

Daikin UK Gender Pay Gap Report 2017

Introduction

Gender Pay Regulations have brought into effect a requirement for all employers with 250 or more employees to publicly report their gender pay gap. The gender pay gap is the percentage difference in the average pay and bonuses of all men and women across the organisation regardless of job seniority.

Data must be reported on six items, which are:-

- The difference in the mean* pay of men and women;
- The difference in the median** pay of men and women;
- The difference in the mean bonus pay of men and women;
- The difference in the median bonus pay of men and women;
- The proportion of men and women who received bonus pay; and
- The proportion of men and women in each of the four quartile pay bands

**Mean is the 'average' where all values are added together and then divided by the total number of values that exist*

***Median is the 'average' as in the middle value when all values are listed in numerical order from smallest to largest and the middle value is selected*

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Daikin UK has strong people values and is committed to the principle of equal treatment for all.

Gender Pay and Bonus Gap

For pay, the report looks at data for the period of April 2017 which includes bonus received in that month. For bonus, it looks at only bonus data for the 12 months ending 5th April 2017.

The proportion of males to females in Daikin UK as at 5th April 2017 was 75.8% male to 24.2% female.

The table below shows our average gender pay gap. We have a mean average of 17.2% and a median average of 15.6% for pay.

	Mean gender pay gap (average of all)	Median gender pay gap (middle value of all)
Pay	17.2%	15.6%
Bonus	30.2%	33.1%

The Office for National Statistics headline measure for the gender pay gap is the difference between the median pay for men and women. Our median gender pay gap is 15.6% which is lower than the current national median average of 18.4%.

Whilst we note that our median pay gap of 15.6% is lower than the national median average of 18.4%, we recognise that there is work to be done to narrow this gap.

The Proportion of Males and Females Receiving a Bonus in the Bonus Period



85% of males received a bonus



87.5% of females received a bonus

Jobholders are eligible for the bonus scheme which applies to that role regardless of gender. When bonus is not earned it is due either to reasons of performance or a new employee not yet being eligible due to a short time with the company.

Pay Quartiles

Bearing in mind the proportion of males to females in Daikin UK is 75.8% male to 24.2% female for this reporting period, the table below shows the proportion of men and women in the four pay quartiles between our lowest and highest pay points with the population split equally between the quartiles.

Pay Quartile	Proportion of men	Proportion of women
Lower quartile	59.7%	40.3%
Lower middle quartile	77.6%	22.4%
Upper middle quartile	82.1%	17.9%
Upper quartile	80.3%	19.7%

Key Findings

The gap in both pay and bonus is predominantly due to the fact that a higher proportion of the female population at Daikin UK is currently more prevalent in lower-level roles, whilst a higher proportion of the male population is currently more prevalent in higher-level roles where pay and bonus are higher.

Our bonus schemes for Management and Sales staff are partly paid in April and are therefore included in the Pay data for the period of April 2017. There is a high proportion of the male population in each of these schemes. Our bonus for non-Sales staff is partly paid in May and is therefore not included in the Pay data for the period of April 2017. There is a high proportion of the female population in this scheme.

Our pay system is underpinned by a job evaluation system and this helps to determine pay bands alongside market data. Pay within bands considers previous experience along with performance and growth within the role over time, with no reference to gender.

How Will We Make a Difference to the Pay Gap?

- Implement recruitment processes to aim to attract female talent into higher level roles and roll out training for all recruiting managers.
- Ensure the business fully and equally supports the development of female staff
- Ensure the business provides flexible and family friendly policies to support female staff, for whom this is a factor in retention and progression



- Set up a Reward Policy Group to work alongside HR in the management of pay, bonus and performance management processes.
- Develop and roll out an awareness programme to promote diversity and inclusion across the organisation.

We confirm that Daikin UK is committed to the principles of gender pay and that the data reported is accurate.

A handwritten signature in blue ink, appearing to read "Martin Krutz".

Martin Krutz
Managing Director, Daikin UK

A handwritten signature in blue ink, appearing to read "D. Gregson".

Dave Gregson
Head of HR, Daikin UK

3rd April 2018