



Gender Pay Report 2024

March 2025

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Gender Pay Report 2024

“Chemring Countermeasures (CCM) is delighted to report a positive reduction in both our mean and medium gender pay gap; demonstrating the outputs of our ongoing commitment to taking action which seeks to reduce the gap”

Summary

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation.

We can use these results to assess:

- the balance of male and female employees at different levels
- how effectively talent is being maximised and rewarded across the organisation as a whole

In this period, we're delighted to see continued improvement in both our mean and median gender pay gap, which is reflected in a significant reduction in the gap from the previous reporting period.

Gender Pay Gap & Equal Pay

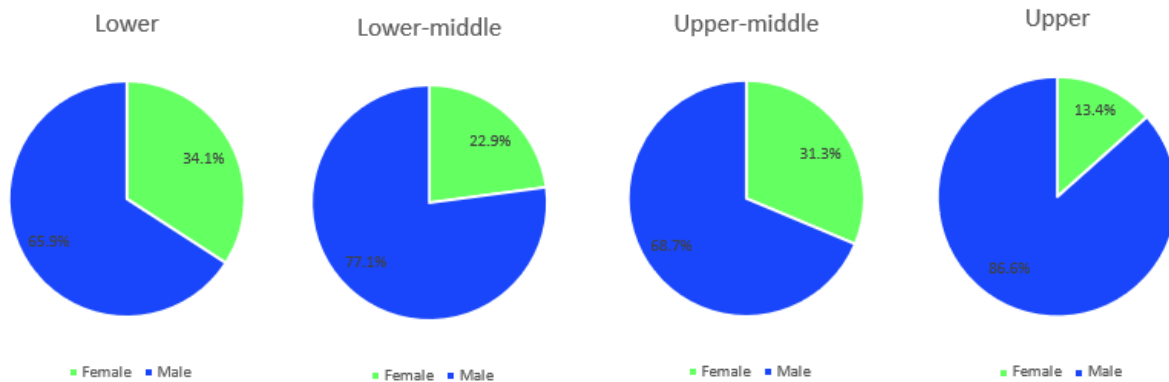
Gender pay reporting is different to equal pay. The gender pay gap is a measure that shows the variance between what men typically earn in a business compared to what women earn, regardless of their role or seniority. Equal pay examines the difference in male and female pay for carrying out the same or similar work. Therefore, it is feasible to have both a gender pay gap and to pay men and women fairly.

The gender pay gap is determined by taking all colleagues across an organisation and comparing the average pay between men and women. In contrast to equal pay, the gender pay gap is more reflective of the workforce profile rather than an issue of unequal rewards or pay for men and women doing the same job. The higher ratio of men to women in CCM (which is reflective of the manufacturing industry more widely) has a notable impact on our gender pay gap.

We are confident that CCM's gender pay gap is not a pay issue as our approach to recruitment and pay is gender neutral. We have a role evaluation system in place for graded positions, which assesses and grades the role based on objective criteria. The salary for the role will reflect the grade within the grading structure and is also benchmarked.

All other non-graded colleagues have their pay determined by collective bargaining - the output of the pay negotiations is applied generically to all roles within scope of the collective agreement and is not impacted by gender.

Proportion of Males & Females in Each Pay Quartile



The above charts illustrate the gender distribution across the four equally sized quartiles of CCM's workforce, from lowest to highest paid.

The results are directly correlated to the profile of our workforce and reflect trends within the wider manufacturing industry. In the last quarter of 2024, there were approximately 88% more men employed in the manufacturing sector compared with women (Statista). In CCM women currently represent 25.5% of our workforce which is therefore above the national average.

The higher proportion of women within the lower pay quartile predominantly reflects the work patterns associated with our Production Operative roles. Production Operatives account for c45% of our permanent headcount and the early, late and night shift patterns and four-day working week, is typically more attractive to working parents - particularly women.

In comparison to the previous reporting period, we have seen a marginal increase in the number of women in the lower-middle and upper-middle pay quartiles (2.1% and 0.5% improvement respectively) reflecting several female appointments in the reporting period. There has been a slight decline in the number of women in the upper quartile (0.9%). Due to the small number of roles within this quartile, a slight change in headcount can significantly impact the results. Our reported results are not inconsistent with the manufacturing sector generally, where there have been marginal gains in women occupying managerial roles, but a decline of women in professional occupations and machine operator roles.

The Office of National Statistics in 2024 reported that women spend 50% more time on unpaid childcare, adult care and household work than men. This makes women more likely to work part-time or prioritise these responsibilities over progressing their career. Within the workplace here at CCM, we are actively seeking to challenge perceptions and assumptions of female and male roles in the workplace and at home, as well as improving our policies and benefits in this area to accommodate family life and employee aspirations. Over the past 12 months we've seen an increase in flexible working requests from both genders and strive to accommodate them where possible. In November 2024, we introduced further enhancements to our maternity, adoption and shared parental pay, and we reduced the qualifying period to attract new or expectant mothers and parents to join CCM. We also introduced a new IVF policy which includes paid time off for IVF appointments and treatments as well as the provision of staff loans for those needing financial assistance.

It is also commonly reported that menopause has an adverse effect on a woman's career due to the management of health symptoms associated with the stages of menopause and/or a loss of confidence. We continue to increase awareness and education of the menopause within the workplace and encourage women to speak openly about their experiences and symptoms, in the knowledge they will be supported in the workplace.

Education, awareness and creating opportunities to network, is important to CCM. We were delighted to support a stand at the Defence Women’s Network Conference and took several of our colleagues to the event. We also continue to work with our colleagues to understand and address issues that are important to our workforce – this has led to our ongoing partnership with Mondays, to provide free sanitary products and we continue to look at how we can improve work wear.

The Gender Pay Gap

This table shows our overall mean and median gender pay gap based on rates of pay as at the snapshot date:

	2023	2024
Mean	16.2%	12%
Median	11.3%	5.4%

The Women in UK Manufacturing 2024 Report published data that while the gender pay in manufacturing is narrowing, on average women still earn 15.9% less than men. In comparison with our last gender pay report, we are pleased to report that our gender pay gap has improved with the mean reducing from 16.2% to 12% and the median reducing from 11.3% to 5.4%.

Our pay gap is driven by the gender split of our workforce, which is made up of 246 men and 84 women. This gender imbalance is reflective of our long history of operating in a male-dominated sector; traditionally, heavy manufacturing and engineering have been male dominated environments. As most of our females are employed as Production Operatives and reflected in the lower and lower middle pay quartile, this also compounds the pay gap within CCM.

We have put a lot of effort and focus into using female role models within CCM to attract women both internally and externally into management, engineering and other roles that have been traditionally associated as male roles.

The Gender Bonus Pay Gap

This table captures the mean and median difference between bonuses paid to men and women at CCM. When compared with our previous gender pay report, our mean bonus gap has increased from 44.2% to 52.5%, however this gap is due to bonuses which were payable in December 2023.

	2023	2024
Mean	44.2%	52.5%
Median	0%	-1.9%

We operate two new gender-neutral bonus schemes for our entire workforce: one with defined bonus awards for all individuals within the relevant occupational grouping, and the other which is a percentage of salary as defined by the job role. The significant increase in the bonus gender pay gap reflects the fact that there are more men in the upper middle and upper pay quartiles who are eligible for bonuses as a percentage of salary. Furthermore, a small number of senior individuals participate in Chemring Group (CCM’s parent company) reward incentives, that are also included in this calculation.

The figure below shows the percentage of staff by gender who received any bonus payment, which reflects our commitment to operating gender-neutral bonus schemes.



Actions we are taking at CCM to Address Our Gender Pay Gap

We are confident that as a direct result of our efforts the gender pay gap will reduce over time and we are committed to intensifying our efforts to narrow our gender pay gap further.

CCM is always striving to attract the finest talent from all genders and aims to address its gender imbalance by pursuing the following strategies, namely:

- **Recruitment and Selection**

We work closely with our suppliers to try and ensure that our shortlist of candidates is gender balanced. There is a known shortage of women in manufacturing and engineering so we have engaged Gaia to run precision-targeted social media attraction campaigns (using AI) to ensure our vacancies are visible to underrepresented groups.

In October 2024 we also hosted a recruitment stand at the annual Defence Women's Network conference, to promote CCM career opportunities to forthcoming female service leavers.

- **Role Evaluation**

This year we've introduced a new external role evaluation and salary benchmarking tool, which we are in the process of implementing. All new and existing roles will be re-evaluated through the tool to ensure fairness and pay parity. To calibrate the completed role evaluations, our supplier will independently evaluate a selection of roles, and the tool will also be used to complete evaluations for roles where there is uncertainty or disagreement over the evaluation that has been completed.

- **Training and awareness**

We have an ongoing programme of training and awareness for managers and colleagues. In 2024 we conducted sexual harassment training and as part of this training included further education on inclusive behaviours in the workplace.

- **Engaging the workforce**

In 2024 we launched a new colleague engagement survey tool and approach. The tool has given us invaluable insight on the sentiment from all of our different employee groupings. We will be regularly asking our workforce for more ideas on how we can continue to become a more inclusive place to work.

- **Menopause awareness**

Since implementing our Menopause Policy, we continue to raise awareness and educate line managers through menopause training. Our colleagues also have access to other resources and support through our Employee Assistance Programme.

- **Women Inclusivity Activities**

In collaboration with our female workforce, we continue to identify and implement actions to combat challenges faced by women working at CCM - particularly in relation to PPE and workstation ergonomics. We have worked with our suppliers to find PPE that meets the requirements of all genders – particularly in relation to size and fit.

We continue to partner with Mondays for the provision of free vend dispensers of organic sanitary products across our site. In October 2024, we were delighted to take several of our colleagues to the Defence Women's Network's annual conference, which provided opportunities for development and networking within our industry.

- **A fair approach to promotions**

We operate a clear structure and framework for all colleagues wishing to progress in their professional career in STEM. A cross-representative promotions panel considers applications for promotion, which is assessed on objective evidence criteria.

Apart from development and trainee roles, other promotions are subject to an internal recruitment and selection process against an available vacancy.

- **Role models**

At CCM we have a number of women employed in senior positions and along with our female colleagues who work in STEM, we will continue to advocate and encourage our female employees to publicise their stories and experiences working in CCM to attract more women into both CCM and the wider defence industry.

- **Providing family friendly policies**

Despite the challenges traditionally associated with manufacturing, we work hard to support flexible working requests and hybrid working for all genders and there are many examples of this within CCM.

As previously cited, we also want to help our colleagues balance their work and personal lives. We listened to what is important to our workforce and in November 2024, we implemented improvements to maternity, adoption and shared parental leave entitlement and introduced a new IVF policy which included the offer of financial assistance for those who need it.

- **Participating in more community and school initiatives and industry partnerships which are aimed at encouraging females to pursue careers in STEM roles**

We have been working closely with local schools and colleges and, where possible use female role models to support events and campaigns. We sponsor a local women's rugby team, encouraging and supporting extra-curricular activities and hobbies that are available to all.

I can confirm the data reported is accurate.



Andy Hogben
Managing Director



Steph Jones
HR Director