

Gender Pay Gap Report

2021/22

This data has been taken from 5 April 2021



Our Organisation and the Gender Pay Gap

CPI acts as a catalyst bringing together academia, businesses, government and investors to translate bright ideas and research into the marketplace. We do this by connecting our customers with the right experts, equipment, facilities, networks, funding and more; joining the dots for effective innovation.

We are a leading independent technology innovation centre and a founding member of the UK Government's High Value Manufacturing Catapult. Established in 2004, our teams tirelessly apply their many years of experience to ensure that every great invention gets the best opportunity to become a successfully marketed product or process. We work with our partners across diverse markets in the UK and around the world, driving their innovations forward and helping them to reduce the risk and cost associated with product development.

At CPI our people are at the centre of everything 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 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 (CPI IS)

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.

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 full potential.

Our Gender Pay Gap

At CPI we understand the importance of giving our people equal opportunities, it's not only important but crucial to driving CPI's people vision of having incredible people who enable impactful innovation. Our people truly matter, and we continue to create these opportunities to enable progression, and to support learning and development at all levels of our business.

We are confident that our gender pay gap is not caused by men and women being paid differently to do the same job but is driven instead by the representation of men and women at senior levels of the organisation. We are pleased to report that the mean pay gap in the upper quartile has decreased within the CPI Group from 13.39% in 2020 to 7.74% in 2021.

Over the past year, we are also delighted to see that over 90% of both our male and female population within CPI received financial recognition for their hard work and efforts. We are committed to showing our people that their contribution to CPI does not go unrecognised and we value each and every member of the team.



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We have welcomed new colleagues across all areas and within all pay quartiles of CPI's business during the year. The transparency in our reward and recognition policy and the practice of frequent benchmarking evidences our continued commitment to equity and fairness in the workplace. As part of the UK's research and innovation community, CPI is also playing a full part in creating and committing to equality diversity and inclusion practices that will enable shared learning and continuous improvement.”



Frank Millar
Chief Executive Officer

CPI Pay Gap

CPI Group Pay Gap

Mean

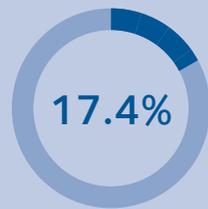
The average found by adding the data set together and dividing by the number of values



2019



2020



2021

Median

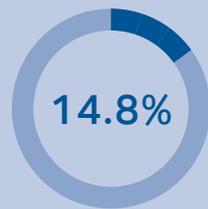
The middle value when a data set is ordered from least to greatest



2019



2020



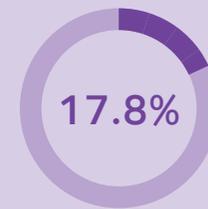
2021

Mean

The average found by adding the data set together and dividing by the number of values



2019



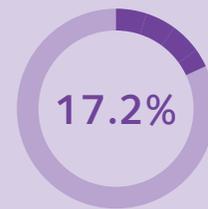
2020



2021

Median

The middle value when a data set is ordered from least to greatest



2019



2020



2021

The above data shows the Mean and Median in CPI and CPI Groups' gender pay gap.

OUR PEOPLE

**Amanda Race,
Quality Director**



Amanda joined CPI in September 2020 as our Quality Director. She is responsible for delivering quality across the whole of CPI, developing a 'one CPI' quality management system that supports innovation whilst ensuring compliance across various standards and regulations. Amanda's career in pharmaceutical manufacturing spans over 20 years, with the start of her journey beginning in a quality controlled laboratory following her graduation from university. Amanda has worked in various quality and manufacturing roles during this time, as well as undertaking qualified person training. We asked Amanda what she enjoys about her career within quality:

"Within pharmaceuticals and quality, my role is to protect the patient. There are a set of rules and guidelines which we are required to follow, but within CPI, the interest comes in developing new and novel ways to comply so we can allow our brilliant people to do brilliant things within the scope of the regulations."

After 20 years of working with established medicine products, Amanda relished the opportunity to join CPI where she was able to build a GMP framework in a new environment. This brought with it lots of learning that she was able to bring her knowledge and experience to and apply these to different technologies and industries.

Not only was CPI a fresh, new challenge in her career, she also joined during the COVID-19 pandemic which brought everyone their own personal and unique challenges. Amanda was initially apprehensive about a career move during this time as she describes herself as being a real people person and does a lot of her best thinking in group scenarios, both of which have been challenged in the new virtual world. Despite this, Amanda says the enhancement in technology enabled her colleagues at CPI to make her feel extremely welcome.

She felt very supported during her onboarding period with regular contact, advice and one-to-one meetings from all levels of the organisation.

Amanda shared with us her reflections since joining CPI:

"Firstly, being surrounded by people who are so technically gifted and experts in their field, and how passionate they are about projects they work on and improving the world and society, is infectious. There is a real buzz about CPI, it feels very family focussed, people care about each other, people want each other to do well, and the learning opportunities are like nothing I've ever seen before. You are challenged every day to think outside the box, some of the opportunities we get to work on are once in a lifetime, and that is amazing and exciting. Everyone at CPI is on the same page, working towards the same goal; to make society better. I also think my values of honesty, integrity and trust are really aligned with life at CPI."

OUR PEOPLE

**Steven Bagshaw,
Head of Business
Strategy**



Steven joined CPI in August 2008 as a Marketing Assistant. His entry into CPI was part of his year in industry whilst studying towards a degree in Business Studies at Northumbria University. After the year placement ended, he continued working part time at CPI whilst finishing his final year of university. Fortunately, Steven was offered a position with us at the end of his studies and joined permanently as a Marketing Coordinator, he spent a couple of years in this role before being promoted to Marketing Executive in 2011.

Steven had always been passionate about selling things from a young age (whether that was bulk-buy sweets at school or countless items on eBay), and after spending some time within our Marketing and Communications team and becoming versed about CPI's market offering and writing multiple award-winning case studies, Steven decided that he wanted to pursue a career change. An opportunity came up in late 2015 to join our Business Development team, initially on a six-month secondment, with the role focused on finding new clients for CPI and developing them into long-term strategic partners.

Steven described that his questioning skills and teamwork principles helped him enormously during the transition into Business Development from Marketing. Steven proved himself to be an excellent asset to the business development team and his secondment was turned into a permanent position. Since then, working closely with the technical and support functions, Steven has helped nurture a number of key accounts for key electronics accounts, many of whom we continue to work with as strategic partners to this day.

Following a strategy refresh in the Electronics business unit in early 2021, a role became available for the position of Head of Business Strategy. The purpose of the role is to lead and develop the strategy

for the Business Unit in line with chosen or new markets, existing and future technology capabilities and support the business growth objectives aligned with CPI's vision. With his ambition and intent to follow his curiosity, Steven applied and was successful for the role. Alongside the role, Steven is also studying towards an Executive Masters in Business Administration (MBA) at Warwick Business School, which is one of the most elite business schools in the world.

We asked Steven what he enjoys about working at CPI:

“The relative commercial infancy of the products which we work on makes CPI in its nature a really interesting place to work, and a bit different and exciting to a lot of other companies out there. I also enjoy the fact that I’m surrounded by very intelligent and diverse-thinking colleagues, who constantly challenge and question each other, and this environment for innovation picks me up when I’m struggling for motivation. We also have a really good culture for broadening our skills at CPI, with the company having so many examples over the years in supporting the positive movement of employees across different functions and teams.”

OUR PEOPLE

**Emily Port,
Team Leader –
Nanopharmaceuticals**



Emily has been a CPI employee for four years and works as a Team Leader of the Nanopharmaceutical team within our Formulation business unit. Her career began when she undertook a year in industry as part of her Masters in Chemistry at the University of York. Emily worked within a multinational consumer goods company for one year, during which time she decided she wanted to pursue a career in industry at the end of her studies. After a successful year, Emily was immediately offered a permanent position at the end of her placement.

After 18 months of working in industry, Emily took a short career break where she did a ski season in the Alps. Following this, she relocated back to the North East of England and began the search for permanent work back in industry. After a little while searching, Emily applied for and was invited to interview with CPI for a Senior Research Technician position in the Colloid Science team, she very much impressed the interview panel and fortunately had the niche skill set which the team were looking for. A day later, Emily was offered and accepted the position and began her CPI journey in December 2017.

Fast forward a few years, Emily has been promoted to various roles within CPI, initially moving to a Scientist position, and then took the opportunity to pursue an internal secondment as the Self-Amplifying RNA Planner. She was keen to build her experience and work towards a management position and felt the secondment was the perfect way to broaden her skillset. Shortly after, a position became available back in the Formulation business unit as a Team Leader of the Nanopharmaceutical team, which she was successfully appointed to and now has a team of four direct reports.

When asked if Emily would recommend CPI as an employer, she said:

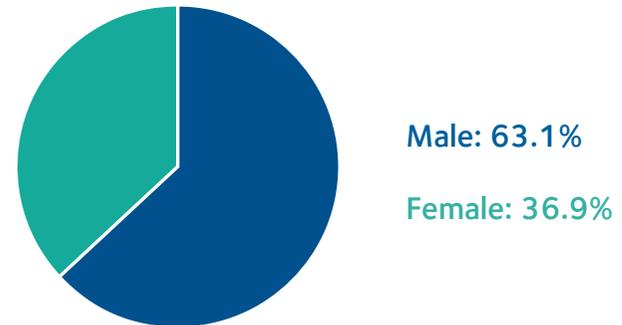
"I really enjoy working life at CPI, I like to work in a fast-paced environment with a varied workload; every day is diverse. The variety of activities that my role brings is great, from managing a pipeline of projects, to business development activities such as scoping and costing, as well as being the technical lead of projects. Being a team leader is also really inspiring as it's great to see the team grow and develop. The move to working more flexibly between home and office has also been excellent as it accommodates people's work-life balance and suits our people's personal situations. I would definitely recommend CPI if someone wants a challenging, diverse and rewarding place to work."

Summary of CPI Group (CPI & CPI IS)

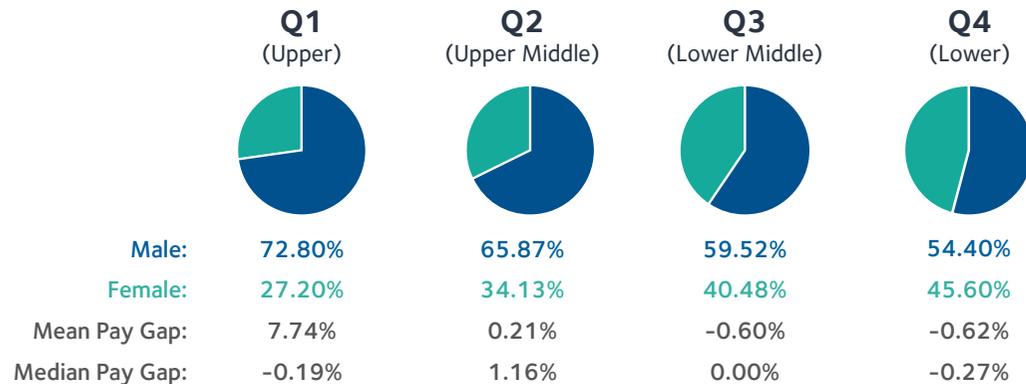
Mean gender pay gap	16.34%
Median gender pay gap	15.24%
Mean bonus gender pay gap	-9.50%
Median bonus gender pay gap	0.00%
Proportion of males receiving a bonus payment	94.64%
Proportion of females receiving a bonus payment	96.22%

The gender pay gap is defined as the differences in the average earnings of men and women over a standard period of time, regardless of their role seniority. A positive pay gap indicates that men are paid more and a negative pay gap indicates that women are paid more.

Gender makeup of the company



Proportion of males and females in each quartile pay band



Definitions

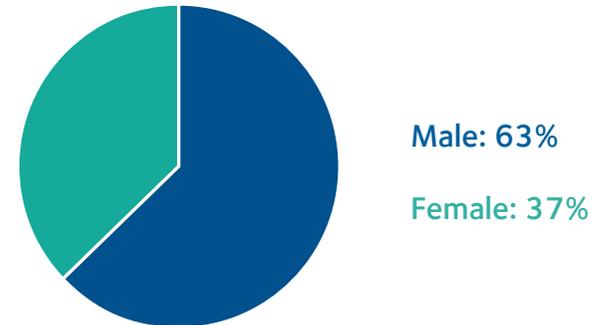
- Gender pay gap** – The difference between the average earnings of our female employees compared with our male employees. Measured using a 'mean' and 'median' basis.
- Mean** – The mean is the sum of the hourly rates of pay for all employees divided by the total number of employees.
- Median** – The median is the middle point of the hourly rates of pay for all employees in order from highest to lowest.

Summary of CPI

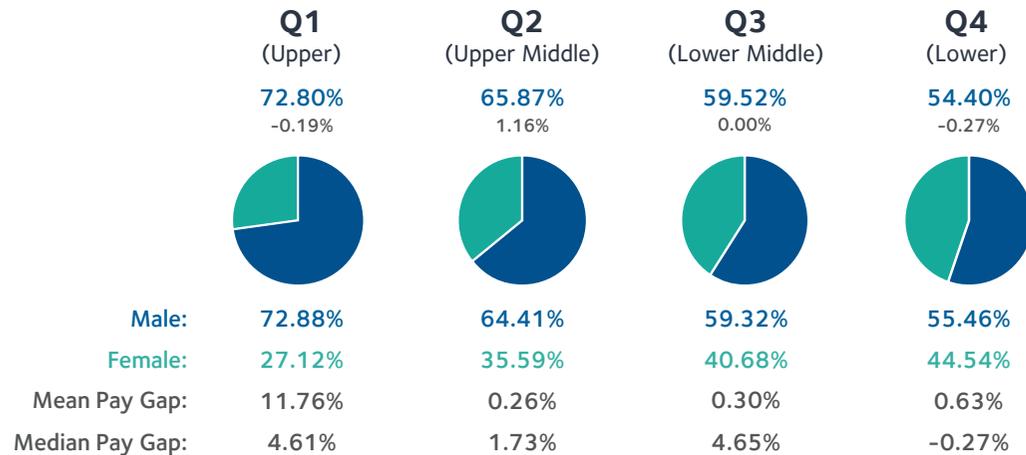
Mean gender pay gap	17.43%
Median gender pay gap	14.77%
Mean bonus gender pay gap	3.25%
Median bonus gender pay gap	0.00%
Proportion of males receiving a bonus payment	94.63%
Proportion of females receiving a bonus payment	96%

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Summary of 2020/21

Reward and Recognition

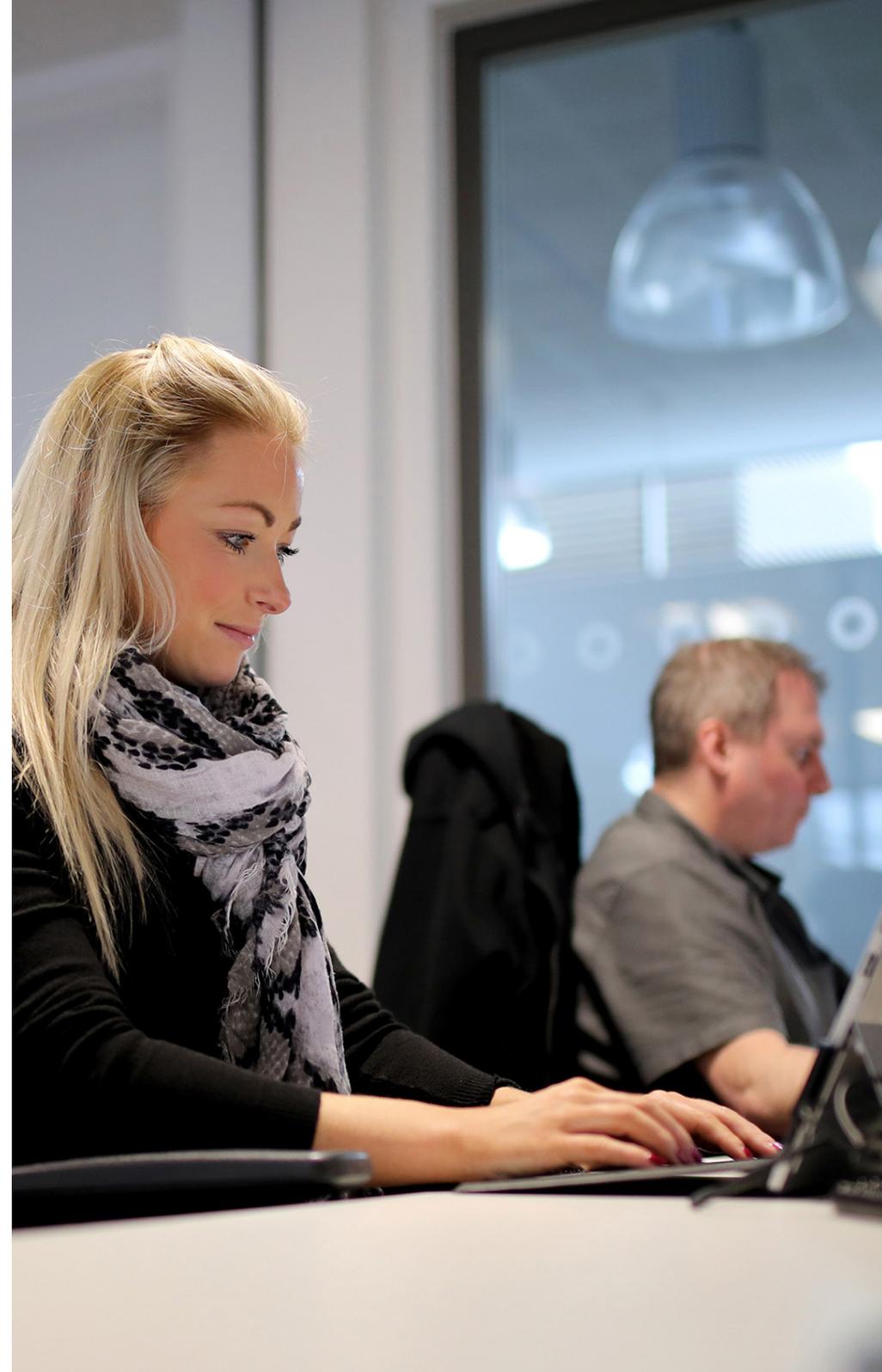
Reward

To further strengthen our approach to employee reward, we have embarked on a full review of our reward and recognition policy. The review has ensured that our approach aligns with our culture of one CPI, transparency and fairness, where our people feel their efforts are genuinely recognised and rewarded in a way that maximises trust and motivation.

We have unique and standard roles in CPI all of which have clear job descriptions. All roles are evaluated using a standard job evaluation methodology, considering a range of factors, to identify a rank for each role. Once the roles rank is known, we benchmark each role using external market data to assign salary range per role. This provides our people with equitable pay which has been through a robust process and policy.

Recognition

Collaboration is key to driving innovation and daily life at CPI. We have expanded our approach to recognition to include team contribution and celebrating the success of the collective, as well as the individual. A variety of gifts are now available which can be rewarded to a team or group of people as a thank you for their efforts in working together.



Employee Voice

Staff survey

Our people are what make CPI brilliant and what better way to continue to identify what's great about being part of the CPI family, and how we can continue to improve than by listening to them. We invited everyone from CPI to take part in our annual staff survey in January 2021, the feedback of which gave us first-hand insight into what we should continue to celebrate and do, as well as prioritise any improvement actions that we may take, by understanding what matters most to our people.

Based on the feedback we received, action plans were created and implemented in a number of areas.

Bright Ideas

In December 2020 CPI launched the Bright Ideas scheme, with a vision that "ensures we have a vibrant internal environment, where every bright idea matters, with our outstanding people contributing to improving our business." Through this, we aim to create a culture where every business improvement suggestion gets heard and the best opportunity to deliver true benefit, by driving and supporting successful changes to our business.

Since launching the scheme, we have already seen a range of brilliant ideas being submitted, discussed, and implemented which range from enhancing technology, contributing to sustainability and improving the health and wellbeing of all.

Health and Wellbeing

As part of our People Matter Plan, CPI launched a health cash plan free to our employees, which will build on our existing benefits. The cash plan offers additional services and enables our people to pro-actively manage their own health and wellbeing.

The health cash plan enables employees to reclaim money spent on personal healthcare needs, for example, money spent on glasses, dental appointments or reflexology. In addition to claiming back cost, employees have access to private GP services, gym discounts, telephone counselling sessions and more.

We believe providing this service allows our people to have ownership over their health and wellbeing which is aligned to our 'bring your best authentic self to work' principle. This principle is around CPI supporting and providing our people with tools and guidance to help them feel at their best.

To further strengthen our health and wellbeing infrastructure, we have reviewed and refreshed our occupational health support system to ensure we offer the right benefits and have introduced a new occupational health provider to support our people's wellbeing.



Hybrid Working

As a result of the pandemic, we learned a lot about ourselves, our company and the way that we work. We have changed and adapted to our new ways of working, and we asked our people and listened to what they would like to see happen as we embarked on our 'new norms'. The introduction of hybrid working was the response to that feedback and we were delighted as an organisation to be able to offer this flexible style of working to our people. Not only have our employee engagement levels remained high, so has our employee participation in organisational led initiatives such as interactive webinars and Q&A's with Senior Leadership.

In addition, hybrid working gives us greater access to a much wider range of diverse talent which supports the continued growth of CPI.



Plans for the next 12 months

As an organisation that values its people, we continually find ways to 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.

Equality, Diversity and Inclusion

As part of our commitment to enhancing our efforts in equality, diversity and inclusion, we want to further build our inclusive culture that encourages, supports and celebrates our people. We want to ensure an inclusive workplace where people can be themselves and bring their authentic self to work. We want to drive equality, diversity and inclusivity for everyone in our CPI family and join forces with our customers, partners and suppliers to support and encourage them with progress in ED&I. To do this, we will design, launch and embed CPI's approach to ED&I throughout 2021/22, underpinned by a roadmap that will guide us on our journey to being a brilliant and inclusive employer.



Refreshing CPI's Employer Brand

Since 2004, CPI has undergone rapid growth, moving from just a handful of employees to now over 600 employees, with further plans for expansion and recruitment to meet our goals and targets to support the UK manufacturing industry.

As the company continues to rapidly grow, CPI has identified a need to ensure that all employees, both current and potential, understand and align with the refreshed ambition, values and behaviours of our organisation. To ensure we understand how CPI has evolved, and that CPI is aligning/investing in the right areas, we will review a lot of key data (staff surveys, focus groups, interviews etc) to get real feedback on CPI's current people proposition. We are currently in the process of highlighting areas we would like to promote more to really showcase CPI as an employer of choice to all.



Benefits Review

CPI's benefits offering is a core component of our employee value proposition to enable us to attract and retain our employees. In 2021, our benefit spend per employee was on average 12-18%, which is the expected level of a medium sized organisation. We realise the importance of considering the needs and wants of our people, new ways of working as well as what we stand for as an organisation. For this reason, we will be reviewing our offering in the marketplace and will conduct research to enable us to understand where our offering is strong, and what additional benefits we can introduce.



Employee Voice

We always encourage and value feedback from our people. To ensure we're continuously improving and adapting to our employee's needs, short 'pulse surveys' are issued throughout the year to enable employees to share how they are feeling and what is impacting how they feel, both positively and negatively. As well as this, our annual staff survey gives the opportunity for more in-depth understanding of what is working well for our people and what we need to improve on.



Talent Aquisition

We recognise the importance of having fully inclusive recruitment practices to attract a diverse range of talent and ensure the best candidate for the role joins CPI. The Gender Pay Gap Report is an important tool for striving towards gender equity, however, all aspects of diversity are important to us at CPI. Our aim is to attract, include and retain individuals with a diversity of differences and characteristics, whether relating to cognition, physical ability, relationships, work experience, race, age, faith, or background. With this in mind, we plan to recruit a Talent Acquisition Business Partner to focus on improving recruitment practices so that we attract the best candidate for the job.



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, appearing to read "F. Millar". The signature is written in a cursive style with a large initial "F" and a period at the end.

Frank Millar
Chief Executive Officer

CPI Group of Companies
March 2022

Gender Pay Gap Report

2021/22

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