It’s all about the people

CSG | Gender Pay Gap Report 2019
About us

Founded in 1934, we are one of the UK’s leading suppliers of specialist waste management solutions, offering a diverse range of services to householders and businesses nationwide.

Our dedicated, in-house transportation network enables us to collect most types of hazardous and non-hazardous waste streams from many locations throughout the UK, whilst our treatment and recovery centres utilise bespoke technology to treat, recover and recycle the waste that we collect. As was the case in 1934, we remain a family-owned business to this day.

Based from our head office near Fareham, Hampshire we operate over 28 facilities stretching from Cornwall to Kent and up to Manchester and Hexham in the north with a team of drivers, operatives, specialist consultants and engineers working together throughout the UK.

We are strongly motivated by the goal of diverting waste from landfill, recovering and recycling as much as possible from the waste streams that we handle.

Our mission statement:

To grow a sustainable, innovative and prosperous business while maintaining a high level of commitment to customers, shareholders, employees and the environment.

Our core values:

- Customer Service
- Innovation
- People
- Heritage

What is a gender pay gap?

From April 2017 the government introduced gender pay gap reporting for all companies with more than 250 employees on the snapshot date of 5th April. As the CSG group employed over 250 people on this date we are proud to comply with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and publish our data.

The gender pay gap measures the differences in average pay of male and female employees, irrespective of job role or seniority. This is different to equal pay which looks at the differences between male and females performing the same or similar work, or work of equal value.

This is our report for the snapshot date of 5 April 2019.
CSG’s gender pay gap

The mean gender pay gap for CSG is: 8.8%

The median gender pay gap for CSG is: 3.9%

How does our pay gap compare?

Our analysis of the gender pay gap for the period April 2018 to April 2019 again shows that as an organisation, Cleansing Service Group performs very favourably against the national mean and median statistics for the UK. The statistics for the UK as a whole are detailed below:

The mean gender pay gap for the whole economy (according to the October 2019 Office for National Statistics (ONS) annual Survey of Hours and Earnings (ASHE) figures) is 17.3%.

The median gender pay gap for the whole economy (according to the October 2019 ONS ASHE figures) is 17.9%.

<table>
<thead>
<tr>
<th></th>
<th>CSG</th>
<th>Whole Economy 2019 ONS ASHE</th>
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<tbody>
<tr>
<td>Mean Gender Pay Gap</td>
<td>8.8%</td>
<td>17.3%</td>
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<tr>
<td>Median Gender Pay Gap</td>
<td>3.9%</td>
<td>17.9%</td>
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Gender pay gap background

In their 2019 Gender Pay Gap report, the ONS stated that the gender pay gap among full-time employees stands at 8.9%, little changed from 2018, and a decline of only 0.6 percentage points since 2012. The gender pay gap among all employees fell from 17.8% in 2018 to 17.3% in 2019, and continues to decline. For age groups under 40 years, the gender pay gap for full-time employees is now close to zero.

Among 40- to 49-year-olds the gap (currently 11.4%) has decreased substantially over time. Among 50- to 59- year-olds and those over 60 years, the gender pay gap is over 15% and is not declining strongly over time. One of the reasons for differences in the gender pay gap between age groups is that women over 40 years are more likely to work in lower-paid occupations and, compared with younger women, are less likely to work as managers, directors or senior officials.

The waste management industry continues to employ a larger number of males than females and this is reflected in CSG’s employee ratio which as at the snapshot of 5th April 2019 stood at 110 female employees and 395 male employees.

Under the law, men and women must receive equal pay for:
- The same or broadly similar work;
- Work rated as equivalent under a job evaluation scheme; or
- Work of equal value.

CSG is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

CSG is therefore confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women perform within the organisation and the salaries that these roles attract.

This can be seen below in the table depicting pay quartiles by gender. This shows CSG’s workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band.

<table>
<thead>
<tr>
<th>Band</th>
<th>Males</th>
<th>Females</th>
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<tbody>
<tr>
<td>A - Lower Quartile</td>
<td>68.8%</td>
<td>31.2%</td>
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<tr>
<td>B - Lower Middle Quartile</td>
<td>78.4%</td>
<td>21.6%</td>
</tr>
<tr>
<td>C - Upper Middle Quartile</td>
<td>82.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>D - Upper Quartile</td>
<td>82.5%</td>
<td>17.5%</td>
</tr>
</tbody>
</table>
The gender bonus gap

The mean gender bonus gap for CSG is 62.6%. This is an increase from the last report due to more senior positions attracting a bonus than the previous year. The gap decreases to 15.7% if directors bonuses are removed from the calculation.

The median gender bonus gap for CSG has reduced significantly from 24.5% in the previous reporting period is 3.3% in this reporting year’s snap shot. This reduction reflects the fact that no Company bonus was paid and far fewer managers received an individual bonus due to the Company not achieving its PBT target.

The proportion of men at CSG who received a bonus in the 12 months up to 5 April 2019 was 22.3%, while for women it was 13.6% which is generally in line with what we would expect due to the Company wide bonus not being paid.

What is CSG doing?

The directors are satisfied that our gender pay gap continues to reflect our attention to equality and fairness in our reward and recruitment strategy and are pleased that the results published in this report compare very favourably with that of organisations across the UK.

The HR strategy continues to focus managers attention to the equality of pay and promotional opportunities for all employees regardless of gender. The recruitment process uses a methodology which provides equal access to both men and women within the job market and provides for an internal promotion framework which manages the capability of all employees on merit and application to their jobs.

Creating an evidence base:

To identify any barriers to gender equality and inform priorities for action. This will include:

- The proportions of men and women applying for jobs and being recruited.
- The proportions of men and women applying for and obtaining promotions.
- The proportions of men and women leaving the organisation and their reasons for leaving.
- The numbers of men and women in each role and pay band.
- Take-up of flexible working arrangements by gender and level within the organisation.

These initiatives will not remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, CSG is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.
Directors’ statement

I, Neil Richards, Managing Director, and I, Steve Hicks HR Director both confirm that the information in this statement is accurate.

Date: March 2020