

Gender Pay Gap Report 2025

Understanding the Gender Pay Gap

Scottish Leather Group is committed to fostering an inclusive and diverse workplace. As part of this commitment, we continuously monitor and report on our gender pay gap to ensure transparency, fairness, and accountability in our pay practices.

The gender pay gap refers to the difference in average earnings between men and women across the organisation, regardless of role. This differs from equal pay, which ensures that men and women performing the same or equivalent roles receive the same remuneration.

In line with UK Government regulations, organisations with over 250 employees are required to publish gender pay gap data annually, using a snapshot date of 5th April. This report provides an overview of Scottish Leather Group's 2025 gender pay gap results, an interpretation of the findings, and an update on the actions we are taking to continue improving gender pay equity.

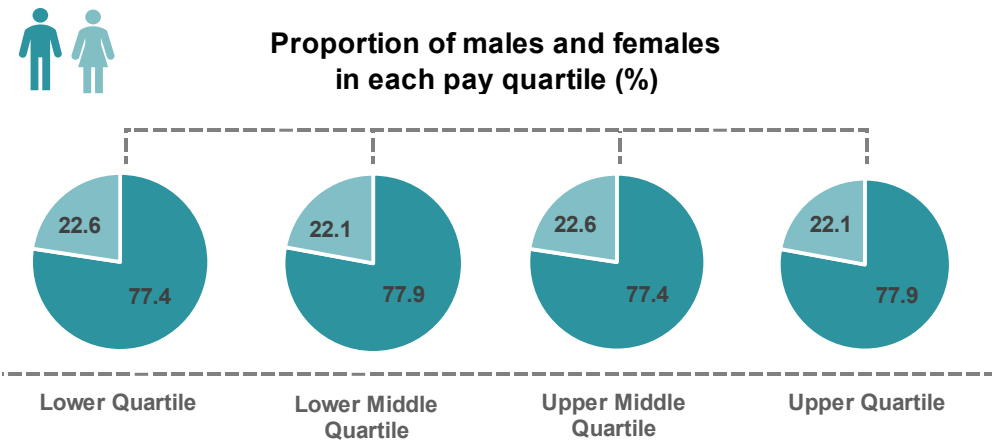
Gender Pay Gap Data Analysis 2025

The gender pay gap at Scottish Leather Group in 2025 continues to be influenced by workforce composition, particularly the distribution of men and women across senior leadership and technical roles.

Our key findings for 2025 are:

- 0% Pay difference between men and women in the same roles.
- 0% Pay difference in bonuses paid to men and women in the same roles.
- A median gender pay gap of (1.3)%, with women's median hourly earnings remaining broadly comparable to, and slightly above, men's across the business (female to male employment ratio 1:3.47).
- A mean gender pay gap of 4.6%, reflecting a further reduction year on year and incremental progress in female representation at higher paid levels of the organisation.

Difference between men and women		
	Mean	Median
Hourly rate of pay	4.6%	(1.3)%
Bonus pay	0%	0%



The results demonstrate that Scottish Leather Group continues to maintain pay equity for men and women undertaking equivalent roles. The remaining gender pay gap is driven by structural and representation factors rather than unequal pay practices.

Interpretation of Results

Why Does the Gender Pay Gap Exist?

The factors influencing our 2025 gender pay gap remain consistent with previous years:

- Industry Factors:** The manufacturing sector continues to be traditionally male dominated, particularly in senior leadership, engineering, and technical roles. This wider industry context remains a key structural driver of the gender pay gap.
- Workforce Composition:** While Scottish Leather Group maintains equal pay within roles, a higher proportion of men continue to occupy senior and specialist technical positions, which typically attract higher rates of pay. This imbalance affects average earnings calculations across the organisation. Encouragingly, 2025 data indicates gradual improvement in female representation within middle-management and specialist roles, supporting continued progress toward long-term pay balance.

Historical Data Analysis

Scottish Leather Group has made sustained progress in reducing its gender pay gap over time. Since 2020, the company has achieved a significant reduction in the mean gender pay gap, with the 2025 figure of 4.6% representing an almost 50% reduction compared to 2024.

The continued stability of the median gender pay gap highlights that pay equity at the midpoint of the company is being maintained, with women’s median hourly pay remaining broadly aligned with, and in some cases exceeding, that of men. Compared to typical manufacturing sector benchmarks, where median gaps of 5%-10% in favour of men are common, Scottish Leather Group continues to demonstrate a comparatively balanced pay structure.

While progress is positive, we recognise that further work is required to ensure these improvements extend consistently into senior leadership and across all pay quartiles.

Action Plan and Initiatives

Scottish Leather Group remains committed to addressing the gender pay gap through targeted, measurable actions. During 2025, we continued to build on our existing initiatives:

- **Recruitment & Attraction Strategies**
 - Continued outreach programs to encourage female applicants into technical, operational, and leadership roles.
 - Strengthened relationships with universities and technical colleges to support female participation in STEM pathways.
 - Ongoing review of recruitment processes to mitigate unconscious bias.
- **Career Development & Progression**
 - Continued rollout of leadership development programmes supporting internal female talent.
 - Expanded mentoring opportunities to support career progression and retention.
 - Increased visibility of structured career pathways across operational and professional roles.
- **Outreach & Community Engagement**
 - Engagement with schools, colleges, and universities to promote manufacturing careers to women.
 - Participation in targeted careers events and apprenticeship programmes.
 - Support for early-career female talent through work placements and apprenticeships.
- **Flexible Working & Inclusive Policies**
 - Ongoing promotion of flexible working arrangements.
 - Continued review of family-friendly and parental leave policies.
 - Reinforcement of an inclusive workplace culture that supports retention and progression.

Future Goals & KPIs

Scottish Leather Group remains focused on measurable, long-term improvement. Our key objectives include:

- Aligning female representation in senior leadership and management roles with the manufacturing sector benchmarks of approximately 25%.
- Continuing to reduce the mean gender pay gap year-on-year.
- Maintaining the median gender pay gap within +/- 2%, supporting sustained pay equity across the company.

Commitment from Leadership

Scottish Leather Group remains fully committed to gender equality and transparency. While our gender pay gap continues to be influenced by workforce composition, we are encouraged by the progress made in 2025 and remain focused on building a more balanced organisation.

Through continued investment in recruitment, development, and inclusive workplace practices, we aim to create sustainable opportunities for women at all levels of the business. We will continue to monitor our progress annually and adapt our approach to ensure meaningful, long-term change.

Michelle McDonald

CFO

Scottish Leather Group

28th March 2025