

# Freudenberg Sealing Technologies Ltd

## **Gender Pay Gap Report 2023**

March 2024

# Introduction

At Freudenberg Sealing Technologies, we remain committed to fostering an inclusive work environment and promoting equal opportunities for all. Diversity and inclusion is a central part of our corporate culture and our commitment to diversity and inclusion is deeply rooted in the Freudenberg Guiding Principles and Code of Conduct. It is essential to us that everyone at Freudenberg Sealing Technologies is treated with dignity and respect.

Our analysis shows that we have a mean gender pay gap 14%. Although this represents a reduction against 2022, many of the contributory factors remain in place; we have fewer women in leadership roles within our business and we have a lower proportion of women in our manufacturing, engineering and specialist functions where we have a significant number of highly technical and shift-based roles which attract a pay premium.

At Freudenberg Group level, gender diversity has been an area of concentrated focus since 2015 and we have seen improvements in female representation in our senior and management roles, including the recent appointment of Chief Financial Officer. We have clear gender diversity targets and our Board of Management and senior leaders champion diversity. In 2020 the Freudenberg Group Diversity and Inclusion Community was established to further support our diversity plan.

The DEI Committee within our Business Group continues to act as a sounding board, benchmark and analyse internally and externally, review and propose practices or programmes and support communication. We have a range of global and local DEI programmes already underway.

Our focus remains on attracting, developing and retaining the diverse talent we need to fuel our innovations and take us into the future.

**Peter Johnson**



**Senior Vice President, Fluid Power Division  
Freudenberg Sealing Technologies Ltd**



# Our Report

Freudenberg Sealing Technologies Ltd compiles gender pay data annually for our UK facilities. Included in this report are the aggregated results from our manufacturing facilities in North Shields, Tyne & Wear and Blackburn, Lancashire in addition to our warehouse, sales & customer service centres in Rugby, Warwickshire and Derby, Derbyshire. This report includes all our relevant UK employees, a combined headcount of 342.

Our gender pay gap report meets the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations (2017) for organisations with more than 250 employees.

The gender pay gap is a measure which shows the difference in average earnings between men and women within an organisation, irrespective of the job they do. In any year, several different reasons will impact our gender pay gap such as general levels of workforce attrition, the number of females joining us in the early stages of their career, changes within our senior or specialist roles as well as organisational changes.

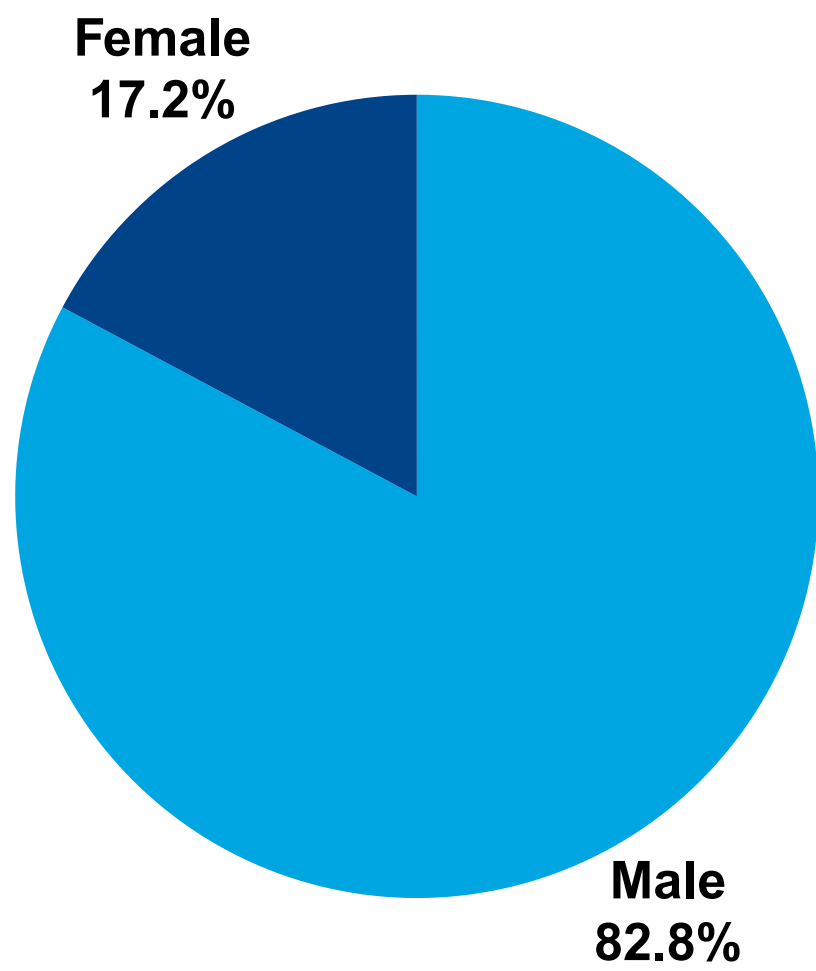
The gender pay gap is not the same as equal pay which requires men and women in the same organisation receive equal pay for equal work. We have a gender-neutral approach to compensation and benefits.

The mean pay gap is the difference in the average hourly pay for all women compared to all men. The median pay gap is the difference between the hourly pay rate of a woman at the mid-point of the population, compared to the pay rate of a man at the mid-point.

This report provides a summary of our pay gap figures, a brief analysis of change and our action plan for 2024.

# Our Pay Gap

## U.K. Workforce



Our total percentage split of male and female employees remains unchanged from 2022, but the division of gender in our internal job grades has seen a positive change.

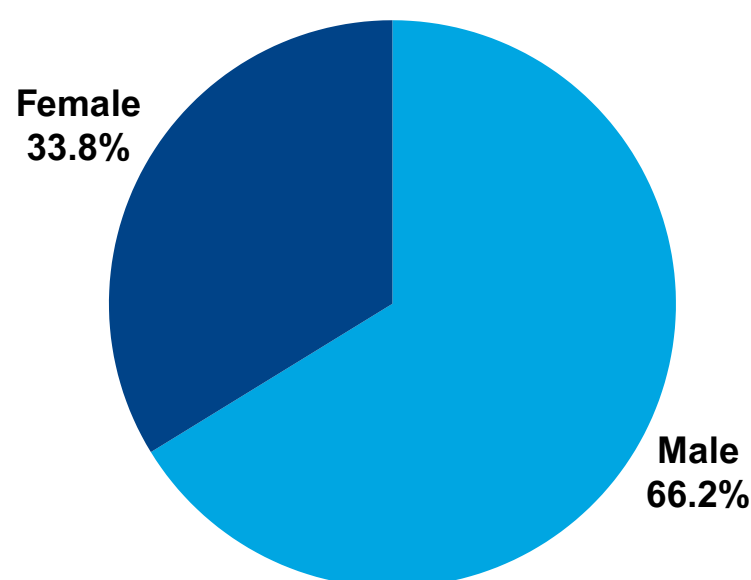
There has been an 11% rise of female representation in the very grade, and a 44% move from the lowest point in the middle grade to the highest point. The balance in the rest of the grade has stayed static, suggesting that more of our new female employees have been hired into higher grades.

This represents increased efforts to recruit women into more highly paid roles in our organisation, including increases in the professional and engineering areas.

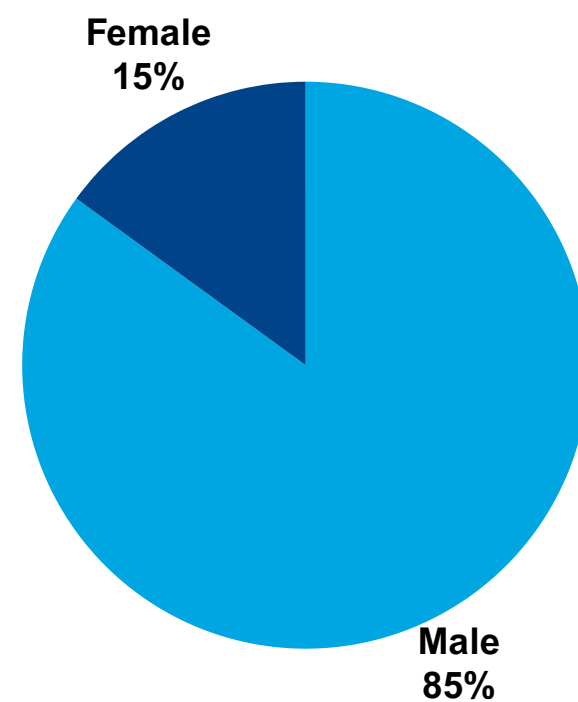
## Pay Quartiles

The change in our pay quartiles has been less pronounced. We have seen an increase of female employees in the second and third quartile which supports the data from our internal bands. These bands represent potential for future earnings and as more of our female employees realise this potential through our action plan our pay quartiles will show more balance.

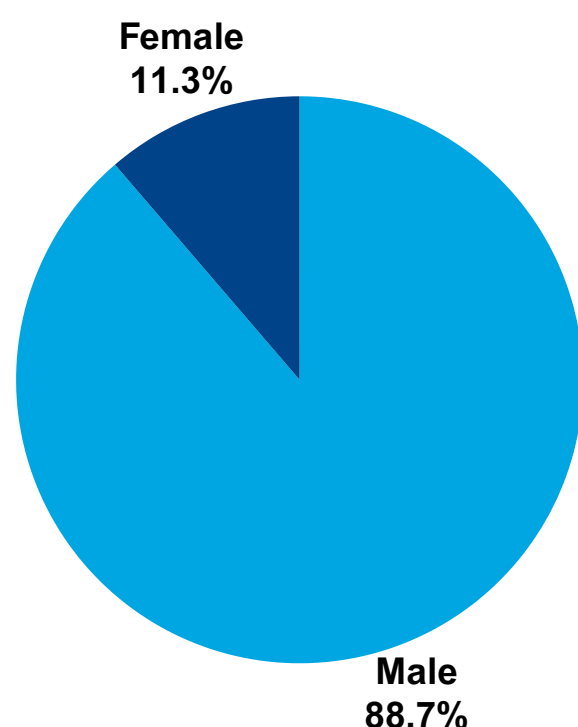
### First Quartile



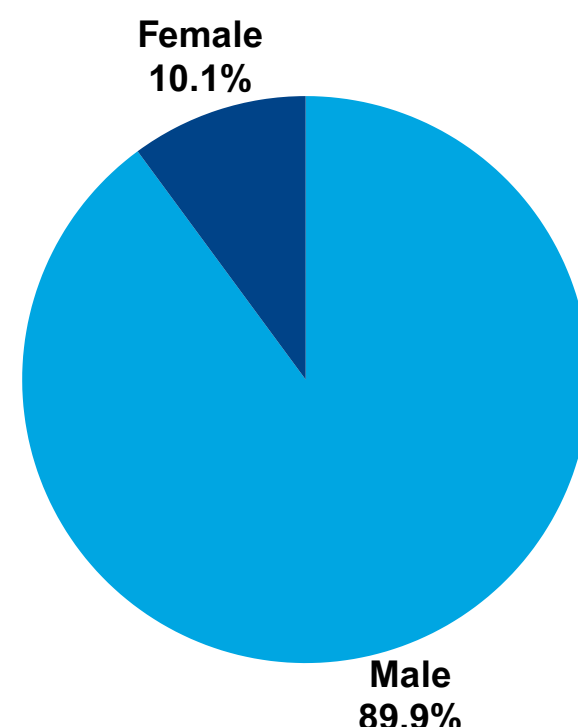
### Second Quartile



### Third Quartile



### Fourth Quartile



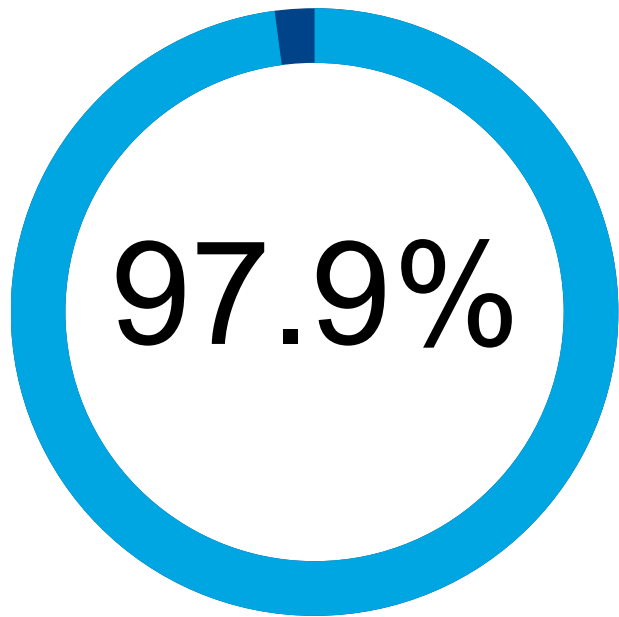
# Our Pay Gap

## Bonus Gap

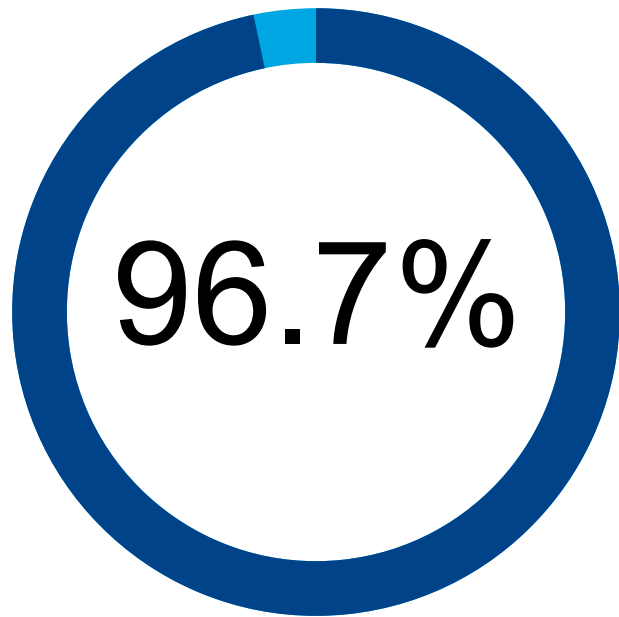
At the time of the snapshot date, 97.9% of males and 96.7% of females had been paid a bonus. This includes a Christmas bonus payable to those in employment at 15th December.

Some of our colleagues further qualify for a bonus based on company and individual performance.

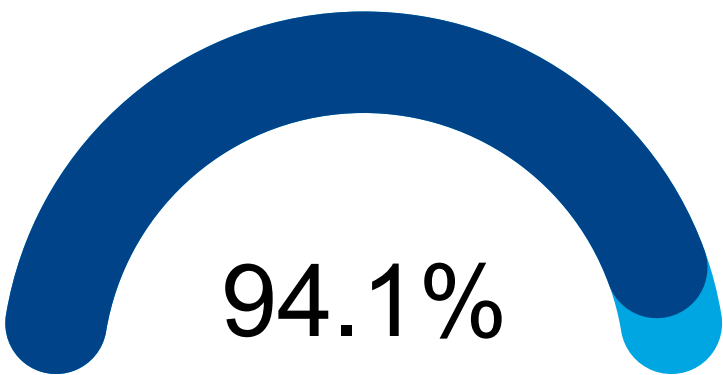
### Male Employees Receiving a Bonus



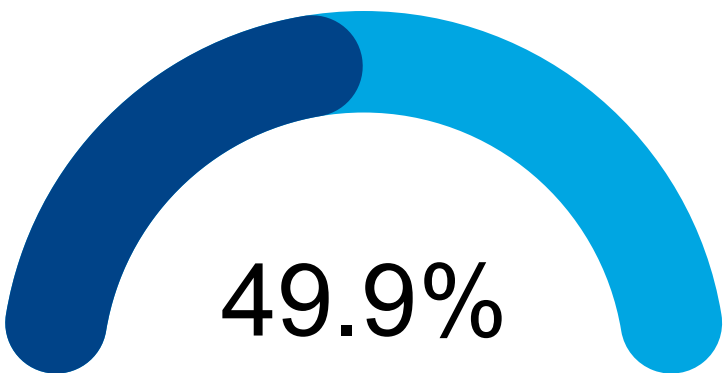
### Female Employees Receiving a Bonus



### Median Bonus Gap



### Mean Bonus Gap



Our mean and median bonus gaps appear high due to the relatively large proportion of female employees who work in our shop-floor and warehouse roles.

These roles do not typically qualify for a performance related bonus, but do qualify for our Christmas bonus which is substantially lower.

However, the balance of female employees who do qualify for a performance bonus has increased during the reporting period compared to 2022.

# Our Action Plan

## Workforce Planning

We will continue to actively encourage female applications to engineering and manufacturing roles by seeking gender inclusive shortlists, and we will only work with external partners who share in this goal.

We will continue with our membership of the Women's Engineering Society and advertise all engineering roles on their website to ensure we can reach diverse talent and support WES with their mission to improve female participation in engineering.



We appreciate that historically, significantly more males studied STEM subjects which has led to a lower proportion of females entering the job marketing in engineering and manufacturing.

We will continue to partner with education providers, and local authorities to actively rebalance these figures in the long-term. Our meaningful collaboration with our local communities through the delivery of work experience, visits, workshops, and careers advice will continue to highlight and reverse this disparity.

We will continue to work with education providers to address the imbalance in female applications to our apprenticeship scheme, to deliver qualified female engineering technicians and engineers to the workforce.

# Our Action Plan

## Learning and Development

Led by our global Diversity, Equity and Inclusion committee we will take direct action to embed DE&I into day to day practices at all levels of the business, by ensuring all managers have the appropriate training and tools to do this.

We will continue with our roll out of unconscious bias, diversity, and inclusion training to support the promotion of diversity across the Company. We will extend this to first line managers to act as enablers to the overall strategy driven by our executive team.

## A Family Friendly Workplace

We will continue to adopt a continuous improvement approach to the offering that we have in place through our reward and benefits structures which includes regular reviews of our HR policies.

We will work to align family friendly policies for our U.K. locations so that all of our employees can benefit from our compensation packages equally.

We will further develop our family friendly policies that support our employees who chose to take time out with their families to return to work and continue long careers with our Company. We will also craft policies that allow other parents to continue to support their families in line with our ethos as a family oriented business.

## Talent Management

We continue to engage with our employees on a regular basis through our talent management programmes, globally and locally. We empower employees to increase their skills, knowledge and experiences and provide career opportunities for all.

We will provide further opportunities for advancement within the Freudenberg Group with global mobility programmes which will provide our colleagues with access to further their careers internationally.



**diversity & inclusion**  
innovating together

## Diversity, Equity and Inclusion

We will continue to approach DE&I holistically and implement strategies and activities that improve our gender balance and provide opportunities to our female employees as well as our diverse talent more broadly.

We will hold events which cater specifically to issues affecting female employees and give more opportunities to come together through our global Women@FST employee network.

