

Gender Pay Gap Report

MAHLE

Engine Systems



March 2019





Introduction

We are an employer required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The gender pay gap shows the difference in average pay between 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 identify what those issues are.

MAHLE is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

We are therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather our gender pay gap is the result of the roles in which men and women work within our company and the salary packages that these roles attract.

In 2017, we reported on the economic situation across our industry. The challenges that we experience with attracting females into STEM based roles are expected to continue for many years ahead.

While we acknowledge we have a gender pay gap, we also know why it exists and are committed to address those areas, that we as a company can change.

Our priority is to improve the diversity of our workforce and specifically, to increase the number of women in the company across all levels.

We will continue our efforts to eliminate the gender pay gap, both within our company and across our industry.

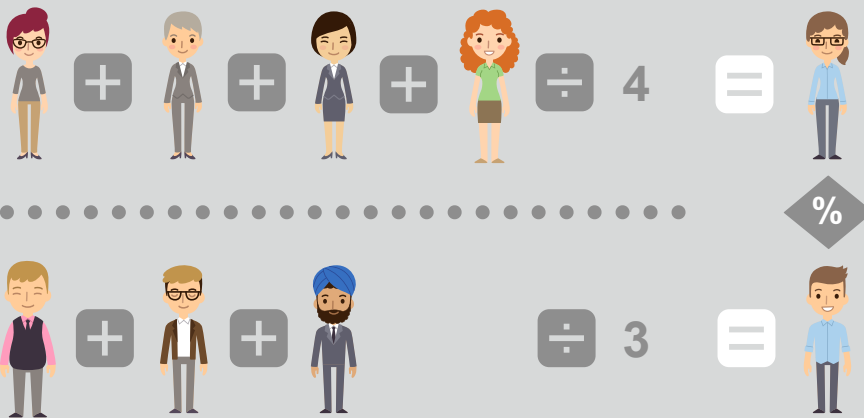


Calculations

There are a total of six calculations performed, to show the difference between the average earnings of men and women in our company.

The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage against men's earnings.

For example; women earn 10% less than men (a negative figure would indicate that on average women earn more).



MEAN

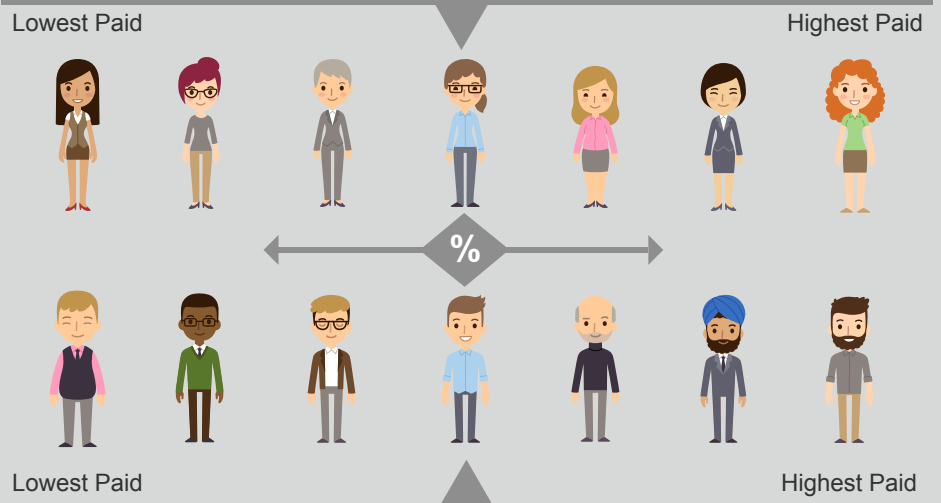
If we add together the hourly rates of all female employees and divide the total by how many female employees there are, we calculate the **mean** pay.

We repeat this calculation with our male employees and then compare the difference.

MEDIAN

If employees were lined up in a female line and a male line, in order of pay from highest to lowest.

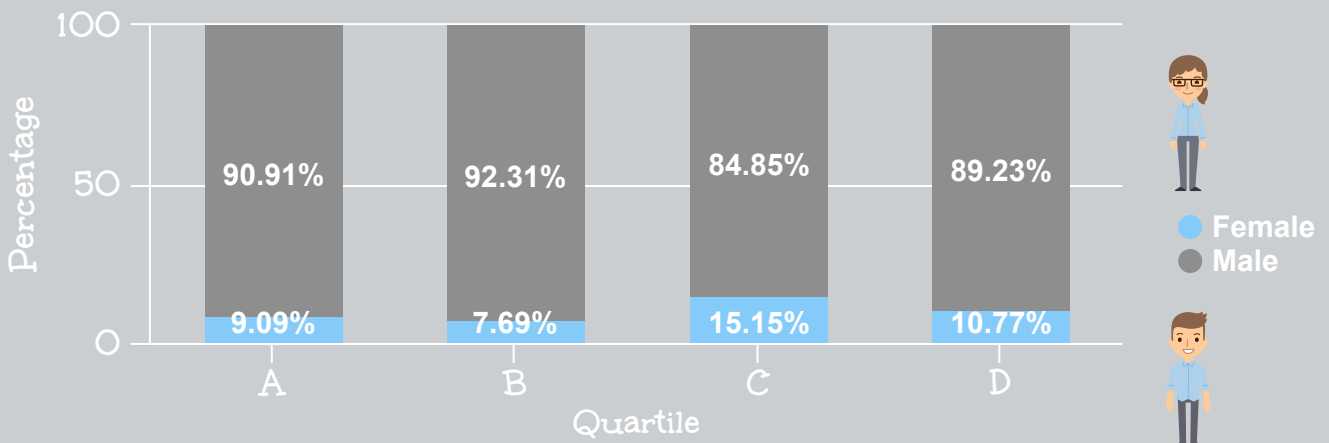
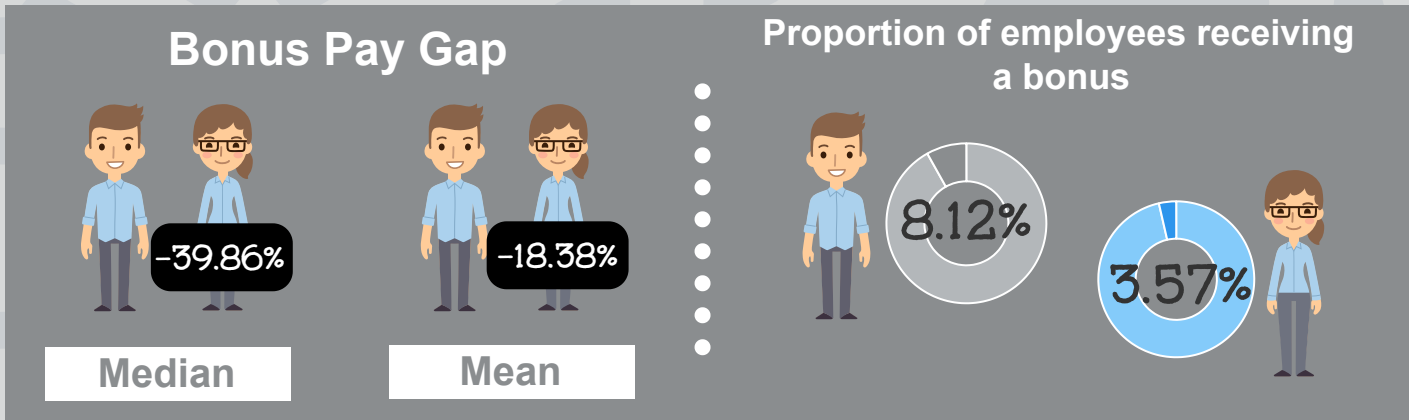
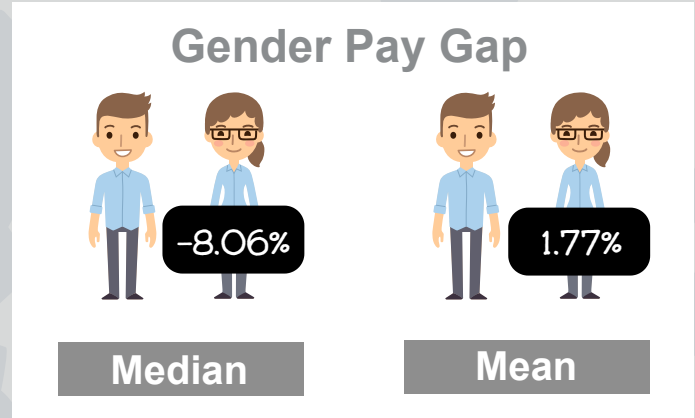
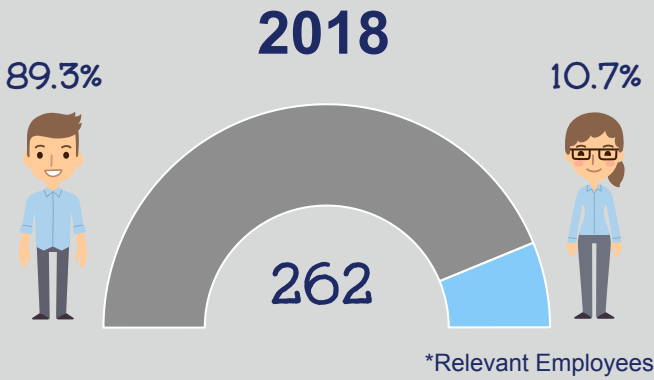
The **median** compares the pay of the female in the middle of their line, and the pay of the middle male.



We must report the difference in pay between men and women, the difference in bonus payments between men and women, and show the distribution of our employees across a split of four pay quartiles (lowest to the highest paid).



Summary Results



- A** Includes all employees whose standard hourly rate places them at or below the lower quartile
- B** Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
- C** Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
- D** Includes all employees whose standard hourly rate places them above the upper quartile



Overview

The Gender Pay Gap and Bonus Pay Gap results both show a negative pay gap, with a small gap against mean pay. This means that on average women within Engine Systems are not paid less than their male counterparts.

Our pay gap has increased slightly against our 2017 report, which we believe is the result of structural changes in some parts of the business. That said, our pay gap figures are extremely favourable in comparison to the rest of our industry and across the UK as a whole.

The UK automotive industry is heavily male dominated. This is particularly prevalent in areas such as maintenance, quality, engineering technician and manufacturing roles. While women make up 46% of the UK workforce as a whole, in engineering women continue to be underrepresented, making up only 1 in 8 of those engineering occupations and less than 1 in 10 of those in an engineering role within an engineering company.

Engineering Professionals

Women are paid **10.0%** less than men

£18.71 per hr (£36,244 year)

£20.80 per hr (£41,574 year)

Women hold **11%** of these jobs

Engineering Technicians

Women are paid **7.9%** less than men

£15.07 per hr (£27,500 year)

£16.37 per hr (£35,773 year)

Women hold **13%** of these jobs

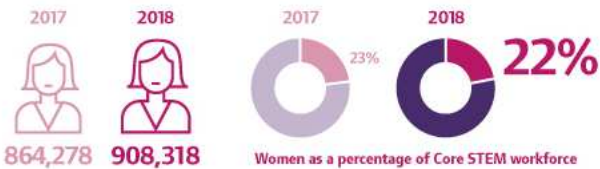
18.4%

2017

UK Median Pay Gap

*Office for National Statistics

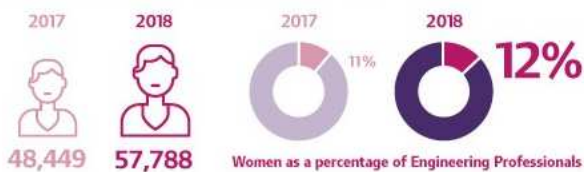
Women in Core STEM Occupations



The issues with recruiting females in to engineering occupations begin much earlier in life. In 2017 it was reported that only 27% of girls' entries to A levels were in STEM subjects, whereas for boys entries into these subjects make up around 46%. The gap widens further as soon as women reach university age, with only 16% of applicants to engineering degree courses being female.

EngineeringUK have stated in their 2018 report that "the engineering sector is of vital importance to the UK, yet demand for people with engineering skills is not being met by supply through the UK education pipeline. Concerted effort is needed to address the shortfall of engineers if these economic and social contributions are to be maintained".

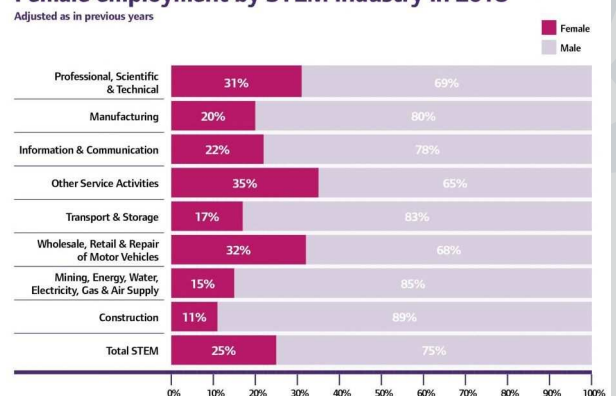
Women in Engineering Professional Occupations



WISE (Women in Science and Engineering), have reported that during 2018 core STEM employment increased from 2017 by 6.3%, more than 6 times that of employment overall in the UK.

An increase of 44,040 women since 2017 has for the first time taken the number to over 900,000. However, with just under 200,000 additional men reversing 2017's decline, there was a 0.3% drop in the percentage of women in the core STEM workforce and growth for women is 1% lower than the growth percentage for men.

Female employment by STEM industry in 2018*



* to June 2018

Source: Labour Force Survey, April - August 2018. Males aged 16-64 and females aged 16-59. Decimals were rounded up or down to the nearest whole number.



Overview Cont.

The challenges of addressing the gender pay gap in our industry will likely to continue for a number of years yet. The figures reported by WISE suggest that the number of females in STEM related careers is on the increase, which makes the outlook appear somewhat brighter for all companies in this sector.

MAHLE is committed to help raise the number of women in engineering, both within our company and the industry alike. In the previous year, we committed to carry out a number of activities, which have so far proven successful, resulting in a rise in the percentage of females recruited in our company across the UK, from 19% to 22%, which is above the industry average.

During 2018 we held a women in industry day, which helped to raise the profile of female employees across MAHLE UK. This event was extremely well received, and has led to a number of other projects taking place across the company, as a result of what our female employees told us they would like.

MAHLE UK have released a [Women in Engineering](#) video, which has been shared with interest amongst local schools, and on social media networks.

We have a long way to go, but MAHLE is confident that we will see an improvement in the number of women entering engineering occupations in the coming years.

Commitments

Whilst our gender pay gap compares favourably, this is not a subject about which we are complacent, and MAHLE is committed to doing everything it can to reduce the gap.

In the coming year, we are committed to:

- ✓ Continually reviewing our family friendly policies and initiatives, to encourage women to work for and stay working for MAHLE
- ✓ Increasing our STEM activities across all UK sites
- ✓ Changing the way we recruit, offering more opportunities for flexible working, and using gender neutral language in our job adverts
- ✓ Focus on attending and participating in University Events
- ✓ Increase analysis on our leaver population, and review any recurring trends



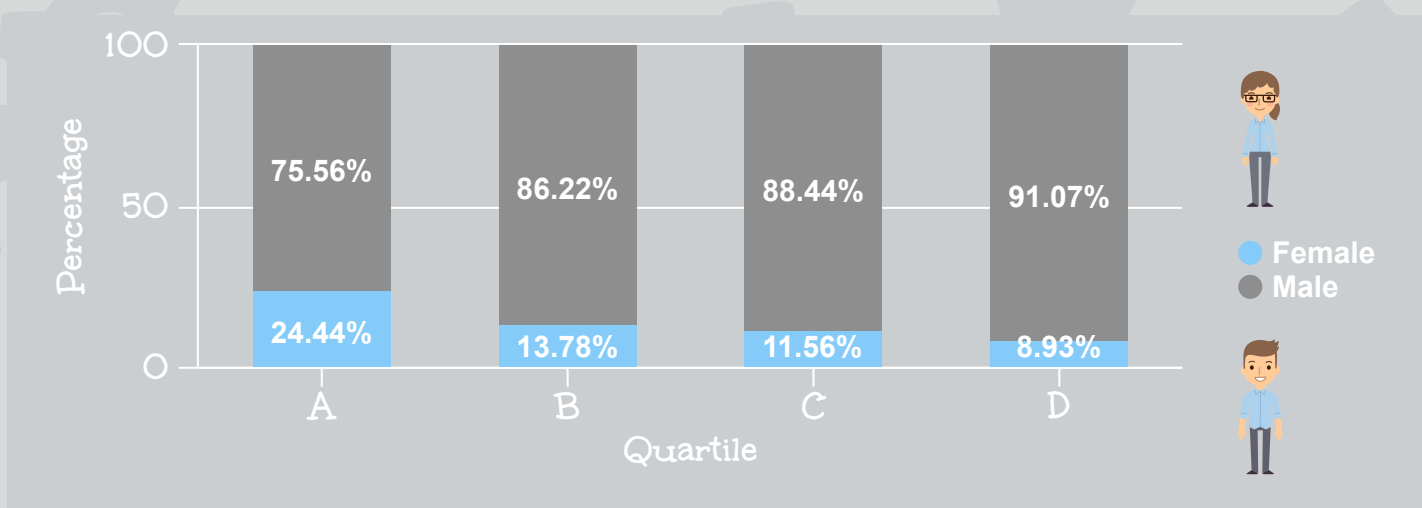
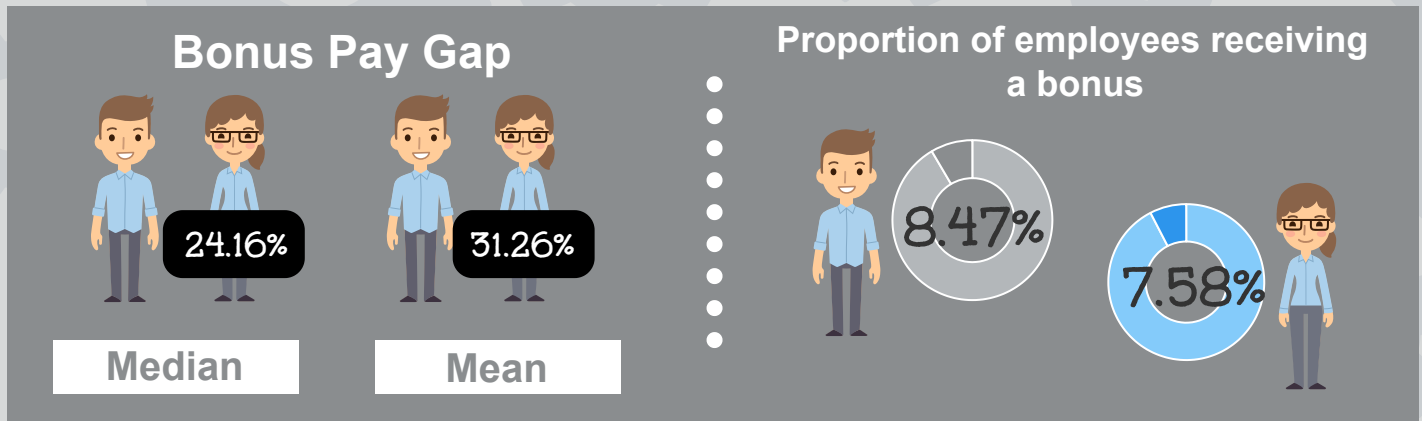
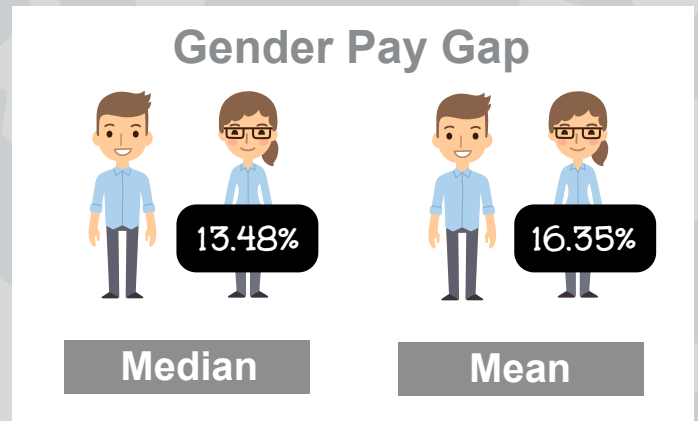
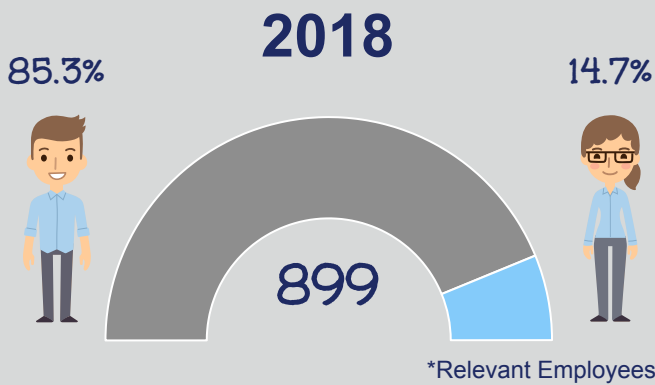
Toni Snell
UK Head of HR



UK Results

The reporting requirements, specify that we must report the Gender Pay Gap figures for entities that employ 250 or more employees. However, we as a business strive to be honest and transparent with our employees.

We believe that although we are not required to do so, the true picture of our Gender Pay Gap is to report data for the whole of the UK. Therefore the data that you see on this page covers all management entities across MAHLE UK, based on relevant employees as at **5th April 2018**.



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