

# SHERWIN-WILLIAMS DIVERSIFIED BRANDS LIMITED

## GENDER PAY GAP REPORT 2018

### Overview of Gender Pay Gap Regulations

New legislation came into force in April 2017, which requires employers in the UK with 250 employees or more to publish their gender pay gap each year. The gender pay gap data below has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The figures are taken from April 2017 payroll data.

Employers are required to report:

- the difference in the mean pay of men and women, expressed as a percentage;
- the difference in the median pay of men and women, expressed as a percentage;
- the difference in mean bonuses paid to men and women, expressed as a percentage;
- the difference in median bonuses paid to men and women, expressed as a percentage;
- the proportion of men and women who received a bonus; and
- the proportion of men and women in each of four quartile pay bands.

### Company overview

The Sherwin-Williams Company was founded by Henry Sherwin and Edward Williams in 1866. Sherwin-Williams is a global leader in the manufacture, development, distribution and sale of paint, coatings and related products to professional, industrial and commercial customers globally.

Sherwin-Williams Diversified Brands Limited ("SWDBL") is part of the Sherwin-Williams group and employs a population of 418 employees in the UK (as at the "snapshot date" of 5 April 2017). SWDBL manufactures products for the DIY and Trade markets including interior and exterior wood paint, sealants and adhesives, paint brushes, and other ancillary products. We have household brands within our product portfolio - Ronseal, Thompson's, Purdy and Geocel. We operate across three sites in the UK - Sheffield, Plymouth and Swaffham.

### How our gender pay gap is calculated

#### Mean (the average) hourly pay

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

#### Median (the middle) hourly pay

The median pay gap is the difference between the pay of the man and woman in the middle of our pay distribution, when all of the male employees and female employees are listed from highest to the lowest paid.

### Gender Pay Gap Report for SWDBL

Here is a summary of the gender pay gap position for SWDBL as at April 2017:

- The mean gender pay gap is 24%. This is slightly higher than the national average of 17.4% according to October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures.
- The median gender pay gap is 24.9%. This is slightly higher than the national average figure of 18.4% according to October 2017 ONS ASHE figures.
- The mean gender bonus gap is 17%. The percentage means that on average our female employees were paid a lower bonus than our male employees.
- The median gender bonus gap is 26.7%. The percentage shows that the woman in the middle of our female employee bonus distribution was paid a lower bonus than the man in the middle of our male employee bonus distribution, when all of the employees were listed from those receiving the highest bonus to those receiving the lowest bonus.
- The proportion of men who received a bonus payment in the 12 months up to 5 April 2017 was 72% while for women this was 48.3%.
- The proportion of men and women in each of four quartile pay bands is as follows:

Quartiles	Women		Men		Total	
	No.	%	No.	%	No.	%
Lower	58	55.8%	46	44.2%	104	100%
Lower Middle	40	38.1%	65	61.9%	105	100%
Upper Middle	31	29.8%	73	70.2%	104	100%
Upper	21	20.0%	84	80.0%	105	100%
<b>Total Employees</b>	<b>150</b>	<b>35.9%</b>	<b>268</b>	<b>64.1%</b>	<b>418</b>	<b>100%</b>

The quartile table shows SWDBL workforce divided into four equal-sized groups based on hourly pay rates. Within SWDBL, the size of the UK workforce as at 5 April 2017 was 418, of which 150 were women and 268 men. The number of men to women is higher across all quartiles other than the lower quartile.

When you analyse the data in the lower quartile it demonstrates that there are more females employed than males. The job roles in the lower quartiles are typically manufacturing, filling and packing, warehousing and customer services. Whilst manufacturing and warehousing have a higher percentage of males, the filling and packing and customer service roles are held by a significantly higher number of female employees.

As we progress through the quartiles it becomes clear that males occupy a higher percentage of the more senior and technical roles. The job profiles in the more senior roles making up the upper quartiles are marketing, technical, engineering and sales. Whilst the marketing function has a higher percentage of females, sales, engineering and technical roles are held by a higher percentage of men than women.

## What we are doing to address the gender pay gap

At SWDBL we are taking the following steps to seek to reduce the gender pay gap:

## Diversity and Inclusion

SWDBL is an equal opportunities employer and committed to promoting equality in our business. We have a clear policy on equality. We carry out pay and benefits audits annually and benchmark against industry and UK best practice. We have a systematic process for evaluating job roles and pay structures to ensure we maintain a fair pay structure.

## Work-life Balance

We appreciate the diverse needs of our employees and try to accommodate a work-life balance including the accommodation of personal responsibilities while still enjoying the benefits of a fulfilling career. We have a home working policy in place, and we offer flexible working options, including flexible working hours and part-time working where the business can accommodate such requests.

We also offer enhanced maternity benefits on top of the statutory entitlement.

## Learning & Development

We provide learning and development opportunities for our employees. We have rolled out enterprise-wide programmes for employees in senior leadership and managerial roles. We have a structured approach to improving opportunities for women to be considered as either high potential or an emerging leader or already occupying a leadership or managerial role. We also offer a self-learning platform through our learning management system where some online training programmes are available to our employees as part of their continuous learning and development.

## Our future actions

We recognise there is still progress to be made, and we will be putting some new measures into place in an effort to reduce the gender pay gap and ensure we continue to promote gender diversity across our workforce. These include:

**Gender monitoring:** we will review our existing processes and implement improvements to understand:

- ✓ the proportions of men and women applying for jobs and being recruited;
- ✓ the proportions of men and women applying for and obtaining promotions;
- ✓ the proportions of men and women leaving the organisation and their reasons for leaving;
- ✓ the numbers of men and women in each role and pay band;
- ✓ take-up of flexible working arrangements by gender and level within the organisation;
- ✓ the proportion of men and women who return to their original job after a period of maternity or other family-related leave; and
- ✓ the proportion of men and women still in post a year on from a return to work after a period of maternity or other family related leave.

**Supporting parents:** we will continue to deliver training to line managers and senior managers on how to help employees before, during and on return from maternity and other family related leave.

**Talent management:** our employees have an essential role to play in the success of our business, and we believe that by investing in training and development, we will be able to provide our employees with the knowledge and skills, to not only do their job but also fulfil their potential.

One of the critical programmes we will be progressing in 2018 is our Virtual Women's Resource Group. The Virtual Women's Resource Group aims to connect women globally in our organisation, to raise and discuss topics that may hinder female careers, and inspire and support women in their career progression.

We will also be looking to identify female employees for our Research and Development learning paths. Although we have a very diverse intake of people in Research and Development roles, the progression of females in this field is not consistent. The aim is to equip all Research and Development professionals with the right tools and resources to help them improve their career and

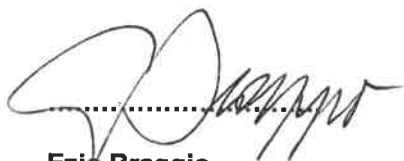
by highlighting a technical or management path. This means we are not just promoting people who have a management career path in mind. The aim is to recognise and retain our technical talent by enabling career progression for technical experts without the requirement to manage people.

**Talent acquisition:** we aim to improve our existing recruitment and selection processes. We have made an investment to set up an in-house Talent Acquisition team. This will provide the scope to enable us to improve our recruitment and selection processes and promote direct relationships with our internal and external candidates. The intention is to provide transparency in our approach and promote fairness and transparency as well as improving our monitoring and reporting capability. We are committed to promoting the recruitment and development of more women into higher paid roles such as science, technology, engineering and maths. We have targets in place for identifying cross-fertilisation role placements.

**Performance management:** We will continue to take action to make sure our pay policies and people management practices are fair, which includes actively monitoring our performance management processes and a continuous review of annual performance results. We will continue to maintain a robust approach to merit increases, pay for new hires, and any other salary adjustments made during the year.

#### **Declaration**

I can confirm the gender pay gap calculations are accurate and have been collated in accordance with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink, appearing to read 'Ezio Braggio', written over a horizontal dotted line.

**Ezio Braggio**

Regional President EMEA

5 April 2018