



Gender Pay Gap Report

Welcome to the Knorr-Bremse Rail Systems (UK) Limited Gender Pay Gap Report for 2022.

Gender pay gap reporting is now in its sixth year, with this report based on a snapshot date as of 5 April 2022.

Covid continued to present many challenges in early 2022, however, we began to move towards "our new normal" by adjusting a few work measures introduced throughout Covid.

We began by returning to the office and removing the additional shifts in our Production Operations area. We also returned to our usual shift patterns, whilst still maintaining social distancing and providing a safe working environment for our team members. Following the change of shift patterns, which had attracted a shift premium, the change resulted in a positive impact on the pay gap.

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 our result of 5.8% mean gender pay gap, which is a positive decline from our 8.9% mean gender pay gap in 2021. This means we remain well ahead of the national figure of 14.9% and the UK mean manufacturing figure of 12.8%. 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 14.9%

[Source: ONS 2022]

The UK Manufacturing Mean Gender Pay Gap is 12.8%

[Source: MAKE UK]

The Knorr-Bremse UK Mean Gender Pay Gap is 5.8%

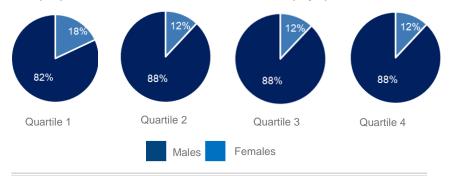
Key Data

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

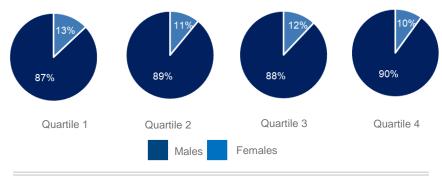


Knorr-Bremse Rail Systems (UK) Ltd. Gender Pay Gap 2022

Difference between males and females

	Mean	Median
Pay Gap (Hourly Rate of Pay)	5.8%	1.5%
Bonus Gap	-6.6%	-20.8%

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



12%



At the point of reporting there were 508 full-pay relevant employees of Knorr-Bremse Rail Systems (UK) Limited: 449 males and 59 females.

Our mean gender pay gap is 5.8% which represents a decrease in our gender pay gap compared to the 2021 result. The additional shifts introduced during the 2021 pandemic increased our pay gap on the previous year (2020), however these shifts have now ceased which helped reduce the pay gap and brings the average rates in-line with previous years.

Within Knorr-Bremse Rail Systems (UK) Ltd, 95% of men and 97% of females received a bonus payment in 2022.

The majority of females who received a bonus were employed in higher-level positions which had a positive impact on the bonus gap.

"Following a very challenging period during the pandemic, we continued our commitment as both the Knorr-Bremse Group, and Knorr-Bremse Rail Systems (UK) Limited, to continue to improve our gender pay gap. The latest results have shown that we are improving our gender pay gap each year here in the UK and continue to be well below the national and our business sector average. We will continue to encourage more females to pursue a career within the rail industry and our company."

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? . .

- Increasing our Diversity and Inclusion awareness and providing training to line managers in unconscious bias training via LinkedIn Learning, focusing in the first instance on training hiring managers.
- Using the headhunting facility on LinkedIn to identify female applications and challenge our third-party agency support to provide female candidates for roles.

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



2. Training, Development and Progression

Ensuring we train and develop our talented team members and give them every opportunity to succeed and progress their careers, allowing them to fulfil their potential.

Achievements

- Launched our new Managers toolkit "Elevate Maximising your potential" providing support to our high potentials and provide expansion for our managers
- Continuation of the Leadership Talent Development training, second cohort commenced their CIM (Chartered Institute of Management) Level 3 and Level 5.
- Working with Line Managers to encourage discussion with team members in their annual appraisal to discuss career aspirations and development opportunities.

What's next? . .

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

- Continue to embed the "Elevate Management Development Programme" for self development of existing managers and development path for managers joining the business.
- Develop a learning plan to deliver key training for managers via workshops and lunch and learns.

Development | Recruitment | Retention

3. Retention

To retain the people required for the future growth of the company, we need to balance home and work commitments for our team members, which has become increasingly challenging for people when returning to office working following the pandemic.

Achievements

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

What's next?...

Introduce Diversity and Neurodiversity 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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