

Kuehne + Nagel Ltd

Gender Pay Gap

Report 2019





Our commitment to gender pay equality

At KN, we are committed to creating a culture that values and champions diversity, is simple, personal and fair for all.

We aim to create equal opportunities regardless of gender, age, sexual orientation, ethnicity, socio-economic background and disability. This commitment starts at the very top of our organisation and flows throughout it.

We are also realistic about the challenges we face and the historical composition of how our business has grown in the UK, i.e. TUPE contracts in from a variety of industries and sectors.

We continue to work hard to understand root causes of issues, finding solutions that are transparent, practical and beneficial for our employees. Through these actions, we aim to improve diversity across the whole of KN – realistic representation of the communities we serve.

Our colleague demographic within KN is **75.7%** male and **24.3%** female – this is reflective of the logistics industry.

We have seen an increase in our mean hourly rate this year due to some internal moves within our businesses. We are pleased that **4.6%** is still below the national average of **8.9%**.

| Pay | 2017 | 2018 | 2019 |
|--------------------|------|------|------|
| Mean Hourly Rate | 4.9% | 3.1% | 4.6% |
| Median Hourly Rate | 8.1% | 5.2% | 4.4% |

| Bonus | 2017 | 2018 | 2019 |
|------------------------------------|-------|-------|--------|
| Mean Bonus | 40.6% | 28.8% | 2.9% |
| Median Bonus | 36.0% | 20.7% | -91.3% |
| Portion of males receiving bonus | 15.5% | 22.6% | 28.5% |
| Portion of females receiving bonus | 21.7% | 32.2% | 24.9% |

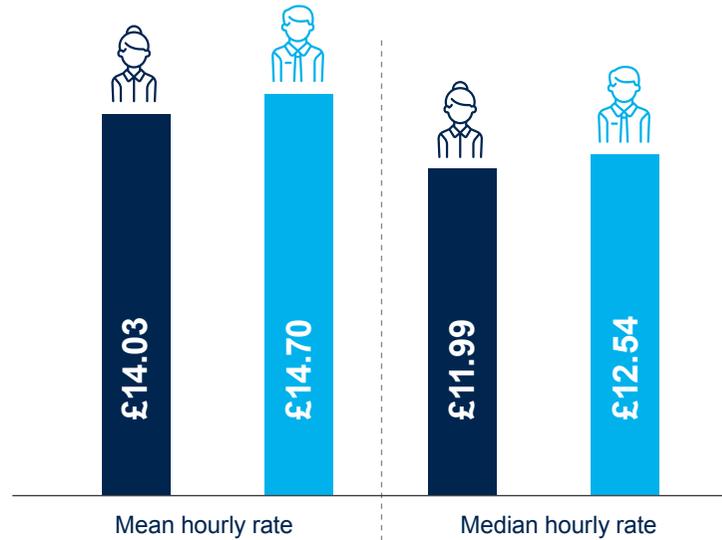
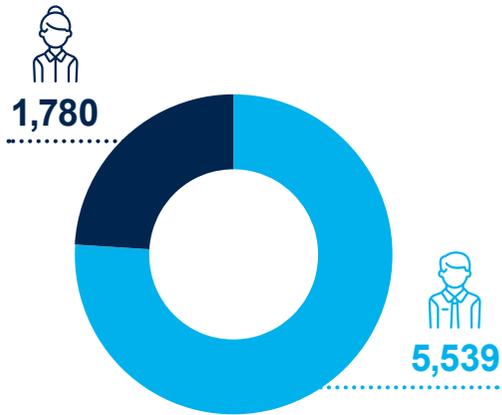




This year's numbers – Pay Gap

The gender pay gap shows the difference in average pay between women and men. Here are the figures for 2019.

Number of employees

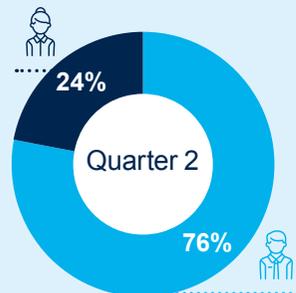


Mean gender pay gap in hourly pay



Median gender pay gap in hourly pay

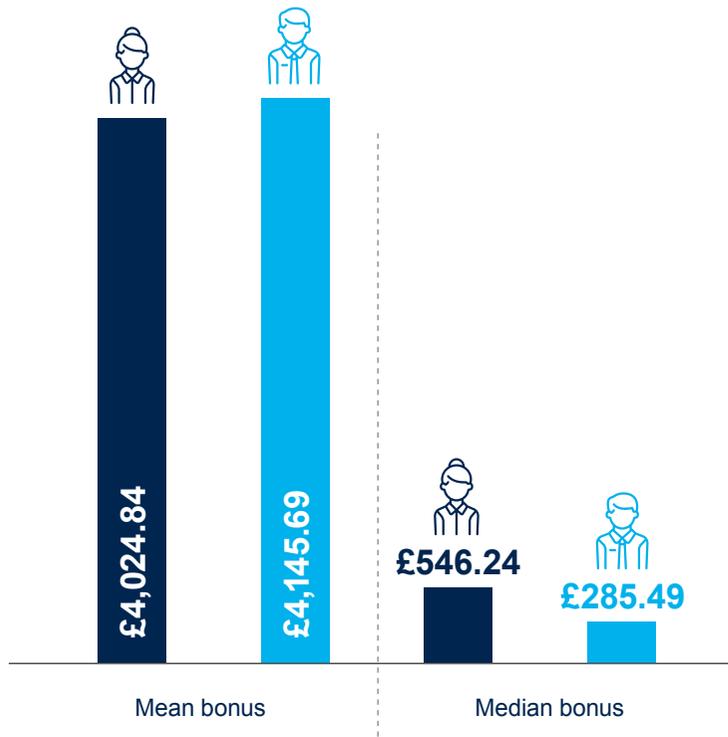
Proportion of men and women in each quartile





This year's numbers – Bonus Gap

The bonus pay gap shows the difference in average bonus values between women and men. Here are the figures for 2019.



Mean bonus gender pay gap



Median bonus gender pay gap

Proportion of men and women receiving bonuses





How do our figures compare?

Mean hourly gender pay gap



Our pay gap has increased slightly, as a result of some small sites closures where the population has been predominately male.

Mean bonus gender pay gap



Our mean bonus gap has reduced significantly. Women eligible for bonus has moved to be more aligned to the level of 2017 – **24.9%**. We have seen a positive increase in favour of females to **-91.3%**.

Our management and support colleagues receive a bonus payment. Our schemes vary by design. Currently our females are outperforming their male counterparts.



A personal message from Jon Hettrick, HR Director

The nature of the KN business in the UK sees our operation built on a number of different contracts. Many have a variety of terms and conditions which are designed to suit the variety of the customers we support.

Despite this, our like-for-like roles, such as drivers and warehouse operators, are paid and treated the same across KN UK.

We have also worked well within our talent and succession plan areas to ensure that women continue to influence our management and support functions – this will ultimately impact the culture of KN.

A handwritten signature in blue ink, appearing to read 'Jon Hettrick', located below the main text.

Jon Hettrick

HR Director

We can confirm the data reported is accurate in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, KN is required to carry out Gender Pay Gap reporting.





Closing the gap further

KN remains committed to look at flexible ways of working, in terms of hours or location; we fully acknowledge that flexible working is key to maintaining a healthy home and work life balance for both genders.

In 2019, following our successful pilot of a holiday purchase we rolled this out – 56% uptake was by our female population.

We remain committed to our talent development and succession planning, and work hard to ensure that it remains aligned to flexible working arrangements and benefits.





Understanding the numbers

1 What is the gender pay gap?

The gender pay gap is the difference in average pay between women and men across all roles in an organisation.

There are several factors that can affect the gender pay gap. At Kuehne + Nagel, the gap is influenced by differences in the numbers of men and women in certain types of roles. Our gender pay gap is also influenced by issues that affect the whole of society, but there are things we are doing to close the gap.

2 Calculating the 'mean' gender pay gap

The mean gender pay gap is the percentage difference between the mean hourly rate of pay for male employees and the mean hourly rate of pay for female employees.

Mean averages are calculated by adding up all of the hourly rates of a group of people and then dividing the result by the number of people in the group.

The mean is the mathematical average and will be more heavily influenced by the range of values.

3 Calculating the 'median' gender pay gap

The median gender pay gap is the percentage difference between the median hourly rate of pay for male employees and the median hourly rate of pay for female employees.

Median averages are calculated by listing all the pay amounts in numerical order and taking the middle amount (or, if there is an even number of amounts, the average of the two central amounts).

The median is often considered to be a more representative metric as half the population is above and half is below.



Understanding the numbers

4 Calculating the gender bonus gap

The mean gender bonus gap is the percentage difference between the mean average bonus payment received by male employees compared to female employees over a 12-month period.

The median gender bonus gap is the difference between the median average bonus payment received by male employees compared to female employees over a 12-month period.

See **Calculating the 'mean' gender pay gap** and **Calculating the 'median' gender pay gap** for how we calculate mean and median.

The rules around reporting on gender pay require us to report based on actual bonus payments. For people who work part time, bonuses are awarded pro-rata (so, if you work four days per week, you receive four fifths of the bonus you would have been awarded if you worked full time). This makes our gender bonus gap bigger because proportionally more women than men work part time.

KUEHNE+NAGEL

