



# Gender pay gap report: 2019

Schneider Electric Limited and Eurotherm Limited

Life Is On

**Schneider**  
Electric

# Foreword

**Mike Hughes**

Zone President, Schneider Electric UK & Ireland



## Why diversity, inclusion and gender balance are at the heart of everything we do

This is our third UK gender pay gap report, covering the organisation's efforts to narrow the gender pay gap over the course of 2019.

We're proud of what we were able to achieve during this turbulent year while ensuring diversity and inclusion initiatives remain a top priority for the business.

Before we delve into the numbers, it is important to reiterate that diversity, inclusion and gender balance are integral to Schneider Electric's history, culture and identity.

It unlocks innovation, spurs creativity and fosters collaboration. We firmly believe that our employees should reflect the diversity of our communities and the customers we serve. Put simply, diversity is good for business.

This report covers Schneider Electric Limited and Eurotherm Limited, two entities with over 250 employees within the Schneider Electric family that by law require separate submissions.

We are fully committed to creating an inclusive and supportive workplace environment by empowering individuals from diverse backgrounds, socio-religious viewpoints and gender identities. We thrive when our employees are at their finest both at work and at home.

Today, more than ever, we are conscious that gender diversity is an issue for many UK-based industrial and engineering companies. Our gender pay gap results aren't where we want them to be. We acknowledge that more needs to be done to close our gender pay gap now and in the future.

In the context of this report, it is also important to reiterate that gender pay gap and equal pay issues are not the same. Across all Schneider Electric entities, we pay equitably to men and women across all job roles.

In 2020, our focus remains on driving diversity and inclusion initiatives and ensuring that we increase the number of women in senior roles throughout the organisation.

While change won't happen overnight, we are absolutely committed to building an inclusive workplace with equal opportunities for all.

A handwritten signature in black ink, appearing to read 'Mike Hughes', written over a light blue background.

**Mike Hughes**

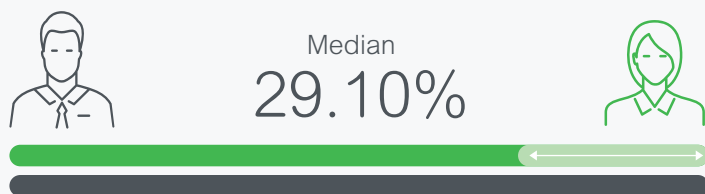
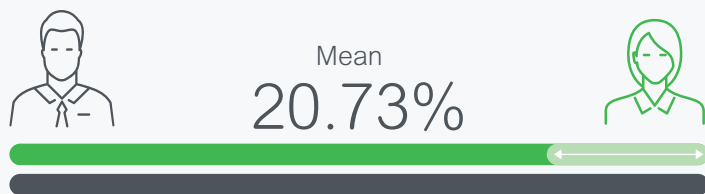
Zone President, Schneider Electric  
UK & Ireland

# Our pay gap over the past 12 months

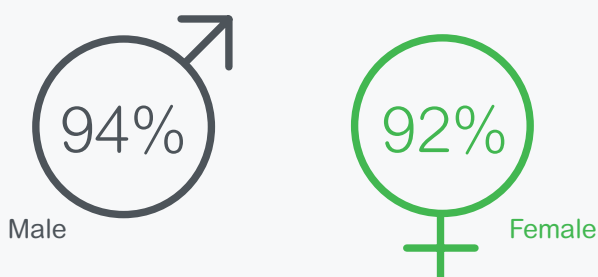
A gender pay gap is the average earnings comparisons between all male and all female employees in the organisation. Equal pay reporting assesses any differences between men and women who carry out the same job, similar jobs or work of equal value. The two aren't the same.

We have policies in place to support equity.

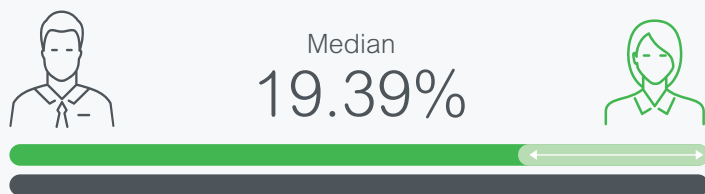
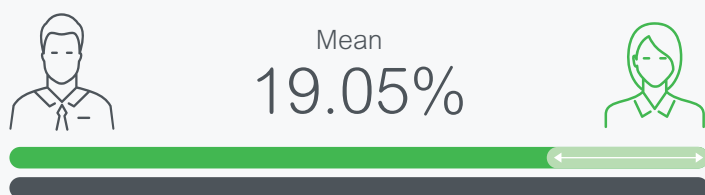
## Gender pay gap



## Percentage of employees receiving a bonus



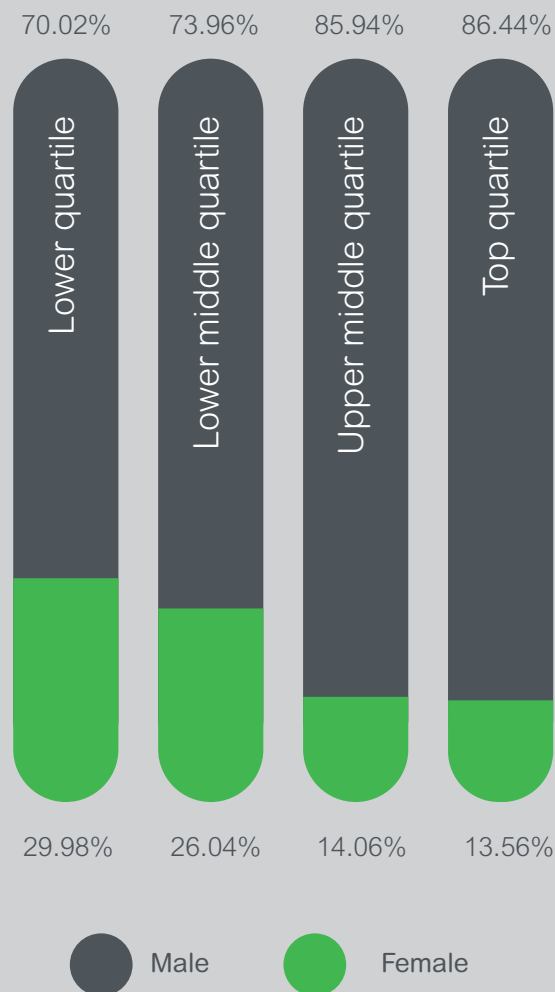
## Gender bonus gap



Our gender pay gap results are as follows:

- We are seeing gender pay gap results with a mean (average) pay gap of 20.73% and a median (middle) pay gap of 29.10% in 2019.
- 92.14% of women and 94.42% of men are receiving a bonus. The mean (average) bonus gap is 19.05%, and the median (middle) bonus gap is 19.39% in 2019.

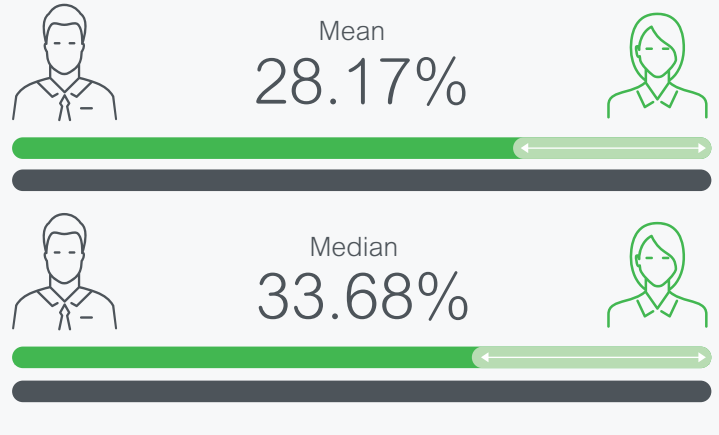
## Male / female split in each quarter of the payroll



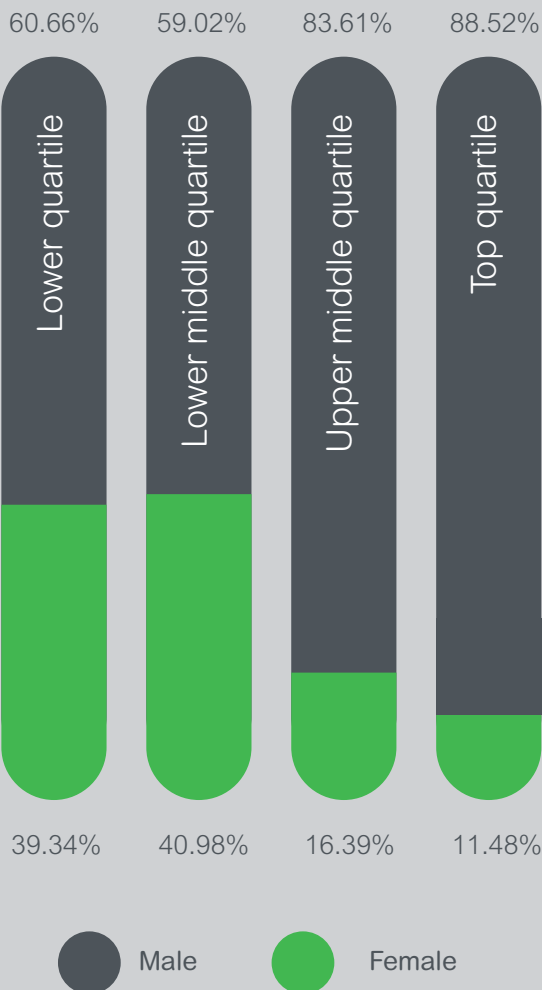
Our gender pay gap results are as follows:

- We are seeing gender pay gap results with a mean (average) pay gap of 28.17% and a median (middle) pay gap of 33.68% in 2019.
- 97.01% of women and 94.97% of men are receiving a bonus. The mean (average) bonus gap is 11.59%, and the median (middle) bonus gap is 26.13% in 2019.

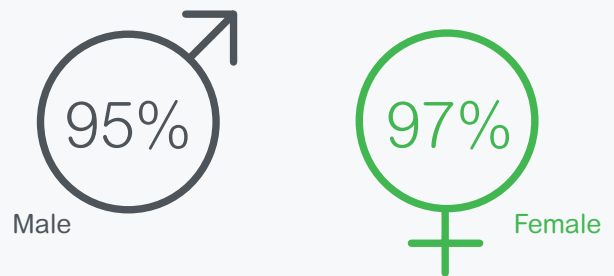
### Gender pay gap



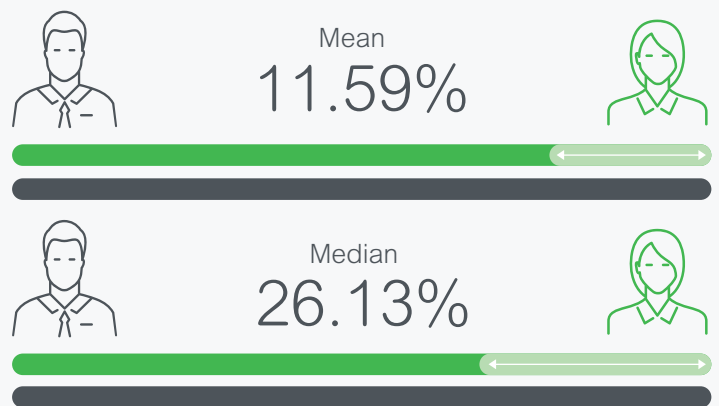
### Male / female split in each quarter of the payroll



### Percentage of employees receiving a bonus



### Gender bonus gap



## Why are the gender pay gap figures as they are?

Firstly, we look at the overall gender split. Like many engineering and technology companies, we have fewer women than men working for us. At Schneider Electric Limited there are 547 women and 2,008 men in this analysis whilst at Eurotherm Limited, there are 67 women and 179 men. The reality is that female engineering and technology talent is harder to find. New government data suggests that today, women make up 24% of the core-STEM workforce in the UK. Women now account for just over 10.2% of engineering professionals and 16.4% of all technology professionals in the UK.

**Secondly, we have high retention rates.** Our average employee retention is 11.5 years. The average employee age across the organisation is 44 years old. We are proud that employees chose to stay with us for a long time. However, that also means that balancing out diversity across the organisation will take time.

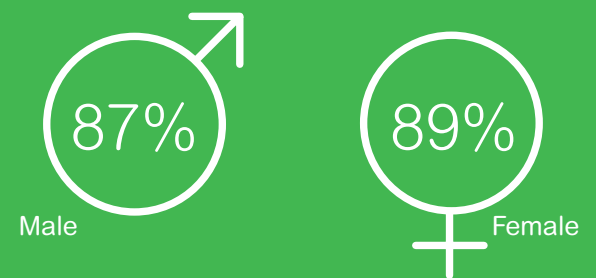
**Thirdly, we have a historic imbalance in roles and seniority.** Historically, there have been fewer women than men entering such roles as Sales, IT, R&D, and Technical Support, which tend to be higher-paying roles. We know that women can do these jobs and we have been offering training to men and women who show aptitude and interest in these roles, enabling internal transfers. Our 121 STEM Ambassadors (75 men and 46 women across the organisation) work tirelessly to promote STEM careers in schools and colleges. We are evolving our hiring practices to recruit for potential, rather than like-for-like experience, as well as driving internal promotions and transfers - to further fuel diversity.

Additionally, we are delighted to see that the percentage of both men and women eligible to receive a bonus has increased both at Schneider Electric Limited and Eurotherm Limited. The gender bonus gaps have shown a significant improvement across both organisations. The bonus gap numbers in 2019 are reflective of the bonus payments linked to the salary base and the grade of the role which are thus influenced by the overall number of female and male employees and their roles within the organisation.

Our average tenure is 11.5 years, with an average employee age of around 44 years old

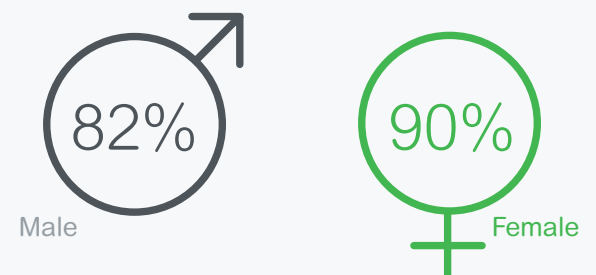
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Male and female retention rates



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Male and female retention rates



## Our commitment to closing the gender pay gap

In 2019, we continued building a diverse and inclusive workplace that provides equal opportunities to all. We focused on driving high performance through fair evaluation and differentiation of all employees, while ensuring they were rewarded fairly and competitively. We are committed to ensuring that all employees feel uniquely valued and safe to contribute at their very best.

Our core principles include:

- We reward high performance as part of our high-performance culture
- We enable diversity, inclusion, wellbeing and flexible working
- We recruit and promote for potential, rather than like-for-like experience
- We attract and retain best talent through enabling work-life balance, internal training and transfers, as well as an inclusive approach to family leave

We reaffirm our commitment to these four areas, as they are key to helping us reduce the gender pay gap over time.

## Putting commitments into practice

In 2019 we pursued a number of initiatives aimed at supporting inclusive and high-performance culture. In 2020, diversity and inclusion are top priorities for the UK executive team, as we continue driving positive change, retaining and recruiting top female talent.

1. We focus on potential, rather than like-for-like experience, as we search for top talent. All candidates are fairly represented throughout the recruitment process.
2. We actively promote science, technology, engineering and mathematics (STEM) activities, having increased the number of STEM ambassadors from 110 in 2018 to 121 in the UK. We offer several types of apprenticeships, targeting schools and colleges, in particular, high STEM achieving schools and all girls' schools. A quarter of our STEM Ambassadors are in senior management roles, which shows an ever-increasing emphasis on our initiatives.
3. We aim to have at least a 50% gender split amongst our latest graduate intake/early recruitment candidates, always looking to recruit the best candidate for the job. In 2019, the number of female graduate hires was 60% of all intake.
4. We offer career development and mentoring support to all staff. A variety of leadership development, diversity, inclusion programmes are available across Schneider Electric companies. More training is coming up on Inclusive Leadership, as part of our Leader Skill series, which will be launched in 2020. Overcoming Hidden Bias training will be rolled out more widely, covering all employees to support our D&I initiatives.
5. We offer a women-specific leadership programme – “Schneider Women in Leadership” – having nominated 9 UK based employees for the programme this year. The programme focuses on overcoming the barriers – structural, social, and psychological – that female leaders face, as well as building a personal plan to realise one's leadership ambition, peer coaching & support circles.
6. We adopted a new AI-led tool to strengthen internal mobility and personal development. The platform identifies suitable vacancies within the organisation as well as eligible Schneider Electric candidates – making an 'offer' to the hiring manager, thus helping to reduce the traditional reservations of female candidates. The platform also allows people to join agile teams to cover specific projects, flexing their skills, as well as offering global mentorship opportunities to support career growth.
7. We recognise that wellbeing fuels productivity and high performance. Our wellbeing programme covers not only physical wellbeing, but also its

mental, emotional and social aspects. Our ambition is to provide equal opportunities to everyone while creating both physical and psychological safety for all.

8. Mike Hughes, Zone President Schneider Electric UK & Ireland, is a lead on the D&I Global Advisory Board, championing and overseeing our diversity and inclusion strategy as well as advocating, both internally and externally, for the need to build a diverse and inclusive culture at Schneider Electric.
9. Globally, we are committed as a HeForShe IMPACT Corporate Champion to increase the representation of women within the organisation – at entry to 40%, on the management committee to 33%, and in top positions to 30%.
10. We continue our collaboration with Where Women Work, an organisation that helps us educate and inspire women regarding careers at Schneider Electric. We continue working with The 5% Club to help encourage new thinking when it comes to hiring early talent. The Royal Academy of Engineering continues to be our partner. We also work closely with an organisation called “Working Mums and Working Dads.”
11. We continue our partnership with Lincoln University to create an integrated, fully funded four-year Engineering Degree put together by Digital Energy as part of the apprentice framework. The programme includes weekly residentials, distance learning and exams/coursework for the nine students who started in September 2019.
12. In order to increase our diversity numbers in top payroll quartiles, we offer a variety of benefits to enable work-life integration to all. As of the end of 2018, the Global Family Leave Policy, has been fully deployed in over 59 countries, covering 75% of our employees, and is on target to reach 100% by 2020. Further to this, the global Pay Equity Framework has been implemented in 50 countries, reaching over 92% of our total workforce, and expected to reach 95% by 2020. We do offer flexible working to all UK staff. We strive to re-engage women following a career break, easing their professional transition back into the workplace to minimise mid-career attrition.

## Recognition of progress and the people who make it real

Over the past 12 months, Schneider Electric’s effort to increase diversity and inclusion has been recognised in a variety of ways:

- For the third year in a row, Schneider Electric has been recognised in **Bloomberg’s 2020 Gender-Equality Index (GEI)** for its commitment and progress towards gender equality and inclusion across the Group. The company is one of 325 global companies that made the 2020 Index and is one of 16 in the industrial sector to be included.
- For the first time, Schneider Electric is one of four companies to receive the 2019 **Catalyst Award** that acknowledges companies for their bold and forward-thinking initiatives that help create safe and inclusive workplaces where women can advance. The Catalyst Award celebrates innovative organisational approaches with proven, measurable results that accelerate progress for women through workplace inclusion.
- In 2019, we won Bronze for our Apprentice Programme in the in-house **Recruitment Awards**. Schneider Electric was ranked 28th in the Top 100 Employers on RateMyApprenticeship and took 2nd place in The Best Engineering Employer of the year category. These accolades affirm our efforts in the fields of recruitment and social responsibility.

It is our people and their successes that make all the difference. There are many impressive women and men who work for Schneider Electric, constantly pushing boundaries, challenging industry stereotypes and being an inspiration to others.

Just a few examples are:



**Sally McLaughlin**  
**Field Services Development Engineer, Schneider Electric**

She started her working life in Financial Services back in the early 1990s, before moving into the world of energy and electric engineering after a 15-year career break. As a mother of three, Sally at first found it challenging to re-enter the workplace. She felt that no matter how successful she might have been in the past getting employers to see past the ‘stay at home Mum’ role proved difficult – before Schneider Electric provided the encouragement and support Sally needed to gain the confidence to succeed in her role of V2 Sales Engineer for Field Services. Two years on, Sally is thriving in the role and is still learning something new every day.



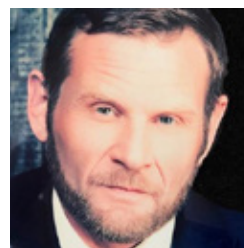
**Jennifer Webster**  
**Senior HR Business Partner, Schneider Electric**

Jen enjoyed a fantastic career at Schneider Electric – thriving on variety. Jen’s role has evolved and changed substantially over her time with Schneider Electric, giving her the opportunity to learn, develop and continue to challenge herself. As a mother of two under the age of five, Jen took time off to care for her young family. When she was ready to return back to work, the company provided a supportive environment and have given her the opportunity to work flexibly. Her advice to other women is to have more confidence in themselves and not be afraid to speak up and make yourself heard.



**Westley Thurley**  
**‘Fight for Footprint’ leader, Schneider Electric**

Combining three roles in one – to include Partner Channel Sales Manager, Specification Team Manager and New Systems Business Sales Manager – Westley was struggling to combine family and work life. As a father to two boys, he admits that for a long time he didn’t want to discuss the struggles he was having juggling childcare with full time work. But when he started to talk about it to his Schneider Electric supervisors, he received the full support he needed. Westley was able to get his life back in balance. He’s grateful and keen to talk about his experience of flexible working. He also encourages other dads to do the same.



**James Volkk**  
**Senior Talent Acquisition Specialist, Schneider Electric**

As a dad of two, who benefits from flexible working, James is an avid advocate of the practice. He believes that trust and accountability are the keys to making flexible working a success. He says that things such as the ability to split child pick-up duties with his wife encourages him to work harder, makes him happier and he enjoys a more enriched life. And in his line of work – headhunting essentially – that positivity gives him an edge. When he is trying to persuade someone to join the company, he can speak from the heart and that really resonates. He’s convinced that all employees and employers should think about embracing flexible working.



## Final comments

We are proud to walk the talk on diversity and inclusion.

We have made good headway in addressing the gender pay gap in 2019. I am proud of my team, working tirelessly and passionately to attract top female talent and foster many important conversations on work-life balance, mental health and overcoming hidden biases to name a few. We recognise that there is more work to do.

At Schneider Electric we believe that diversity enables innovation, drives creativity and collaboration. We are committed to supporting all our employees in accelerating careers and reaching their full potential – without having to put their lives on hold.

We recognise that given the make-up of the organisation and average tenure of employees in the UK, closing the gender pay gap will take some time.

We are encouraged by the progress made over the years and are committed to getting this right. We are doing everything we can to narrow the gender pay gap as quickly as we can and reach a 'critical mass' of women who will be able to effect real change.

## Statutory declaration

I can confirm that the data and information in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



**Mike Hughes**

Zone President, Schneider Electric, UK & Ireland