pay Gap

Bonus Pay Gap	2020	2021
Mean bonus pay gap	N/A	6.9%
Median bonus pay gap	N/A	4.3%

Table 3 shows you the mean and median of bonus payments paid within 12 months of the snapshot period of 5th April 2021.

Mean – average bonus per employee £1241.88 for females and £1328.06 for males.

Median – In order the middle bonus was £1167.21 for females and £1219.31 for males

270 female employees and 3734 male employees data used in these calculation.
179 of 270 females received a bonus and 2838 of 3734 males received a bonus.

Female 66.3%

Male 76%

Explanation

During 2020 the company also paid out a bonus to all employees which was based on a flat % of salary. There were no performance metrics or individual factors associated with the bonus calculation. Therefore, due to % of salary being the calculating factor for the bonus, this has resulted in a similar gender pay gap being shown between male and female bonus paid as that for the analysis on pay rates.

I confirm the data reported is accurate.



Derek Scott

HR Director

1st April 2022