

Gender Pay Reporting

(Snapshot date 5th April 2018)





Introduction

CLAAS is an agricultural machinery manufacturer whose head office is based in Harsewinkel, Germany. The global operation of CLAAS employ circa 11,000 people. In the UK CLAAS operates five business units (as at April 2018): CLAAS UK Ltd, CLAAS Manns Ltd, CLAAS Eastern Ltd, CLAAS Southern Ltd and CLAAS Western Ltd.

As an employer, by law, we are required to carry our Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information Regulations 2017).

The regulations state that we must report the following information:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile pay band

The Gender Pay Gap is the difference in pay between men and women spread across the whole organisation of CLAAS UK and our four dealers.

The data used to calculate our Gender Pay Gap information is based on pay data as at the required snapshot date of 5th April 2018.

The data used to calculate our bonus pay information is based on the 12-month period ending with the 5th April 2018 snapshot date.

What is the Gender Pay Gap?

The **mean** gender pay gap is the difference in the average hourly pay for women compared to men.

The **median** is the midpoint when you separately line up women's pay low to high and the same for men. The median pay gap is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages.

The median is a typically more representative figure as the mean can be skewed by a handful of highly paid employees. A larger difference between the mean and the median can be indicative of inequality at either end of the pay spectrum. However, usually the inequality is most marked at the top end of the payscale.

Equal Pay vs Gender Pay Gap

Equal Pay refers to same pay for the same or similar work. Under the Equality Act it is illegal to pay people a different wage for the same job/comparable work because of gender.

Gender Pay measures the differences in earnings of men and women across the whole organisation. The Gender Pay can highlight where there may be barriers to women progressing to more senior or higher paid roles.

CLAAS UK operate an equal pay policy in regard to equal pay for equal work.

CLAAS UK (and linked dealerships) Gender Pay Gap Results

GENDER HOURLY PAY GAP



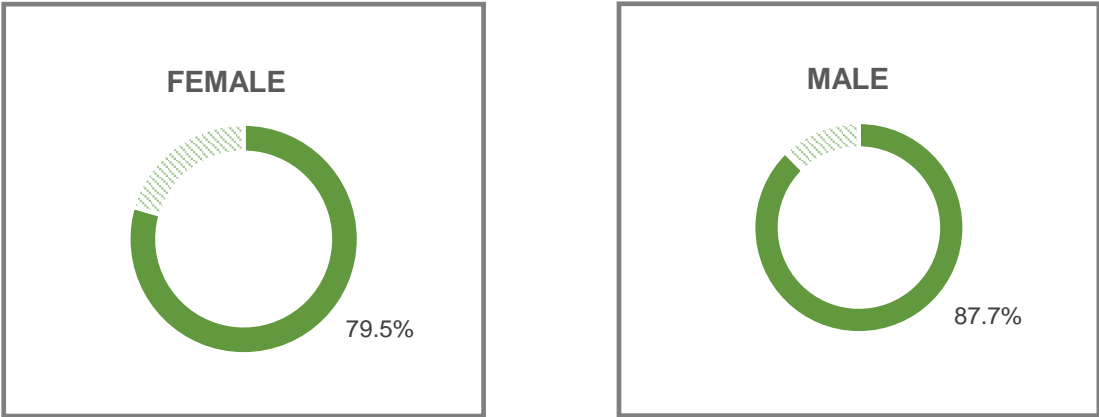
| MEAN | MEDIAN |
|----------------------------------------|-----------------------------------------------------------------------|
| 23.1% higher for men than women | 13.3% higher for men than women |
| | (The National 2017 average Median in the UK was 18.4% higher for men) |

GENDER BONUS PAY GAP

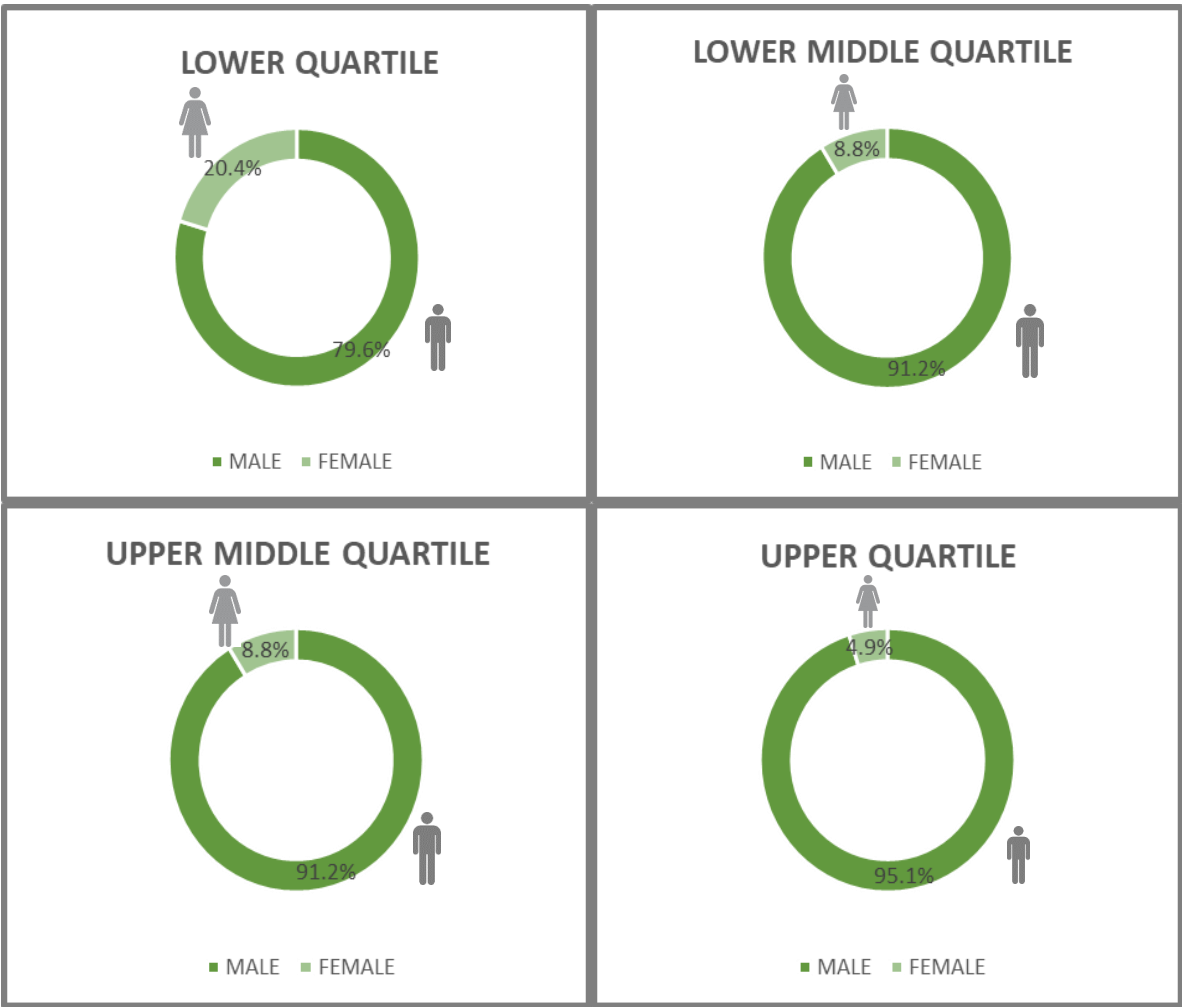


| MEAN | MEDIAN |
|----------------------------------------|---------------------------------------|
| 25.2% higher for men than women | -5.5% lower for men than women |

PROPORTION OF MALE AND FEMALE EMPLOYEES WHO RECEIVED A BONUS



THE PROPORTION OF MALES AND FEMALES IN EACH QUARTILE PAY BAND



Understanding our gender pay gap data

Our population of employees consists of circa 10% female and 90% male. This statistic is typical of the agricultural industry as a whole. Our business is to sell and service agricultural machinery, with approximately a quarter of the workforce employed to service our machinery.



During our recruitment process, we very rarely see females applying to work in our core business positions; they apply to work in office-based positions. We are committed to employing the right person for the job regardless of gender, age, ethnicity, sexuality, disability and more. We attend careers fairs and promote our opportunities equally to males and females.

Our gender pay gap is not due to males and females being paid unequally for work of the same level and role, it is caused by there being a greater proportion of men in the organisation, particularly in positions that command a higher rate of pay. The majority of females are employed in lower quartile positions with very few being employed in the upper quartile. However, we have seen a rise in females by 2% in the upper quartile from 2017 to 2018.

Company bonuses are awarded to both male and female permanent employees. In the main, our bonuses are awarded as a percentage of base salary and are related to company performance. As with the gender pay gap our mean bonus pay gap is again a reflection of fewer females working in upper pay quartile positions (the greater the salary the higher the bonus payment). It is also because we have a male dominant sales team, which typically attract larger bonus opportunities. Lastly, the majority of our part time employees are women and the calculation for the bonus gap does not account for bonuses being pro-rated for part-time employees.

This year our median bonus pay gap is in favour of females. During this snapshot period our company performance related bonus payments were higher, which affected the female group to a larger degree as a large proportion of bonus earners in the male group have a fixed bonus percentage not affected by company performance. In addition, the female data group being a much smaller data sample size results in the median value being greater than the male group with a much greater data sample size.

During the past two years, we have started to see an increase in flexible working requests, particularly from female employees who are valuing the opportunity, where business needs permit, to change their working week to better balance their work and home lives. Promoting flexible working is just one way that we can retain and attract female employees into the workforce.

The agricultural industry is traditionally male dominated and this will not change radically. There are no barriers to female employees progressing into senior roles within the business.

Within our senior management team, the average length of service is currently 22 years. Therefore, with more female employees entering agriculture as a career, in years to come we should see more females in senior roles. Currently we have some female employees in the upper pay quartile including representation on our senior management team.

Declaration

We confirm that the information and data reported is accurate as of the snapshot date 5th April 2018.



Trevor Tyrrell
CEO



Sarah Steggall
HR MANAGER

