



ESSENTRA



**GENDER
PAY GAP**

REPORT 2017

INTRODUCTION

At Essentra we are committed to building an inclusive culture, where diversity is embraced by everyone, making Essentra a rewarding and successful place to work.

Our ambition is to be an employer of choice. We will attract, develop and retain great talent, from the widest range of backgrounds, and we will actively embrace difference for improved business outcomes. Individuals will feel safe, respected, valued and able to thrive as part of a winning, engaged team.

Our guiding principle is to provide all employees with the opportunity to develop and advance – subject to personal performance and business objectives – and to remunerate fairly with respect to skills, performance, competitors and local market conditions.

In this report, we provide gender pay gap information for Essentra’s UK companies. We know a gender pay gap does exist and we are committed to understanding the causes of the gap and the actions we need to take to close it.

In January 2018, I personally sponsored the establishment of a Diversity & Inclusion (D&I) Steering Group. Chaired by Scott Fawcett (Managing Director, Essentra Components) the membership is broad in terms of tenure, level, age, nationality and background. The purpose of the Steering Group is to build and implement the strategic agenda for D&I across Essentra, establish the measurement framework and ensure D&I is leveraged for everyone’s benefit.

The Steering Group has begun to look at specific actions for leveraging diversity and inclusion in terms of gender, multiculturalism (ethnicity, religion and heritage) as well as age. These will be supported by a series of activity to create a more inclusive culture at Essentra, such as mentoring, reviewing our policies and better collection of data. Along with our Group Board and Group Management Committee, the Steering Group will be a key player as we move forward with this important agenda at Essentra.



Paul Forman
Chief Executive

ESSENTRA KEY FACTS

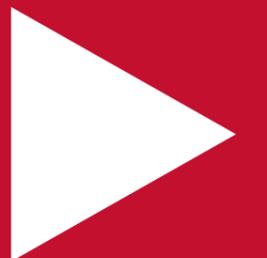


The gender of Essentras’ employees as at 31 December 2017 was:

	MALE	FEMALE
Non-Executive Directors	4	2
Executive Directors	2	0
Senior Managers	77	13
All employees	5,451	2,832

FINDINGS

The findings in this report covers each of three legal entities of Essentra within scope of the UK Regulations: ‘Essentra Components Ltd’, which is sits within our global Components division and ‘Essentra Packaging Ltd’ and ‘Essentra Packaging and Security Ltd’ which sit within our global Packaging division.

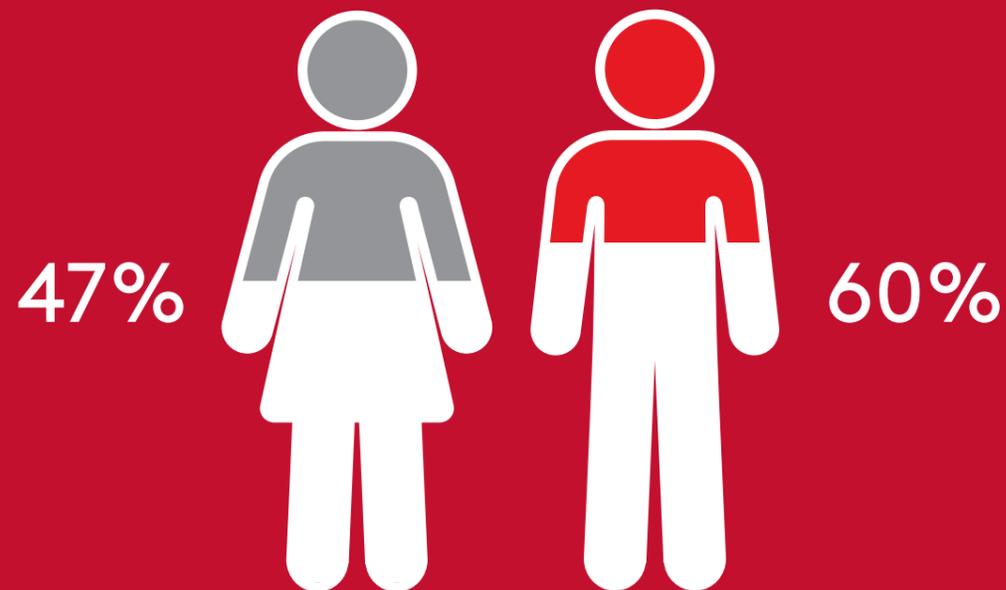


ESSENTRA COMPONENTS LTD

Pay & bonus difference between women & men

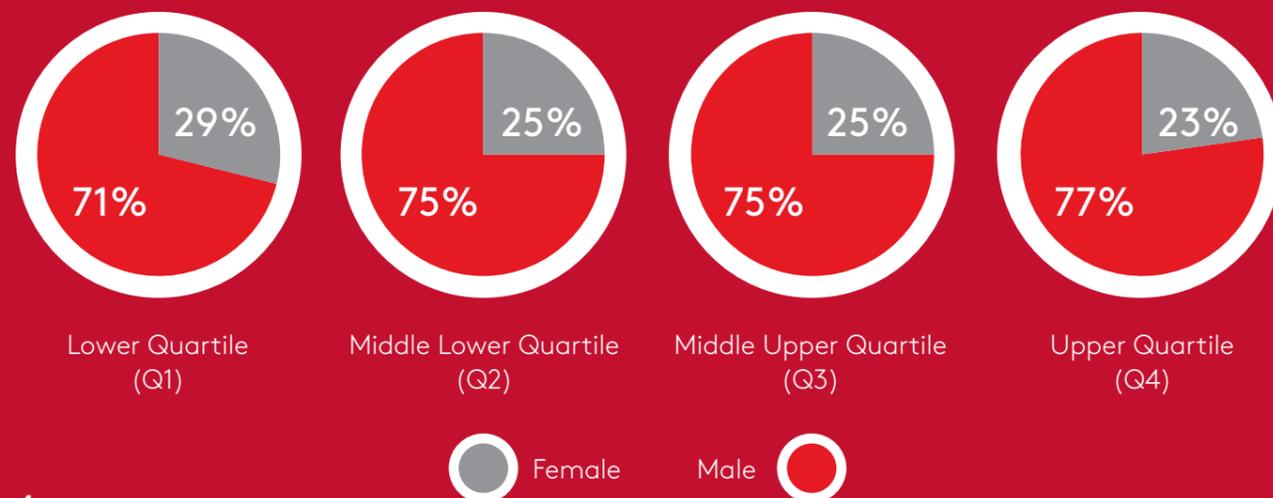
	MEAN	MEDIAN
Hourly Pay	11.1%	4%
Bonus	54.2%	55%

Proportion of women and men receiving a bonus



THIS INDICATES THAT MEN'S PAY AND BONUSES ARE HIGHER THAN WOMEN'S

Pay quartiles across the legal entity's employees

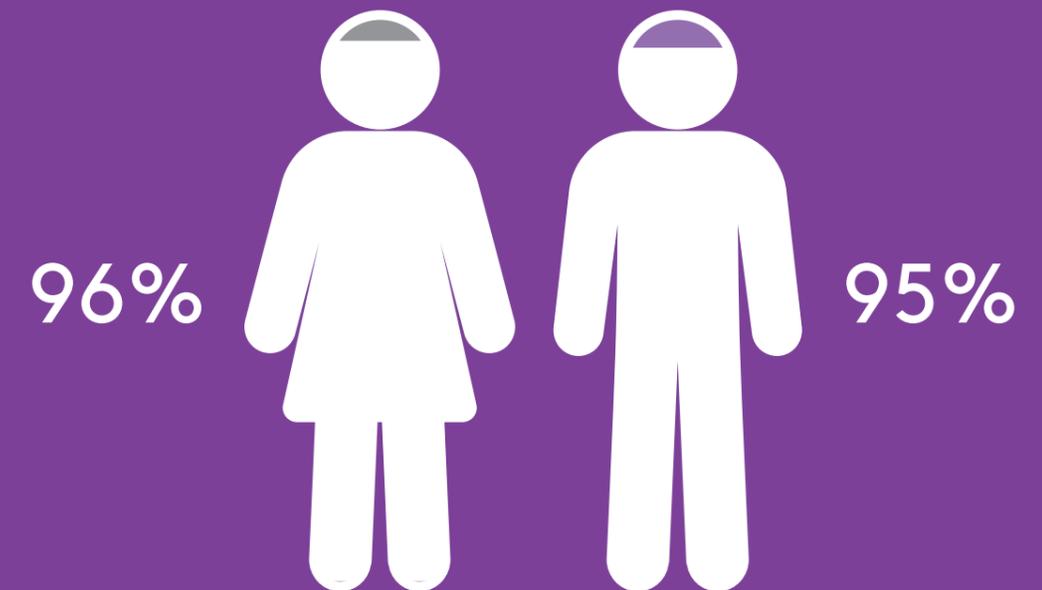


ESSENTRA PACKAGING LTD

Pay & bonus difference between women & men

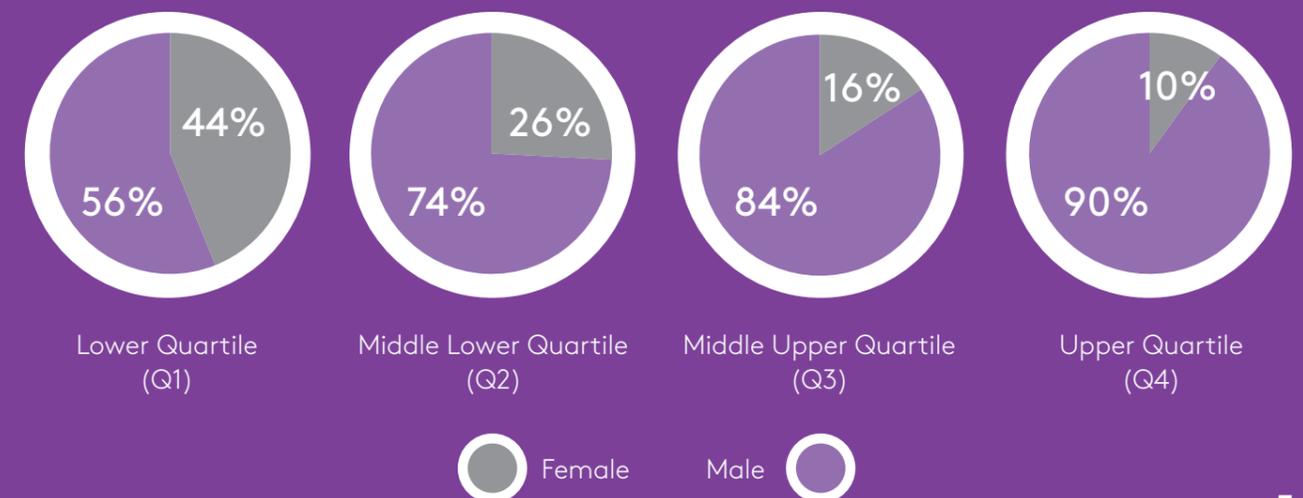
	MEAN	MEDIAN
Hourly Pay	14.1%	21.4%
Bonus	-140.7%	-25%

Proportion of women and men receiving a bonus



THIS INDICATES THAT MEN'S AVERAGE PAY IS HIGHER THAN WOMEN'S BUT THAT WOMEN'S AVERAGE BONUS PAYMENT IS HIGHER THAN MEN'S

Pay quartiles across the legal entity's employees

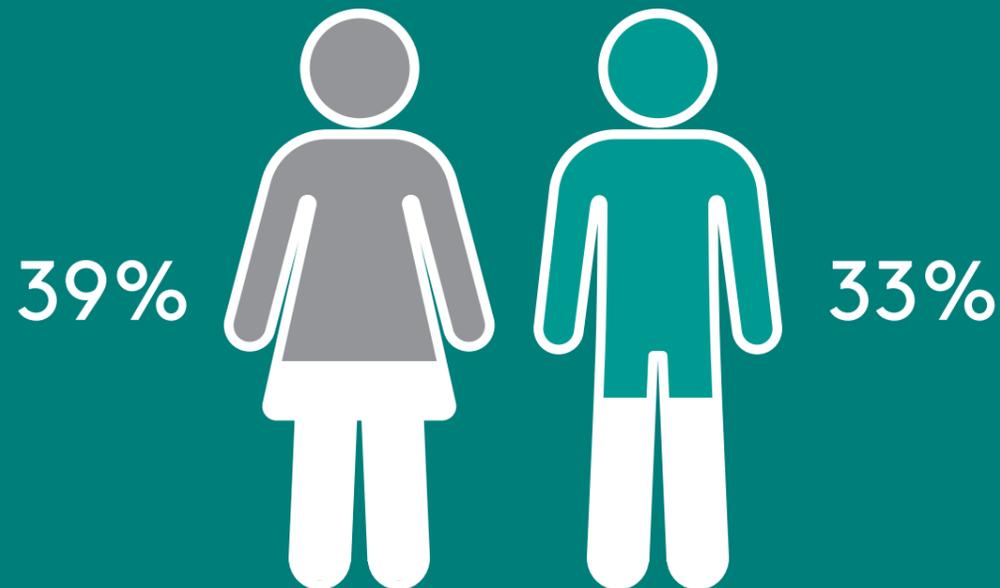


ESSENTRA PACKAGING SECURITY LTD

Pay & bonus difference between women & men

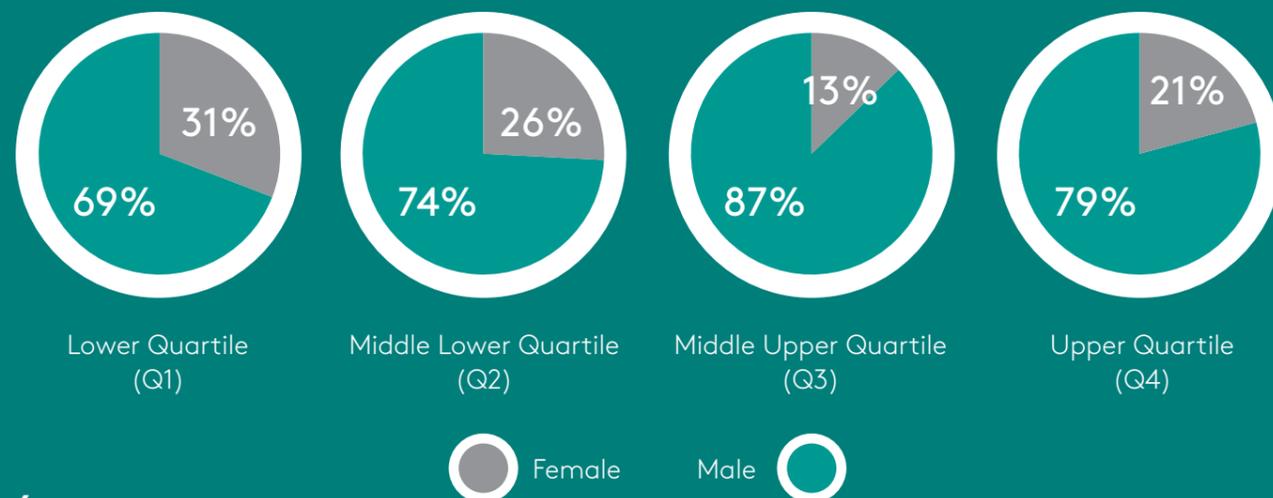
	MEAN	MEDIAN
Hourly Pay	6.2%	11.7%
Bonus	-137.5%	-294%

Proportion of women and men receiving a bonus



THIS INDICATES THAT MEN'S AVERAGE PAY IS HIGHER THAN WOMEN'S BUT THAT WOMEN'S AVERAGE BONUS PAYMENT IS HIGHER THAN MEN'S

Pay quartiles across the legal entity's employees



INDEPENDENT ASSURANCE STATEMENT BY DELOITTE LLP TO ESSENTRA PLC REGARDING THE GENDER PAY GAP DISCLOSURES FOR 2017

What we looked at: scope of our work

Essentra plc ('Essentra') engaged us to provide limited assurance over the six mandatory Gender Pay Gap ("GPG") disclosures ("the subject matter") as required by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ("the Regulations") for the reporting period ending 5 April 2017.

Our assurance procedures covered each of three legal entities of Essentra within scope of the Regulations ('Essentra components Ltd', 'Essentra Packaging Ltd' and 'Essentra Packaging and Security Ltd'). The assured indicators and entities are outlined in detail within Appendix 1, and comprise:

No.	KPI (%)	Scope
1	Mean gender pay gap	Essentra Components Ltd
2	Median gender pay gap	
3	Mean gender bonus gap	Essentra Packaging Ltd
4	Median gender bonus gap	
5	Proportion of men and women receiving a bonus payment	Essentra Packaging & Security Ltd
6	Proportion of men and women in each pay quartile of the organisation	

What we found: our assurance opinion

Based on the scope of our work and the assurance procedures we performed, nothing has come to our attention that causes us to believe that the subject matter, as listed in the table above, is not prepared, in all material respects, in accordance with the applicable criteria.

What standards we used: basis of our work and level of assurance

We carried out limited assurance on the selected indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000 (Revised)). To achieve limited assurance ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. This provides less assurance and is substantially less in scope than a reasonable assurance' engagement.

The evaluation criteria used for our review was the "The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017", as described at: <http://www.legislation.gov.uk/ukdsi/2017/9780111152010>.

What we did: our key assurance procedures

To form our conclusions, we undertook the following procedures:

- Interviewed management at Essentra, including the Compensation and Benefits team, and those with operational responsibility for the assured indicators listed above;
- Evaluated the approach for measurement, calculation and reporting of each indicator as set out in the reporting criteria at: <http://www.legislation.gov.uk/ukdsi/2017/9780111152010>;
- Understood, analysed and tested on a sample basis the key structures, systems, processes, procedures, and controls relating to the aggregation, validation, and reporting of the mandatory GPG indicators set out above; and
- Reviewed the content of the draft disclosure against the findings of our work and made recommendations for improvement where necessary.

¹ The levels of assurance engagement are defined in ISAE 3000 (Revised). A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a half year financial report.

Limitations

In relation to our work performed on the subject matter, we note that our scope of work did not include examinations of the underlying data systems, or the accuracy of the underlying data in systems operated by Essentra.

Responsibilities of Directors and independent assurance provider

ESSENTRA'S RESPONSIBILITIES

The Directors are responsible for the preparation of the subject matter and statements contained within any voluntary narrative disclosure. They are also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived and for calculation of the required indicators.

DELOITTE'S RESPONSIBILITIES, INDEPENDENCE AND TEAM COMPETENCIES

Our responsibility is to independently express conclusions on the subject matters as defined within the scope of work above to Essentra in accordance with our letter of engagement. Our work has been undertaken so that we might state to Essentra those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Essentra for our work, for this report, or for the conclusions we have formed.

The maintenance and integrity of Essentra's websites is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported subject matter when presented on Essentra's website.

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the

preparation of the subject matter. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of responsible business experience, including many years' experience in providing non-financial assurance.

We have confirmed to Essentra that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Deloitte LLP

London, United Kingdom
5 January 2018