

Celsa Manufacturing (UK) Ltd Gender Pay Gap Reporting 2022

Celsa Manufacturing (UK) Ltd are the largest steel recycling company in the UK. From our facilities in Cardiff, we have capacity to produce 1.2 million tonnes of low emission circular steel annually, from UK sourced scrap metal. Our Electric Arc Furnace is the lowest carbon technology route for marking steel however, Celsa are committed to achieving Net Zero Carbon emissions by 2030.

The steel industry has traditionally been one that does not attract women as readily as it does men, however at Celsa Manufacturing (UK) Ltd, we are taking steps to encourage more women into our business. We know that women are a very valuable asset to our company and recognise there is a strong link between the presence of women in leadership positions and positive company performance.

We have seen an increase in our mean gender pay gap from 2.54% in 2021 to 10.97% in 2022. We have also seen an increase in the median gender pay gap from 7.93% in 2021 to 12.80% in 2022.

Today's challenges require leaders with diverse skill sets and innovation that can only come from diverse ideas. We are committed to ensuring that we have diverse workforce and we will continue to look at ways to attract, retain and develop leaders within the organisation that align with the company values.

This report provides data for Celsa Manufacturing (UK) Ltd and measures the difference between the average earnings of male and female employees, regardless of role or grade. The data is based on a snapshot date of 5th April 2022.

The gender pay gap is not the same as equal pay. Equal pay ensures male and female employees receive the same pay for carrying out the same or equivalent work. This is a legal requirement in the UK and has been for many years.



Carles Rovira, CEO CELSA UK



James Ellis, Head of Human Resources

Declaration

This statement is published in accordance with the Gender Pay Gap Reporting regulations under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. We confirm that the information and data provided in this report is accurate and in line with mandatory requirements.

Gender Pay Gap Results 2022

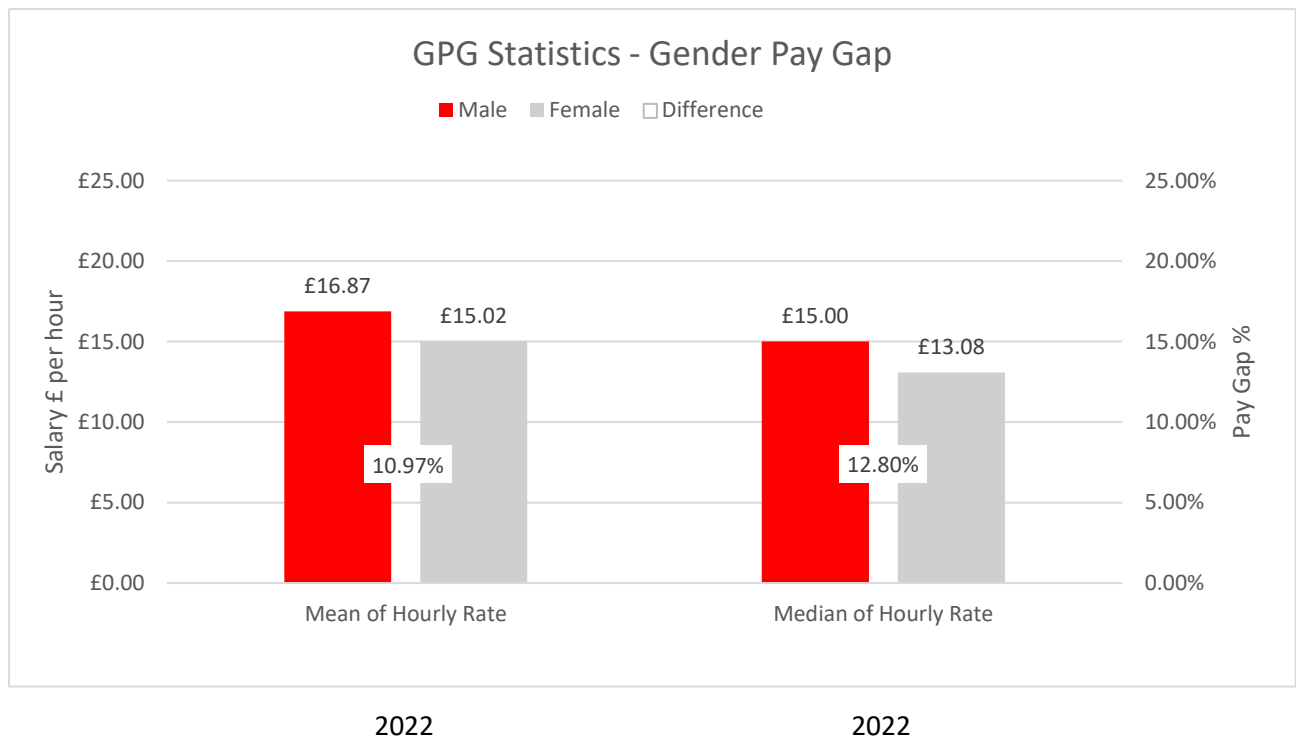
Gender Pay Gap

Mean gender pay gap 2022: 10.97%

The difference in the **mean hourly pay** rate between all male and female employees is the average, which is calculated by adding up all of the numbers and then dividing it by the number in the group.

Median gender pay gap 2022: 12.80%

The difference in the **median hourly pay** rate between all male and female employees is calculated by ranking the data in the group from highest to lowest and taking the middle number between the two points.



The gap has widened due to the mean and median hourly rates for the male relevant employees increasing more significantly since 2021 than female employees, although there has been an increase in the hourly rates for females. The number of male relevant full pay employees in 2022 compared with 2021 has increased by 33 compared with an increase in female relevant full pay employees by 1 due to an increase in employee numbers.

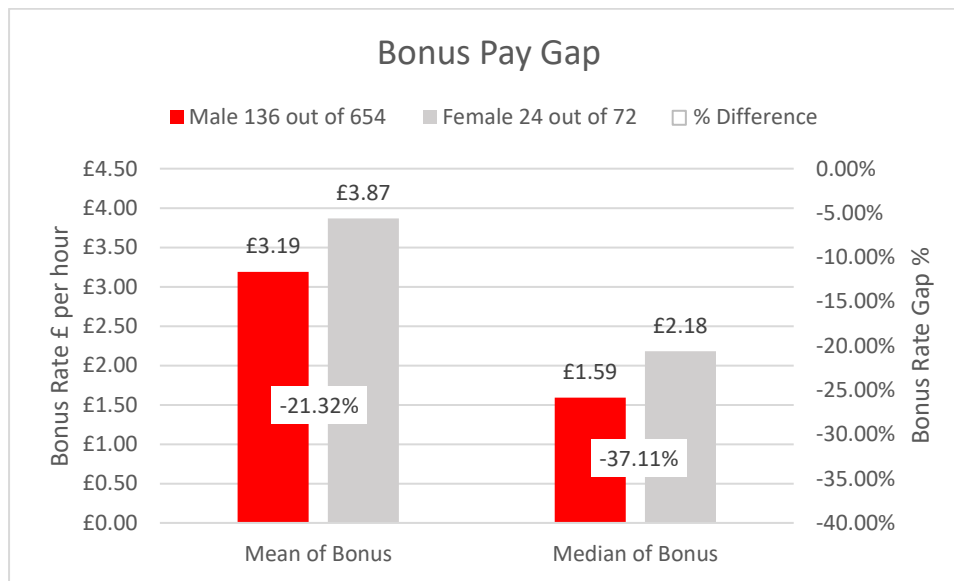
Another factor that continues to contribute to the gender pay gap is shift premiums - the hourly pay rate for each employee (as required by the legislation) includes basic salary, as well as other allowances such as shift premiums. One hundred per cent of employees working shifts in 2022, which attract a premium, were male.

At Celsa Manufacturing (UK) Ltd we make sure that employees in similar roles are paid fairly by using a recognised job evaluation scheme (HAY).

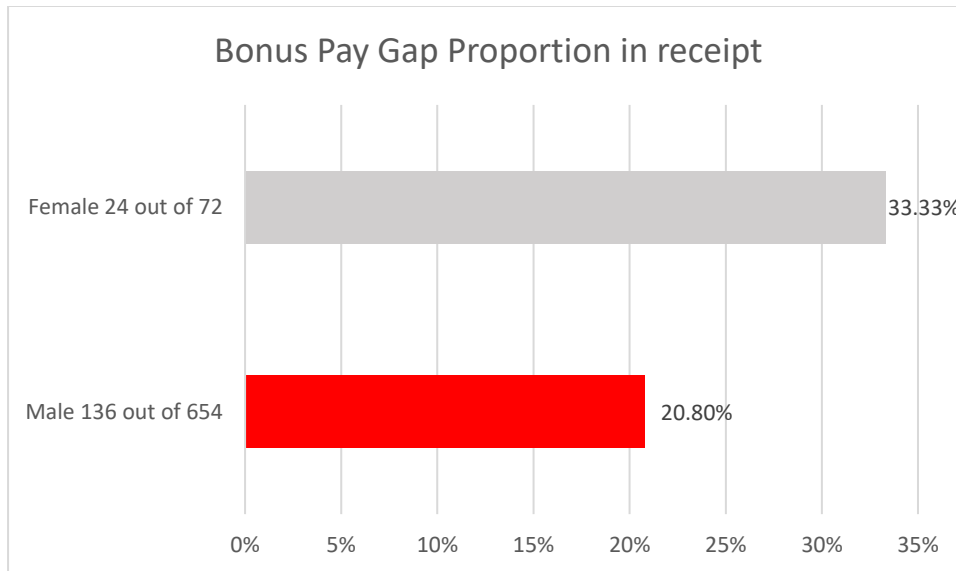
Gender Bonus Gap

Mean gender bonus gap 2022: -21.32%

Median gender bonus gap 2022: -37.11%



The negative mean and median gender bonus gap in favour of female employees reflects the fact that in 2022, less female employees received a bonus compared to male employees, however, collectively female employees received higher bonuses. This was in part due to the fact that the only bonus paid to female employees during the period 2021 to 2022 was an annual bonus, based on company and individual performance against targets during the calendar year and paid in the following March. Whereas, male employees also received other bonuses, which are only payable to the positions occupied solely by male employees in 2022 and are significantly lower in value.

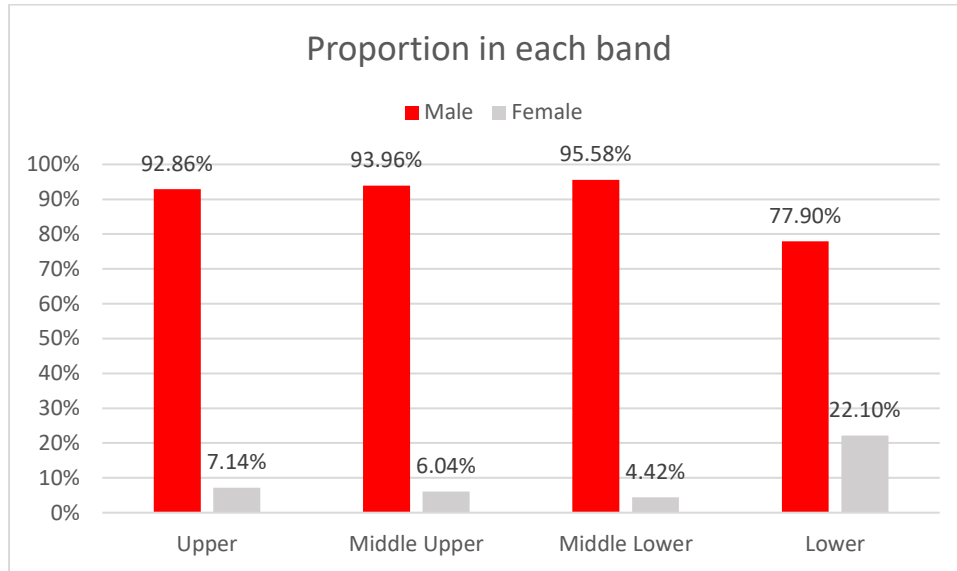


Female employees in receipt of bonus 2022: 33.3%

Male employees in receipt of bonus 2022: 20.80%

A greater proportion of female employees than male employees were in receipt of bonus in 2022, increasing from the previous year, which reflects the fact that a bigger proportion of female employees are in senior and middle management positions, compared to male employees. This is the group of employees eligible to receive an annual bonus.

Gender in each quartile



Celsa Manufacturing (UK) Ltd employed 726 relevant full pay employees on 5th April 2022 of which 90% were male and 10% were female.

The increase in the number of relevant full pay employees compared to 2021 is due to an increase in employee numbers since 5th April 2021. The number of male relevant full pay employees in 2022 compared with 2021 has increased by 33 compared with an increase in female relevant full pay employees by 1 due to an increase in employee numbers.