

Gender Pay Gap Analysis

Gender Pay Gap Statement 2024

Understanding the Gender Pay Gap

Scottish Leather Group is committed to fostering an inclusive and diverse workplace. As part of this commitment, we continuously monitor and report on our gender pay gap to ensure fairness and transparency in our compensation practices.

The gender pay gap refers to the difference in average earnings between men and women across the organisation, regardless of their roles. This differs from equal pay, which ensures individuals in the same roles receive identical remuneration.

In compliance with UK government regulations, organisations with over 250 employees are required to report gender pay gap statistics annually, using a snapshot date of 5th April. This report provides an analysis of our current gender pay gap data, interpretations of the findings, and the steps we are taking to address any disparities.

Gender Pay Gap Data Analysis 2024

The gender pay gap at Scottish Leather Group is primarily driven by the representation of men in senior and technical roles. Our key findings for 2024 are:

0% Pay difference between men and women in the same roles

0% Pay difference in bonuses paid to men and women in the same roles

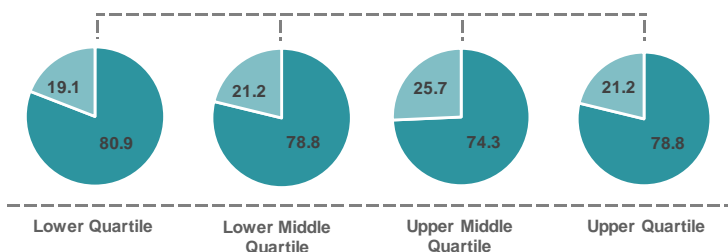
(1.5)% Median difference in hourly pay across the business (female to male employment ratio 1:3.59)

8% Mean difference in hourly pay across the business (female to male employment ratio 1:3.59)

Difference between men and women		
	Mean	Median
Hourly rate of pay	8.0%	█ (1.5)%
Bonus pay	0%	0%



Proportion of males and females in each pay quartile (%)



These figures indicate that while men and women are paid equally within the same roles, the overall pay gap is influenced by the higher proportion of men in senior and technical positions. At Scottish Leather Group, we can confidently say that men and women are paid equally for doing equivalent jobs across our business.

Interpretation of Results

Why Does the Gender Pay Gap Exist?

The key reasons behind our gender pay gap include:

- **Industry Factors:** The manufacturing sector has traditionally been male dominated, particularly in technical and leadership roles. This structural imbalance is a key driver of the gender pay gap.
- **Workforce Composition:** At Scottish Leather Group, a significant proportion of our senior leadership and highly skilled technical roles are held by men, impacting the average pay figures. While pay equity is maintained within individual roles, the overall distribution of employees across different levels influences the reported gap.

Historical Data Analysis

Over the years, Scottish Leather Group has made significant progress in closing the gender pay gap with a substantial reduction in mean gender pay gap from 22.7% in 2020 to 8.0% in 2024. The (1.5%) median gender pay gap in 2024 indicates that, on average, women's median hourly earnings are slightly higher than men's, suggesting progress toward gender pay equity within Scottish Leather Group. Compared to other manufacturing businesses, where the median pay gap often ranges between 5%-10% in favour of men, this result demonstrates a more balanced pay structure and highlights the company's success in promoting pay parity, particularly at the mid-level workforce. However, continued efforts are needed to ensure this trend extends to senior roles and across all pay quartiles.

Action Plan and Initiatives

Scottish Leather Group is committed to addressing the gender pay gap and promoting gender diversity through a structured approach. Our key initiatives include:

- **Recruitment & Attraction Strategies**
 - Expanding outreach programs to encourage more women to apply for technical and senior roles.
 - Partnering with universities and technical colleges to attract female talent in STEM fields.
 - Reviewing recruitment processes to eliminate unconscious bias and ensure a diverse candidate pool.
- **Career Development & Progression**
 - Introducing leadership development programs to foster female talent.
 - Establishing mentorship programs where senior female leaders guide and support emerging female professionals.
 - Implementing structured career pathways to encourage women to progress into senior positions.

- **Outreach & Community Engagement**

- Collaborating with universities, technical colleges, and schools to encourage female students to pursue careers in manufacturing and STEM fields.
- Organising networking events and workshops where female professionals can connect, share experiences, and receive guidance.
- Offering apprenticeship opportunities to increase female representation in technical roles.
- Participating in career fairs with a focus on attracting female candidates.

- **Flexible Working & Inclusive Policies**

- Enhancing flexible working arrangements to support work-life balance.
- Reviewing parental leave policies to encourage shared responsibilities.
- Promoting a workplace culture that values diversity and inclusivity.

Future Goals & KPIs

Scottish Leather Group has set measurable targets to ensure continued progress toward gender pay equity:

- Align female representation in senior leadership and management roles to the manufacturing sector at 25%.
- Reduce the mean gender pay gap to below 8% by 2026, bringing Scottish Leather Group closer to industry leading levels of pay equity.
- Maintain the median gender pay gap within +/- 2%, ensuring gender pay equity at the midpoint of the company.

Commitment from Leadership

At Scottish Leather Group, we remain steadfast in our commitment to gender equality. While our gender pay gap is primarily influenced by workforce composition, we recognise the importance of creating opportunities for women at all levels.

Through targeted recruitment, leadership development, and inclusive workplace policies, we aim to close the gender pay gap and foster a culture of equality. We will continue to review our progress annually and refine our strategies to ensure continuous improvement.

Michelle McDonald
CFO
Scottish Leather Group

28th March 2025