

Life Is On

**Schneider**  
Electric

# Gender pay gap report: 2020

Schneider Electric Limited

# Foreword

**Kelly Becker**

Zone President, Schneider Electric UK & Ireland



## We're continuing to strengthen our diversity, inclusion and gender balance

I am pleased to present this report which outlines our progress in tackling the gender pay gap across Schneider Electric over the course of 2020.

At Schneider Electric, we want Diversity and Inclusion to become less of a focus area and more just a case of how we do things every day. During a challenging year, many of our people have felt the impact of a global pandemic on both their working and personal lives in ways we could never have imagined.

The health, safety and wellbeing of our employees has always been our number one priority. It became our primary focus, from the moment the pandemic impacted our business operations, to ensure we carefully managed the physical, mental and emotional wellbeing of our employees whilst ensuring we moved at a pace to safely handle and fulfil customer's needs. However, this has not halted our long-held commitment to ensure our organisation is a diverse, inclusive and supportive place to work.

Comparing our statutory figures with last year shows a mixed picture. Although our median pay gap continued to narrow for the third year in a row, there was a slight increase in our mean pay gap, and our bonus gap increased, primarily as a legacy of the long tenure of male employees at senior levels.

Since our last report, we have continued to drive forward with initiatives to attract and recruit talent from a diverse range of backgrounds. We have invested in early-stage career recruitment and looked to hire from places we may not have looked before. We have

assessed candidates for their potential as well as their skills and hired more females than males to help diversify our workforce.

Due to several initiatives over the past few years, we have a strong pipeline of female leaders rising through the ranks. We have strived to create safe and empowering environments where all our people can thrive and be at their finest at work and home. Whether our people worked from home or out in the field, powering and maintaining the nation's most critical assets - electrical grids, water networks, hospitals, and data centres - we've ensured they felt noticed, supported and enabled.

This year, we've seen what we can achieve as a team. We have shown tremendous adaptability, flexibility, and dedication to supporting each other and identifying solutions to the challenges we have faced together. Many have also gone beyond this and volunteered to support their local communities. As a team, we've achieved greater openness and inclusion. This attitude and spirit will help us achieve more when it comes to our diversity efforts.

We're proud of what we have achieved in a testing year. Like other companies in our sector, we acknowledge that we need to do more to close our gender pay gap and we remain absolutely committed to achieving this goal.

**Kelly Becker**

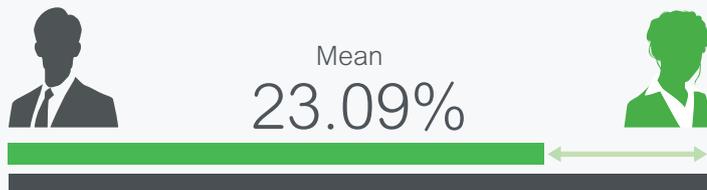
Zone President, Schneider Electric  
UK & Ireland

# Our pay gap over the past 12 months

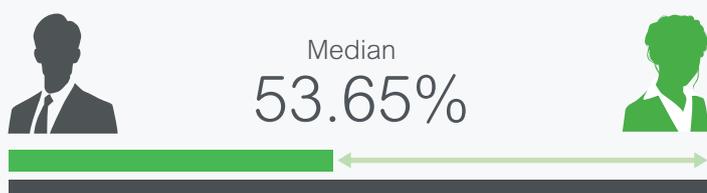
Gender Pay Gap legislation requires an employer with 250 or more UK employees to publish their gender pay gap in several different ways. The government stipulates how the information should be calculated, based on a snapshot of data on 5th April in the reporting year. This statement is based on 2,473 colleagues working for Schneider Electric Limited in the UK.

“Pay” includes basic pay, bonuses and any premiums or allowances. The gender pay gap is the average earnings difference between all male and female employees in the organisation. Gender pay is different from equal pay, which assesses any differences in earnings between men and women who carry out the same job, similar jobs or work of equal value. We have policies to support equity, and our analysis of pay quartiles demonstrates that we pay equitably to men and women.

## Gender pay gap



## Gender bonus gap

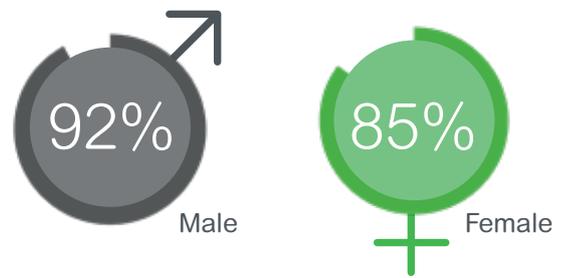


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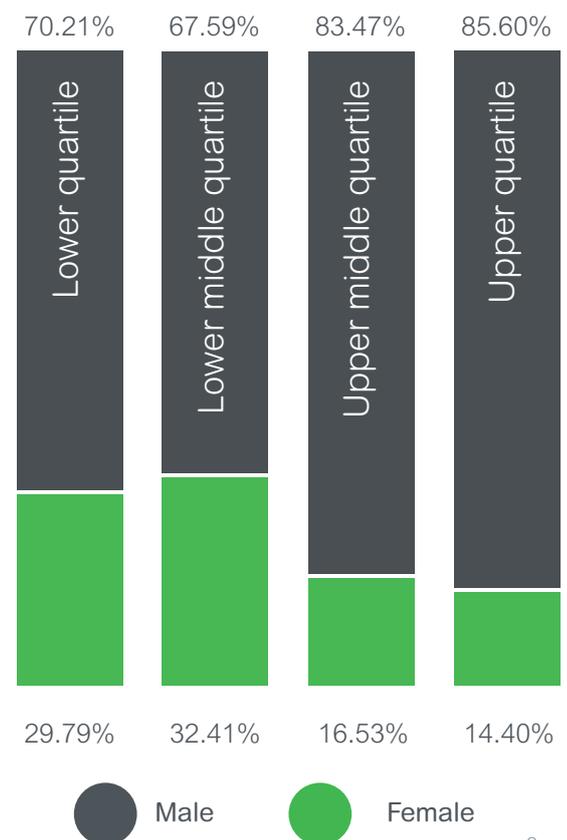


- We see gender pay gap results with a mean (average) pay gap of 23.09% and a median (middle) pay gap of 26.85% in 2020.
- 84.52% of women and 91.99% of men received a bonus. However, the mean bonus gap is 53.41%, and the median (middle) bonus gap was 53.65% in 2020.

## Percentage of employees receiving a bonus



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



## 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 588 women (24%) and 1885 men (76%). Females also make up 24% of senior leadership roles. Although the number of women we employ has increased since 2019, the reality is that women still only make up around a quarter of the current tech workforce, and female talent is more difficult to find in our sector.

Globally, we are committed as a HeForShe IMPACT Corporate Champion to increase women's representation – to 40% at entry-level, 33% at the management committee level, and 30% in top positions. In 2020 we reached two of these targets, with 41% female representation at entry-level, 24% at management level and 38% at the executive committee level.

There is more to be done and as set out in our new global ESG targets, announced on 25th January 2021, we commit to 50/40/30 gender diversity, from hiring to front-line managers and leadership teams.

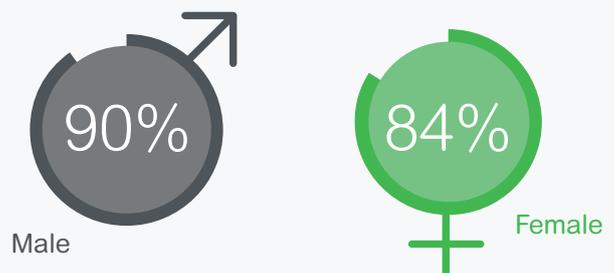
**Secondly, we have high retention rates.** While our overall headcount fell slightly in 2020, our average employee tenure increased from 11.5 to 12.35 years, and the average age of employees stayed almost the same at 45 years old versus 44 in 2019. Balancing out diversity across the organisation is something that continues to take precedent but also takes time.

**Thirdly, we have a historical imbalance in roles and seniority.** Historically, there have been fewer women than men entering certain functions, such as Sales, IT, R&D, and Technical Support, which tend to be higher-paying roles. We know that women can do these jobs. We have been promoting diversity and inclusion and offering training to men and women who show aptitude and interest in these roles, transferring internally.

Additionally, our bonus gap numbers reflect that bonus payments are linked to the salary base and the role's grade, thus influenced by the overall number of female and male employees and their roles within the organisation.

## Our average tenure is 12.35 years, with an average employee age of around 45 years old.

Male and female retention rates



## Our commitment to closing the gender pay gap

Closing the Gender Pay Gap has and continues to be a top priority. Our goal is to ensure we reward employees fairly and competitively. We continue to build a diverse and inclusive workplace that provides equal opportunities for everyone. We strive to ensure that all employees feel uniquely valued and have opportunities to contribute to their very best in a safe environment.

Our Global Diversity and Inclusion Board and Executive Leadership Team holds itself accountable to a Diversity and Inclusion strategy based on four key pillars:

- **Empowered Diversities.** We want our employees to reflect the diversities of the communities we operate in, in five areas: gender, nationality, generation, LGBT+, and people with disabilities.
- **Inclusive Practices.** We want to ensure that diversity and inclusion are integrated at all stages of our Total Employee Experience, and that there is fairness and equity in core people processes and policies. Our overall goal is to establish trust, eliminate barriers, and inclusive processes for all diverse needs. For example, our Global Family Leave Policy recognises that all families are different and unique, and we want to ensure everyone can benefit from and focus on key family events.
- **Inclusive Behaviours.** We want our leaders and teams to respect uniqueness and build a sense of belonging to drive business growth and innovation. This starts with understanding the value of diversity in teams and the challenges of hidden bias, and continues with proactive actions to establish a culture of inclusion.
- **Advocacy.** We know we must share our stories, internally and externally, on what we are doing to build an inclusive and diverse culture. By championing and role-modelling, we can help our leaders, employees and others outside our organisation learn and drive change.

We reaffirm our commitment to these four areas, contributing to our gender pay gap reduction over time.

## Putting commitments into practice

In line with the global strategy, we implemented several initiatives last year to enable diversity, inclusion, wellbeing and flexible working. These initiatives ensure we are hiring on the basis of potential and training our hiring managers in unconscious bias, and attract and retain the best talent through offering work-life balance and opportunities for career development.

In 2021, Diversity and Inclusion continues to be a top priority for the UK executive team as we continue to drive positive change to ensure we recruit and retain top female talent. A variety of leadership development, diversity, inclusion programmes are available across Schneider Electric companies.

1. As a 5% Club member, we aim to encourage and learn new thinking regarding young talent and apprentices. We target a 50% gender split amongst our latest graduate and early-career recruitment intake, always looking to recruit the best candidate for the job. Between September 2019 and September 2020, we increased the number of female graduate hires from 54% to 62%.
2. We have embraced our change agent role for gender equality as a UN Women HeForShe IMPACT Corporate Champion since 2015, and 100% of our Country Presidents and our global CEO are committed to the Women Empowerment Principles developed by UN Women and UN Global Compact. We continue to reach for and maintain our performance targets as HeForShe IMPACT Corporate Champions by having 40% female representation in entry-level roles, 33% at the management committee level, and 30% in top positions.
3. As a global company, we have also committed to UN Free & Equal Standards of Conduct for Business on Tackling Discrimination against LGBTI People since 2018.
4. We continue to partner with Where Women Work ([wherewomenwork.com](http://wherewomenwork.com)), an organisation that helps us educate and inspire women regarding careers at Schneider Electric, [WorkingMums.co.uk](http://WorkingMums.co.uk) and [WorkingDads.co.uk](http://WorkingDads.co.uk), which aim to improve the world of work and offer advice to working parents, and Work 180 ([uk.work180.co](http://uk.work180.co)), an international jobs network for women.

5. As a vital element of our Employee Value Proposition, our recruitment practices and Step into Schneider initiative, launched in 2020, emphasises the importance of potential, rather than like-for-like experience, to further fuel diversity. We ensure all candidates are represented fairly throughout the recruitment process.
6. In the UK, we will continue to run our successful Overcoming Hidden Bias programme, which covers all employees to support our Diversity and Inclusion initiatives. More training is coming up on Inclusive Leadership, part of our Leader Skill series launched in 2019.
7. We will continue to promote our voluntary internal artificial intelligence (AI) enabled Open Talent Management Tool to help match high potential people to suitable projects that will allow them to develop new skills and set out career development training paths. Currently, more than 60% of UK employees use the tool.
8. We strive to re-engage women following a career break, easing their professional transition back into the workplace. We work hard to minimise women's voluntary attrition rates as they move up careers ladders.
9. We recognise that wellbeing fuels productivity and high performance. Our wellbeing programme covers not only physical wellbeing but also mental, emotional and social aspects. Our ambition is to provide equal opportunities to everyone while creating physical and psychological safety for all employees. We've stepped up our support efforts since the onset of the pandemic.
10. To increase our diversity numbers in top payroll quartiles, we offer various benefits to enable work-life integration to all. As of the end of 2020, 100% of our global workforce is covered by our Family Leave policy, and the Pay Equity Framework covers 99%. We offer flexible working to all UK staff.
11. In 2019/2020, our 122 STEM Ambassadors (46 of them female) continued to promote STEM careers in schools and colleges. We offer several apprenticeships, targeting schools and colleges, particularly high STEM-achieving schools and girls' schools. A quarter of our STEM Ambassadors are in senior management roles, which shows an ever-increasing emphasis on the initiatives.

## 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 second year in a row, Schneider Electric earned a place on the **Financial Times Diversity Leaders** list, ranked number two in our industry and 27th out of 850 companies.
- We were selected as a **WorkHuman Certified Company**, which recognises companies leading the way towards creating more human workplaces for employees.
- We joined the **Gender & Diversity KPI Alliance**, supporting the adoption and use of a set of key performance indicators (KPIs) to measure gender and other types of diversity in their organisations.
- And for the third year in a row, we were included in the **2020 Bloomberg Gender-Equality Index**, which provides a unique barometer of gender-equality performance across all sectors worldwide.

Recognition is important, but it's our people and their successes that make all the difference. Many impressive women and men work for Schneider Electric, continually pushing boundaries, challenging industry stereotypes, and inspiring others.

Just a few examples are:



**Alice Williams**  
**Vice President of Strategy and Commercial Excellence**

After a career in the British Army, Alice wanted her next role to align with her passions for equality and sustainability. Joining Schneider Electric as a Business Analyst in 2019 gave her the freedom to learn and shape her career path. She had the opportunity to demonstrate her core transferable skills while exploring the rest of the business. For example, the Open Talent Market within Schneider allowed Alice to access opportunities to work on standalone projects, showcase her abilities, and connect with mentors worldwide. The projects she worked on during her first 12 months helped to shape her role in the organisation. Alice encourages others to clearly define and communicate what they want to do - even if it's something completely new and out of their comfort zone.



**Tom Naul**  
**Sales Director - Utilities**

He joined Schneider in 2017 and is inspired by the company's "get in and grow" approach to finding and developing talent and the pride that comes from working at a company focused on sustainability. As a hiring manager, he sees this reflected in the focus on finding candidates from diverse backgrounds that aren't necessarily the finished article but have transferable skills like communication, problem-solving, and collaboration. He understands the increased importance candidates place on sustainability and diversity and how Schneider's firm commitments make the company so attractive as an employer. Once inside, the opportunities are there to ask questions, experience a wide range of projects, and learn technical skills from experts across the business. This is something Tom encourages anyone joining the company to do.



**Nathan Ghundoo**  
**Head of Segment Marketing**

He joined as a Graduate Engineer in 2013 and gained experience across several different business functions before moving into marketing. During his career at Schneider, he has seen the focus on diversity and inclusion grow. For example, Schneider opened its graduate programme to non-engineers and increased outreach in schools, colleges and universities. This has opened up more opportunities to embed innovative thinking from a broad range of backgrounds from a technology, cultural and HR perspective. This translates into a strong mentoring and development culture and a framework that allows Nathan to work flexibly, balancing professional commitments with the needs of a young family.



**Sarah Bedwell**  
**Field Services Project Manager**

Sarah joined Schneider Electric after completing a business degree. Although attracted to a project manager's fast-paced role connecting with customers and engineers, she felt her technical knowledge was lacking. Schneider Electric supported Sarah in taking a BTEC in electrical and electronic engineering, which helped her bridge the gap. Now, Sarah is a Project Manager in Field Services, responsible for a variety of projects. Working with technically experienced engineers was a challenge at first, but she quickly learned how to balance her own experiences with colleagues' advice. Her advice to others interested in a career in engineering is to follow their passion, ask questions and not be afraid to go for what they want, regardless of gender, age or experience.

## Final comments

Throughout my career, and in my role as a leader on the Schneider Electric Diversity & Inclusion Global Advisory Board, I have been a strong advocate and believer in diverse teams.

At Schneider Electric, we know from experience that collaborative teams built on gender, race, and experiential diversity deliver exceptional creativity, innovation and business performance. This is because of the different qualities, perspectives and skill set each individual brings and the ability to better understand the broader global community, which we are all a part of.

We will continue to “walk the talk” and build on the work already done, finding ways to continue the positive changes through our policies, initiatives and everyday practices to instil inclusive behaviour. The commitment to a diverse and inclusive culture shown by my team this year and the progress made is something we can all be proud of.

Change does not happen overnight, but if there is one thing we have learned this year, what was once thought impossible can be achieved by working together towards a common purpose.

## 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.



**Kelly Becker**

Zone President, Schneider Electric, UK & Ireland