

Gender Pay Gap Reporting

2021/2022

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Introduction

In 2017 the Government introduced a requirement for all employers with more than 250 employees to report on their Gender Pay Gap. This requires employers to annually report and publish specific figures about their gender pay gap.

What is the gender pay gap?

The gender pay gap is the difference between the average (mean or median) earnings of men and women across a workforce. This is expressed as a percentage of men's earnings. For example, 'women earn 15% less than men per hour'. The 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 5 April 2021 has to be reported on by the 4 April 2022.

The gender pay gap is not the same as equal pay. While the gender pay gap and equal pay both deal with pay disparity at work, they are not the same issue. Equal pay means that men and women performing equal work, or work of equal value, must receive equal pay. 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 are required to report on their Gender Pay Gap in six different ways:

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

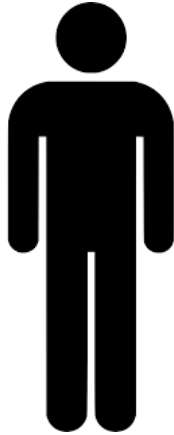
The gender pay gap shows the difference in the average earnings between all men and women within the company. The mean gender pay gap is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. The median gender pay gap is the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees. The median for each is the man or woman who is in the middle of a list of hourly pay ordered from highest to lowest paid. Medians are useful to indicate what the 'typical' situation is.

2. Our gender pay gap

The data used to report on our gender pay gap is a snapshot of pay data from 5 April 2021. At this time our workforce consisted of 296 employees (89 women and 207 men). At the snapshot date, one male employee was on furlough leave due to Covid 19. This employee has been excluded from our data as per the Government guidelines together with another three employees who received reduced pay (two men and one woman).

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 2021 payroll, our mean gender pay gap stood at:



11.7%, favouring males

Our median gender pay gap stood at:



23%, favouring males

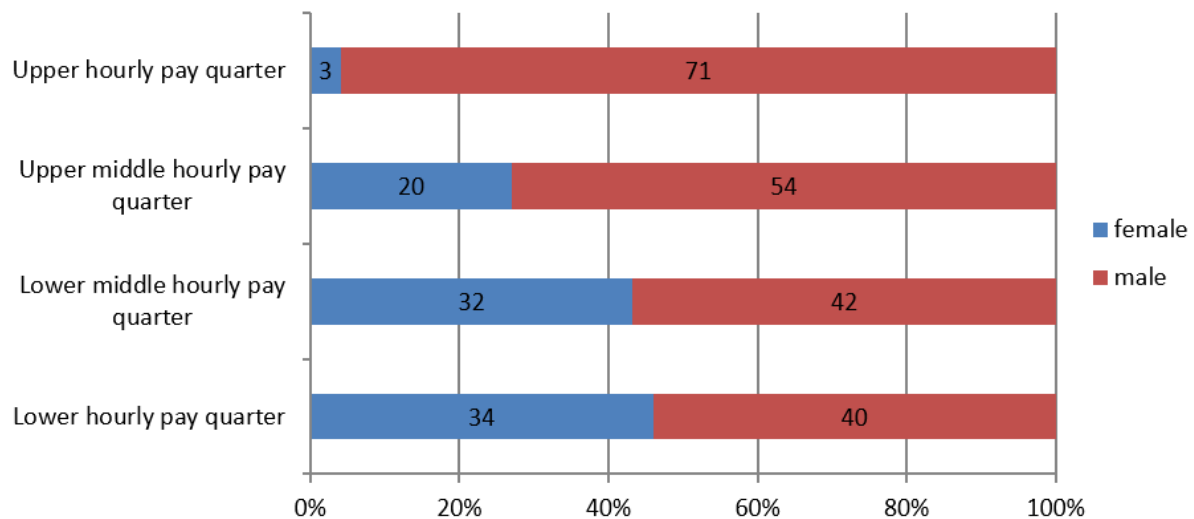
When comparing to last year there is a reduction in the mean gap (15.14 %) and in the median gap (25%.)

This gap is reflective of the fact that men are over-represented within organisations in the Engineering and Transport industries like Fraikin.

2.1. Female representation and hourly pay

As at 5 April 2021, females represented 30.06% 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 quartile breakdowns required under GPG reporting show the proportion of women and men at different pay levels.



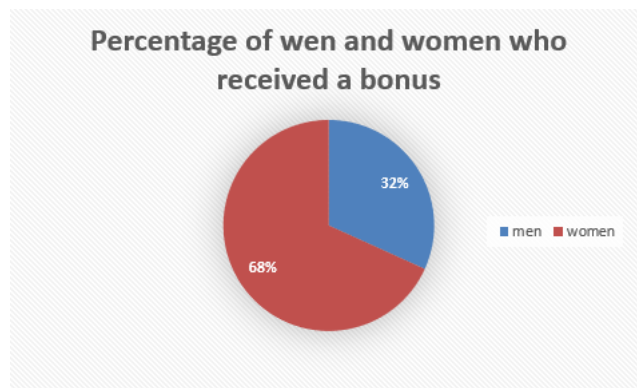
The above shows that there is a lower representation of women in more senior management roles in our organisation. We know that a contributing factor is that we have technical and specialist high paid roles which typically will be undertaken by men. It is encouraging to see that we retained 3 female members in our Senior Leadership Team.

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, the main three being:

- a Value Share Scheme (VSS) paid to its customer operations teams and introduced in July 2020
- a management bonus (mid to senior level managers)
- a commission scheme specific to Sales



The introduction of the VSS was a contributing factor in the increase in number of women who became eligible for a bonus (from 13 the previous year to 54) and therefore also in the percentage of women eligible (from 9% to 32%.) The payment of the management bonus was not delayed in 2021, unlike the previous year, so this also increased the general participation.

There is a significant gap for the mean (75%) highlighting that females on average are earning less than males in relation to bonus payments. This is a result of the types of bonuses that have been paid. Men who received a bonus payment occupied higher paid roles than women and participated in payment schemes which offer a higher payment, such as the management bonus and the sales commission. The highest bonus payments were paid to males.

The difference in median however is relatively small. The introduction of the VSS in 2020 has increased the number of both men and women who are eligible for bonus pay. This means that a high number of smaller bonus payments were made to both men and women and this has resulted in a median (1.23%) which is only slightly more favourable to men as both the median for men and for women fall under the same bonus category (i.e the VSS).

Gender pay gap	%
5. Mean (average) gender pay gap using bonus pay	75.0%
6. Median gender pay gap using bonus pay	1.3%

3. Summary

The figures for 2021 were no longer impacted by Covid and we can now see that work is required to try to increase our female participation and to reduce our mean and median pay gaps.

In relation to bonuses, we have improved the participation of women in a bonus scheme and work remains to be done to reduce the gap in payments made.

Suzanne Condes

HR Director

31 March 2022