

Epson Europe B.V.

Gender pay gap results 2018-19



Introduction

Epson is a global technology leader dedicated to connecting people, things and information with its original efficient, compact and precision technologies. With a lineup that ranges from inkjet printers and digital printing systems to 3LCD projectors, watches and industrial robots, the company is focused on driving innovation and exceeding customer expectations in inkjet, visual communications, wearables and robotics.

Part of the Japan-based Seiko Epson Corporation, the Epson Group comprises more than 81,000 employees in 85 companies around the world, and is proud of its contributions to the communities in which it operates and its ongoing efforts to reduce environmental impacts.

Epson aspires to be an indispensable company, trusted throughout the world for its commitment to openness, customer satisfaction and sustainability.

As Epson employees, we always strive to exceed our own vision, and to produce results that bring surprise and delight to our customers. We respect individuality while promoting team work and it is committed to delivering unique value through innovative and creative solutions.

We foster values, such as customer focus, team work, results focus, communication and commitment to excellence as part of our principles of corporate behaviour. We strengthen teamwork by recognising the value of our workforce and creating synergies between individuals and our organisation. We will put Epson in the best position by hiring a diverse workforce and utilising their unique skills effectively, and maintain relationships with our employees based on trust.



Gender pay gap results 2018-19

Under new legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap. We have three companies in the UK. With over 250 employees Epson Europe B.V. is within the parameters to report the gender pay gap.

Equal pay vs Gender pay gap

Equal pay is comparing the pay of men and women doing roles of equal worth, as set out in the Equality Act 2010. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the difference in the average pay between all men and women in a workforce. The gender pay gap is influenced significantly by the shape of an organisation, in particular where there are a higher proportion of one gender at more senior levels.

In this report, we are sharing the median (midpoint) and mean (average) pay gaps between men and women's hourly ordinary pay and bonuses. The hourly rate used is based on earnings in the April 2018 pay and can include any pay, bonus or commission, but does not include overtime. Under the legislation, we have to report six different pieces of information relating to the pay of the included workforce population and these are:

1. Mean – pay gap

This is the difference in the hourly pay of men and women based on the snapshot date 5th April 2018. The pay gap figure is expressed as a percentage of the hourly pay of male employees.

2. Median pay gap

This is the difference between the average hourly earnings of men and women. It takes all hourly rates in the sample, lines them up by gender, in order from lowest to highest, and picks the middle figure from each line.

3. Mean bonus gap

This refers to the bonus and/or commission pay paid during the twelve months prior to the snapshot date 5th April 2018, expressed as a percentage of the bonus/commission pay paid to men.

4. Median bonus gap

This is calculated in the same way as the median pay gap in that it consists of two lists, one of all male bonus/commission payments during the year and the same for all females. Then the middle number from each list is compared calculate the median bonus gap.

Unlike the pay gap figures the bonus gap does not account for any reduction in hours therefore it is possible for a bonus gap to exist when in fact the two genders could be paid exactly the same hourly rate.

5. Proportion of Bonus Pay

Bonus pay proportion refers to men who received a bonus commission in the twelve months, expressed as a percentage of men; women who received a bonus commission in the twelve months, expressed as a percentage of women.

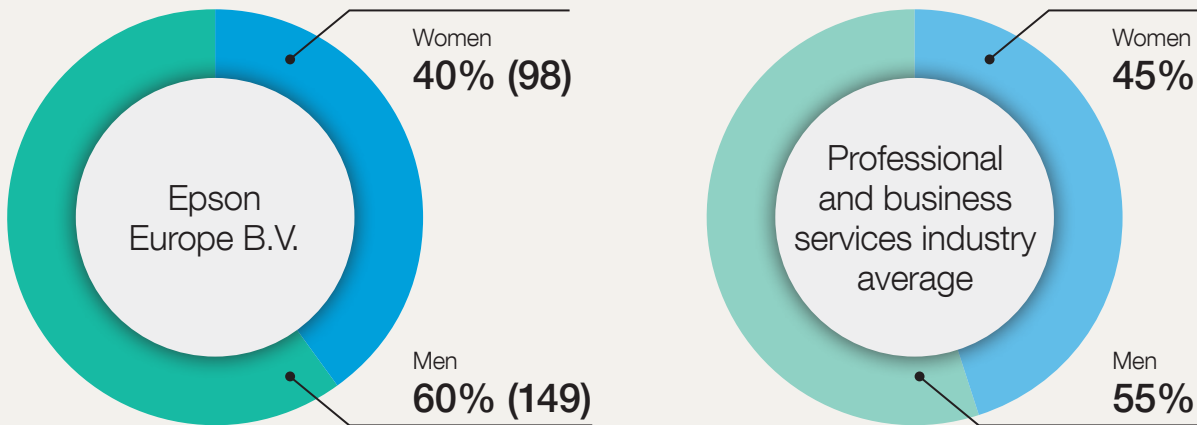
6. Pay Quartiles

This organises the workforce into evenly sized quartiles based on ranking of all included employees from lowest to highest by hourly rate of pay. This is then split equally into four quartiles for each gender. The report shows for each quartile the number of full-pay relevant men and women in each quartile as a percentage of the total in the quartile.

Gender pay gap

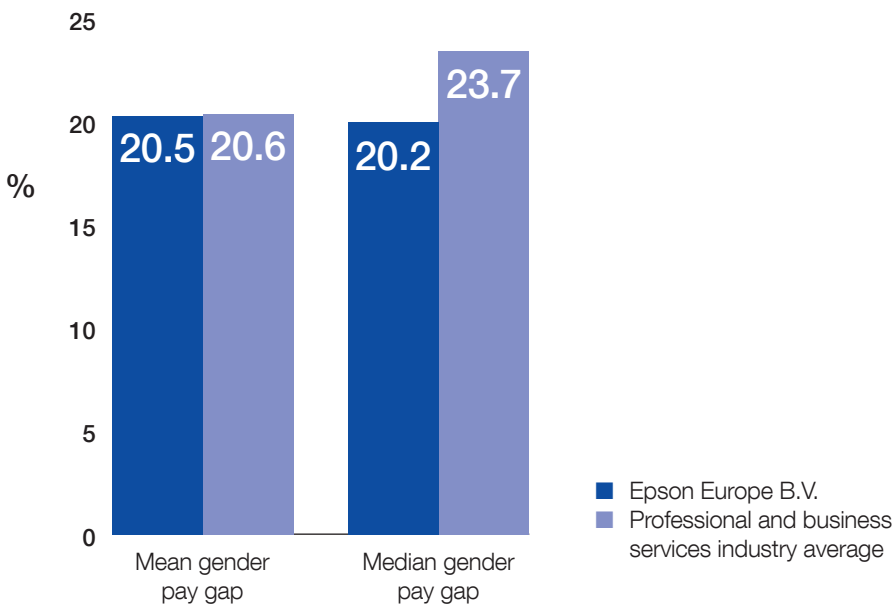
The charts below refer to Epson Europe B.V. totalling 268 employees, with 247 employees being full pay relevant to this report based on the snapshot data from April 2018.

Total split of men and women employees



The industry average used in this report is based on data from the The Office for National Statistics and data from XperHR published in 2018 based on 2017/18 Gender Pay Gap Reporting submissions.

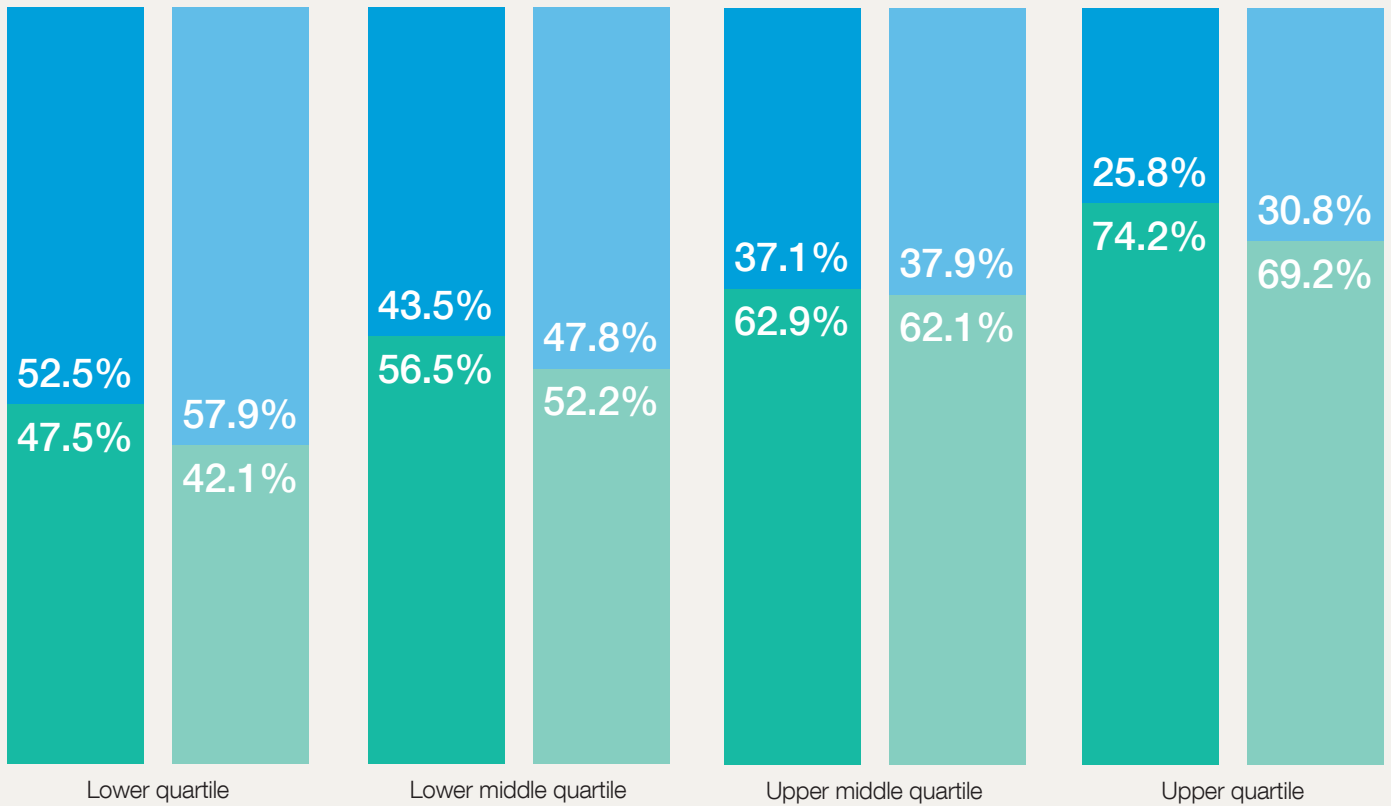
Employee gender pay gap



In summary there is a gender pay gap within Epson Europe B.V. The mean gender pay gap is equivalent to the professional and business service industry average. The median gender pay gap is better than the professional and business service industry average.

Pay quartiles

Includes all employees whose standard hourly rate places them:



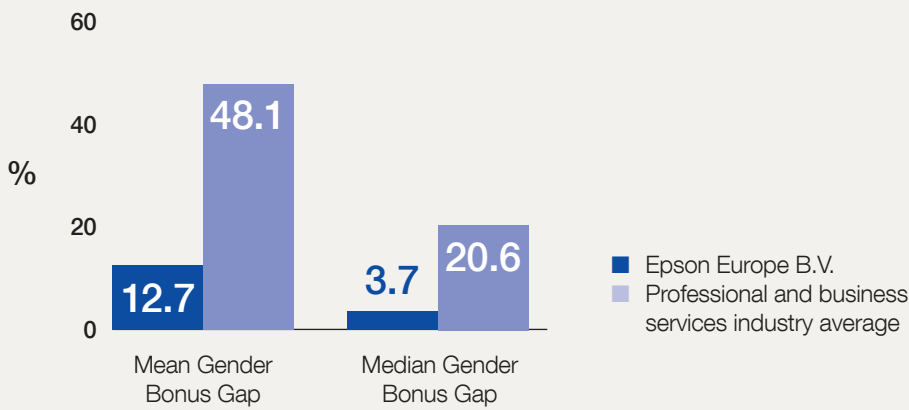
The lower and lower middle quartile is better than the total split of men and women employees. This is also better than the professional and business industry average.

More women than men on average at Epson Europe B.V. work part time or have had career breaks that have affected their career progression and long-term earnings.

More women at Epson Europe B.V. are found in administrative, support roles and within the lower pay quartile compared to men.

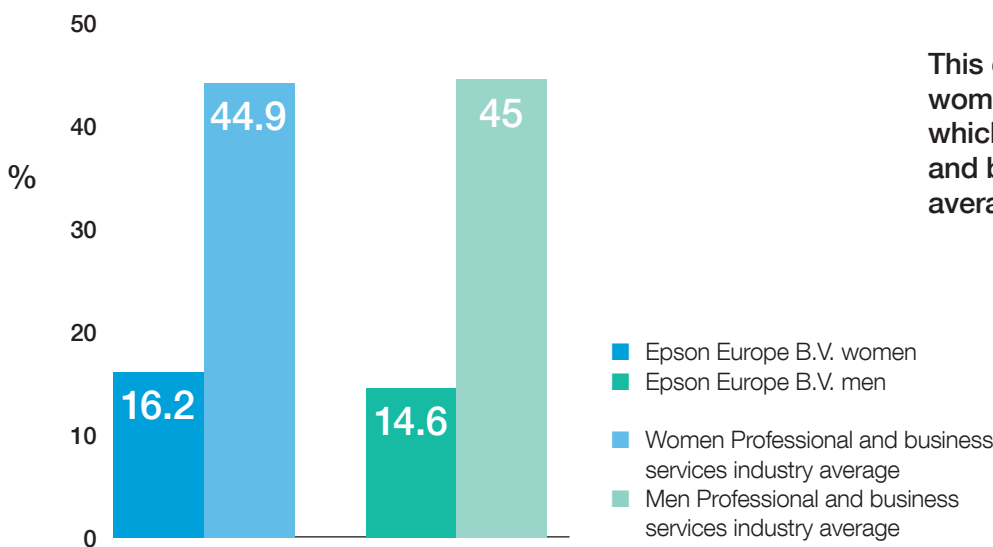
- Epson Europe B.V. women
- Epson Europe B.V. men
- Women professional and business services industry average
- Men professional and business services industry average

Gender bonus gap



Epson Europe B.V. show a mean and median gender bonus gap that is significantly better than the professional and business services industry average.

% of employees receiving a bonus



This chart demonstrates more women receive a bonus than men which is better than the professional and business services industry average.

Action plan to address gap

In line with supporting the United Nation's Sustainable Development Goal #5: Achieve gender equality and empower all women and girls.

We believe this can be achieved by providing insight and transparency to influence Epson business activity; it is our ambition as a diverse and inclusive employer to close the Gender Pay Gap.

Epson aspires to be a company that professionals within the industry want to work for. As part of this we are committed to the following:

Flexibility

- All employees have the opportunity currently to adjust their start and finish time to meet their commitments and lifestyle subject to their line managers' approval as part of Epson's core hours policy. In addition Epson have a flexible working policy. Flexible working is a way of working that suits employee needs whilst continuing to contribute to our productivity and maintaining performance. Employees in the UK have the legal right to request flexible work and we support employees with all requests. We are committed to continuing to deal with requests in a reasonable manner; assessing the request, being open to discussions to establish the true impact to the business and all possible options.
- We are committed to review our Family Friendly Policies that include Maternity, Paternity and Adoption leave. We accept traditional concepts of families are changing and we intend to cater for this. We will review our Family Friendly Policies in 2019.

Talent Acquisition

- We are proud of our bias free, skills and knowledge based talent acquisition practices and our in-house recruitment team. Between 01 April 2017 – 01 April 2018, 38% of hires in Epson Europe B.V. were women. These women were hired through bias free job adverts that are posted through multiple sourcing channels. Candidates are then taken through our structured and objective selection processes which can involve face to face interviews, psychometric testing and additional assessments to make hiring decisions based on candidate's skills, knowledge and experience and never gender. We will continue to develop these talent acquisition practices to ensure it is always the best candidate who gets appointed. We will develop our candidate sourcing and attraction strategies to ensure we are promoting our employer brand to talented females and giving them the opportunity to know what a great place Epson is to work.

Pay

- To make competitive and commercial pay decisions we use a systematic and analytical job levelling methodology and we subscribe to Willis Towers Watson's market pay data. The processes and tools we deploy ensure consistent, competitive, efficient and fair processes are applied to all pay decisions. Monitoring market pay trends and movements enables us to be highly competitive in our pay strategy to ensure we are successful in attracting, engaging and retaining talent across the organisation. Our robust and fair pay policy and tools ensure that our female and male workforce is treated objectively and equally.

Progression

- Between 01 April 2017 – 01 April 2018, 26% of all promotions in Epson Europe B.V. were women. Epson understands that female career progression is an industry issue within the UK. We intend to review our development programmes to create more positive action towards leadership training, mentoring and coaching focused on all employees achieving their potential regardless of gender.
- We intend to source and deliver unconscious bias training in 2019. This training is to expose people to their unconscious biases, provide tools to adjust automatic patterns of thought and action, and ultimately eliminate bias behaviours that may be unintentional.



Declaration

I confirm that the data reported is accurate and meets the requirements of the Regulations and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Michelle Taylor
HR Director EMEAR

Robert Clark
Senior Vice President