

KOSTAL

Gender Pay Gap Report **6th April 2016 – 5th April 2017**

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Gender Pay Gap Report 2016/2017

Background

In 2016, the Government introduced legislation that made it statutory for all organisations with 250 or more employees, to report annually on their gender pay gap.

This legislation requires the company to publish their gender pay gap data by 5th April, 2018 and then annually thereafter. The report must include mean and median gender pay gaps, the mean and median gender bonus gaps, the proportion of men and women who received bonuses, and the proportions of male and female employees in each quartile.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

KOSTAL UK supports the fair treatment and reward of all staff irrespective of gender and is committed to creating a culture that is fair.

This is KOSTAL UK's first report and is based on a snapshot of all staff at 5th April, 2017.

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Profile of KOSTAL UK

KOSTAL UK designs, develops and manufactures switchgear for the automotive industry. The site opened in 1990 and has been operating for 26 ½ years at the point of the data snapshot.

The company supports 2 payrolls: a weekly payroll which is predominantly made up of employees who are either employed on the shopfloor or support the operations of the shopfloor; and a monthly payroll which is made up of employees who design and develop product as well as administrative and service departments.

The gender pay gap figures include all staff and management on both payrolls employed at the UK site. There were 179 monthly paid employees and 335 weekly paid employees on 5th April, 2017 giving a combined total of 514 staff.

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Analysis

As at 5th April, 2017 the ratio of male and female workers was 67.5% male and 32.5% female.

Base Pay

The 'Mean' gender pay gap (the difference between men's and women's average hourly pay) is **19.5%** and the 'Median' gender pay gap is **9%**.

These figures do not take into account other factors which can influence pay such as skill, qualification, seniority or length of service.

The Mean gender pay gap is higher than the Median gender pay gap because it reflects the make up of the workforce:

- The Executive Management team is 100% male
- The Senior Management team is 78% male and 22% female
- In Design and Development, the split is 88% male and 12% female
- The shop floor workforce makes up 55% and of this 60% is male and 40% is female

Bonus Pay

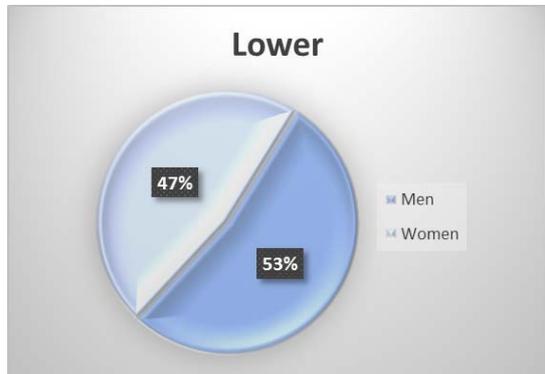
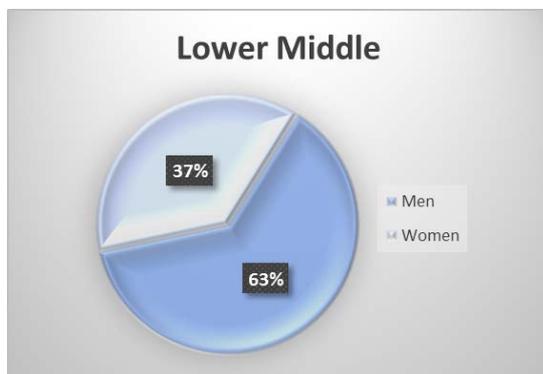
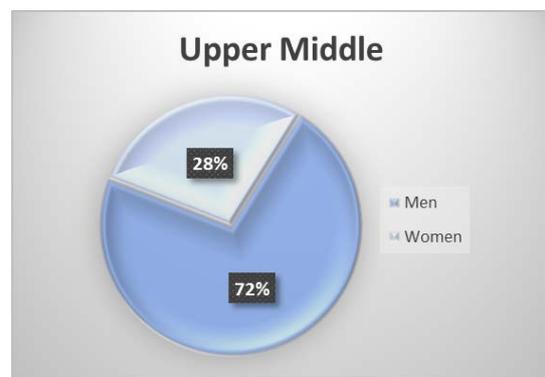
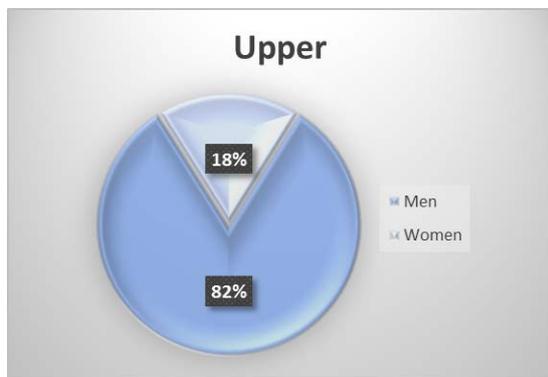
KOSTAL UK awarded a company performance bonus to all staff in December 2016. Executive Managers (all male) have a separate performance bonus which is reflected in the 'Mean' bonus pay gap.

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|-----------------------------------|---------------------------------------|
| Mean Bonus Pay Gap – 40.4% | 100% of women received a bonus |
| Median Bonus Pay Gap – 0% | 99.2% of men received a bonus |

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Hourly Pay Quartiles

The hourly pay quartiles show the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate. The ratio of female to male workers is narrower in the lower and lower middle quartiles and these are predominantly made up of Production Operatives and Production Support workers.



This is shown in more detail in the following table:

| Area | Men (% age of men) | Women (% age of women) | % Female in Area |
|----------------------|--------------------|------------------------|------------------|
| Executive Management | 8 (2.3%) | 0 (0%) | 0% |
| Senior Management | 25(7.2%) | 7(4.2%) | 21.9% |
| Engineers | 81 (23.3%) | 11 (6.5%) | 12.0% |
| Administration | 14 (4%) | 27 (16.2%) | 65.9% |
| Production Support | 43 (12.4%) | 12 (7.2%) | 21.8% |

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| | | | |
|-----------------------|-------------|-------------|------|
| Production Operatives | 164 (47.4%) | 109 (65.3%) | 40% |
| Apprentices | 12 (3.4%) | 1 (0.6%) | 7.5% |
| Total | 347 | 167 | |

Summary Statement

| | | | |
|--|---------------------|-------------------------------------|--------------|
| Difference in mean pay | 19.5% | Difference in mean bonus pay | 40.4% |
| Difference in median pay | | | |
| Difference in median pay | 9% | Difference in median pay | 0% |
| Proportion of men/women who received bonus pay in the relevant period | | | |
| | Men | | 99.2% |
| | Women | | 100% |
| Number of men/women in the quartile pay bands: Upper, Upper Middle, Lower Middle and Lower | | | |
| | | Women | Men |
| | Upper | 23 | 106 |
| | Upper Middle | 36 | 92 |
| | Lower Middle | 48 | 81 |
| | Lower | 60 | 68 |
| Narrative Reporting: | | | |
| <ul style="list-style-type: none"> • Mean gender pay gap of 19.5% and Mean bonus pay of 40.4% reflects the make up of the workforce with fewer women in Senior Management and Engineering positions • The company is committed to reducing the Gender pay gap by achieving a broader gender balance across the workforce, including <ul style="list-style-type: none"> ○ Identifying and developing female talent internally ○ Actively seeking to recruit female engineers, including at apprentice level ○ Getting involved with and promoting 'Women in Engineering' campaigns ○ Ensuring that all opportunities are advertised internally and female employees are treated equitably and fairly in the recruitment process ○ Ensuring that the company adheres to the Equal Opportunities policy in terms of Training and Development opportunities ○ Ensuring that the company adheres to the Equal Opportunities policy in terms of Reward and Benefits | | | |

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Dr. Harald Zender, Managing Director
19th January, 2018