

Schaeffler (UK) Ltd is required by law to publish an annual gender pay gap report.

This is its report for the snapshot date of 5th April 2017.

## What are the underlying causes of Schaeffler (UK) Ltd's gender pay gap?

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

Schaeffler (UK) Ltd is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

- reviews pay and benefits at regular intervals;
- evaluates job roles and pay grades as necessary to ensure a fair structure

Schaeffler (UK) Ltd is therefore confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid. This pattern from the UK economy as a whole is reflected in the make-up of Schaeffler (UK) Ltd's workforce, where the line manager and senior manager roles are held by men.

This can be seen in the chart on the right depicting pay quartiles by gender. This shows Schaeffler (UK) Ltd's workforce divided into 4 groups based on hourly pay rates, with 14.8% of women in the upper quartile. While the highest proportion of women is in the lowest quartile at 23%.

## How does Schaeffler (UK) Ltd's gender pay gap compare with that of other organisations?

The vast majority of organisations have a gender pay gap, and we are pleased to be able to say that Schaeffler (UK) Ltd's gap compares favourably with that of other organisations.

The mean gender pay gap for the whole economy (according to the November 2016 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 18.1%. At 17.7%, Schaeffler (UK) Ltd's mean gender pay gap is, therefore, lower than that for the whole economy. Also when taken into context with the male dominated engineering sector that Schaeffler operates within it is a favourable comparison.

The median gender pay gap for the whole economy (according to the 2016 figures) is 9.4%. At 5.6%, Schaeffler (UK) Ltd's median gender pay gap is, therefore, lower than that for the whole economy.

## What is Schaeffler (UK) Ltd doing to address its gender pay gap?

While Schaeffler (UK) Ltd's gender pay gap compares favourably with that of organisations across the whole UK economy, this is not a subject about which Schaeffler (UK) Ltd is complacent, and it is committed to doing everything that it can to reduce that gap. However, Schaeffler (UK) Ltd also recognises that its scope to act is limited in some areas - it has, for example, limited direct control over the subjects that individuals choose to study or the career choices that they make.

To date, the steps that Schaeffler (UK) Ltd has taken to promote gender diversity in all areas of its workforce include the following:

- Forming links with schools near our locations to promote careers in engineering for both genders
- Flexible working policy – very few applications are rejected

None of these initiatives will, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In addition labour turnover at Schaeffler (UK) Ltd is very slow, and this coupled with a consolidation of our headcount levels means that changes in the demography of the company will take time.

In the meantime, Schaeffler (UK) Ltd is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

In the coming year, Schaeffler (UK) Ltd is also committed to:

### Creating an evidence base

To identify any barriers to gender equality and inform priorities for action. It will include identifying:

- the proportions of men and women applying for jobs and being recruited;
- the proportions of men and women applying for and obtaining promotions;
- the proportions of men and women leaving the organisation and their reasons for leaving;
- the numbers of men and women in each role and pay band;

### Undertaking a formal pay and benefits audit

### Engaging with local industry organisations to share best practice to reduce the pay gap

### Offering mentoring programmes to educate employees on how to negotiate promotion

### Engaging with female employees to identify and support development for promotion or horizontal moves into previously male dominated roles

### Participating in Best Women in Engineering / Automotive Awards

## Pay difference between women and men:

All Schaeffler (UK) Ltd employees at 05.04.2017

The mean gender pay gap for Schaeffler (UK) Ltd is:	17.7%
The median gender pay gap for Schaeffler (UK) Ltd is:	5.6%
The mean gender bonus gap for Schaeffler (UK) Ltd is:	19.7%
The median gender bonus gap for Schaeffler (UK) Ltd is:	20.3%

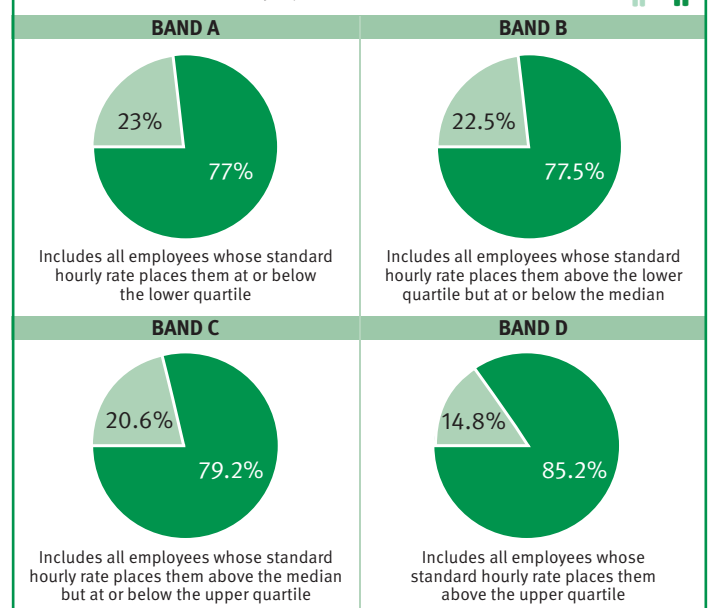
## Proportion of UK employees receiving a bonus:

In the 12 months preceding 05.04.2017



## Pay quartiles by gender:

All Schaeffler (UK) Ltd employees at 05.04.2017



The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

I, **Adrian Roberts**, HR Director, confirm that the information contained in this statement is accurate.

SIGNED

DATE

22.03.2018