

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, as a company with more than 250 employees, Flakt Woods Ltd are required to publish their gender pay gap within one calendar year of April 5th 2017.

Flakt Woods Ltd is committed to equal opportunities and creating a diverse and inclusive place to work as fundamental to creating a more innovative and high performing company to build for the future. We take this commitment seriously and are always looking for initiatives to make this happen to better reflect and serve our global customers and the community.

The legislation involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation; it will not involve publishing individual employees' data.

The results we can use to assess:

- the levels of gender equality in our workplace
- the balance of male and female employees at various levels
- how effectively talent is being maximised and rewarded

The challenge in our organisation and especially within manufacturing and engineering environments is to eliminate any gender pay gap and more importantly to increase the diversity within the organisation to attract women engineers into the industry.

The gender pay gap is distinct from 'Equal Pay' that looks at individual levels ensuring women and men are paid equally for carrying out similar work.

Understanding our Gender Pay Gap

Pay difference between women and men

	Median	Mean
Gender Pay Gap	-2.7%	10.4%
Gender Bonus Pay Gap	12.4%	43.3%
Proportion of males and females receiving a bonus payment	 36.6%	 16.7%
All Employees Gender Split	 85.6%	 14.4%

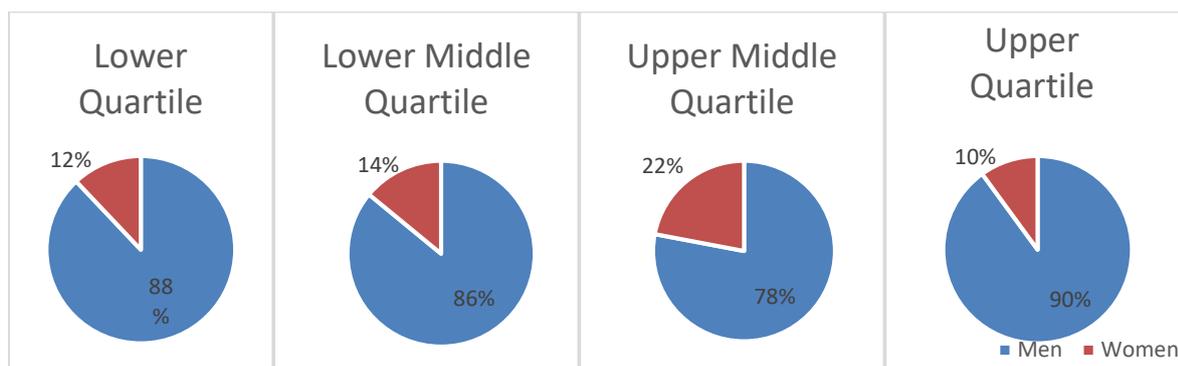
The table above shows our gender pay gap as a snapshot of the difference between the average hourly pay levels of all women compared to men, irrespective of their role in the organisation, expressed as a percentage of men’s average pay. Pay includes basic pay, allowances and shift pay. Our figures represent the mean hourly pay for men is 10.3% greater than for females, significantly lower than the Office of National Statistics (ONS) Great Britain (England, Scotland and Wales) figure of 18.1% (2016 data). With regard to the median calculation, our figures show that women’s median pay is 2.75% higher than men’s.

The explanation of our gender pay gap data and the difference in average pay is due to more men in senior roles within the organisation. The median pay gap in favour of women indicates that the majority of women in the organisation are within mid-level roles, with men fulfilling more senior roles and an even higher number of the blue-collar roles within our manufacturing operations.

Several senior roles in the organisation are eligible for a bonus payment and as indicated above there are more men than women in these senior positions. The Company also employs a significant amount of technical sales people whose roles attract a commission scheme, and 88% of these roles are carried out by men. Both factors contribute to the 43.3% average bonus pay gap.

The Company is confident that the gender pay gap is not indicative of different rates for men and women in equivalent roles, rather it is a result of the type of roles men and women undertake within the organisation and the salaries these roles attract.

Pay Quartiles across men and women in the UK



The charts above show the gender distribution between the four pay quartiles. The percentage split within each quartile is representative of the overall gender split in the organisation. However, there is a slightly higher percentage of women in the Upper Middle quartile compared to the other quartiles, reflecting the comment above that there are more women within middle level roles in the organisation.

Continuing Initiatives to take action

We are pleased to be able to report that the Company's gender pay gap is lower than the average for the manufacturing and engineering industry, and that although only 14.4% of our workforce is women, this is still higher than the 9%

industry average cited in 2016 in the “Skills and Demands from Industry 2016 Survey” published by the Institution of Engineering & Technology

That said, there is more progress to be made and we remain committed to attract more women into our company and the industry, more specifically into engineering and sales pathways.

We work closely with local schools on science, technology, engineering and mathematics (STEM) projects encouraging young women to participate in these projects to develop an understanding for engineering activities. Working with these local schools, and extending to colleges, we actively promote our Engineering Apprenticeship Programme to encourage school leavers to embark on our apprenticeship programme. Our Apprenticeship Programme allows individuals to work within all departments across the organisation to discover their passion and skill with the aim of finding the area of the business to commence their full-time post apprenticeship position. Often upon completion our employees continue further education embarking on an HNC and this can be followed by a Degree level qualification. Many roles within the organisation require a technical background and knowledge, therefore our apprenticeship provides opportunities for women to develop a long-term career.

The company is also involved in other programs. We are a corporate organisation and have many individuals whom are members of the Chartered Institute of Building Services Engineers (CIBSE), and through CIBSE and CIBSE Patrons our team are engaged in programs such as the “Young Engineers Network” and other initiatives to encourage students, male and female, to pursue a technical line of work. We are evaluating participating in other complementary programmes such as the International Women in Engineering Day.

The company plans to initiate gender monitoring to gather quantitative data to understand the proportions of men and women applying for roles and being successfully recruited, as well as for internal promotions. This gender monitoring can extend to more qualitative information through schools and colleges and reasons for leaving, to enable us to identify the drivers and barriers for females entering the industry.

We operate an Equal Opportunities policy in all aspects of employment including recruitment, promotion, opportunities for training and pay and benefits.

Declaration

I confirm that Flakt Woods Ltd gender pay gap calculations are accurate and fully meet the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations.



Helen Gilfillan
UK HR Director