



# **ZF GROUP – TRW LIMITED UK GENDER PAY GAP REPORT 2018**



# Forward

**ZF is a global leader in driveline and chassis technology as well as active and passive safety technology. The Group has a global workforce of around 146,000 with approximately 230 locations in some 40 countries.**

ZF's vision for the UK is to create a place to work which values diversity; where employees are recognised internally and externally as competitive and innovative and are valued for excellence.

Companies are required by law to report their gender pay gap for any legal entities in the UK with 250 or more employees. In May 2015, ZF completed the acquisition of TRW.

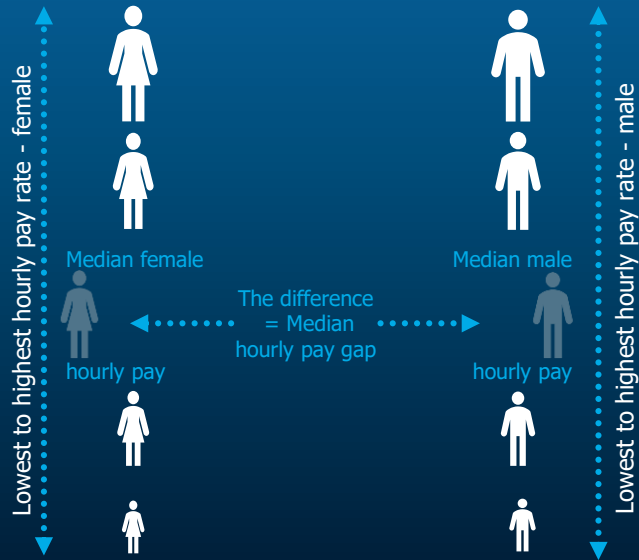
In this report, we provide our gender pay gap information for TRW Limited, a UK legal entity through which staff are employed at various locations throughout the UK. As at April 5, 2018, ZF employs c2,600 people within this UK legal entity, TRW Limited.

Employees are involved in engineering, manufacturing, R&D and various corporate functions.

# Measuring the pay gap

The gender pay gap is a measure of the difference between men's and women's average earnings across the whole of an organisation. It is expressed as a percentage of men's earnings. It is important to note that the gender pay gap is not the same as 'equal pay' – Equal pay means that men and women performing equal work must receive equal pay, as set out in the Equality Act 2010.

## How we calculate the median difference: ZF UK – TRW Limited

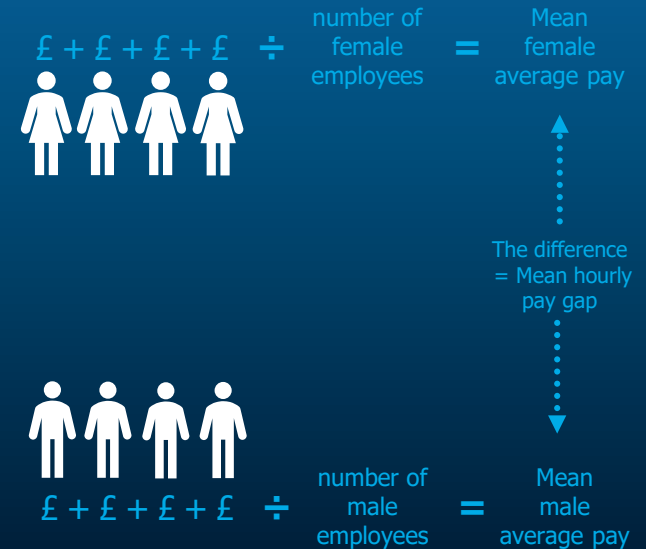


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# Statutory disclosures

At the time of data analysis, April 5, 2018 ZF employs c2,600 people within its UK legal entity, TRW Limited.

|   | 2017   | 2018                       |   |   |
|---|--------|----------------------------|---|---|
|   |        | (See comment on next page) |   |   |
| Median hourly pay gap                               | 20.0 % | 22.0 %                     |   |   |
| Mean hourly pay gap                                 | 19.5 % | 23.4 %                     |   |   |
| Median bonus pay gap                                | 40.0 % | -201.7 %                   |   |   |
| Mean bonus pay gap                                  | 64.7 % | 40.5 %                     |   |   |
|   |        |                            |  |  |
|   | 2017   | 2018                       | 2017  | 2018  |
| % employees approx.                                 | 20.0%  | 20.6%                      | 80.0%   | 79.4%   |
| Upper quartile                                      | 10.5%  | 9.7%                       | 89.5%   | 90.3%   |
| Upper middle quartile                               | 13.0%  | 14.2%                      | 87.0%   | 85.8%   |
| Lower middle quartile                               | 26.4%  | 28.2%                      | 73.6%   | 71.8%   |
| Lower quartile                                      | 30.1%  | 30.2%                      | 69.9%   | 69.8%   |
| Proportion of each gender receiving a bonus payment | 59.4%  | 47.8%                      | 49.5%   | 32.0%   |

(Quartiles are based on hourly pay rates)

# 2018 Comment

The impact on the bonus pay gap is the most significant difference between 2017 and 2018.

A change to the timing of management bonus payments was made during 2018, meaning that the 2017 results cannot be compared directly with those of 2018. Previously paid in March 2017, and therefore included in the 2017 report, this equivalent payment was made in April 2018 but after April 5<sup>th</sup>. Therefore, this payment is excluded from the 2018 Gender Bonus Pay Gap calculations. Given the relevant periods for the Gender Pay Gap Reporting calculations, this impacted on both the hourly rate of those in receipt of a bonus and the Bonus Pay Gap.

**I the undersigned, confirm that ZF's reporting for its UK gender pay gap calculations (for the legal entity TRW Limited) is accurate.**



Signature.....

Title..... VP Finance

