



Air Products UK Gender Pay Gap Report 2020



Being an inclusive employer is a fundamental part of our business strategy, led from the top of our organisation. Our CEO Seifi Ghasemi explains:

“ We need to create an atmosphere of respect for everybody, no matter where they come from. If you hire people who look like you, talk like you, and think like you, how do you find the unique perspective? How do you challenge the status quo if everyone on the team sees the world the same? ”

Air Products is a work environment where employees know they belong and matter. This includes fair and equitable pay. Our pay practices apply equally to all employees, irrespective of gender, race, religion, disability, age or any other form of personal difference.

We strive to pay competitively in local markets where we do business and compete for talent. We benchmark our compensation to ensure that we are keeping pace with the market to provide competitive pay and benefits.

Air Products support gender equality through engagements in organisations and initiatives such as the CEO Action for Diversity & Inclusion

Gender pay gap is **NOT** unequal pay

The gender pay gap shows the difference in average pay between all men and all women. Equal pay relates to what men and women are paid for in the same, or similar jobs or work of equal value. We have a greater number of males than females in senior as well as technical roles; this is reflected in our gender pay gap which also appears across our industry.

“ Our higher purpose includes bringing people from all walks of life together to collaborate and innovate solutions to the world’s most significant energy and environmental sustainability challenges. Having a diverse team, which includes attracting and supporting females throughout their career, is critical to our success.

We’ve seen progress since first reporting our gender pay gap in 2017. The single most important factor to decrease our gap further is to continue to grow and develop females in our organisation.

We’re taking actions to ensure we have a strong female talent pipeline all the way through from attraction to long term career path planning. This includes continuously reviewing and improving our recruitment strategy and investing in promoting career options to female employees. Going forward we’ll be building on these steps and we’ll be continuing our journey to create a culture where everyone is respected and can contribute to their best potential. ”



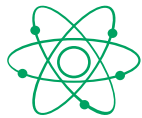
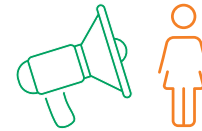
Suzanne Lowe
Vice President and General Manager
United Kingdom, Ireland, Israel and Italy

I confirm the data in this Gender Pay Gap report is accurate.

Suzanne Lowe
Vice President and General Manager
United Kingdom, Ireland, Israel and Italy

What we're doing right now...

Recruitment



STEM

We link up with organisations such as the National Enterprise Challenge which allows us to run programmes with both male and female students, matching theory with real-life, industrial scenarios.

As a member of WISE, we focus on supporting female students by promoting colleagues as positive roles models, this helps us to challenge traditional, gender-biased perceptions associated with STEM careers and offers insights into the wide opportunities available.”



Graduates

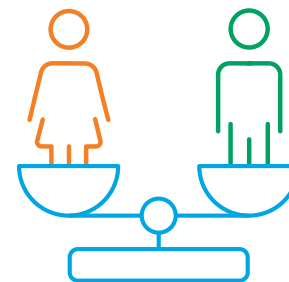
As we strive for gender balance and equality, our graduate intake is fundamental to shifting the balance. We aim to achieve equal male/female representation at the assessment stage of our highly regarded graduate scheme.

We are thrilled that over the last three years our overall intake has been 42% female. We are passionate about developing and retaining this diverse pool of talented individuals to ensure diversity is present in our future succession plans.



Understanding our position

Our data capabilities allow for a comparison of male/female success at each stage of the recruitment process. Over 3 years the success of female talent vs the recruitment process demonstrates that we do not have gender bias through the short list, interview and offer process. In fact, females are just as likely to be successful as men and subsequently start careers with us. Our challenge now is to attract more women, particularly within skillset shortage areas such as engineering and in leadership. While these challenges are reflective of the marketplace we will positively challenge ourselves. We have a global target to achieve 28% female diversity by 2025.



Taking action

We have taken a number of actions to ensure we inject more female talent to our recruiting processes.

In 2019 we launched a new internal recruitment team, equipped with tools to target female talent directly.

Through 2020 we worked closely with our Global Engineering, Manufacturing, Technology and Equipment Team on referral and social networking to harness the power of our employees' social networks within technical areas. We are now broadening our attraction to include platforms and professional networks specifically aimed at females, female leaders and working parents. We've rebranded many of our candidate communication formats to ensure they promote and celebrate our diverse culture.

All such activity will help us with the supply of female candidates and, it is our commitment in 2020 to aim for diverse representation within the candidate pool on all vacancies. We challenge our agency partners to have the same focus on diverse hiring as we do.

While we're proud that our data does not indicate bias of process, we're also encouraging female participation in the assessment process.

Culture

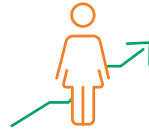


We want to become the most diverse industrial gas company in the world. To do that we are committed to fostering a collaborative and respectful work environment by:

- Having **zero tolerance** towards discriminatory behaviour.
- Supporting our vibrant **Women's Success Network**, which drives mentoring programmes, speed networking events, coaching circles and the sharing of knowledge.
- Offering **flexible work arrangements** to help our people manage when and where they get their work done most effectively.
- Operating a **Peer to Peer recognition programme** that rewards those who go above and beyond daily work and those who take action to foster an inclusive working environment.



Progression



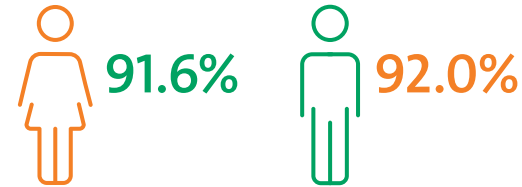
We help our people realise their full potential everyday by providing them with key tools and support:

- **Talent Management and Development** – strong processes are in place that foster personal growth, address unconscious bias and embrace diversity.
- **Leadership Development** – diverse talent with leadership potential have increased exposure to senior management and helped to develop strategies and skills to enhance their professional development.
- We shine a light on inspirational female and male leaders encouraging two-way dialogue through tailored events and other communication opportunities.



Our Stats

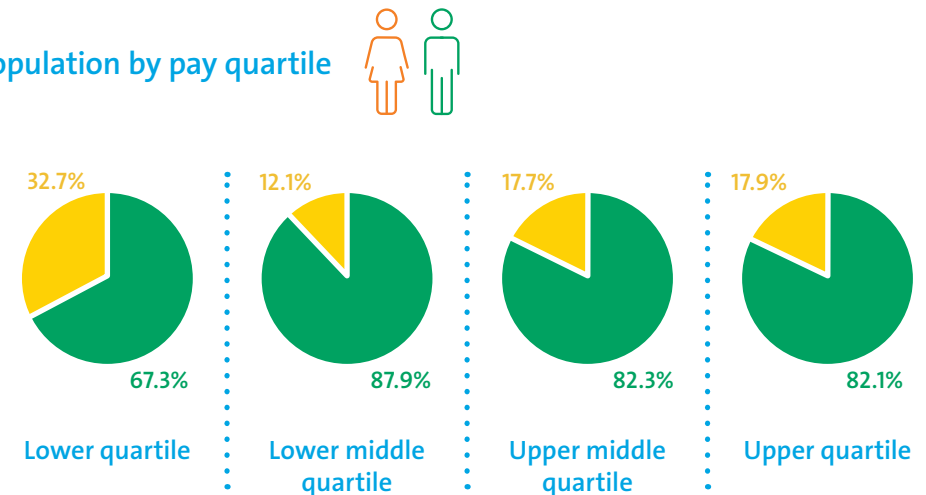
Portion of people paid a bonus*



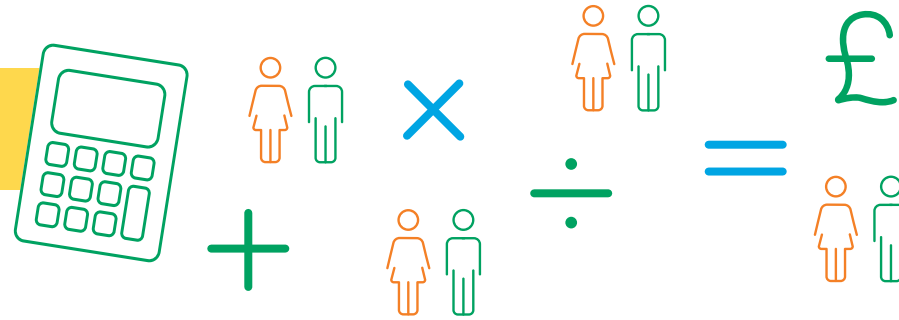
	Air Products April 2019	Air Products April 2020	UK National 2019	UK National 2020
Mean gender pay gap	12.8%	13.1%	16.2%	14.6%
Median gender pay gap	9.7%	8.8%	17.3%	15.5%
Mean gender bonus gap	46.7%	36.1%	Not reported	Not reported
Median gender bonus gap	-2.5%	6.0%	Not reported	Not reported

The salary gap is a snapshot as at 5 April 2020 and the bonus gap captures all payments made in the 12 months prior to this date.

Population by pay quartile

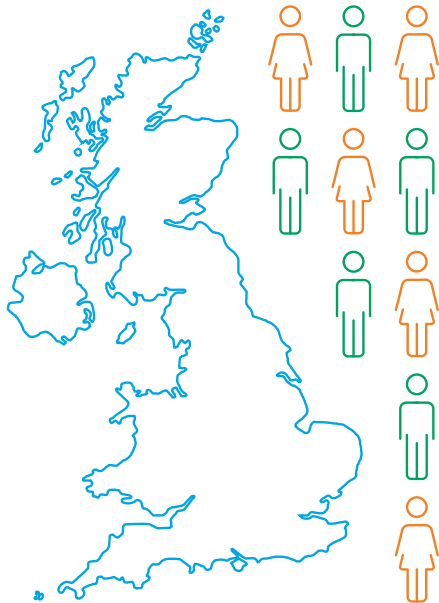


Details behind the calculations



Companies need to report their gender pay gap for all legal entities in the UK with more than 250 employees.

The salary gap is a snapshot as at 5 April 2020 and the bonus gap captures all payments made in the 12 months prior to this date.



The calculations use two types of averages:

- A **mean** average involves adding up all the numbers and dividing the result by the number of numbers in the list.
- A **median** average involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

A **positive** percentage figure means, that overall, female employees have lower pay or bonuses than male employees.

We understand that for some people categorising gender as either 'male' or 'female' does not represent their identity; however, this is the definition required for this report.

Pay

Pay includes basic pay, allowances, and shift premium. Benefits and shares are excluded.

Pay does not include amounts relating to overtime, redundancy or termination of employment.

Bonus pay

Bonuses include anything that relates to profit sharing, productivity, performance, incentive and commission. They must be received in the form of cash, vouchers, securities, options or interests in securities. Bonuses paid in securities are included at the time when the employee incurs a charge to income tax.

The proportion of males and females in each quartile pay band

This calculation requires us to show the proportion of male and female **full-pay relevant employees*** in quartile pay bands. This is done by dividing the workforce into four equal parts, ranked from the lowest hourly rate of pay to the highest.

This list is then divided into four sections (called quartiles) with an equal number of employees in each section (or as close as possible to this). The quartiles (from the lowest to highest) are called the lower quartile, the lower middle quartile, the upper middle quartile, and the upper quartile.

Comparing our data

To give further context, we have shown the mean and median gender pay gaps for UK business overall. These figures are provisional results from the 2020 Annual Survey of Hours and Earnings published by the Office of National Statistics.

*A full-pay relevant employee, is an employee who was paid their full usual pay during the period of analysis. If the employee is paid less than their usual rate, because of being on leave, for example, they are not counted as a full-pay relevant employee.

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