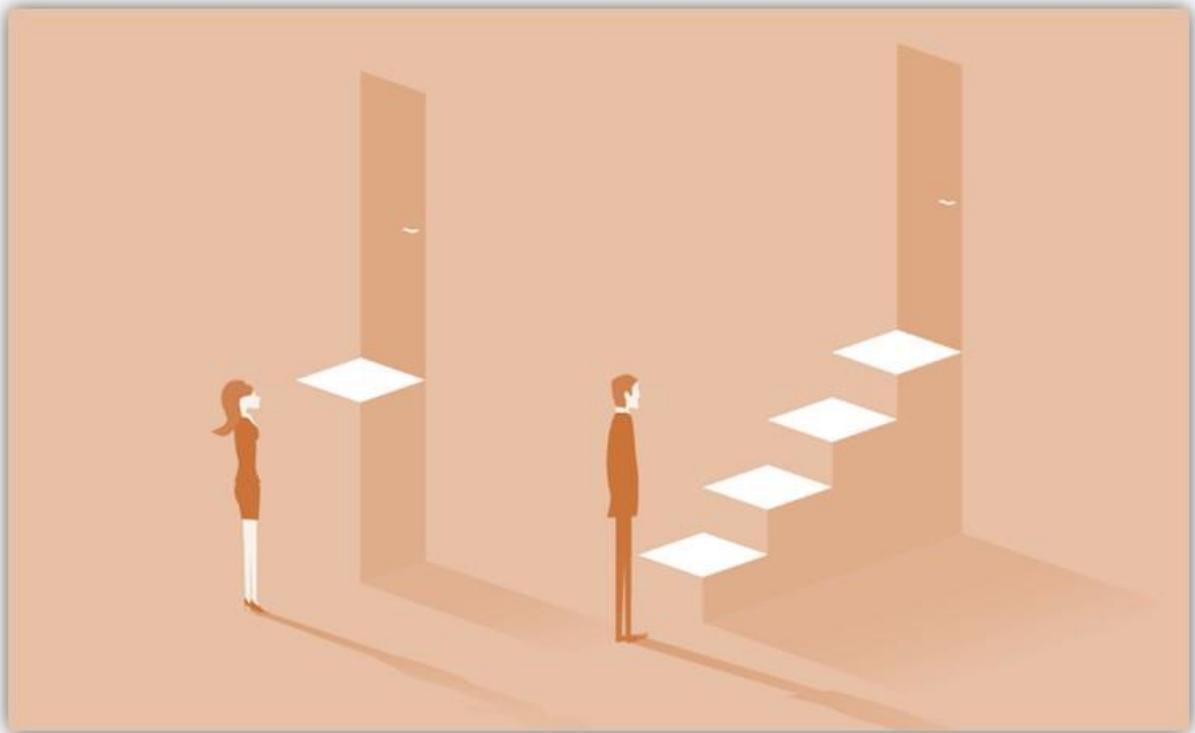


VANDERLANDE

The Gender Pay Gap Report

April 2017



Overview

Following the introduction of new legislation, all organisations with over 250 employees in the UK are required to publish their Gender Pay Gap information on an annual basis.

Vanderlande Industries UK Limited wants to ensure that the business creates an environment for all employees to thrive and where nothing gets in the way of them fulfilling their potential and aspirations.

Understanding the Gender Pay Gap

The **Gender Pay Gap** is defined as the difference between two measures; the Mean and the Median hourly rate of pay that male and female employees receive. It is expressed as a percentage of male's earnings.

Also measured is the **Gender Bonus Gap**. This is defined as the difference in Mean and Median **bonus pay**. **The proportion of male and female employees who received bonus pay has also been measured.**

According to The Office For National Statistics, the overall national average Median gender pay gap for the UK as of April 2017 was 18.4%.

The Gender Pay Gap is different to equal pay. Equal pay means that males and females in the same employment performing equal work must receive equal pay, as set out in The Equality Act 2010.

The Gender Pay Gap can have many causes, such as low representation of females at senior levels or in certain roles. Increasing transparency is vital to start to close The Gender Pay Gap and Vanderlande in the UK welcome this legislation as a catalyst for change.

The Data at a Glance: The Gap between Mean and Median Pay

The Mean pay gap is the difference between average hourly earnings of male and female employees.

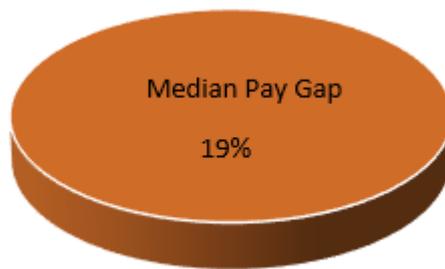
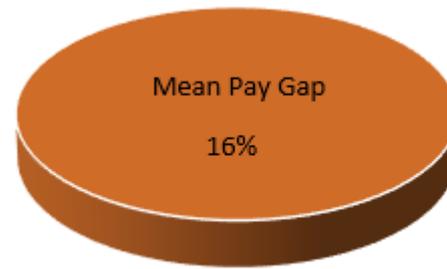
The Median pay gap is the difference between the midpoints in the ranges of hourly earnings of male and female employees. It takes individual employee pay and lines the pay in order, from lowest to highest, and compares the pay at the midpoint.

The gender representation across Vanderlande's two UK businesses, is represented by splitting pay into four equal parts referred to as quartiles. The lower quartile consists of those employees who received the lowest pay; the upper quartile consists of those who received the highest. The mid-lower and mid-upper fall between these two quartiles.

These figures are provided in the charts below and are based on the hourly rate of pay as at 05 April 2017 and bonuses paid in the 12 months prior to 05 April 2017.

This data shows the difference between average hourly pay of male and female employees.

Mean hourly pay gap between male and female employees 16%.



Median hourly pay gap between male and female employees 19%.

At 05 April 2017, Vanderlande Industries UK Limited employed 415 permanent employees and 21 self employed direct contractors, 85% being male and 15% being female. Therefore, the unequal distribution of males and females through our business is the main driver of Vanderlande Industries UK Limited Gender Pay Gap.

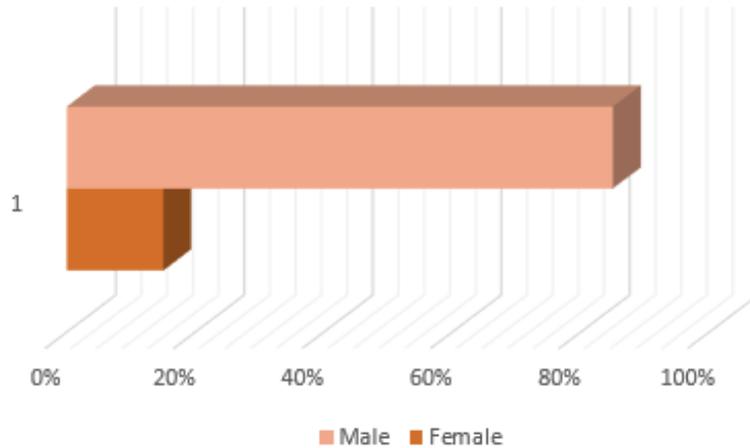
The Gender Bonus Pay Gap

This includes all permanent employees and self employed direct contractors, regardless of whether they are on maternity, paternity, or sick leave and sets out the gap between the average bonuses paid to male and female employees.

The Mean bonus pay gap between male and female employees at 05 April 2017 was 8.45%.

There is no Median bonus pay gap. This conclusion was drawn from analysing the the midpoints of bonuses paid to male and female employees.

Proportion of male and female employees receiving a bonus payment



For the FY2016/17 ALL male and female employees received a bonus

Proportion of Male and Female Employees in Each Pay Quartile

This table shows the gender split when the hourly rate of pay was ordered from the lowest to highest and then dividing the total number of employees into four equal parts.

Table 1

% of employees in each Quartile	Female	Male
Upper Quartile	14%	86%
Upper Middle Quartile	6%	94%
Lower Middle Quartile	14%	86%
Lower Quartile	27%	73%

The above table illustrates that the majority of females employed by Vanderlande Industries UK Limited are in the lower and lower middle quartiles, which confirms that there is a low percentage of females in the more senior positions (upper quartiles). It is important to note that the same percentage of females are in both the lower middle quartile and the upper quartile.

Our Analysis

Vanderlande Industries UK Limited is confident that its gender pay gap is not the result of a systematic equal pay issue, because its pay practices and design include regular gender checks and balances.

The business carried out an analysis to better understand the causes of the pay and bonus gap which suggests that any pay gap at different levels is predominantly driven by the structure of the workplace. The nature of the business requires a high number of engineers and traditionally these roles have attracted more males than females. In addition, there are some other factors that influence The Gender Pay Gap:

- A high proportion of Vanderlande Industries UK Limited roles demand fully qualified engineering and information technology experts with a proven track record. This can be a very competitive environment where skills are scarce and historically a higher percentage of males have entered into this career choice. This is slow to change at a grass roots level across the UK.
- Many females in the business are in roles that are either qualified specialists or business support and the requirement for the numbers in these roles is less.

Through the 'Early Careers' Strategy Vanderlande UK is reviewing how the business can become more engaged with school leavers by offering vacation and work experience opportunities in the hope that more young females consider a role in our industry when making an early career choice.

Additionally, in the hope that more females enter into the technology industry the business is working hard to make a career at Vanderlande Industries UK Limited an appealing prospect. For the past four years the business has developed and delivered a successful graduate programme which has seen good retention rates and in 2017 it launched an apprenticeship programme as part of the Early Careers Strategy with the objective of attracting young males and females into the business in order to build a pipeline for talent and succession planning for the future.

Action Plan

Achieving an improved gender balance at all levels (and therefore, improving The Gender Pay Gap), is a priority for the organisation and its culture. The business believes that this drives sustainable progress and growth, and whilst this approach takes time, it is equitable and supports the commitment for long term careers. This is about really understanding how organisational culture, expectations and practices in the technology sector impacts males and females. And it is also about having the right actions in place to address this from a number of aspects, and holding the senior leaders to account to accelerate progress.

Vanderlande Industries UK Limited is satisfied that its recruitment and retention strategies are not biased against gender. Senior leaders in the business are committed to breaking down the stereotypical barriers and beliefs that traditional engineering and information technology roles are male dominated. In addition, as a team working together, all employees are committed and welcome the drive to change the business and industry image.



I can confirm that the data reported is accurate.



Sue Beech
Head of HR, People & Organisational Development