

Gender Pay Gap Report

2023/2024

Introduction

In 2017, the UK Government introduced new business regulations that impose obligations on employers with 250 or more employees to publish information relating to the gender pay gap in their organisation. Employers are required to publish the difference between the average hourly rate of pay paid to male and female employees; the difference between the average bonus paid to male and female employees; the proportions of male and of female employees who receive bonuses; and the relative proportions of male and female employees in each quartile pay band of the workforce.

What is the gender pay gap?

The gender pay gap shows the difference in average earnings between women and men. This is expressed as a percentage of men's earnings. Gender Pay Gap calculations are based on payroll data drawn from a specific date each year, known as the 'snapshot date'. The snapshot date of this report is 5 April 2023 and is required to be reported on by the 4 April 2024.

The gender pay gap does not show differences in pay for comparable jobs. Equal pay means that men and women performing equal work, or work of equal value, must receive equal pay. However, even if men and women are paid equally there may still be a Gender Pay Gap for instance if there are more men in higher paid roles than women.

1. Purpose and Principles

Employers present findings of 6 different calculations in order to fulfil their requirements to report on their Gender Pay Gap:

1. Percentage of men and women in each hourly pay quarter.
2. Mean (average) gender pay gap using hourly pay.
3. Median gender pay gap using hourly pay.
4. Percentage of men and women receiving bonus pay.
5. Mean (average) gender pay gap using bonus pay.
6. Median gender pay gap using bonus pay.

2. Fraikin organisation UK gender pay gap

The snapshot of pay data is taken on 5 April 2023. At this time our workforce consisted of 226 employees (88 women and 138 men).

The mean gender pay gap is the difference between the average hourly earnings of males and females. The median gender pay gap is the difference between median hourly earnings.

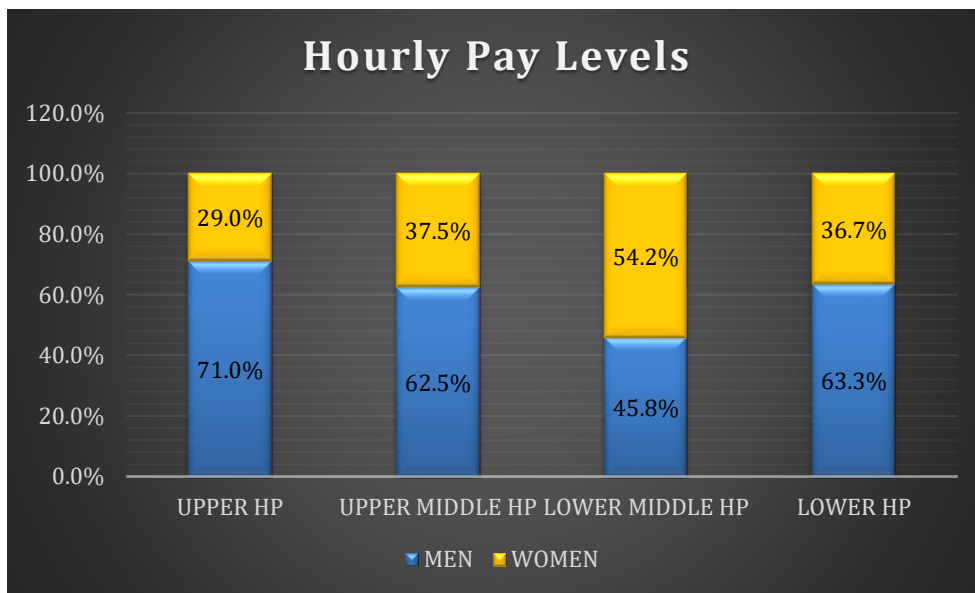
As of 5 April 2023 payroll, the mean gender pay gap stood at 11.2% favouring males. The median gender pay gap stood at 21.9%, favouring males. When comparing to the previous year (April 2022) the mean gap was 11.9% and in the median gap was 23.8% therefore there has shown an improvement.

This gap is reflective of a number of factors: the fact that men are over-represented within organisations in the Engineering and Transport industries like Fraikin; A higher proportion of men work in the highly competitive talent pool for Technical roles, some of which offer additional pay and allowance due to market skill shortages, irregular working hours or travel involved in the role.

2.1. Female representation and hourly pay

As of 5 April 2023, females represented 38.9% of our overall workforce. Typically, men are over-represented within organisations in the Engineering and Transport industries, and this is also reflected across our organisation.

The quarterly representation required under GPG reporting show the proportion of women and men at different pay levels:



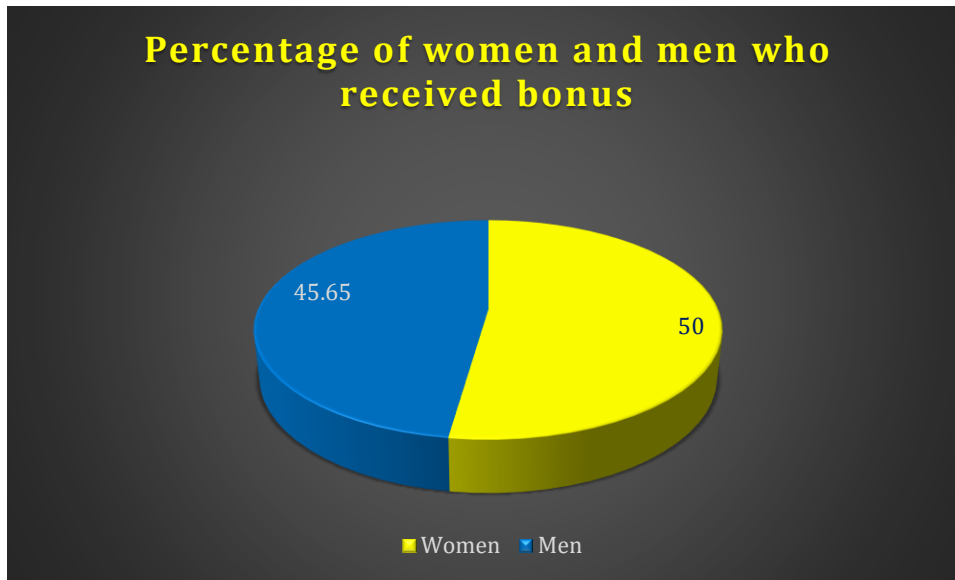
The above chart shows that there is a lower proportion of women in all sectors within the organisation, especially in the Upper Hourly Pay quarter. This is due to our Mobile Technicians falling in this quarter of pay levels, which is a role typically filled by men. This is a highly competitive talent pool with a shortage of qualified technicians where this organisation has implemented retention measures including allowances and increase in basic pay to align to these market conditions. Whilst most women are working at the Lower Middle Hourly Pay level.

2.2. Bonus participation and payments

The bonus payment percentage is intended to reflect the distribution of bonus payments made to men and women who were paid bonus pay in the 12 months that ended on our snapshot date.

Fraikin operates several types of bonuses, all different types fall under the following categories:

- Performance Bonus
- Incentives
- Commission



The pie chart above shows that 50% of all women in the company received bonus during the relevant year; and 45.65% of all men received bonus during the same period. As per government requirements, employees reflecting in this graph are not only those of full wages but also temporary employees and those on zero-hour contracts as well as new employees recruited throughout the relevant year. This equates to a total of 226 employees, 138 of which were men (63 were paid bonus) and 88 were women (44 were paid bonus.)

Compared to the last year (April 2022) the percentage of bonus received increased for both men (from 32 percent) and women (from 48 percent). The contributing factor for this increase in bonuses was due to a combination of Company Performance improvements and a decrease in headcount due to structural changes.

There is a significant gap in the mean (average) bonus payments between males and females. Whilst more women than men are earning bonuses, the earnings for women are 58.58% less in the monetary value compared to men. There has been a huge improvement in this gap since the 2022 reporting period, which was 75%. However, when compared to last year's report, where the percentage was 39.1%, the percentage gap has increased.

There has been a significant shift in median where in 2022, we reported 1.3 % in favour to men, it is now 14.9% favouring women.

This means that a higher proportion of smaller bonus payments were made to women which has resulted in a median favouring women.

Bonus related Gender Pay Gap	%
<i>Mean bonus GPG (favouring men)</i>	58.58
<i>Median bonus GPG (favouring women)</i>	14.89

3. Summary

Despite employee numbers falling below the required figure for reporting data of 250, on the snapshot date on 5th April, 2023, Fraikin commits to continuing transparency of information in line with our Company EDI policy, and alongside our ESG strategy going forward. The figures for 2024 confirm that men exceed women in three of the four quarters of hourly pay (HP), as well as mean HP and median HP. This is mainly a result of the industry that Fraikin is in. However, Women have now overtaken men in the lower middle pay quadrant.

In relation to bonuses, there has been a significant improvement made to lower the Gender Pay Gap and while more women earn bonuses, according to mean GPG bonus report, bonuses for men are still significantly higher.



Suzanne Condes
HR Director

3 April 2024