





Gender Pay Gap Report

Welcome to the Knorr-Bremse Rail Systems (UK) Limited Gender Pay Gap Report for 2021.

Gender pay gap reporting is now in its fifth year, with this report based on a snapshot date as of 5 April 2021. The Government Equalities Office suspended compulsory reporting for 2019-20 however, was reintroduced for 2020-21 with an extended deadline. Knorr-Bremse have continued to report our Gender Pay Gap to ensure we are capturing an accurate picture of the pay gap data.

Covid presented many challenges and we introduced additional shifts to ensure business continuity and enable our production teams to social distance effectively whilst at work and provide a safe working environment. These additional shifts attracted shift premiums and this resulted in an adverse impact on the gap as more men worked shifts than females.

Our people are crucial to the success of our organisation and we look to attract, motivate, develop and retain the best talent, irrespective of their gender. Our culture is inclusive and all our team members are empowered and valued.

We embrace the Values of Knorr-Bremse; Responsibility, Passion, Technological Excellence, Entrepreneurship and Reliability which are incorporated within our competencies during recruitment and development of our team members

We are pleased to report that our result of 8.9% mean gender pay gap remains well ahead of the national figure of 15.4% and the UK Mean manufacturing figure of 13.3%. Throughout this report we will guide you through our results, our achievements to date and what further progress 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.

Equal pay 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 15.4%

[Source: ONS 2021]

The UK Manufacturing Mean Gender Pay Gap is 13.3%

[Source: MAKE UK]

The Knorr-Bremse UK Mean Gender Pay Gap is 8.9%



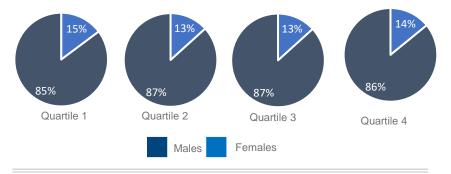
Key Data

Knorr-Bremse Rail Systems (UK) Ltd. Gender Pay Gap 2020

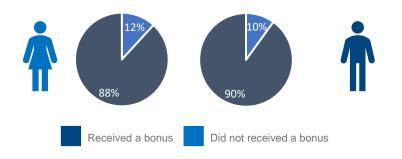
Difference between males and females

| | Mean | Median |
|------------------------------|------|--------|
| Pay Gap (Hourly Rate of Pay) | 4.0% | -0.5% |
| Bonus Gap | 5.2% | -25.1% |

The proportion of males and females in each pay quartile



The proportion of males and females receiving a bonus payment

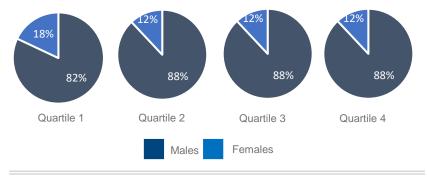


Knorr-Bremse Rail Systems (UK) Ltd. Gender Pay Gap 2021

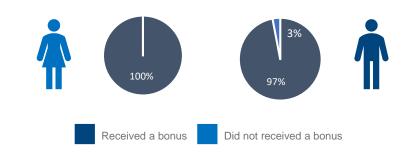
Difference between males and females

| | Mean | Median |
|------------------------------|------|--------|
| Pay Gap (Hourly Rate of Pay) | 8.9% | 8.4% |
| Bonus Gap | 9.6% | -12% |

The proportion of males and females in each pay quartile



The proportion of males and females receiving a bonus payment





Key Factors





Knorr-Bremse Gender Split



14%



At the point of reporting there were 542 full-pay relevant employees of Knorr-Bremse Rail Systems (UK) Limited: 469 males and 73 females.

Our mean gender pay gap is 8.9% which represents a slight increase over the 2020 result. The major factor affecting our 2021 gender pay gap was as a result of additional shifts being introduced as a measure during the pandemic to ensure business continuity and safe working. The impact on the gap was due to the shift allowance paid during this time and the shift allowance increasing therefore affecting the gap with most employees on shift being males.

Within Knorr-Bremse Rail Systems (UK) Ltd, **97%** of men and **100%** of females received a bonus payment, it is encouraging that 100% of our females have sufficient length of service with the company to be eligible for the company bonus.

The bonus gap is impacted by the fact that compared to the previous year less females received an exceptional bonus compared to males.

"We continue our commitment within both the Knorr-Bremse Group, and Knorr-Bremse Rail Systems (UK)
Limited, to driving down the gender pay gap. I am encouraged by these latest results which show us here in the UK to be well below the national and our business sector average and we remain focused on encouraging more females into the company and choosing the rail industry as a career".

Paul Goodhand Managing Director

Knorr-Bremse Rail Systems (UK) Ltd.





Development | Recruitment | Retention

Whilst we are positive against the national averages in the UK and within our sector, we continue to look for improvements. We are continually working hard to reduce our gap and make Knorr-Bremse more attractive as an employer of choice to all groups in society. We continue to work on 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

- · Continuation of our Undergraduate Placement Scheme and Graduation Scheme.
- Developing our Employer brand using social platforms such as LinkedIn and Twitter and building our reputation within the local area.

What's next?...

Deliver unconscious bias training via LinkedIn for hiring managers.

• To endeavor to include females 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, preparing for the second cohort of CIM (Chartered Institute of Management) Level 5 and Level 3
 candidates
- · Development of a Managers Tool Kit to support our high potentials and provide expansion for our managers

What's next? . .

Continue to offer sponsorship for learning through our Apprenticeship Levy fund.

 Launching and embedding the "Elevate Management Programme" for self development of existing manager and development path for managers joining the business.





Development | Recruitment | Retention

3. Retention

Balancing home and work commitments is becoming increasingly challenging for people and has been further heightened during the pandemic. We acknowledge this and the aim is to provide support where possible to retain the people required for the future growth of the company.

Achievements

- We continue to promote and review our flexible working policy, offering flexible working opportunities for all genders.
- We support our maternity returners and encourage paternity and shared parental leave.
- Networking with fellow companies within the Rail Industry by taking part in the Rail Diversity Challenge.

What's next?..

Introduce Diversity Training for our managers.

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.

Espl.

Paul Goodhand

Managing Director

Knorr-Bremse Rail Systems (UK) Ltd.





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