

Gender Pay Gap Report 2018



VANDERLANDE

MESSAGE FROM SUE BEECH, HEAD OF HR
PEOPLE & ORGANISATIONAL
DEVELOPMENT



Vanderlande sees the sharing of our Gender Pay Gap Report as an integral step in having more meaningful conversations about equality. We place great importance on these conversations. We do recognise that, for a growing number of people, gender doesn't simply refer to male or female. For the purposes of this report, though, our gender pay gap is calculated using the approach required by the regulations, which compares the pay of males and females.

To make a real and sustainable difference, we need to continue to encourage changing mindsets. Inclusion is about the behaviours that welcome and embrace diversity. Our commitment to creating an inclusive culture at Vanderlande remains central to our values and imperative to our business.

We welcomed the introduction of gender pay gap reporting last year. Publishing this information encourages businesses to take gender equality seriously. The data and transparency from this report will put us in the best position to start tackling the issues behind the numbers. We do see it as our responsibility to understand and address the reasons behind it.

We realise that we cannot affect change overnight and are committed to taking long-term actions to close the gender pay gap.

At Vanderlande the way we think about our gender pay gap is part of our commitment to ensure everyone can reach their full potential. Regardless of gender, race, ethnicity, sexual orientation, age, religion, disability or caring responsibilities, we want everyone to have the same opportunity to progress and be fulfilled at work.

To achieve our goal of a genuinely diverse and inclusive workplace we must remove barriers that have been part of business and wider society for centuries. This means tackling systemic biases and contributing to a wider debate about the sort of society we all wish to see. Diverse and inclusive organisations are more representative of their customers, are better placed to develop innovative products and services, are more attractive to prospective employees and have greater opportunity to maximise the potential of their people.

Inevitably, this sort of cultural change takes time. This report sets out what we have been doing, including setting up our Graduate and Apprenticeship programme for both males and females. We are making change, however there is still more we can do. I am committed to removing barriers that prevent women getting into leadership positions and to do more to attract and retain talented women across our organisation."

This report contains Vanderlande's 2018 gender pay gap information, as required under The Equality Act 2010 (Gender Pay Gap Information) Regulations.

I confirm the gender pay gap data contained in this report is accurate and has been produced in accordance with the regulations.

A handwritten signature in blue ink that reads "Sue Beech".

Sue Beech
Head of HR, People & Organisational Development
Vanderlande Industries UK

UNDERSTANDING THE GENDER PAY GAP



What is the Gender Pay Gap?

The gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of roles and seniority) it looks across all jobs at all levels within an organization.

It is different from an equal pay comparison, which would involve direct comparison of two people or groups of people carrying out the same, similar or equivalent work.

How are the Median and Mean Gaps Calculated?

The median pay gap is calculated by finding the exact middle point between the lowest and highest paid woman in an organisation and the lowest and highest paid man, then comparing the two figures.

The mean pay gap is calculated by adding up the hourly pay of all the women in an organisation and dividing by the number of women, doing the same sum for the men, then comparing the two figures. This is also affected by the different numbers of men and women in different roles.

These median and mean calculations are also carried out when comparing bonus pay over a twelve-month period. The proportion of men and women awarded any bonus pay over that period is also reported.

How are the Pay Quartiles Calculated?

In the report we also share the percentage of male and female employees in each pay quartile across Vanderlande's two UK businesses. Quartiles are calculated by listing the rates of pay for each employee across the business from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each. They should not be confused with the position of employees within Vanderlande's pay ranges set for each role.

What is included in our calculations?



Calculations of mean and median pay and of quartile pay bands are based on data from April 2018 only, including ordinary pay and bonus pay.

Ordinary pay is not limited to basic pay, but also includes other types of pay such as pay for leave and shift premium pay. It doesn't include pay for overtime, pay relating to redundancy/termination of employment, pay in lieu of leave or the value of benefits which are not in the form of money.

Bonus pay includes any additional pay relating to profit sharing, productivity or performance, when in the form of money or vouchers. In our case, the vast majority of bonus pay is in the form of the annual Partnership Bonus but we do also have other performance-related incentives, such as our One Step Beyond scheme. Calculations of mean and median bonus pay use bonus pay from the twelve months ending on 5 April 2018.

OUR RESULTS

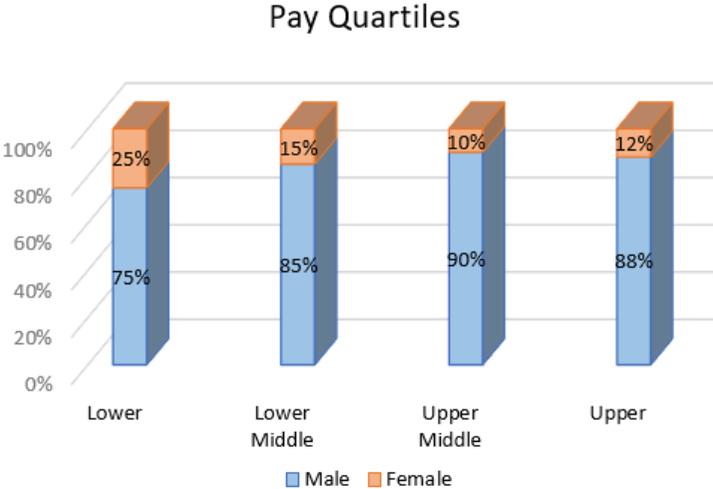
The numbers below illustrate the pay gap for Vanderlande employees across the UK based on hourly pay rates as of 5 April 2018 and bonuses paid, in the 12 months ending 5 April 2018.

	Median	Mean
Gender Pay Gap	18%	17%
Gender Bonus Gap	60%	52%
The proportion of male Females receiving bonus Pay	Female 98%	Male 92%

The Mean hourly pay gap between male and female employees is 17%, and the the Median hourly pay gap between male and female employees is 18%.

Our mean and median bonus gaps are higher than our gender pay gaps. The structure of our workforce is also influencing our bonus gaps. The gap is affected by our senior level roles or specific parts of our business have larger bonus opportunities, and these roles are mainly held by males. In addition, the way the legislation sets out bonus pay gap calculations does not take into account the fact that we pro-rata bonuses for our people who work reduced hours, the majority of whom are female.

Understanding the gap: The representation of women in our workforce drives our gender pay gap. The overall composition of our workforce in the UK is 85% male and 15% female. There are also more males in leadership positions, which pay more, and these positions have higher bonuses, resulting in a bonus gap greater than our hourly pay gap.



The table above illustrates that our overall gender pay gap is driven mainly from the upper pay quartile, which is heavily male-dominated. It is evident that the majority of women employed by Vanderlande are in the lower and lower middle bands which confirm the fact that we have a low percentage in the more senior positions (Upper middle and Upper bands). The unequal distribution of men and women through our business is the main driver of our gender pay gap.

OUR ANALYSIS

We recognise that our numbers have not changed significantly and in some cases are showing a slight decline, but we are confident our actions will help us create an inclusive culture at Vanderlande, which in turn should reduce our gender pay gap.

The underlying causes of our gender pay gap are long standing and complex. The Engineering and information technology industry is a male-dominated workplace. Our analysis of pay and bonuses suggests any pay gap at different levels is predominantly driven by the structure of our workforce. Our workforce comprises of 85% male and 15% female.

TACKLING OUR GENDER PAY GAP

Achieving a better gender balance at all levels (and therefore improving our gender pay gap), is a priority for our organisation. We believe this encourages sustainable progress, and while this approach takes time, it is equitable and supports our commitment to long term careers. This is about really understanding how organisational culture, expectations and practices in our sector impact on women and men. And it is also about having the right actions in place to address this from different aspects and holding our senior leaders to account to accelerate progress. For this reason, we need to ensure our action plan is continuous and reviewed annually.

Promoting our policies to support progression



We believe there are two specific policies that can help make us be an even more inclusive organisation to be part of and support the progression of our employees. These are our flexible working policy and our shared parental leave policy. While having these policies is good, we do recognise that we could do a better job of making all employees aware of them.

Graduates



We have expanded our graduate and apprenticeship programmes to reflect our commitment to improving employment opportunities and attracting diverse talent. First, we have been clear that at graduate level, we need to achieve an equal proportion of men and women.



Partnering with Schools

We are partnering with schools across the country to promote careers in Engineering and ultimately Vanderlande as an employer; and engaging with local schools to create a network of STEM ambassadors to encourage males and females in schools to take up STEM subjects and as a result consider engineering careers.

3 YEAR ACTION PLAN



Interview/Unconscious bias training

Unconscious bias training will be delivered to line managers and individuals involved in recruitment decisions and embedded across our development programmes and into our Values and Behaviours to effect cultural change.



Coaching

Vanderlande understands the benefits of mentoring and coaching for progression. We will be implementing a coaching programme in 2019 with coaches who are trained to an accredited standard. Our coaches and mentors will enable employees to seek support, build confidence and make connections.



Developing our attitudes to flexible working:

All our employees have the opportunity to request to work flexibly and research shows that flexible working helps support the progression of women, for instance job shares and adjusted working patterns that mean our people can start late or finish early to fit in commitments like school runs. We do this, so we attract and keep the best people.