A woman wearing a black cap and a high-visibility yellow safety vest is looking at a tablet. The tablet screen shows a software interface with a 3D model of a conveyor system. In the background, there are industrial metal racks and a green and yellow cable.

Our 2022 Gender Pay Gap Report

February 2023

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Foreword

Reflections from Janette Newsham, our Head of HR, KNAPP UK

We are delighted to share our first annual Gender Pay Gap report with you. Honesty and transparency are really important to us and an integral part of our culture; a culture that we strive every day to protect and continuously improve. Our mission is to bring new technology to warehouse logistics. Working with our customers all over the world, we develop customised solutions.

Uniting technological know-how with our long-established experience in diverse industries is the key for our successful solutions. And it doesn't stop there, when it comes to our people, we are committed to providing a working environment where every employee can reach their full potential, where it feels like family and where appreciation, respect, and openness matters. This culture is commonly referred to as our KNAPP spirit and it is the foundation on which we are based. This report shares our current gender pay gap and the actions we are taking to close that gap. Actions that support our desire to ensure a diverse and inclusive work environment for everyone.

The Covid pandemic, whilst a challenging time, has truly challenged the way we work. Very quickly we had to adapt to a new way of working, for many this involved working flexibly from home and the pandemic showed us the art of what is possible. Flexibility has positively impacted our ways of working and has become an ongoing way of working for many. We are confident that our flexible working approach will not only help to ensure that more women consider a career in logistics, automation, and engineering, but they will also be better enabled to hold more mid to senior roles. We all have exceptionally busy lives, juggling our external commitments with work, and we truly believe the provision of flexibility in how we work, and trusting our teams to get the job done, will reap long term rewards. We want to encourage more women to take on leadership roles, and we don't want to stop there, we are seeking to extend this further by providing support, where possible, for all under-represented groups, and ensuring we have a broad pipeline of diverse talent throughout our business.

Making the workplace accessible and open for all, recognising that difference brings creativity, better decision making and problem solving, is critical to the success of our innovative and growing business. We believe the actions detailed in this report will help KNAPP UK close the gender pay gap, we will also provide rationale to demonstrate that the gender gap alone is not necessarily a full picture of our current position - the gap is much closer than the numbers themselves reflect and for the majority of roles within our business our pay model means there is actually no gap at all.

We fully support the UK Government's drive for companies to be more transparent on gender pay issues and confirm that the data reported is accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Gender Pay Gap – an overview

In the UK, public, private, and voluntary sector organisations with 250 or more employees are required to report on their gender pay gaps annually. The reports show the difference between the average earnings of men and women, expressed relative to men's earnings. If an organisation reports a gender pay gap, it does not mean women are paid less than men for doing the same job, but it does show that, on average, men occupy higher-paying roles than women. Employers must report six different measures, based on a snapshot of pay data on a date set out by the Government Equalities Office:

Median gender pay gap

the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

Mean gender pay gap

the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

Median bonus gap

the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees

Mean bonus gap

the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees

Bonus proportions

the proportions of male and female relevant employees who were paid bonus pay during the relevant period

Quartile pay bands

the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle, and upper quartile pay bands.



KNAPP UK's Gender Pay Gap Data

KNAPP UK's gender pay gap data was collected on the snapshot date of 5 April 2022. At this time there were 281 people within our UK workforce: 21 women and 260 men.



Men - 92.5%



Women - 7.5%

Mean gender pay gap

The difference between the hourly pay of all men and women when added up separately and divided by the total number of the men and women in the workforce.

8.8%

Mean gender pay gap

Median gender pay gap

The difference between the pay of the middle man and woman, when all of the employees are listed from the highest to the lowest paid.

11.3%

Median gender pay gap

Mean and median bonus gap

The bonus gap is the difference between the bonus pay paid to men and that paid to women. Only relevant employees who received a bonus are included in the calculation. This gives you the mean and median gender pay gap for bonus pay as a percentage of men's pay.

-12.6%

Mean gender bonus gap

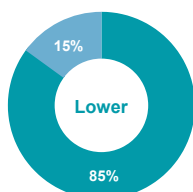
-68.7%

Median gender bonus gap

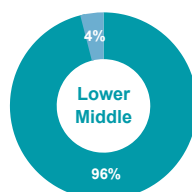
62% of women received a bonus. 65% of men received a bonus. (The percentage of men and women awarded a bonus during the 12 month period from 6 April 2021 to 5 April 2022).

Quartile pay bands

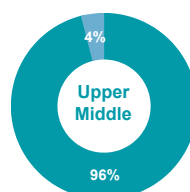
The pay quartile data shows the proportion of men and women across the organisation within each quartile, when hourly rates of pay are ranked from lowest to highest.



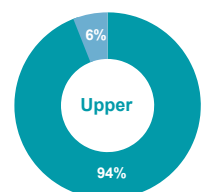
Men in Quartile - 85%
Women in Quartile - 15%



Men in Quartile - 96%
Women in Quartile - 4%



Men in Quartile - 96%
Women in Quartile - 4%



Men in Quartile - 94%
Women in Quartile - 6%

Our data explained

The hourly pay gap has been calculated using the stipulated, 'snapshot' date of 5 April 2022. The bonus pay gap is calculated using the 12 months preceding 5 April 2022. Taking the snapshot on this date, as required by regulation, creates a level playing field for all reporting organisations, but it can mask the fluidity of gender pay gaps which can fluctuate month to month depending on changes to headcount.

As is typical of our industry, we see a very high percentage of males working at KNAPP UK (92.5%), but we are working hard to attract more women into careers in logistics, automation, and engineering. We are working with schools to encourage girls to consider roles within engineering and we are partnering with organisations that support under-represented groups and have recently attended careers fairs to talk about the opportunities that are available at KNAPP UK. Of our 7.5% female employees, two thirds of them occupy roles in the lower two pay quartiles (mostly lower paid administrative roles at Head Office), while men are more evenly distributed across all four quartiles. Understanding the distribution of women and men across our organisation is important in identifying the actions we can take to close our gender pay gap.

Gender Pay Gap vs Equal Pay

The gender pay gap is the difference in average pay for men and women across an organisation. This is different to equal pay, which is a direct comparison of men and women being paid the same when doing the same or similar work.

While our overall aim is to have no gender pay gap, we are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. In our resident sites where 80% of employees are based, the workforce pay rate is fixed by job role.





Median pay gap

The median is the difference in the mid point hourly rate of pay between male and female members of employees – our median pay gap is 11.3%. The woman in the middle of the female pay range received 11.3% less than the man in the middle of the male pay range which means that for every £1 a man receives, a woman receives 89p.

Mean pay gap

To calculate the mean gender pay gap we add together all the hourly pay rates that women receive, divided by the number of women in our workforce. We then repeat this calculation for men. The difference between these figures is the mean gender pay gap. Our gap tells us that our average pay for women was 8.8% less per hour than the average pay for men.

The board of Directors at KNAPP UK is all male, with the Company Secretary a female, comparable to other organisations in our industry, and like many organisations, our Managing Director's salary has an impact on our mean gender pay gap. If we were to exclude our Managing Director (a male) and our global VP (also a male) from the data, the overall mean gender pay gap would fall from 8.8% to 5.5%. Interestingly, if we also removed the rest of our global team (4 further males) on the UK payroll, the overall mean gender pay gap would fall to 4.1%. Our pay gap will only be narrowed by increasing the number of women into higher paying roles and we are already making progress in this area, our current Heads of Departments are an equal split of men and women. We want to continue to support the progression of women into a greater proportion of the higher-paying roles, but we don't expect to significantly shift the overall proportion of men to women across the organisation.

Our bonus pay gap

On average, women at KNAPP UK are paid 12.6% more in bonus pay than men. When using the median, women at KNAPP UK receive 68.7% more bonus than men. Our bonus pay gaps are based on 170 men and 13 women, and the negative median bonus gap results from the middle woman's bonus pay being higher than the middle man's. The Sharesave bonus scheme payable to 80% of our workforce is different to the head office employee scheme which has a slightly different bonus structure. Of those women who received bonus pay, a higher percentage of them (77%) are in the HO scheme receiving a higher bonus payment, explaining the negative bonus gap in the favour of women.

Closing the gap

Improving the representation of women across our organisation and ensuring that everyone has equal opportunities to progress and contribute is vital to our success. We acknowledge that achieving and sustaining greater balance in the distribution of women and men across our organisation and closing our gender pay gap will take time. However, we are committed to be an inclusive and diverse workforce where everyone can thrive. We act on this commitment in a number of ways.

Female Friendly Policies

This year we plan to complete a full review of our policies and procedures impacting women at KNAPP UK. We want our maternity provision to offer a good level of support to both the existing team and be attractive to female candidates considering a career at KNAPP UK. We also recognise the need for a toolkit to support those going through the menopause and will be providing advice to managers on the tools and resources available to help them give support when required.

Diversity and Inclusion Training for all

We will provide compulsory D&I training for all to ensure that our teams recognise the importance and value of having diverse teams and raise awareness of potential unconscious bias. We will continue our work to recognise and celebrate different cultures and religious events, ensuring that KNAPP UK provides a welcoming environment for everyone.

Working with under-represented groups and schools to encourage careers at KNAPP UK

We will continue to work with specialist organisations that provide support to under-represented groups and attend events that are specifically for these groups to understand the barriers to entry to a career within our industry. We also recognise the value of STEM activity in schools to spark interest in a career in logistics.

Salary Benchmarking and Pay Banding

Following this GPG report, we will do a full review to ensure that all effort is made to reduce any pay gap. This may include the introduction of clear salary bandings to support pay review negotiation. Women tend to negotiate less, and transparency would give them greater awareness of their position within the pay band and a greater ability to negotiate.

Management Appointments

There is currently an under representation of women within the Board and management population, this is something we see across the industry. Going forward when recruiting for these positions we will endeavour to ensure that there is a good cross section of candidates, including men and women, as well as those in other under-represented groups, to ensure that there is a fair opportunity for a broader and more diverse management team to evolve over time. The HR team will also work very closely with women at KNAPP UK to ensure that we are removing any perceived barriers that may be preventing them from progressing their careers into more senior/management roles.