

# Daikin UK Gender Pay Gap Report 2023

## Introduction

In 2017 Gender Pay Regulations 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*

## Daikin UK Gender Pay Gap Report 2023

This is the seventh year that we have reported our gender pay gap information and the findings of 2023, along with a comparison against 2022 are outlined below.

## Gender Pay and Bonus Gap

For pay, the report looks at data for the period of April 2023 which includes bonus received in that month. For bonus, it looks at bonus data only for the 12 months ending 5<sup>th</sup> April 2023.

The proportion of males to females in Daikin UK on 5<sup>th</sup> April 2023 was 73.3% male to 26.7% female. This is a minor change from 2022's data where the split was 75.2%/24.8% (male/female).

The trend of male/ female employees has been consistent across all Gender Pay Gap reporting years with a split equivalent to 75%/25% (male/female) with only minor fluctuations year upon year.

The table below shows our mean and median gender pay gap for pay and bonuses for April 2023 and April 2022.

For the current reporting year we have a mean gap of 19.1% and a median gap of 30.9% for pay.

	2023		2022	
	Mean	Median	Mean	Median
Pay	19.1%	30.9%	28.7%	32.5%
Bonus	28.9%	42.1%	22.3%	31.7%

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 has decreased from 32.5% in 2022, to 30.9% in 2023, an overall decrease of 4.83%. Both male and female median pay increased however there is more of an increase with our female median salaries.

The highest reported median pay gap was 2022 with 32.5% and the lowest was 15.6% in 2017. Although there is a decrease in the median pay gap from 2022, the median gap is still quite high. Using data from 201 – 2023, Daikin tend to average a 22% median gender pay gap.

Reported by the Office of National Statistics, the 2023 Gender Pay Gap median is 14.3%.

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



85.6% of males received a bonus



83.3% 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 either for reasons of performance or an employee not yet being eligible due to a short time with the company.

There is a minimal difference between the proportion of males and females who received a bonus in 2023 in comparison to the proportion of males and females who received a bonus in 2022 (2022 = 89.2% males and 84.7% females).

5.1% more males received a bonus in 2023 than in 2022 and 11.1% more females received a bonus in 2023 than in 2022.

**Pay Quartiles**

The table below shows the findings for 2023, 2022 and 2021 of 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	2023		2022		2021	
	Proportion of men	Proportion of women	Proportion of men	Proportion of women	Proportion of men	Proportion of women
Lower	54.5%	45.5%	53.8%	46.2%	56.3%	43.7%
Lower middle	75%	25%	74.4%	25.6%	75.7%	24.3%
Upper middle	84.1%	15.9%	87.2%	12.8%	83.1%	16.9%
Upper	80.5%	19.5%	84.6%	15.4%	81.4%	18.6%

The distribution of the quartile spread remains the same for both males and females from 2021 to 2023. There is movement throughout the quartiles with an increase of male employees in the lower quartile and lower middle quartile, though not significantly (0.7% and 0.6% respectively).

There is an increase of female employees in the upper middle and upper quartiles (3.1% and 4.1% respectively).

## Key Findings

The gap in both pay and bonus can be explained by a variety of factors: -

- A higher proportion of the female population is more prevalent in lower-level roles whilst a higher proportion of the male population is more prevalent in higher-level roles where pay and bonus are higher. The highest volume of the female employee population are in grade 2 roles and the highest volume of the male employee population are in grade 4 roles.
- Our bonus schemes for Management and Sales staff are partly paid in April (the reporting month) and are therefore included in the pay data for the period of April 2023. There is a higher proportion of the male population in each of these schemes.
- Our bonus for non-Sales and non-Management employees is partly paid in May and is therefore not included in the pay data for the period of April 2023. There is a higher proportion of the female population in these schemes.

We recruited 72 people during the year to 5<sup>th</sup> April 2023; 50 males and 22 females. This is 5 fewer hires than in 2022. The majority of male recruits were into grade 4 positions, but there was also a significant increase in male recruits for grade 3 positions from 2022.

- From the period of 6<sup>th</sup> April 2022 to 5<sup>th</sup> April 2023 there were a total of 15 promotions (down from 22 promotions in 2022). Of these, 13% of promotions were to female employees (2 employees) and 87% of promotions were to male employees (13 employees).
- Daikin operate multiple bonus schemes; Pre-Sales Technical, Management Bonus Scheme, PDR and Sales Bonuses. In 2022, Apprentices were included in the bonus payments processes and there were also some miscellaneous bonus payments made to employees. The bonus schemes that were more favourable towards male employees in terms of the mean and median bonus payments were Pre-Sales Technical, PDR, and Sales Bonuses. There are only male employees included the Apprentice bonus payments. The schemes that were more favourable towards female employees were the Management Bonus Scheme and those receiving miscellaneous bonus payments.

Our pay system remains underpinned by a job evaluation process which 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?

As a company we are committed to making a positive impact to the differences highlighted within the Gender Pay Gap, and we will review as a management team what actions we can take, to develop our approach to areas such as (but not limited to) diversity, inclusion and equality. For example, how can we attract and develop more females into higher-level roles, how can we maximise opportunities for flexible working and family friendly policies to support staff where this may be a factor in retention and progression, and how can we raise awareness of diversity across the organisation.

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

Angela Holt  
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8<sup>th</sup> April 2024