



Gender pay gap report: 2017

Schneider Electric Limited and Eurotherm Limited

Life Is On

Schneider
Electric



Foreword

Mike Hughes

Zone President, Schneider Electric, UK & Ireland

Why gender balance matters to Schneider Electric

In this report we set out our gender pay gap numbers. We want to explain why we believe there's a gender pay gap, how we can learn from these results and what we can do about them – and so help ensure all employees have an equal opportunity to thrive here.

Our gender pay gap results cover Schneider Electric Limited and Eurotherm Limited, two entities with over 250 employees within the Schneider Electric family that by law require separate submissions.

As a company that puts diversity and inclusion at the centre of everything we do, we are committed to building a workplace that provides equal opportunities to everyone and to ensuring that all employees feel uniquely valued and safe to contribute at their very best.

We believe that diversity and inclusion drives high performance. After all, each of us is unique and diverse in our own way. That's why diversity unlocks innovation, engagement and creativity. It also fosters collaboration, mirroring the diversity of the communities in which we operate.

In short, at Schneider Electric, we believe diversity is a strategic asset for our company and the key element

of our competitive edge. Creating a diverse workforce is simply the right thing to do and an integral part of our management style.

However, before we delve into the gender pay gap numbers in some detail, it is important to clarify that the gender pay gap and equal pay could not be more different in their essence and meaning.

At Schneider Electric, we pay equitably to men and women across all organisations in the UK.

Similar to some other industrial and engineering companies, our gender pay gap is not what I or any of the management team would like it to be. However, we have made progress and over many years we have been running a range of diversity and inclusion programmes.

We are proud to employ a diverse group of women and men, who are challenging industry stereotypes daily and being an inspiration to others.

Our focus now is building on this and getting more females into the business.

Mike Hughes

Zone President, Schneider Electric, UK & Ireland

Our pay gap and why we believe it exists

A gender pay gap is the average earnings comparisons between all male and all female employees in the organisation.

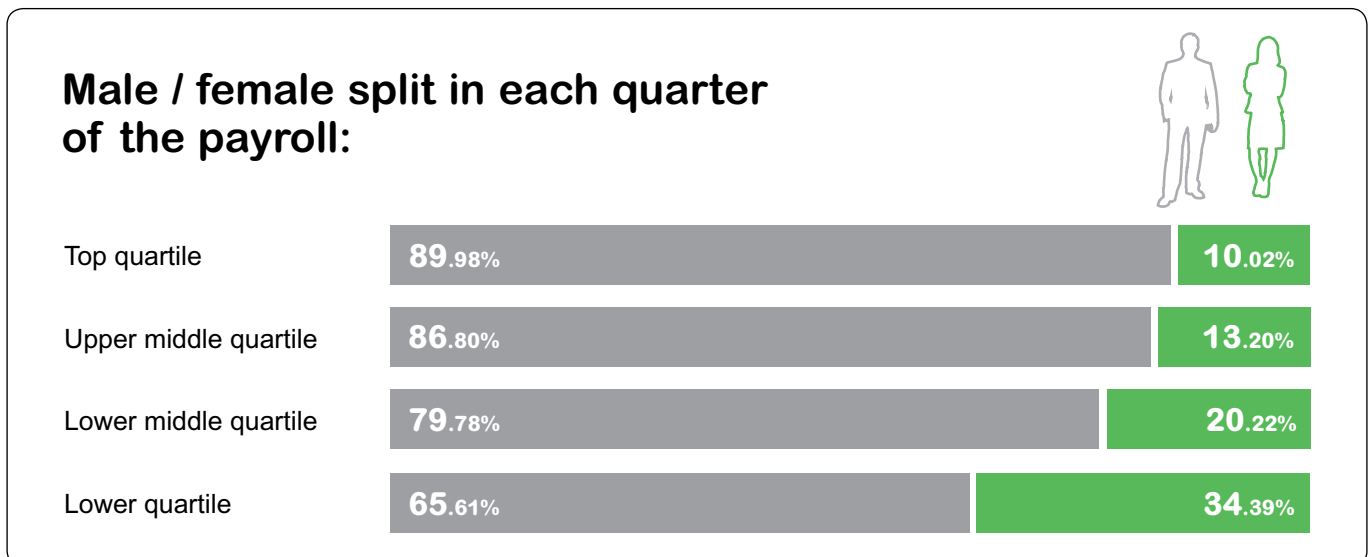
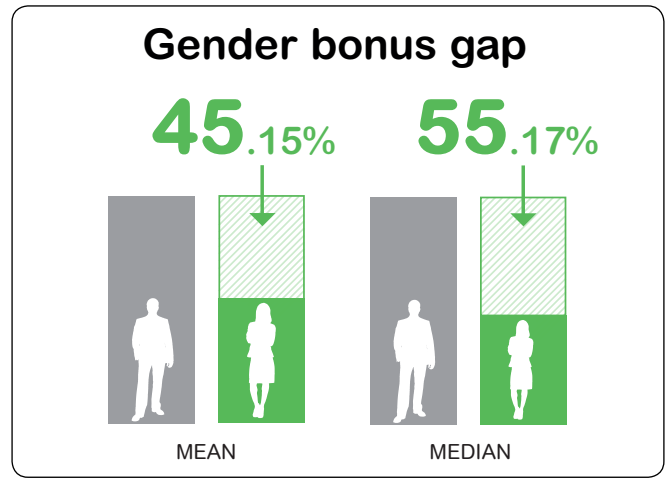
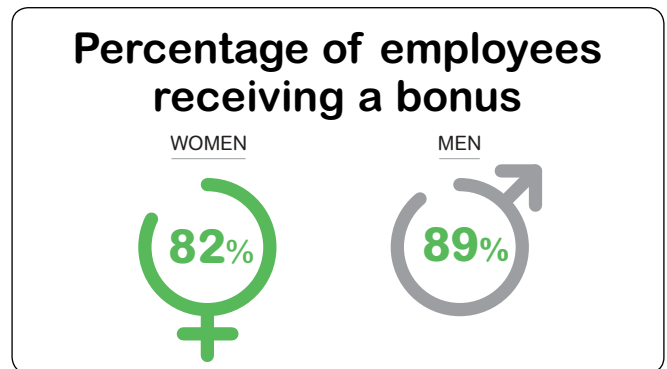
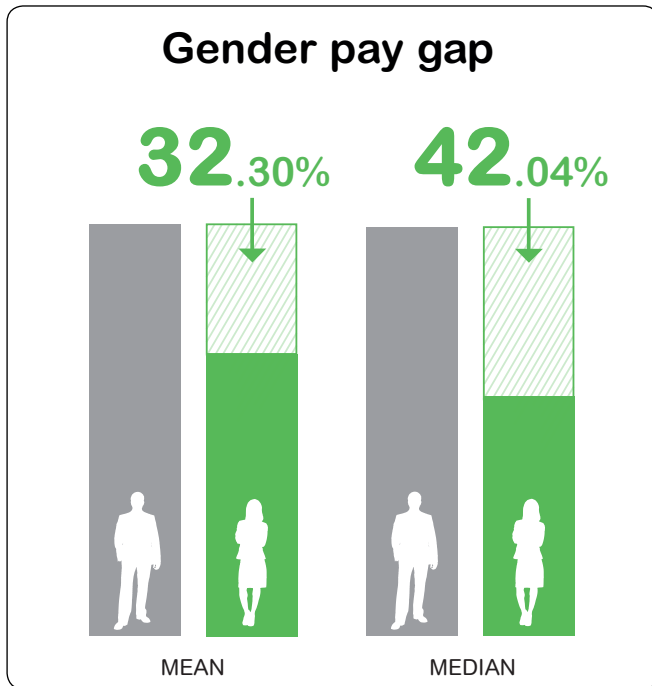
Equal pay reporting assesses any differences between men and women who carry out the same job, similar jobs or work of equal value.

Our gender pay gap results are as follows:

Schneider Electric Limited

- We are seeing gender pay gap results with a mean (average) pay gap of 32.30% and a median (middle) pay gap of 42.04%
- 82.47% of women and 88.61% of men are receiving a bonus. However, the mean bonus gap is 45.15%, and the median bonus gap is 55.17%

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Eurotherm Limited

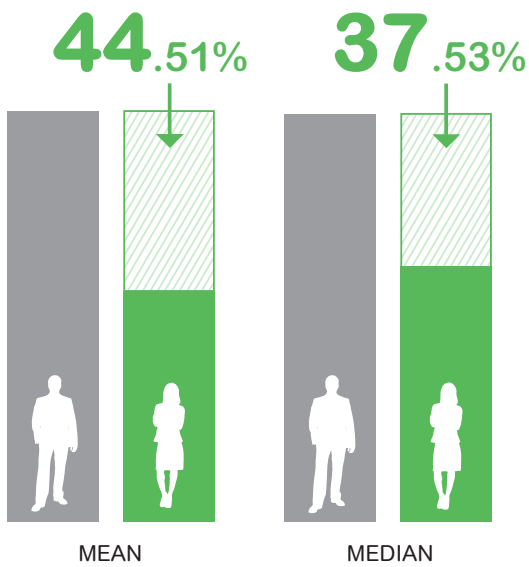
- We are seeing gender pay gap results with a mean (average) pay gap of 44.51% and a median (middle) pay gap of 37.53%
- 12.16% of women and 32.70% of men are receiving a bonus. However, the mean bonus gap is 26.48%, and the median bonus gap is 20.69%

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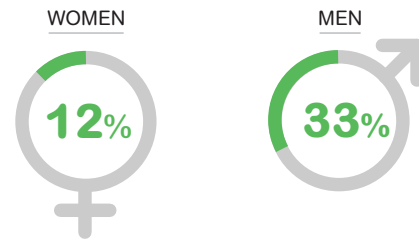
Eurotherm™

by Schneider Electric

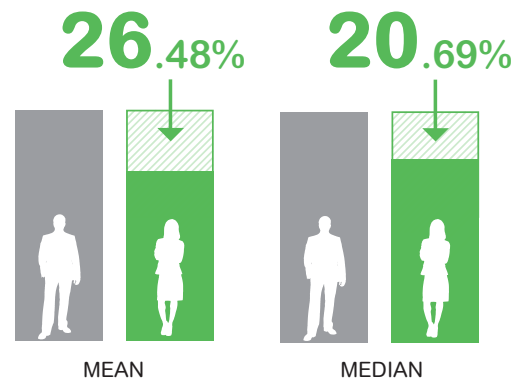
Gender pay gap



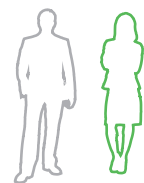
Percentage of employees receiving a bonus



Gender bonus gap



Male / female split in each quarter of the payroll:



Our analysis of pay quartiles demonstrated that we pay equitably to men and women across both Schneider Electric Limited and Eurotherm Limited. We have policies in place to support equity. We have an ongoing systematic process to analyse and address any pay gaps across genders and to address those gaps (if any).

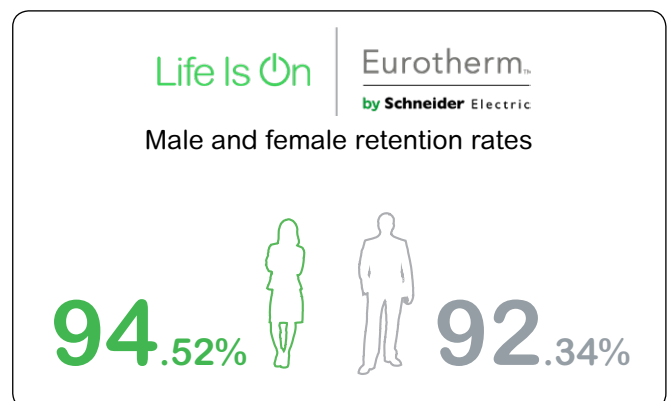
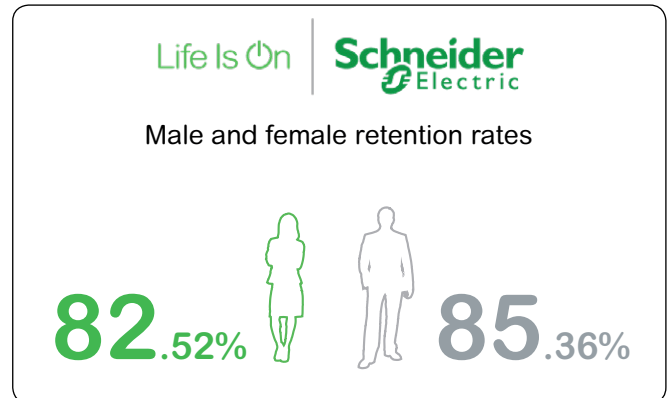
Why are the gender pay gap figures as they are?

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 we have 555 women and 2,111 men. 73 women and 209 men work at Eurotherm Limited.

Secondly, we break this down into roles and seniority. At Schneider Electric Limited, while there are 20-35% of women in the lower to middle pay quartiles, only 10% of the top income quartile positions are held by women. At Eurotherm Limited, while 20-50% of women are employed in the lower to middle quartiles, only 10% of top income quartile positions are held by women.

Thirdly, we ask why we have this imbalance in the roles and seniority. The fact that there are fewer women than men of course contributes to this, but in addition, roles like Sales, IT, R&D, and Technical Support that are higher paying are more traditionally held by men across both organisations. We know that women can do these jobs.

We have high long term loyalty to the organisations



Our average tenure is 15 years, with an average employee age of around 42 years old.

This is of course in many ways a very good thing – LinkedIn made us one of their top 25 global companies for attracting and retaining talent in 2017 – but it does mean that the opportunity to balance out diversity in these jobs is something that will take time to bring about.

Our commitment to closing the gender pay gap

We continue to aim to build a diverse and inclusive workplace that provides equal opportunities to everyone and ensures all employees feel uniquely valued and safe to contribute at their very best.

This means:

- Performance is rewarded as part of our high-performance culture
- We support an inclusive culture
- A commitment to recruit a more diverse workforce
- An inclusive approach to family leave and work-life balance should be available to all to help recruit and retain those who may want to work flexibly

With the reporting of our gender pay gap figures, we reaffirm our commitment to these four areas. This should contribute to the gender pay gap being reduced over time.

Putting commitments into practice

Initiatives already in place include:

1. We run regular training courses on diversity, belonging and inclusion for mid and senior management that include the importance of an inclusive culture and how to make sure this is instituted. All employees were invited to attend hidden bias training on International Women's Day 2017 as part of our Diversity & Inclusion strategy for the day
2. We are an active member of the Women in Sustainability group which was created to help women flourish in careers that are building a sustainable world
3. We provide career development and mentoring opportunities that are open to all irrespective of gender, role or working pattern
4. Our Diversity & Inclusion board, of which Mike Hughes, Zone President Schneider Electric UK & Ireland, is a member, is championing and overseeing our diversity and inclusion strategy as well as

Today, we are announcing:

Eurotherm Limited has reformed its bonus structure to match the levels of Schneider Electric Limited.

advocating, both internally and externally, for the need to build a diverse and inclusive culture at Schneider Electric

5. We have a focus on developing talent from junior levels and currently have a 50% gender split amongst our latest graduate intake / early recruitment candidates. We will continue our focus in this area and our intake of 20 graduates for 2018 will have a 50/50 split

6. We have a recruitment policy that ensures all are positively and fairly represented throughout the recruitment process. Our recruitment efforts are focused on driving awareness of gender and age diversity, whilst ensuring we recruit the best person for the role

7. Globally, we are committed as a HeForShe IMPACT Corporate Champion to increasing the representation of women – at entry to 40%, on the management committee to 33%, and in top positions to 30%

8. We are in partnership with Where Women Work – an external company with 115,000 registered female recipients. They focus on educating and inspiring women about careers at Schneider Electric by showcasing exciting news and events, information, jobs and case studies through their website and social media outlets

9. We actively promote science, technology, engineering and mathematics (STEM) activities through our 98 ambassadors across the organisation. We do this by offering several types of apprenticeships, targeting schools and colleges, in particularly high STEM achieving schools and girls' schools. As an example, our Degree Level Technical Apprenticeship programme allows candidates to study towards a bachelor's degree in automation engineering, while gaining on the job training and earning a salary

10. We recognise that the balance of work life and family life can be challenging and everyone has different circumstances and priorities to juggle. It's why our Global Family Leave policy is designed to cover key life stages that matter the most.

A compulsory diversity and inclusion training module for all leaders and hiring managers as part of the Leader Skills Series from 2018 onwards.

Recognition of progress and the people that make it real

Schneider Electric continues working on increasing diversity and inclusion across both organisations, which is key to closing the pay and bonus gaps.

Recognition of our progress includes:

- Being one of 104 global companies to be included in the inaugural Bloomberg Gender-Equality Index (GEI). This is a sector-neutral, proprietary Bloomberg reference index that measures gender equality. The index considers internal company statistics, employee policies, external community support and engagement, and gender-conscious product offerings for companies with market capitalisation of over US\$1 billion
- Winning best Business Culture Ambassador accolade at the Business Culture Awards 2017 for a detailed focus on gender diversity and clear goal-setting
- Being a finalist at the UK In-House Recruitment Awards and the Chartered Institute of Personnel and Development awards for our diversity and inclusion strategy

Recognition is welcome, but it's the people that make it real. There are many impressive women who work for Schneider Electric, challenging industry stereotypes and being an inspiration to others. Just a few examples are:

Penny Parker is a Technical Training Instructor – Customer Projects and Services – teaching Eurotherm's customers how to use and maintain customer products and systems. "I studied at Brighton Polytechnic and obtained a combined science degree. I then joined Eurotherm in 1986 in the newly formed Customer Support team," Penny says. "I have met and worked with lots of interesting, clever and fun people from many cultures and backgrounds. I have travelled the world and been on site at various fascinating production sites such as paper mills, float glass and bottling plants, off shore oil rigs, steel works, nuclear power stations and water treatment facilities. In 30 years I have never witnessed nor experienced any prejudice or lack of opportunity. It is my personal feeling that true equality has been obtained when it is not even necessary to think about being male or female, and I feel that is the case at Eurotherm and the wider realms of Schneider."

Amber Watkin is an Application Marketing Engineer. She creates everything from adverts and brochures to technical white papers for engineers. In her role, Amber visits global customers to find out how they're using Schneider Electric's technology and what the future challenges are in their region. Her work involves promoting our process and power control, data acquisition, systems and service expertise to our focus industries like glass, heat treatment of metals, life sciences and more. "It's a varied and interesting role with many new opportunities and challenges around every corner," says Amber. "There's a saying that you learn something new every day and for me that's certainly true. I love finding out how our products, systems and services are used in industry and even though I've been with the company for over 21 years, I'm still meeting interesting people and learning lots of useful snippets of information each day from our customers and the knowledgeable people I work with at Schneider Electric."

Nicola Brady, who works as a manager in Health, Safety and Sustainability (HS&S) has found her experience of working at Schneider Electric extremely supportive. "Schneider Electric has supported and fast tracked my career development," she says. "Working for a company recognised globally for its focus on people and planet, my area of Health Safety and Sustainability really appeals to me and I thrive on driving continuous improvement."

Jo Miller, graduate engineer, studied a wide range of topics during her degree studies in Mechanical Engineering at Heriot-Watt University in Edinburgh. From energy studies to electrical engineering to material mechanics, Jo experienced opportunities to develop further skills such as project management. It was exactly this sort of variety that she sought when researching possible graduate programmes and this ultimately led her to Schneider Electric. "The graduate scheme sounded ideal for me as I was aiming to gain commercial experience, and the rotational placements would allow me to work in a broad range of different environments," Jo comments. "After attending the assessment day, I felt that I had made the right choice. Everyone was welcoming and had great things to say about the company – it felt like a great fit."

Final comments

We've made progress, but realise that there's still more to do.

Given the make-up of the organisation and average tenure of employees, this won't happen overnight.

Looking across the company, to both Schneider Electric Limited and Eurotherm Limited, gender equality and diversity is key to our people strategy and business.

That's why it's so important we get this right – we're committed to doing so and will continue to build on the work that's already well underway.

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

A handwritten signature in black ink, appearing to read 'Mike Hughes', with several horizontal strokes extending to the right.