

FINNING UK GENDER PAY GAP REPORT 2018.



FINNING

Message from David Primrose

Managing Director, Finning UK & Ireland.



Our first Gender Pay Gap report last year added to the discussions inside our organisation about what we need to do in our ongoing inclusion and diversity journey.

We know that research shows that inclusive and diverse teams in the workplace create a more innovative and effective business. During the last 12 months, positive actions have continued in our commitment to embed a workforce where different thinking, views and different experiences are valued and encouraged.

We believe that our challenge is about improving diversity – from recruiting more women and candidates from diverse backgrounds to replacing the skills and experience we are losing as our ageing workforce retires.

We are determined to bridge the historical gender pay gap in our industry by encouraging more women to join Finning, celebrating women engineers and promoting development to increase the number of women in senior management positions. With this focus, we believe that over time we will reduce our gender pay gap.

Thank you for your interest.

David Primrose
Managing Director
Finning (UK) Ltd.

Message from Lynne Smith

HR General Manager



This is the second year Finning have completed the report to present its Gender Pay Gap results. We welcome the opportunity to reflect on our results, how they compare to previous year, moving forward into 2019 and bringing this alive in our business.

Having a vibrant and diverse workforce that reflects the world around us is key to understanding and satisfying the needs of our customers.

We are passionate about creating a diverse and inclusive place to work where everyone can be themselves and build a successful and fulfilling career.

While our industry traditionally lacks females, we are proud of the progress we have made towards becoming a more inclusive company. We are determined to accelerate our progress to attract, develop and retain a more diverse workforce at all levels, with a strong focus on ensuring greater diversity in senior leadership and STEM roles. With this focus, we believe that over time, we will reduce our gender pay gap.

Lynne Smith
HR General Manager
Finning (UK) Ltd.

What is the Gender Pay Gap



The gender pay gap measures the difference in the average pay of men and women across the entire organisation, expressed as a percentage of men's earnings.

This is different than equal pay, which measures the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value, which is unlawful to do.

All organisations with 250+ employees are required to report:

- Mean and median gender pay gap (ordinary pay)
- Mean and median bonus gap (bonus pay)
- Percentage of males and females receiving a bonus
- Percentage of males and females in each pay quartile

Ordinary pay includes basic pay, allowances, pay for piecework, pay for leave and shift premium pay. It only includes money payments. Ordinary pay does not include pay related to overtime, redundancy or termination of employment, pay in lieu of annual leave or pay which is not money.

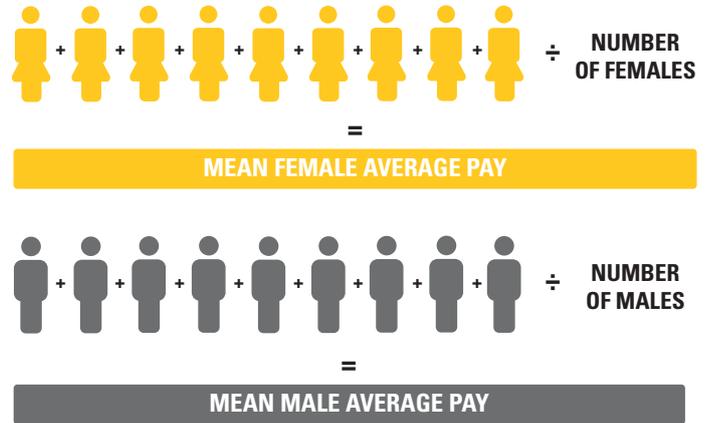
Bonus pay includes anything that relates to profit sharing, productivity, performance, incentive and commission. This must be received in the form of cash, vouchers, or securities. Long service awards with a monetary value (cash, vouchers or securities) are also included.

Pay Quartiles are calculated by dividing the relevant workforce into four equal pay bands and then calculating the percentage of males and females included in each quartile. This is not to be confused with the pay ranges that Finning uses.

Gender Pay Gap Measures Calculated Using Two Types of Averages

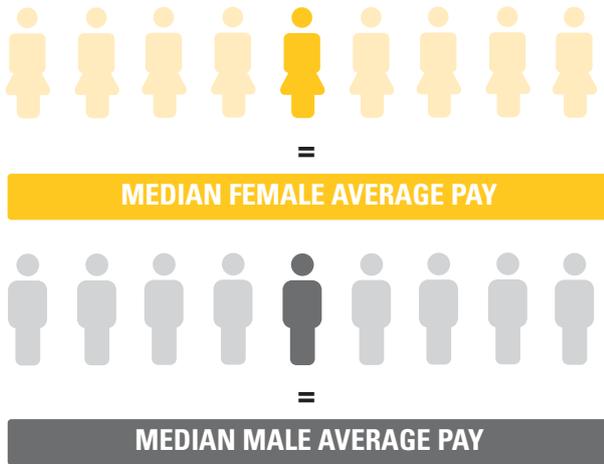
Mean average

Adding up all of the numbers and dividing the result by how many numbers are in the list. This is useful because it places the same value on every number used, giving a good overall indication of the gender pay gap. It can be skewed by relatively large or small values.



Median average

Listing all of the numbers in numerical order and finding the middle value. This is useful because it indicates what the "typical" situation is and is not skewed by the large or small values. It can however, hide a gender pay gap issue.



Finning's 2018 Results

(Data effective April 4, 2018)

Employees in the UK – 1,321



82.6% 17.4%

Gender Pay Gap - Ordinary Pay

Mean	21.1%	Median	16.4% <small>National 17.9%</small>
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Gender Pay Gap - Bonus

Mean	28.5%	Median	-177.4%
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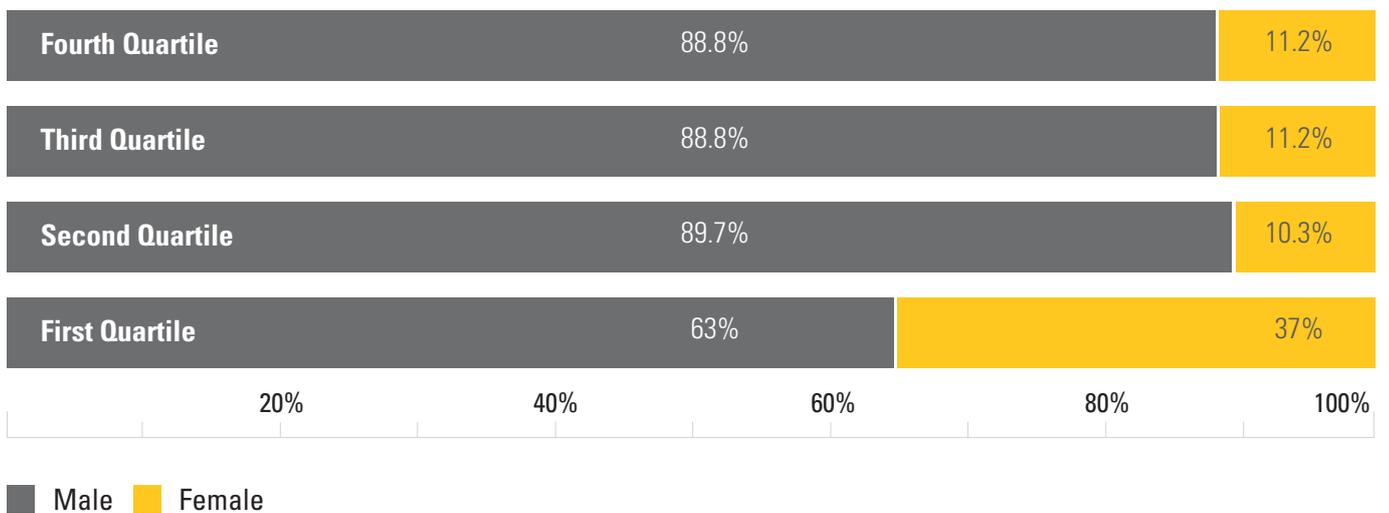
Bonus Pay - Percent Receiving



76.7% 32%

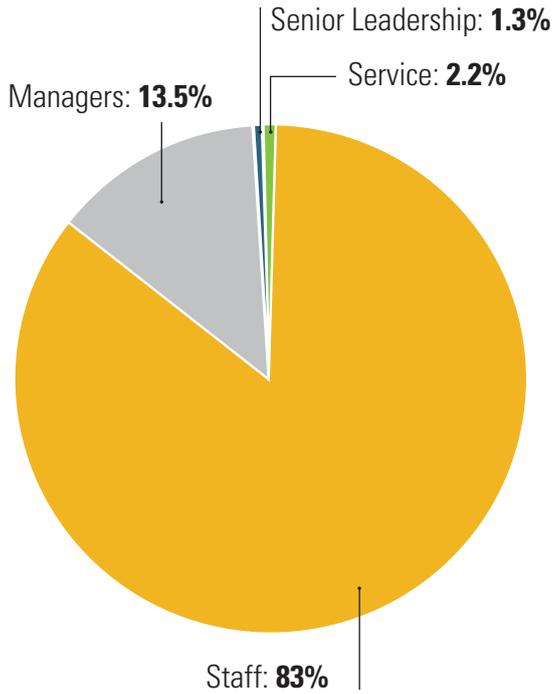
Pay Quartiles

Proportion of Males and Females by Quartile



What Does the Data Mean to Finning

Female population by Role Level Breakdown



Total female population was **230**

- Pleased to see an increase in our female workforce from 16% (2017) to 17.4% (2018).
- Our median pay gap for bonus showed a large minus figure (i.e. females higher than men). This is because most females in receipt of bonus were in our management group whereas most men who received a bonus were engineers in our Service group where bonus levels are set differently.
- We recognised there is a need to recruit more females into the engineering and service roles. Only a handful of engineers are women.
- We have seen increases in our female population in sales and management but both areas remain male dominated.
- Men hold a large majority of the management roles and females fulfill the staff / admin area.
- Although there is an improvement from 2017 of females in the top two pay quartiles, there has also been an increase in females in the lowest pay quartile.
- Females make up the largest proportion of part-time workers. This has no impact on full-time equivalent pay, but does where pro rata payments are used for calculations for some pay elements which in turn impact bonus figures used in the calculation.

How are we Addressing the Gap?



1. Recruiting and Retaining

We are growing a pipeline of female talent to address gender imbalance.

- We are changing the perception of engineering and inspiring the next generation of young girls to take up STEM subjects and become the engineers of the future. We are doing this by attending more career fairs in schools and partnering with higher education establishments. Our successes with strong female role models in the business allows Finning to demonstrate how exciting a career in engineering can be for women as well as men.
- Our collaboration with ex-forces recruitment events has also seen a positive interest from women with an engineering skillset to consider the opportunities Finning have to offer.
- Recruitment processes have been strengthened to attract more diverse candidates – from using inclusive language in job adverts and having diverse recruitment panels, to challenging recruiters to draw-up gender balanced shortlists and undergoing positive inclusion training.

2. Retention

We are ensuring employees experience an inclusive culture to stay working in Finning.

- Our employees have the right to request flexible working which enables them to better balance work with family commitments or professional development. For example, where possible we support employees who need to change their work times, work fewer hours or take a sabbatical.
- Returning to work after starting a family can be challenging. To ensure our people have the support they need, we plan to improve the experience of maternity returners and offer enhanced shared parental leave to encourage more men to take-up childcare responsibilities.
- Compensation Policies will reflect internal value and external value of a job. More proactive market pricing should allow us to remain competitive in conjunction with job evaluation. It will position Finning to attract and retain diverse talent.

3. Development and Talent

We are building the skills our people need to thrive and securing our talent into the business.

- We ensure that women are well represented on our Power to Lead Programme, which develops key leadership skills to equip our leaders to address critical business challenges.
- Inclusion and Diversity training continues to be rolled-out to managers, ensuring our decisions are grounded in fairness. In 2018, every Finning employee completed 'Stand up for Respect' training to help deepen knowledge and understanding throughout the business.
- Workshops on conscious inclusion have been held, raising awareness of the behaviours we engage in. These sessions also help to gain buy in for programmes currently under development.
- Our Regional I&D Council works closely with the global team on the ongoing implementation of our Inclusive Culture journey.



**ALL EMPLOYEES,
DESERVE TO
WORK IN AN
ENVIRONMENT
THAT IS SUPPORTIVE
OF THEIR INDIVIDUAL
CIRCUMSTANCES.**

We confirm the data reported is accurate.

David Primrose
Managing Director, Finning UK & Ireland

Lynne Smith
HR General Manager, Finning UK & Ireland

