

Integrity Print Ltd Gender Pay Gap Report as at 5th April 2017

As an employer of more than 250 employees we are complying with the Government's gender pay gap reporting requirements by publishing the results of six calculations that show the difference between the average (mean and median) earnings and bonus paid to men and women, the proportion of men and women receiving bonus, and the proportion of men and women in pay quartiles in our company.

The calculations have been based on the pay rates in existence as at 5th April 2017 and on bonus paid during the period 1st April 2016 to 31st March 2017. The calculations have been prepared in accordance with the methodology contained in the gender pay gap legislation. The results are as follow:

| 1. | Mean gender pay gap | 18.0% | |
|----|--|----------------------------------|-------------------------------|
| 2. | Median gender pay gap | 15.1% | |
| 3. | Mean bonus gender pay gap | 71.7% | |
| 4. | Median bonus gender pay gap | 66.7% | |
| 5. | Proportion receiving bonus: | Men | Women |
| | | 3.9% | 2.3% |
| 6. | Proportion in each pay quartile: | Men | Women |
| | Upper Upper middle Lower middle Lower | 93.8% 91.4% 92.6% 68.3% | 6.2% 8.6% 7.4% 31.7% |
| | | | |

We provide a "salary exchange" stakeholder pension plan to employees. The above gender pay gap is calculated using post "salary exchange" pay rates to comply with the legislation. When calculated using pre "salary exchange" pay rates the mean gender pay gap increases to 19% and the median gender pay gap increases to 17.6% as male employees, through personal choice, are generally contributing a greater percentage of their pay into pensions compared to their female colleagues.

There are two main reasons for the mean gender pay gap and median gender pay gap:

Firstly, we are a manufacturing company and 69% of all employees work shift work. Of these employees 98% are male and are paid an additional shift allowance as compensation for working anti-social hours. For the purposes of clarity, women working shifts receive the same pay rates as their male colleagues in similar roles. When the shift allowance is excluded from the calculation

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the mean gender pay gap reduces significantly from 19% to 4.4%, the median gender pay gap reduces from 17.6% to minus 0.6% (median pay of women is 0.6% higher than for men) and there is a more even distribution of men and women in each quartile as shown below, which reflects more closely the overall ratio of male employees (86.5%) to female employees (13.5%)

| Proportion in each pay quartile: | Men | Women |
|----------------------------------|-------|-------|
| Upper | 85.2% | 14.8% |
| Upper middle | 86.4% | 13.6% |
| Lower middle | 91.4% | 8.6% |
| Lower | 82.9% | 17.1% |

Secondly, there is a lower representation of women at senior levels within our management team.

Bonus is paid to a small number of eligible managers depending on their level of responsibility and who work much longer than the basic 37.5 hour working week but who do not receive paid overtime. There is a gap which is also explained by the lower representation of women at senior levels.

There is no occupational reason for male dominance within the manufacturing environment in which our business operates but it has always proved very difficult to recruit female employees to roles involving shift work and, also, at an operational management level. Our policy is to recruit the best people irrespective of gender but when vacancies occur in these areas very few applications are received from women. In our view this is mainly due to personal choice relating to working patterns and the nature of the work. It is interesting to note that when recruiting in our sales and administration areas we do receive applications from women, and that the ratio of male and female employees in these areas is reasonably even at 56% to 44%.

I confirm that the above information is accurate.

Arthur Ayres Finance Director

28th February 2018