



VANDERLANDE

Vanderlande Gender Pay Gap Report
2019

Our gender pay gap

Vanderlande published its first Gender Pay Gap report in 2018, in line with the UK government's reporting legislation. The report set out Vanderlande's commitment to Diversity & Inclusion and to addressing our gender pay gap. We continue that journey, maintaining our approach and strategy. We remain confident that we have equal pay, however we do acknowledge that we have a gender pay gap. The main reason for this is having fewer women in senior positions. Since our last gender pay gap report, we had made steps to improve our gender balance and diversity, but we recognise that this takes time to achieve. We are working hard to improve our position and to ensure that everyone who works for us and with us, feels respected and included regardless of gender or any other characteristic.

We have identified a gender pay gap when we compare the overall average pay and bonuses of our male and female employees. While our gender pay gap is lower than the current ONS national average of 17.3%, we are committed to ensuring our policies address the business issues raised through the gender pay reporting regime. The analysis below for Vanderlande UK is based on the government's methodology - using hourly rates of pay as of the snapshot date of 5th April 2019 and comparing bonuses paid in the 12 months up to 5th April 2019.

Our results this year show improvement in several areas of the gender pay gap analysis. We fully recognise that this is a journey and that it will take many years of investment and leadership to enable lasting change, but we firmly believe our commitment and actions to drive this topic are having an impact.

We will continue to focus on pay equality alongside our commitment to increasing female representation across all levels and professions of the organisation. Our efforts will remain concentrated on those key factors that influence change - including expanding our pipeline of talent, empowering and retaining our people through an inclusive culture and supporting our customers through diversity.

We recognise that we have more work to do to strengthen the pipeline of women leaders. The measures we are putting in place to address this will take time, but we are confident they will positively impact our business, help narrow our gender pay and bonus gaps, and promote a culture that encourages women to develop and progress their careers at Vanderlande UK.



Declaration

As Head of HR, People & Personnel Development, I, Sue Beech, can confirm that the information contained herein is accurate.

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

Sue Beech, Head of HR, People & Personnel Development

Gender pay gap reporting – an overview

- **What is the gender pay gap?**

- The gender pay gap is the difference in the average earnings between men and women, regardless of the work they do. Gender pay differs from 'equal pay', which looks at pay differences between men and women carrying out the same or comparable work.

Since April 2017, employers in all sectors that employ 250 or more people in England, Scotland and Wales have been required by law to report their gender pay gap figures on an annual basis on their own website and on the own governments website. The published gender pay gap report includes the following six calculations:

- Mean gender pay gap hourly pay
 - Median gender pay gap in hourly pay
 - Mean bonus gender pay gap
 - Median bonus gender pay gap
 - Proportion of males and females receiving a bonus payment
 - Proportion of males and females in each pay quartile
-

Median and mean pay explained

Median Calculation



Lowest paid



The median
M vs F



Highest paid

The median is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages.

Mean Calculation

Sum of male hourly rates



Total number of male employees

Sum of female hourly rates



Total number of female employees

The mean is calculated by adding up wages of all relevant employees and dividing the figure by the number of employees. The mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.

Our Results

Mean Gender Pay Gap 12%

Median Gender Pay Gap 16%

Colleagues receiving a bonus

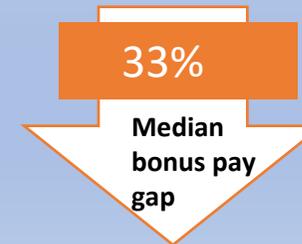
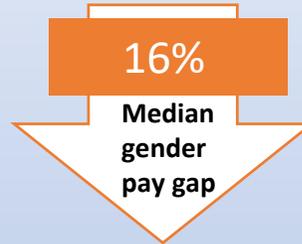
| Male | Female |
|------|--------|
|------|--------|

| | |
|-----|-----|
| 67% | 74% |
|-----|-----|

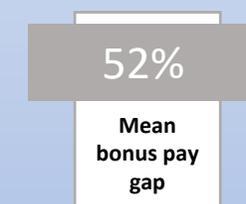
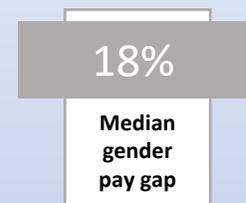
Mean Gender Bonus Pay Gap 34%

Median Gender Bonus Pay Gap 33%

2019



2018



Interpreting the data

This year our mean and median gender pay gap and gender bonus gaps have all reduced marginally compared to the last two years.

As of 5th April 2019, our mean gender pay gap is at 12%, dropping from 17% from 5th April 2018. Additionally, we are pleased to report that our median pay gap has also dropped down from 18% as of 5th April 2018, to 16% as of 5th April 2019.

Similarly, this is the same for our bonus gender pay gap. The average bonus for a more senior employee is much higher than the average bonus for more junior employees – and there are significantly more men than women who hold the most senior roles – the bonus gap (at 33% for the median and 34% for the mean) is a consequence of fewer women than men in senior roles.

While we welcome this movement the change does remain small. As we noted last year, this further slight reduction is a sign that our efforts are working. However, we still want to see sustained and more significant improvement before drawing firm conclusions.

As gender pay gaps are based on averages taken across the whole of an organisation, they do not take into account factors such as job type or different levels of seniority. We have reviewed our gender pay gap figures carefully and the pay gaps that are visible result from the distribution of men and women between Hay bands across Vanderlande UK. We are confident that men and women at Vanderlande UK are paid equally for doing the same job.

We know that our gender pay gaps are driven by two main factors:

- i. The higher proportion of men in more senior (higher paid) roles; and
- ii. The higher proportion of women in more junior (lower paid) roles.

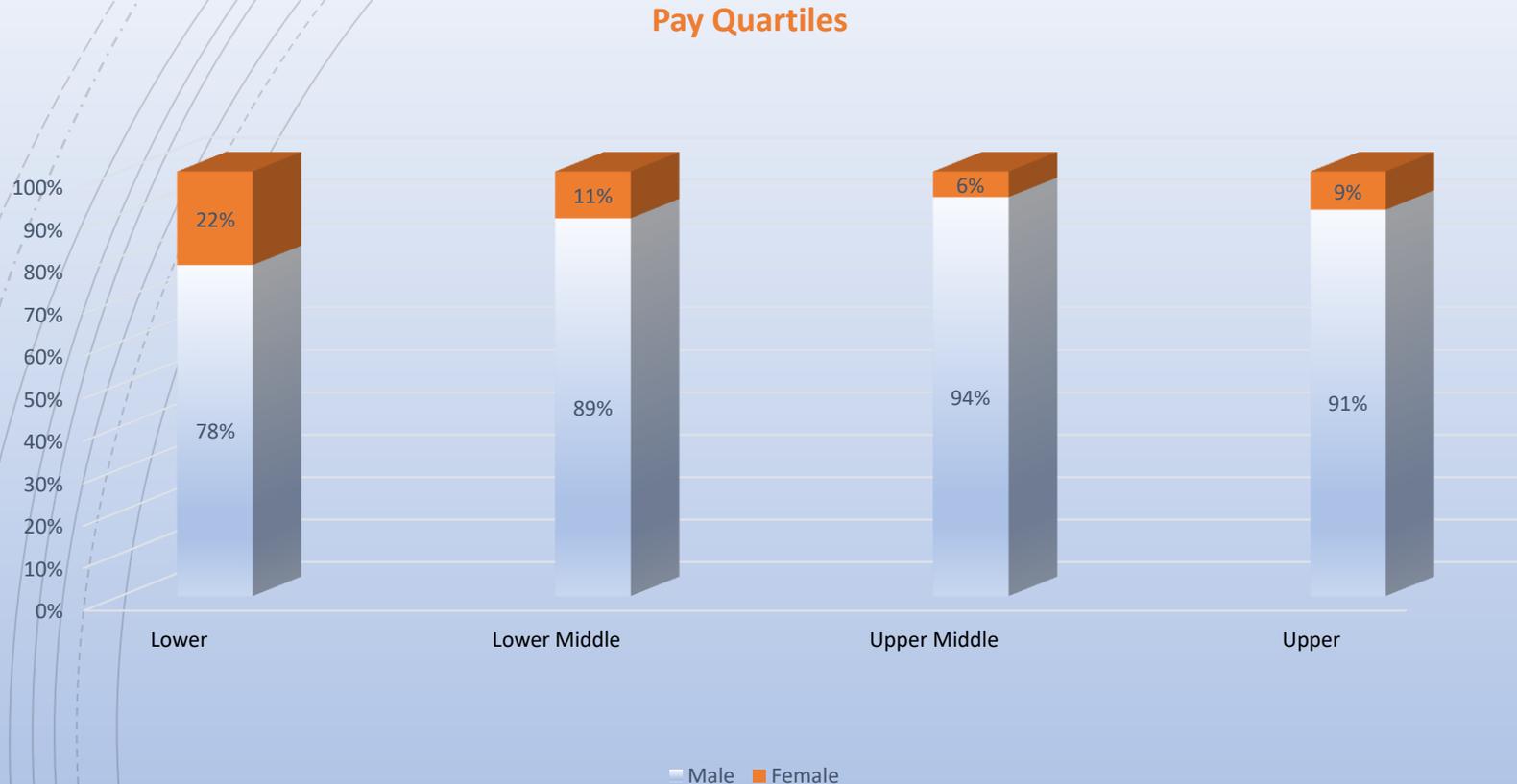
While the underlying causes of our gender pay gap may be long standing and complex, we will continue to channel our energy and resources into actions that we believe will have greatest impact in tackling them. Data and insight will help us to identify ways we can make a difference. Better understanding leads to more effective action, so we will continuously interrogate our data and listen to our people and customers.

We are proud of our efforts to create an inclusive culture and what we are doing to try to accelerate the pace of change.

Our headcount and gender split data highlight the scale of the challenge of unequal distribution of men and women at different levels in our business. We have an 88% male and 12% female population within Vanderlande UK. A priority for us is making the best use of our talented people via succession planning and removing barriers to individuals progressing their careers at Vanderlande UK at all levels and stages of their career.



Proportion of females and males in each pay quartile



As of 5th April 2019, the gender split of employees at Vanderlande UK was 12% female and 88% male. The graphs show the proportion of these female and male employees that fall into each of the four quartile pay bands (based on their 'hourly rate of pay').

The gender pay gap at Vanderlande UK, as at many other companies is a consequence of the fact that more men occupy more senior and therefore more highly paid roles at Vanderlande UK (91%). Women, who make up 12% of our total UK workforce, only occupy 9% of the roles in the upper pay quartile but hold a higher proportion of roles in the lower pay quartile (22%) As a result, average male earnings (both mean and median) are higher than average female earnings, as there are more men in senior roles than women.

Bridging the Gap

Retention and Progression

- Equal parental leave is accessible to everyone (all UK employees are entitled to 12 months leave, of which 6 months is fully paid).
- Flexible and part-time working is available to everyone, with senior leaders role modelling to encourage take up.

Recruitment

- We believe that creating and supporting a diverse talent pipeline is fundamental to addressing the under-representation of women in the engineering industry. In the last year we have focused our attention on ensuring greater diversity reaches our Talent Entry Level Programmes by bringing the recruitment of these programmes in-house, therefore to give us greater control over who we attract and recruit.

Graduate Recruitment

- We use a range of different approaches for graduate recruitment and ensure inclusion is considered at all stages of selection.

Apprenticeship Levy

- Vanderlande has an early careers scheme in place which aims to encourage college students to join via our apprenticeship programme. Our aim is to consider diversity at each step, which includes gender ethnicity and social economic background.

Enterprise Advisors

Vanderlande UK has been working closely with Enterprise and engaging with local schools around the Heathrow area, with the aim to increase understanding of STEM subjects and to help run activities such as mock interviews, assemblies or fun activities relating to engineering. Through our diverse range of representatives going into the schools, we aim to increase awareness of the potential opportunities within engineering, particularly for women as we have identified that this is an area to strengthen.

Women in Leadership Conference

In order to further understand what other companies are doing to implement change around increasing women in leadership roles, Vanderlande UK representatives attended the women in leadership conference. The focus was about empowering women to achieve higher roles within companies and understanding peoples experiences with discrimination and how they overcame such experiences to become CEO's, Directors, Managers etc.



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