



Gender Pay Gap Report 2018/19

This data has been taken from 5 April 2018



Our Organisation & The Gender Pay Gap

At CPI we work with partners to translate great ideas into products and processes that enhance health and well-being, protect and improve our environment and increase productivity across industries.

The organisation is the process manufacturing element of the government's elite network of High Value Manufacturing Catapult centres. This offers CPI direct involvement in the UK's innovation and technology strategy alongside sustained investment to ensure our staff and facilities are at the cutting edge of products and process development. We collaborate with universities, SME's and large corporates in order to overcome innovation challenges and develop next generation products and processes.

With a deep understanding of innovation processes and funding, outstanding people and industry relevant assets, we enable products and processes to be quickly and cost-effectively brought to market. This supports the development of next-generation manufacturing, highly-skilled jobs and economic growth for the UK.

At CPI our employees are at the centre of the work we do. They are integral to the success of our business and we value every individual's contribution to the organisation. We recognise that to have outstanding people we need to have an organisation where our people

matter. We are very proud to support all of our people to become the best they can be.

CPI is made up of two companies:

- Centre for Process Innovation Limited (CPI)
- CPI Innovation Services Limited (CPIIS)

Only CPI is required to report its gender pay gap. However, as a group of companies committed to transparency, we have voluntarily chosen to publish the gender pay gap for CPI as a whole, including both CPI and CPIIS.

We published our first gender pay gap report in April 2018 and have made positive progress to reduce the overall gap. This report sets out the actions we have taken over the past year and what we intend to do in the coming year to continue on our journey to support all of our employees in reaching their potential.

Our Gender Pay Gap

At CPI we understand the importance of giving our employees equal opportunities, it is not only important but crucial to driving our company vision of having outstanding people. We continue to provide an environment which offers opportunities to all employees to achieve

and progress, supporting people to learn and develop at all levels of the organisation.

Our pay gap arises due to us having different proportions of men and women at the senior level of the organisation. This is something which we have improved on over the last year as we have doubled our female representation on the senior leadership team. The gender balance in our extended leadership team also continues to improve with the 2 highest quartiles seeing an increased number of female members.

Within our industry we understand that women make up 23% of core science, technology, engineering and maths (STEM) occupations in the UK. This inevitably alters the gender balance and we aim to continue working with our STEM ambassadors to help promote these roles and drive the required change.

In addition to this, we have become a Real Living Wage Employer which provides our employees with a realistic liveable wage. Our people really matter at CPI and we have openly committed to increasing wellbeing at work. We firmly believe that introducing the Living Wage is an important milestone in this journey, and is simply the right thing to do as an employer.

Furthermore, by becoming members of the 5% Club we recognised the need to review how we reward our apprentices through regular intervals, beyond apprentice minimum wage, so they can achieve appropriate wage growth throughout their programme and in line with their increased experience levels.

“

Like last year and for years to come our success will continue by having outstanding people that our customers, and partners need to enable their own success. We have shown over the last 12 months that by continuing to attract the very brightest of people both externally and internally and by offering equal opportunity to all we can enable our partners to get their products to market faster and at the right cost.

The CPI family is full of brilliant people and by being committed to a culture of innovation and learning we continue to make this a great place to work for all.”

Nigel J Perry MBE FREng
Chief Executive Officer





Since joining CPI last year there is not a day that goes by that I am not amazed by the enormity of the talent we have here and it makes me proud to work for an organisation that places so much emphasis on learning for all. In the last 12 months I have seen our staff turnover reduce, our investment in learning increase and our commitment to social mobility flourish through accreditation to the Real Living Wage Foundation and 5% Club. These targeted steps have seen our gender pay gap reduce showing that progress can be made quickly with the right intervention. As we continue to remove barriers to progression for all, through our development programmes, succession planning and improved family friendly policies we are confident that this trend will continue.”

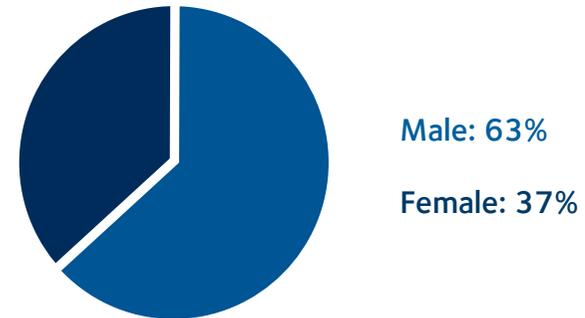
Jodie Coe
People Development Director



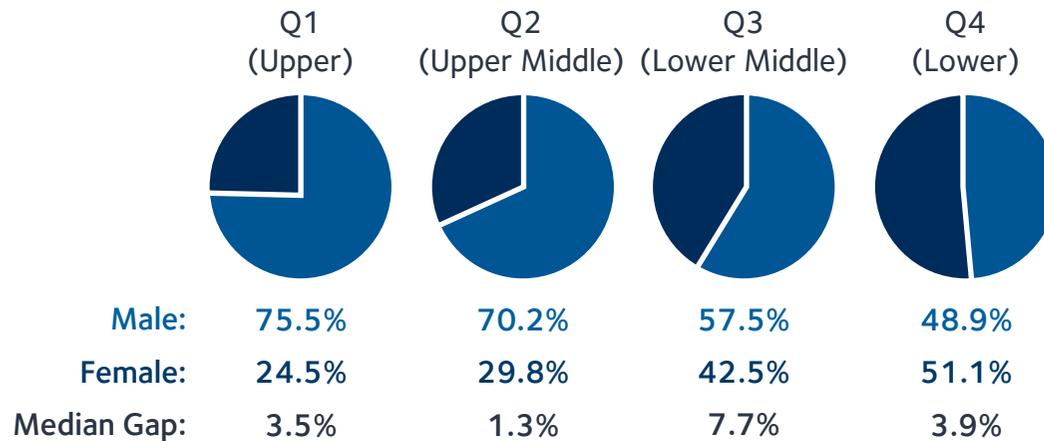
Summary of CPI & CPIIS

Mean gender pay gap	24.7%
Median gender pay gap	20.4%
Mean bonus gender pay gap	31.2%
Median bonus gender pay gap	33.3%
Proportion of males receiving a bonus payment	18.1%
Proportion of females receiving a bonus payment	22.3%

Gender makeup of the Company



Proportion of males and females in each quartile pay band



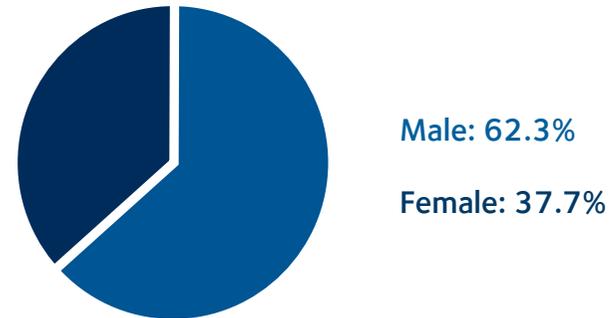
Statistics explained

1. **Mean** – The mean is the sum of the hourly rates of pay for all employees divided by the total number of employees.
2. **Median** – The median is the middle point of the hourly rates of pay for all employees in order from highest to lowest.
3. **Median bonus gender pay gap** – CPI paid bonuses are linked to performance, or to particular pieces of work or projects. This year we have seen an increase in bonuses paid, with more females receiving bonuses than males. Although the median pay gap looks to be significantly higher the overall bonus amounts paid have come down and the monetary value is small.

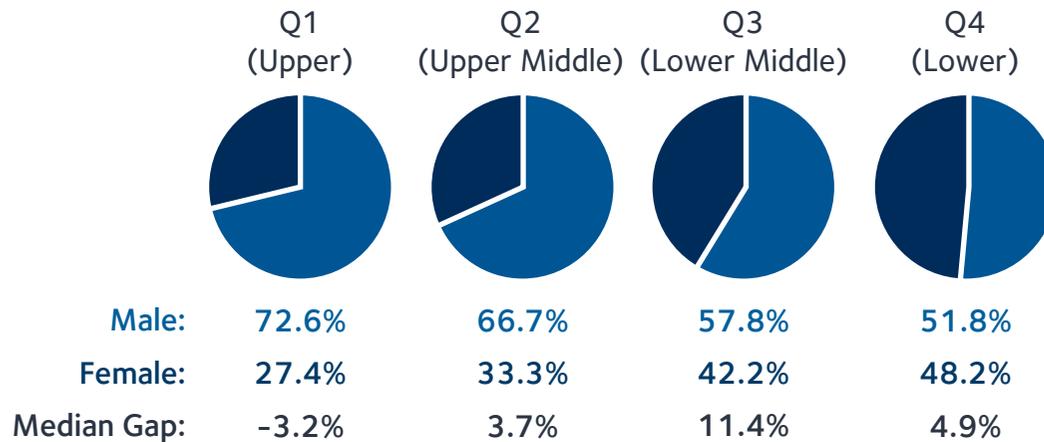
Summary of CPI

Mean gender pay gap	23.8%
Median gender pay gap	20.9%
Mean bonus gender pay gap	34.7%
Median bonus gender pay gap	33.3%
Proportion of males receiving a bonus payment	18.7%
Proportion of females receiving a bonus payment	22.2%

Gender Makeup of the Company



Proportion of males and females in each quartile pay band



Statistics explained

1. **Mean** – The mean is the sum of the hourly rates of pay for all employees divided by the total number of employees.
2. **Median** – The median is the middle point of the hourly rates of pay for all employees in order from highest to lowest.
3. **Median bonus gender pay gap** – CPI paid bonuses are linked to performance, or to particular pieces of work or projects. This year we have seen an increase in bonuses paid, with more females receiving bonuses than males. Although the median pay gap looks to be significantly higher the overall bonus amounts paid have come down and the monetary value is small.

Summary of 2017/2018

Shared Parental Leave

CPI over the last year has encouraged and promoted their employees in the uptake of Shared Parental Leave. Shared Parental Leave gives parents more flexibility in balancing child care with work responsibilities. As part of our maternity and paternity meetings, we make new parents aware of their legal right to request Shared Parental Leave. Giving them advice and guidance around the process and criteria of this option. This is important as it offers an equal footing with regards to childcare responsibilities and can often allow female employees to return to work sooner from maternity leave.



Talent Management

CPI recognise that to have outstanding people we need to continue to have an organisation where our people matter. Over the last year we have been working with our senior managers identifying successors, looking at employees' aspirations for progression and how we can support them to achieve the required development. As part of this we have launched our Leadership in Action programme where our senior managers are supported to develop while focusing on key business objectives driving organisational improvements to benefit all staff. On this programme 46.15% are female.



Real Living Wage

In 2018 CPI became one of only 89 businesses headquartered in our region who have signed up to become a Real Living Wage employer. The Real Living Wage is currently £9 per hour, compared to the legal hourly minimum wage of £7.83 for over 25's. By becoming a Real Living Wage employer and investing in our people, our aim is to enhance employee wellbeing and ensure that employees at all levels are rewarded with fair compensation. This helps reduce our pay gap as we have increased the wages of a number of individuals at the lower end of the pay scale.

Recruitment

At CPI we use structured interviews for recruitment and promotions. We make sure that each candidate is given the same opportunities during the recruitment process and the same opportunity to succeed, so that we can find the best candidate for the role. We have introduced a number of mechanisms to ensure a fair recruitment process for all, which reduces the potential for unconscious bias. Research shows that women are less likely to negotiate their salary if they are unclear about what a reasonable offer would be. To be fair to all applicants our adverts show salary ranges for the role on offer.



Flexible Working

CPI understands the importance of working flexibly not only to ensure a work-life balance for our employees, but to ensure we as an organisation are family-friendly so that both men and women with childcare responsibilities feel able to progress their careers at CPI. To date, we have been able to approve all requests for flexible working that we have received.

So far 12% of our employees have taken flexible/condensed hours of which 55% are female and 45% are male.

Mentoring

Over the last year CPI has encouraged internal and external mentoring. We have run mentoring sessions for people to become mentors and also provided a process for people to request a 'Mentee'. Mentoring enables employees to explore the things that matter to them with an unbiased third party, who can help support them in taking positive steps to achieve their career goals.

We currently have 43 people being mentored at CPI. 51% being female and 49% being male.



Apprenticeships

Apprenticeships offer CPI a viable option of supporting a growing and adaptive workforce to train whilst on the job and offering high quality apprenticeships is part of our strategic growth plan. Our apprenticeships span a wide range of both technical and business related disciplines, meaning our skills growth is varied and not restricted to one specific area.

We have a transparent and fair apprentice salary structure to ensure that all of our apprentices are fairly and consistently rewarded based on their performance. Last year we amended this pay structure to allow for wage rises throughout all of our levels and disciplines. This is to recognise the fantastic contribution that all of our apprentices make within CPI and also close the gap on their expected starting salary for their discipline.

Due to the investment CPI makes in its staff development and creating a workforce for the future we are very pleased to be an active member of the 5% Club. This is a commitment made by CPI to have a minimum of 5% of our workforce in apprenticeships, graduate training programmes or funded further educational courses and are delighted that we currently exceed this with 10.8% of our people engaging in such developmental programmes.

In 2017/18 we saw a total of 6 of our apprentices rewarded for their hard work and win local awards, 50% of these being female.



Management Development Programme

We have continued to develop our employees through development programmes, including the Management Development Programme. The Management Development Programme is designed to support individuals in developing management and leadership skills to effectively support and manage their teams. The Programme aims to provide a greater understanding of how CPI works as a business so that individuals have the knowledge necessary to succeed in their role, with the ultimate aim that those individuals will not only develop their careers within the group, but support their colleagues to do the same.

Our 2018 cohort for the Management Development Programme consists of 28 participants, with 54% of these being female.



2018/2019 Plans

As an organisation that values its people, we strive to find ways to continually improve and develop so that we can support our people to achieve their potential. Over the coming year we intend to implement a number of key actions that will retain our outstanding people and support all of our employees to learn and grow.

Health and Wellbeing

Our enhanced approach to Health and Wellbeing is a key enabler to achieving this, along with our People Matter Plan. Our People Matter Plan provides a broad overarching framework for creating a culture where our employees know they truly matter. We do this by maintaining and enhancing a positive and caring working environment in which we inspire and develop CPI's staff and support and improve their health and wellbeing. The People Matter Plan:

- Ensures fair treatment of employees and support for their overall well-being
- Empowers employees to shape their jobs and their futures at our organisation
- Provides an effective channel for employee voice and opinions
- Encourages good people management skills
- Ensures that performance management systems motivate our people and provide opportunities for professional development
- Incorporates communications to reinforce the organisation's purpose and vision

Reward and Recognition

In addition to our overarching reward and recognition system, we will create a culture of recognition where people feel valued and recognised for their efforts. The vision is one of a culture of feedback, genuine and timely 'thank you' or 'well done' messages, and adding recognition to the agenda for our events, meetings and communications to share and celebrate success. Peers will be empowered to recognise each other and all managers will have access to a transparent and fair framework of options that encourage and shape desired behaviours and allow for recognition of brilliance.



Recruitment

We are confident that our recruitment processes are fair and objective, but are always willing to improve where we can. One area of action over the next year is to ensure a good male to female mix of candidates in all shortlists for recruitment. We will also remove candidates' names as well as academic institutions from application forms before going to the shortlisting process to remove the risk of unconscious bias and create a further element of fairness.



Corporate Social Responsibility

As a company, CPI have begun to look into Social Mobility as part of our Corporate Social Responsibility Plan. With regards to Social Mobility, we are looking to gain a rating on the Social Mobility Index run by the Social Mobility Foundation. Gaining a rating and feedback from this index will allow us to develop and mould our mind set to have a greater focus upon supporting the less socially mobile in the local area. This feedback will give us areas of focus for future development and give us points to develop a further plan with regards to Social Mobility.

CPI are based in a Social Mobility hotspot making CPI a cornerstone employer within Darlington and Redcar. As a cornerstone employer we aim to attract and create 'Top Talent' by enriching our employees and developing their success.



Statement of Accuracy

I confirm that the information included in this report is accurate to the best of my knowledge and belief.

Signed

A handwritten signature in black ink that reads "Nigel Perry". The signature is written in a cursive style and is underlined with a single horizontal line.

Nigel J Perry MBE FREng
Chief Executive Officer

Centre for Process Innovation Limited
15 March 2019

CPI
Wilton Centre
Wilton
Redcar
TS10 4RF
United Kingdom

T: +44 (0)1642 455 340
E: info@uk-cpi.com
W: www.uk-cpi.com

CATAPULT
High Value Manufacturing

