

2020 GENDER PAY GAP REPORT





Jason Murphy
Managing Director



Bart Arts
HR Manager

Introduction

Würth UK Limited is part of the Würth Group.

We are committed to equality within our workforce, actively promoting diversity. We are an organisation where people learn from each other, where strategies are developed together, and where partnership is lived. 'Diversity' has been in the core of our company and now it will be lived even more. The Würth Group has included 'Diversity' in its 2026 Strategy Plan, ensuring it continues to be at every group company's awareness.

We understand the importance of diversity and inclusion. We also recognise that gender does not necessarily simply relate to male or female, but the legislation dictates that we compare the pay of males and females within our organisation. We take this very seriously - whilst the figures may not tell the whole picture, they will serve to raise awareness and give rise to important questions.



What the Legislation Requires

Requirements

Gender pay gap legislation requires employers in the UK with 250 employees or more to calculate and publish on an annual basis gender pay gap data. This must be based on figures taken on 5th of April each year.

The gender pay gap is a measure of the difference in average earnings between men and women. The gender pay gap differs from equal pay as it is concerned with the differences in average pay regardless of role.

We are, in particular, required to produce the following:

- Overall gender pay gap figures for relevant employees, calculated using both the mean and median average hourly pay. The mean hourly rate is the average hourly wage across the entire organisation; the mean gender pay gap is a measure of the difference between women's mean hourly wage and man's hourly wage. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid and taking the hourly wage of the person in the middle; the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man).
- Information on any gender bonus gap, which is the difference between men's and women's mean and median bonus pay over a twelve-month period.
- The proportion of men and women receiving a bonus payment in the same twelve-month period.
- The proportion of men and women in each of four pay bands (quartiles), based on the company's overall pay range. Pay quartiles are calculated by splitting all employees in our organisation into four even groups according to their level of pay. This information will therefore show how the gender pay gap differs across the organisation, at different levels of seniority.

The figures in this gender pay report for Würth UK for 2020 have been reached using the mechanisms set out in the gender pay gap reporting legislation.

To comply with UK regulations, we have not included any colleagues who were on furlough as at 5th April 2020 in our hourly pay gap and pay quartile analysis.



What Our Data Shows

GAP% MALE - FEMALE		April 2020	April 2018
Ordinary Pay	Mean	17.6%	22.8%
Ordinary Pay	Median	19.4%	28.6%
Bonus Pay	Mean	34.6%	53.6%
Bonus Pay	Median	47.4%	76.2%

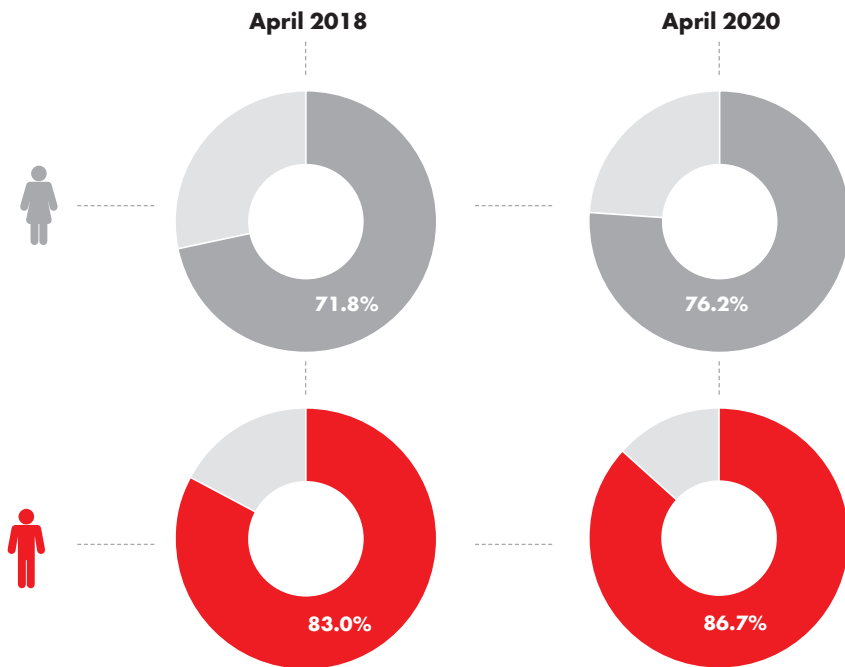
Pay and Bonus Gap

The table above shows Würth UK's mean and median hourly gender pay gap (as at 5th April 2020 and 5th April 2018, for comparison) and bonus gap (for the 12 months to 5th April 2020 and the 12 months to 5th April 2018).

For the pay gaps, a positive % indicates the extent to which women earn, on average, less per hour and any negative % indicates how much women earn more per hour than their male counterparts. The calculations below include all elements of pay as defined in the regulations.

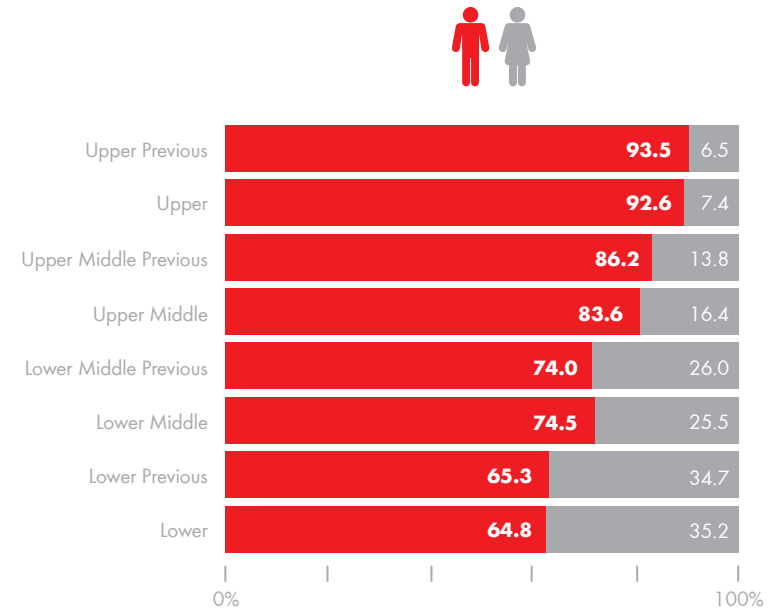


Following the government's guidance, reporting of the gender pay gap was postponed last year due to the pandemic. Our 2020 figures show a decrease in our gender pay gap and gender bonus gap compared to the previous snapshot in 2018. To us this doesn't come as a surprise, as we are actively working on decreasing the gap. We believe that the main reason for the decrease is down to the fact that we have a set salary-, bonus- & commission structure, based on an employees performance over gender. Therefore already 67% of our employees, who work in the sales force as sales representative, specialist or manager, is being paid according to this set payment structure, based on their actual performance.



Proportion of employees receiving a bonus

The above graph shows that a slightly higher proportion of male staff received a bonus in 2020 compared to the proportion of female staff.



Pay Quartiles

The above graph shows the proportion of male and female employees according to quartile pay bands. Currently, more male than female staff are recruited at each quartile.

What is causing the gap?

Summary

We are comfortable that the pay and bonus gap is not linked to pay inequality based on gender. We are committed to offering salaries which are fair and designed to attract and retain strong performers, irrespective of gender. As mentioned, 67% of our employees work in the sales force, meaning they are subject to set salary structures implemented to push sales achievement.

Whilst men and women will be paid equally for carrying out equivalent jobs within our business, we are aware that there we face certain realities as well. At the moment, we have 7% of our female employees working on a part time contract. The second reality is that, although we have female colleagues represented in middle management levels, at this moment there are more males in senior positions than females. A third relevant topic is that way more male employees work in the sales force, which is heavily bonus lead, therefore also creating part of this gap.



Steps To Improve Our Gap

We will continue to seek to address the gender pay gap and gender bonus gap and to ensure our policies and procedures remain fair and non-discriminatory.

- In particular, we will ensure decisions around performance and pay reviews are appropriate. Bonus and salary structures are regularly reviewed.
- Our second objective is to ensure that female representation at senior management level will be achieved. We will create inclusive job adverts and run our recruitment processes accordingly. This still by selecting the best candidate based on competency, but when even quality & experience, we will give preference to the female candidate.
- Further, as a group we are currently taking on the topic of Diversity on a larger scale. It will become part of the Group's strategy towards 2026, including defined Ambition Levels, and as Würth UK we will inspire to be the front runner in this topic.
- One of the focus topics will be a management awareness campaign, creating more awareness amongst our leaders to create and manage in a more divers style.



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Würth UK Ltd.
1 Centurion Way, Erith
Kent, DA18 4AE
United Kingdom

T: 03300 555 444
F: 03300 555 666
E: info@wurth.co.uk
www.wurth.co.uk

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