
GENDER PAY REPORT

OUR 2020 GENDER PAY GAP REPORT

Executive Summary

Paragon is publishing this report in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which requires all companies in the UK with 250 or more employees to report their gender pay gap.

Paragon fully supports the objectives of the Regulations in increasing transparency regarding gender pay across our business and the wider industry.

Our business has grown significantly through acquisition in the last 3 years, with further ambitious growth targets. We are committed to integrating newly acquired businesses, ensuring best practices are shared and implemented.

To comply with the Gender Pay Gap reporting requirements, we have conducted the analysis of our gender pay gap by relevant legal entity. This report includes the following companies within the Paragon Group with 250 or more employees as at 5 April 2020:

- Paragon Customer Communications International Limited *
- Paragon Customer Communications (London) Limited
- Paragon Customer Communications (Nottingham) Limited

** Acquired on 25 October 2019 (formally RR Donnelley UK Limited).*

Paragon is committed to reporting annually on the Gender Pay Gap and implementing measures to ensure continuous improvement and maintenance of our reputation as an employer of choice.

The Report

This report shows the difference between the average (median and mean) earnings of all male and female employees, irrespective of their role.

The 2020 report provides a snapshot of the gender balance within each Company as at 5 April 2020 and includes:

1. The difference in the mean and median pay of male and female employees;
2. The difference in mean and median bonus pay of male and female employees;
3. The proportions of male and female employees who were paid a bonus in the previous year; and
4. The numbers of male and female employees employed in quartile pay bands.

The gender pay gap differs from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar job or work of equal value.

Gender Pay Gap Difference between men and women

The table below shows our mean and median hourly pay and bonus pay gaps. The hourly pay gap is based on the snapshot date of 5 April 2020. The bonus pay gap is based on the 12-month period to 5 April 2020.

	Paragon Customer Communications International Ltd	Paragon Customer Communications (London) Ltd	Paragon Customer Communications (Nottingham) Ltd
Hourly Pay (Mean)*	6.7%	22.6%	15.8%
Hourly Pay (Median)*	6.4%	27.4%	22.6%
Bonus Pay (Mean)*	23.7%	49.7%	68.2%
Bonus Pay (Median)*	18.1%	-0.5%	97.1%

* For the purposes of Gender Pay Gap reporting, pay is expressed as an hourly rate and is calculated taking into account ordinary pay and the weekly working hours for relevant employees.

The Paragon business is diverse and operates across various sectors and industries with a large proportion of our employees working in operational and production roles.

Proportion of Employees Receiving a Bonus By gender

The table below shows the proportion of male and female employees who have received a bonus payment in the 12-month period to 5 April 2020.

	Paragon Customer Communications International Ltd	Paragon Customer Communications (London) Ltd	Paragon Customer Communications (Nottingham) Ltd
Proportion of males receiving a bonus payment	36.4%	10.9%	5.5%
Proportion of females receiving a bonus payment	33.8%	7.1%	8.3%

The nature of how our business has grown has had an impact on our gender pay gap. Having grown largely by acquisition and employees transferring in under Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), we have a mix of terms and conditions. This is particularly prevalent where some areas of our business have contractual bonuses, which is reflected in the reporting.

The percentage of Male and Female Employees By quartile

The following table shows the gender distribution across the four reporting companies in equal sized quartiles as at the snapshot date of 5 April 2020.

	Paragon Customer Communications International Ltd		Paragon Customer Communications (London) Ltd		Paragon Customer Communications (Nottingham) Ltd	
	Males	Females	Males	Females	Male	Females
No. of Relevant Employees	665	476	649	423	207	46
Lower Quartile	52%	48%	48%	52%	58%	42%
Lower Middle Quartile	58%	42%	55%	45%	97%	3%
Upper Middle Quartile	61%	39%	67%	33%	81%	19%
Upper Quartile	61%	39%	73%	37%	92%	8%

Traditionally, the industry has been predominantly male dominated due to the manual nature of some roles. Moreover, we have significantly more males in senior roles, which naturally carry higher salaries.

Our Commitment

Paragon is committed to the principle of equal opportunities and equal treatment for all employees, regardless of gender or any other characteristic. Our employment strategy is gender neutral and as such we hire and promote based on merit. We evaluate job roles and compensation as necessary to ensure a fair structure whilst recognising our diverse business.

We acknowledge that there are significant challenges in the industries which we operate in, particularly concerning the industrial nature of our business. We will continue to invest in learning, development and training programmes for employees. Through the steps we are taking we believe that the gender pay gap will narrow in the long-term as more female employees are recruited, developed, promoted and retained within the business.

At Paragon we believe that our commitment to diversity and inclusion is fundamental to our ability to meet the needs of our current and future clients, drives business success and promotes a high-performance culture.

We will continue to employ and develop the best people to deliver excellence for our clients.

Declaration

We confirm that our gender pay data has been calculated in line with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Signed:
Lorraine Findlay, Chief Human Resources Officer
Paragon Customer Communications