



UK Gender Pay Gap Report 2018

Knorr-Bremse Rail Systems (UK) Limited



KNORR-BREMSE

Our Gender Pay Gap Report

Welcome to the second Knorr-Bremse Rail Systems (UK) Ltd. Gender Pay Gap Report.

Everyone at Knorr-Bremse has a role to play in the journey we are taking to improve our gender pay gap. As a business we want to play our part in changing the under-representation of females within our sector. There is no quick fix as the lack of females in Engineering remains an industry challenge, but we are committed to making a difference.

At Knorr-Bremse we believe that our people are crucial to the success of our organisation and we look to attract, motivate, develop and retain the best talent. We are committed to building a culture that is inclusive and enables everyone to do their best work, ensuring that every team member is valued.

We embrace the importance of our values: Responsibility, Passion, Technological Excellence, Entrepreneurship, and Reliability and we encourage these values within our competencies during recruitment and development of our team members.

Companies must continue to be transparent about pay, and identify the root causes of a pay gap. From there, they can find the

solutions they need to build businesses that reflect society.

We are pleased to report that our results demonstrate we remain ahead of the national figure of **17.4%** and the UK average manufacturing figure which has an overall gap of **15.8%**. During this report we will guide you through our results, our achievements to date and what we will be looking to achieve in the coming year.

Nicola Clark

HR Director

Knorr-Bremse Rail Systems (UK) Ltd.



What is the Gender Pay Gap?

The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation.

The gender pay gap is not the same as equal pay. Equal pay relates to men and women being paid equally for equal work.

This is a legal requirement in the UK and an important matter of principle that Knorr-Bremse is committed to, and abides by.

The UK Mean Gender Pay Gap is **17.4%**

[Source: ONS 2018]

The UK Manufacturing Mean Gender Pay Gap is **15.8%**

[Source: MAKE UK 2018]

The Knorr-Bremse UK Mean Gender pay gap is **8.24%**

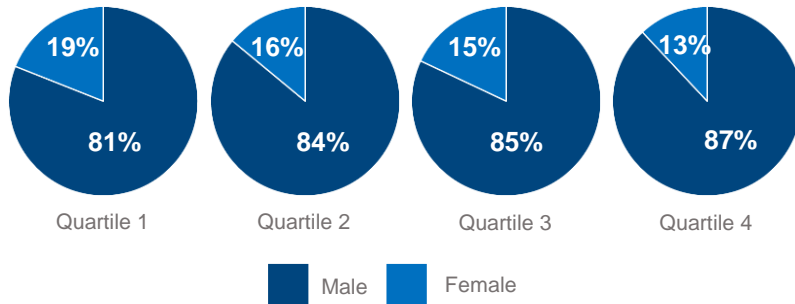
Key Data

Knorr-Bremse Rail Systems (UK) Ltd. Gender Pay Gap **2017**

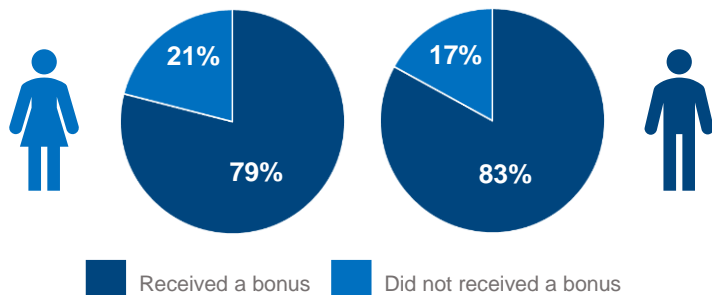
Difference between men and females

	Mean	Median
Pay Gap (Hourly Rate of Pay)	8.09%	3.53%
Bonus Gap	13.35%	-9.13%

The proportion of men and females in each pay quartile



The proportion of men and females receiving a bonus payment

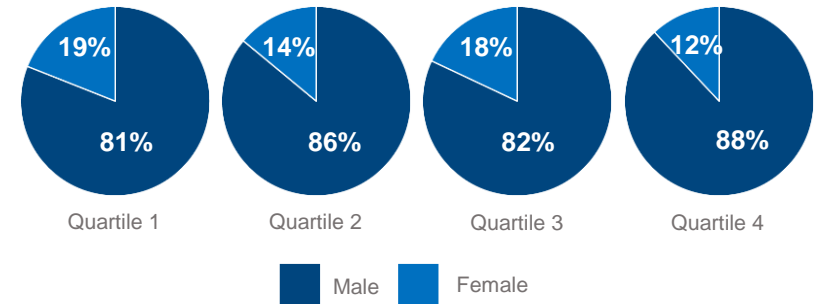


Knorr-Bremse Rail Systems (UK) Ltd. Gender Pay Gap **2018**

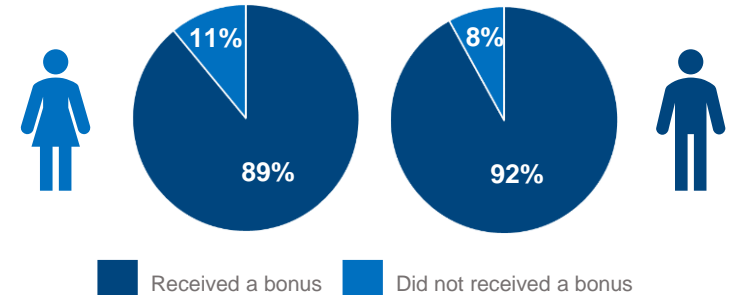
Difference between men and females

	Mean	Median
Pay Gap (Hourly Rate of Pay)	8.24%	5.42%
Bonus Gap	27.98%	-14.07%

The proportion of men and females in each pay quartile



The proportion of men and females receiving a bonus payment



Key Factors



Knorr-Bremse Gender Split



Our average gender pay gap is **8.24%** which represents a slight increase on 2017.

Within Knorr-Bremse Rail Systems (UK) Ltd, **92%** of men and **89%** of females received a bonus payment. The increase from 2017 data is due to the restructuring of an attendance allowance, which is now paid as an annual attendance bonus and was first paid in 2017.

The bonus gap has widened by **14.63%** which is as a result of two female executives leaving their positions, with one role replaced by a man and one not replaced at the time of reporting.

“Our challenge is to look at ways to attract and retain more talented females into our sector and to provide opportunities for them to develop and grow within our own organisation”

Paul Goodhand

Managing Director

Knorr-Bremse Rail Systems (UK) Ltd.



— What are we doing about it?

Whilst we are below the national averages in the UK and within our sector, we are not complacent. We are working hard to close our gap and make Knorr-Bremse more attractive as an employer of choice to all groups in society. We have chosen 3 areas of focus where we can monitor our progress:

1. Recruitment

We recognise the importance of ensuring we have a pool of the best candidates from all backgrounds to apply for roles.

Achievements

- Continuing engagement with local schools and colleges, promoting STEM (Science, Technology, Engineering and Maths).
- Company Enterprise Advisor to work with a local secondary school to encourage young people to choose STEM careers.
- Continuation of our Undergraduate Placement scheme.

What's next...

- Promote our employer brand across media platforms.
- Encourage skill based assessments, diverse selection panels and unconscious bias training via an e-learning module for hiring managers.
- Ensure at least one female is included on shortlists for vacant positions.

We firmly believe in appointing the best candidate for the job and continually review our processes.

2. Training, Development and Progression

Ensuring our talented people have every opportunity to succeed and progress their careers, allowing them to fulfil their potential.

Achievements

- Continuation of the Leadership Talent Development programme.
- Launched a coaching program to develop coaching skills amongst our management team. 30% of those selected to become coaches are females.

What's next...

- Encourage and track our ratio of female promotions.
- Introduction of a talent review process, identifying high potential individuals as potential successors.
- Offer sponsorship for learning through our Apprenticeship Levy fund.

— What are we doing about it?

3. Retention

Balancing home and work commitments is becoming increasingly challenging for people. We acknowledge this, and provide support in order to retain the people required for the future growth of the company.

Achievements

- We focus on supporting our maternity returners and encourage paternity and shared parental leave.
- We continue to promote and review our flexible working policy, offering flexible working opportunities for all genders.

What's next...

- Introduce Diversity Training for our managers.
- Take part in the Rail Diversity Challenge to encourage a wider range of applicants to our industry.

Knorr-Bremse is committed to reporting, on an annual basis, what it is actively doing to reduce the gender pay gap. We will update on progress and develop an action plan to support our next steps.

I can confirm that the gender pay gap data contained in this report is accurate.



Paul Goodhand

Managing Director

Knorr-Bremse Rail Systems (UK) Ltd.