



OPPORTUNITIES FOR ALL

Linde Material Handling (UK) Ltd
Gender pay gap report 2018

Gender pay gap report 2018

As part of our commitment to build an inclusive and diverse business we are committed to fostering an inclusive environment and promoting equal opportunities for all. The Senior Leadership team in the UK has developed a detailed action plan outlining how we will build a more inclusive culture with a key focus on gender balance.

Under UK legislation that came into force in April 2017 we are required to publish data about our gender pay gap. Gender pay gaps relates to differences in average hourly male and female pay and bonuses and does not compare the pay received by men and women, or groups of people, for doing the same or equivalent work, known as equal pay.



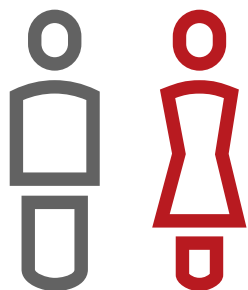
Our results

LMH UK Ltd is the head office function for a group of operational network companies and therefore a more representative picture is given by taking the whole group view. The results for the whole business consolidated under LMH total UK group provide mean gender pay gap of 15.7% and a median gender pay gap of 10.6%.

For Linde Material handling (UK) Ltd only there has been an improvement in the mean gender pay and although the median has slightly increased this is due to a decline in the hourly rate which includes bonuses which were paid in April. Bonuses paid in April 2018 were at a lower level than the previous year and therefore median gender pay is lower.

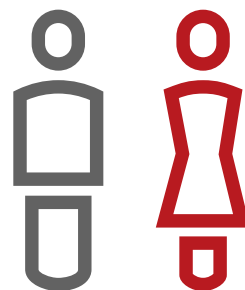
Mean pay gap

The mean pay gap is the difference in the average hourly pay rate for all men employed by LMH UK Ltd and for all women employed by LMH UK Ltd.



LMH TOTAL UK GROUP

15.7%

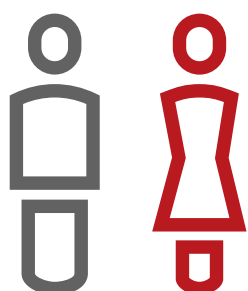


LMH (UK) LTD

31.8%

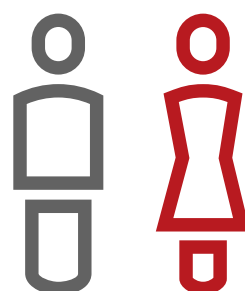
Median pay gap

The median pay gap is the difference in the hourly rate between the pay of the middle female employee and the pay of the middle male employee when male and female employees are listed in order of hourly pay rate.



LMH TOTAL UK GROUP

10.6%



LMH (UK) LTD

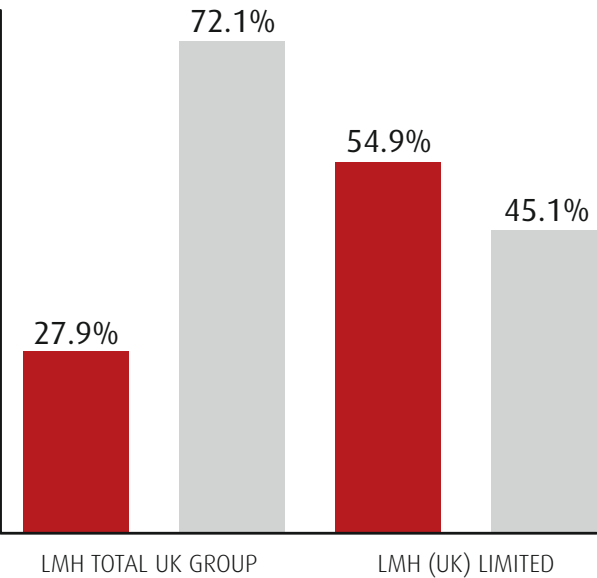
30.2%

Quartiles

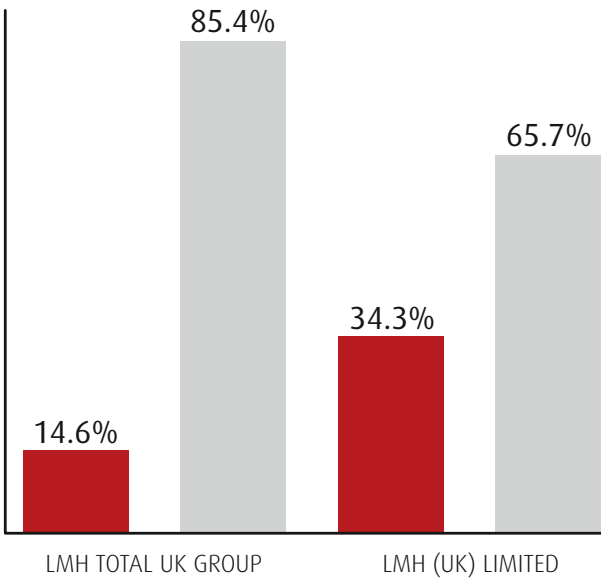
This shows the proportion of males to females in each pay quartile in the Company. All relevant employees are ranked from the lowest rate of pay to the highest, then the list is split into four equal sections and the percentage of male and female employees in each quartile is calculated. Positive progress has been made in moving females from the lower and lower middle ranges into the upper middle range.

The lower paid quartile has traditionally been populated by women, although this is still the case the proportion has declined. In each of these quartiles the percentage of females has reduced, but increasing in the upper middle

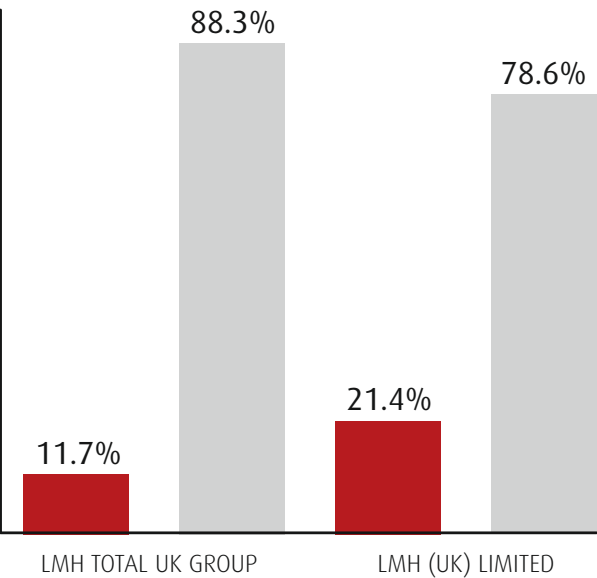
Lower paid quartile



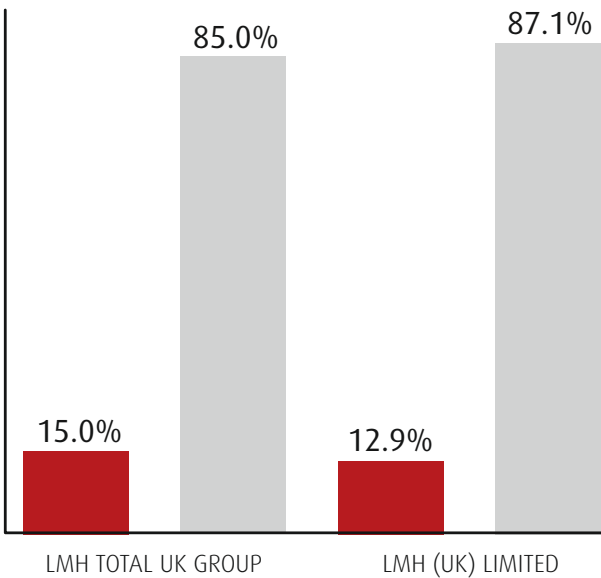
Lower middle paid quartile



Upper middle paid quartile



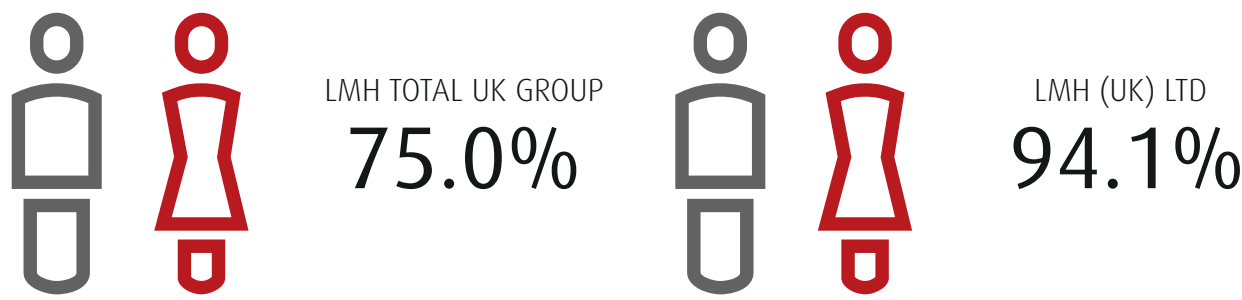
Upper paid quartile



Bonus gap

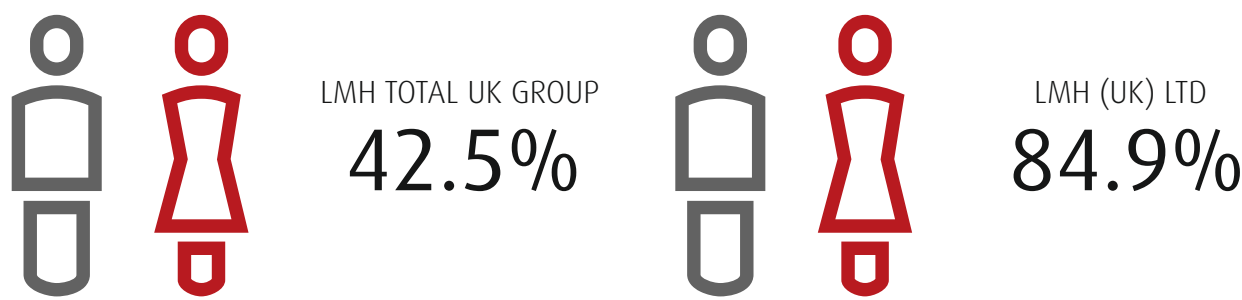
Mean bonus gap

The mean bonus gaps is the difference in the average bonus payment for men and women



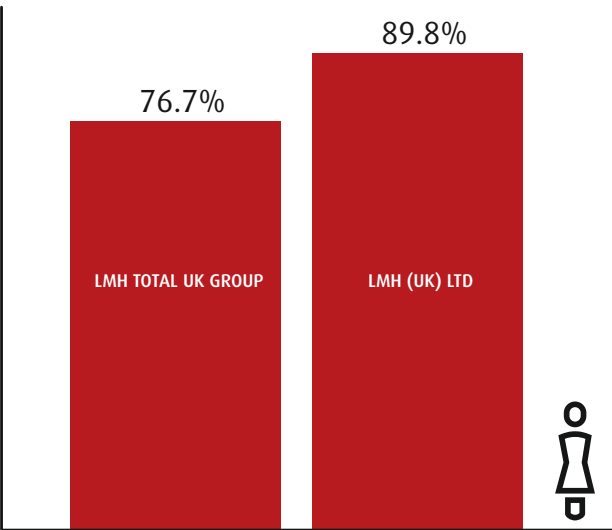
Median bonus gap

The median bonus gap is the difference in the bonus between the middle female employee and the middle male employee when male and female employees are listed in order of bonus payment.



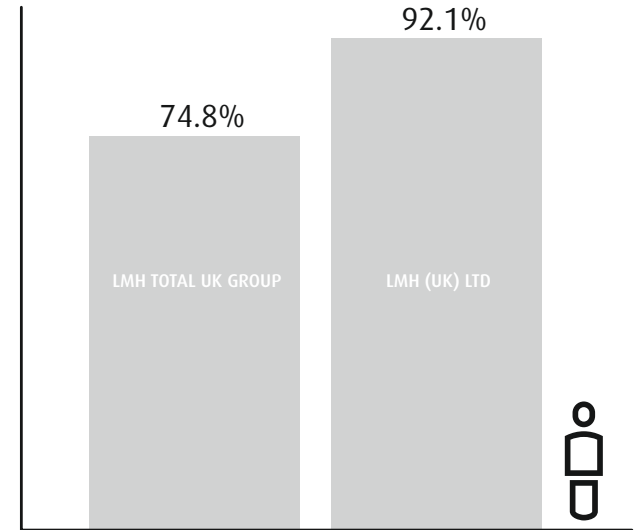
Percentage of women who receive a bonus

This calculation shows the proportion of females that received a bonus compared to the total female population



Percentage of men who receive a bonus

This calculation shows the proportion of males that received a bonus compared to the total male population.



At first glance, the difference in gender pay between men and women seems to be significant but overall this illustrates structural effects derived from our integrated business model and of the industry in which we operate rather than any pay inequality. We have however already seen the mean gender pay gap begin to reduce.

The main drivers of this gap are as follows:

- The material handling industry in which we operate is a predominantly male environment with entry levels though service and sales engineering routes.
- There are more men than women in management roles. This, again reflects the experience gained in sales and service environments that are predominantly male.
- Linde Material Handling UK is the head office environment where a lot of back office administration is concentrated, particularly in finance. Reflecting a national trend, there are more women than men in lower level administration roles where remuneration levels will be lower.
- The figures include sales commission, where most recipients are male, and management bonuses, where most recipients are also male.
- The basic salary figures are net of salary sacrifice contributions for pensions and child care vouchers that affect basic pay.
- There is a small difference in the percentage of men and women receiving a bonus but the bonus pay gap shows that there are more males receiving higher bonuses than females. There is a reduction in the number of females who receive a bonus which is due to qualifying periods and one of the management bonuses were paid in March instead of April and therefore this excludes the bonus amounts reducing the total amounts paid.
- The number of employees included in the data has risen, overall the number of females has remained static.



Our commitment to closing the gap

Attracting talented women into our industry is a challenge but we are committed both to equality and encouraging a diverse workforce. We have developed initiatives which we hope will encourage more females into the industry and initiatives to address the gaps that have been identified.

- Our values and leadership principles contribute to driving a gender-neutral agenda to change the company culture. The gender-neutral appraisal scheme is embedded throughout the company continues to reinforce these values and principles.
- Over recent years we have increased the number of women managers and we will continue to develop more women managers as part of our succession plan.
- The introduction of strategic cross company/functional project teams is contributing to the development of females within the business and preparing them for further development. 31% of those who participated in these project teams were female, of which 28% were Project Leads.
- Continue to recruit from a wider range of industries to increase the talent pool and we have extended the training for new sales and service staff to integrate them into the business more quickly.
- Continue to monitor the differences in gender pay taking actions where appropriate. Consider initiatives to identify and remove barriers to female advancement. The introduction of the Talent Development Manager has ensured the widening of the talent pool in recruitment practices and the extension of the succession plan to include a wider range of hierarchical positions, of those identified, 43% are female.
- The introduction of a senior and mid-level leadership programme forms part of a development platform, one third and two fifths of the participants respectively, are female.
- We continue to use competency based job descriptions and competency based interviews have been introduced to promote more effective gender-neutral recruitment.
- We have reviewed our bonus structures and have introduced a senior management grading system which is gender neutral and includes 5 females.

I confirm that the contents of this report are accurate.



Massimiliano Sammartano
Managing Director
Linde Material Handling (UK) Ltd