

Context of Gender Pay Gap Reporting

Last year Kautex published the first gender pay report, under the regulation all employers with more than 250 employees are required to publish their gender pay gap. Gender Pay Gap statistics effectively compare average pay and bonus received by all men in the workplace compared with average pay and bonus received by all women in the workplace.

Kautex, and its parent company Textron, are committed to paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic). Please refer to the [Business Conduct Guidelines](#). The business actively;

- Carries out annual compensation reviews in relation to pay and benefits.
- Has a clear business system to evaluate job roles and pay rates as necessary to ensure a fair structure.
- Today's focus is aimed at improving the strategic pipeline of talent, the core skill of interns and apprentices. These initiatives are linked directly to the business targets driving diversity in leadership roles by 2025.

An overview of our pay and bonus gap

Mean gender pay gap (hourly pay)			
	KUK	KUL	KHE
	-46%	-5%	20%
Median gender pay gap (hourly pay)			
	KUK	KUL	KHE
	-95%	-16%	19%
Mean gender pay gap (bonus pay)			
	KUK	KUL	KHE
	-24%	-31%	65%
Median gender pay gap (bonus pay)			
	KUK	KUL	KHE
	-24%	14%	0%
Proportion receiving a bonus payment			
Gender	KUK	KUL	KHE
Male	100%	92%	98%
Female	100%	93%	99%

Hourly pay comparison – The above data shows that for Kautex Textron UK Limited (KUK) females have a substantially higher hourly pay rate (46% higher using the mean calculation and 95% higher when using the median calculation). Kautex Unipart Limited (KUL) data also reflect a higher pay rate for females for both mean and median calculations. For Kautex Textron CVS Limited (KHE) these figures reflect a higher pay rate for males, however these figures have improved in comparison to 2017 data.

Bonus pay comparison – The data also shows that for KUK both the mean and median figures reflect higher bonus payments for females. For KUL the mean bonus calculation reflects higher for females but the median reflects higher for males. The mean bonus calculation for KHE shows a higher bonus pay rate for males but there is no difference between males and females when calculation the median bonus pay.

Kautex across the UK has bonus programmes for all levels of employees which accounts for our high percentages of inclusion for both men and women.

An overview of our pay quartiles

Proportion of males in each pay quartile			
Quartile	KUK	KUL	KHE
Upper	88%	96%	84%
Upper middle	95%	94%	71%
Lower middle	100%	94%	65%
Lower	95%	90%	35%

Proportion of females in each pay quartile			
Quartile	KUK	KUL	KHE
Upper	12%	4%	16%
Upper middle	5%	6%	29%
Lower middle	0%	6%	35%
Lower	5%	10%	65%

The charts above show the gender distribution across our three UK sites in four equally sized hourly pay quartiles, for example, within the lower quartile for KUK, 95% of employees are men and 5% women.

Overall, women currently represent 17% of our UK employees. On average, women are less well represented than this figure in the top two quartiles due to proportionally more men being in middle / senior level roles. Increasing the number of women in our business and moving towards an equal distribution of men and women across all levels is very important.

Based on the data above, we are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather our gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Kautex is a manufacturing engineering business, in which this sector has traditionally attracted more male employees, this is reflected in the composition of our workforce.

Historically and traditionally, women have been under-represented in the manufacturing and engineering sectors. It is imperative that we address this imbalance of women in our organisation, continue to invest in our people and devise a strategy to attract and retain women at all levels in our business. Gender and diversity initiatives put in place across Kautex are already beginning to improve the representation of women in our organisation.

We are beginning to make progress on improving gender diversity but there is more we need to do and more we can do. We are determined to improve, whether it be through our recruitment practices, brand strength or leadership on diversity and inclusion. It is only by approaching diversity with concerted and continuous action that we can achieve our ambition of gender balance in our company.

Our continued commitment is to:

- Manage a fair and consistent pay and benefits structure within all our businesses.
- Drive talent pipelines with local Universities and target schools building the Kautex talent strategy.
- Ensure the business graduate early hire programme creates succession planning and future talent for our organisations.
- Engage with organisations who represent and encourage more women into careers in manufacturing and engineering.

I confirm that the information in this statement is accurate.

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