

Schaeffler (UK) Ltd is required by law to publish an annual gender pay gap report.

This is its report for the snapshot date of 5th April 2020.

## What are the underlying causes of Schaeffler (UK) Ltd.'s gender pay gap?

Schaeffler UK Ltd. has clear policies in place that ensure employees are recompensed fairly and equally for equivalent work. Pay and benefits are reviewed at regular intervals; job roles and pay bands are structured in line with Schaeffler's global commitment to conduct itself with "Transparency, Trust and Teamwork".

Schaeffler (UK) Ltd. remains confident that the published gender pay gap does not stem from paying men and women differently for the same or equivalent work. It is the result of the roles in which men and women work within and a reflection of what Schaeffler pays based on the role and responsibilities attached. Employment can often indirectly contribute to the gender pay gap and this can be exacerbated by the nature of work and working patterns. However, social and political factors are at play that originate outside of the workplace and continue to uphold existing archaic gender stereotypes regarding the role of women and men.

Schaeffler (UK) Ltd. actively tries to counteract the effects of these stereotypes and outdated opinions by removing prejudice in all recruitment opportunities and by prioritising the development of a diverse workforce to better represent women in the workplace. Due to the nature of our work and industry, we often must adhere to inflexible working schedules particularly in production but closing the wage gap means making jobs work differently. There are some jobs where this is not a possibility and simply adding more flexibility to jobs won't erase the gender pay gap overnight.

Unfortunately, the overall UK economy in this period was full of uncertainty and the beginning of the COVID-19 pandemic, yet this highlighted how we could work more flexibly in many instances. During this period, flexible home working was implemented in all our three sites.

## How does Schaeffler (UK) Ltd.'s gender pay gap compare with that of other organizations?

Schaeffler (UK) Ltd. continues to be behind other similar sized organizations in its gender pay reporting, our headline mean gender pay gap has marginally decreased from 19.7 to 18.6, our median gender pay gap has increased significantly from 10.5 to 17.3. This is very disappointing and highlights organizational issues such as a disproportionate number of men in higher paying roles. However, this increase could be indicative of early steps that have not yet had chance to give a positive impact on the pay gap.

In the last Gender Pay Report, we committed to work with recruiters to ensure that we attract a diverse workforce, to invest in our future leadership to create a more inclusive senior team and to improve our family friendly policies.

While we have a continued strategic focus to hire more women into the business and prioritizing the selection of women when hiring for all vacancies most opportunities have been for apprentices, interns and trainees. We need to ensure that recruitment and selection of roles in the higher echelons are more reflective of a diverse workforce that we strive to achieve. Regarding our policies, we have started to develop these and will be ready to present our enhanced family-friendly policies in our next report.

## What is Schaeffler (UK) Ltd doing to address its gender pay gap?

In previous years we highlighted our less than favourable results and decided to be proactive in counteracting them. We continue to be committed to engage a broader diverse workforce by developing our family friendly practices, working with our recruiters to ensure a diverse short list, and investing in our existing and future leadership to be inclusive. In June 2020, we hired a female manager which has contributed to us closing the mean pay gap and ensures more women are hired in higher positions within the organisation, which in turn improve the figures in pay quartiles.

The COVID-19 pandemic resulted in the need to work differently for many industries as the world had to shield itself to protect people from the effects of an increasingly worrying virus. It is reported that women were adversely impacted by the pandemic, often taking reduced hours, working part-time, or opting to not work at all to care for dependents. We recognise the systematic pressures thrust upon our female workers, especially during a pandemic where many caring responsibilities have disproportionately fallen on them.

As such we continue to offer flexible working and part-time working for those returning from maternity leave or who take on their family commitments that may include childcare or caring for other dependants. In some cases, we have been able to flex out business model to support female workers who opt to work flexibly to ensure that they can fulfil their working hours in a suitable manner for them.

We need to ensure that we are a more attractive company to engage a broader diverse workforce, even if opportunities will be few in the year to come because of the ongoing pandemic and other socio-political factors such as Brexit. We will continue to invest in our female talent to prepare them for higher leadership roles and naturally continue our focus to bring in diverse talent and ensuring our policies support our staff and continue to be flexible and forward thinking. We will see a widening in the pay gap in the short term, but this is the right thing to do to ensure real change is made and the gender pay gap can be closed in the future.

Overall, we have achieved most of our aims to hire more women into the business, especially at higher levels and we have offered flexible and part-time working to all staff who have needed to use it during the pandemic. We continue to educate ourselves on how to become more inclusive and look forward to presenting further strategies that we will undertake in the future to close the Gender Pay Gap including enhances family friendly policies, continuing to hire a more inclusive workforce, expanding our Women mentoring programme and to develop our female talent.

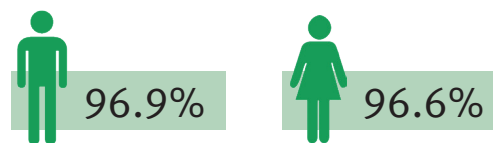
## Pay difference between women and men:

All Schaeffler (UK) Ltd employees at 05.04.2020

The mean gender pay gap for Schaeffler (UK) Ltd is:	18.6%
The median gender pay gap for Schaeffler (UK) Ltd is:	17.3%
The mean gender bonus gap for Schaeffler (UK) Ltd is:	20.0%
The median gender bonus gap for Schaeffler (UK) Ltd is:	25.7%

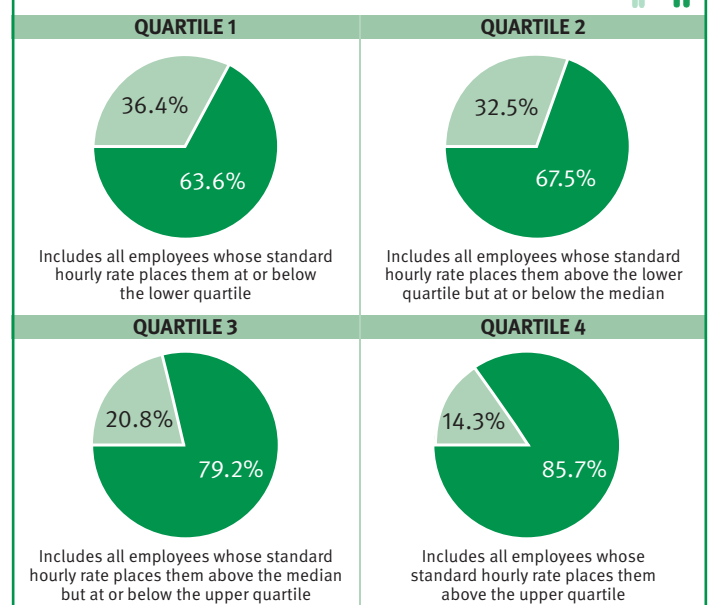
## Proportion of UK employees receiving a bonus:

In the 12 months preceding 05.04.2020



## Pay quartiles by gender:

All Schaeffler (UK) Ltd employees at 05.04.2020



The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

I, Roger Campbell, Vice President HR Western Europe & MEA, confirm that the information contained in this statement is accurate.

Signed:

Dated:

06.09.2021