

UK GENDER PAY REPORT 2018

Gender Pay Gap Legislation introduced in April 2017 requires all employers of 250 or more employees to publish details of their gender pay and bonus gap and at Sandvik we welcome the UK Government's initiative for companies to be more transparent on Gender Pay. Sandvik has one legal entity over the 250 threshold; Sandvik Limited, which is reported below. We also show the total picture for all Sandvik UK regardless of employing entities.

EQUAL PAY

Sandvik is committed to providing equal pay for equal work and providing a diverse and inclusive place to work which is central to our business to ensure our continued success. We are confident that we have equal pay for equal work however we do have a gender pay gap, as explained in our detailed findings below.

ALL SANDVIK UK EMPLOYING ENTITIES

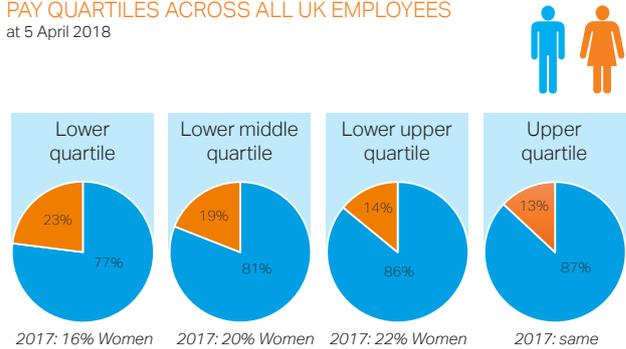
MEAN AND MEDIAN PAY AND BONUS GAP at 5 April 2018

	MEAN (2017)	MEDIAN (2017)
Gender Pay Gap	4.6% (6.8%)	5.3% (1.8%)
Gender Bonus Gap	35.5% (34.2%)	28.2% (13.1%)

PROPORTION OF ALL UK EMPLOYEES RECEIVING A BONUS in 12 months preceding 5 April 2018



PAY QUANTILES ACROSS ALL UK EMPLOYEES at 5 April 2018



SANDVIK LTD

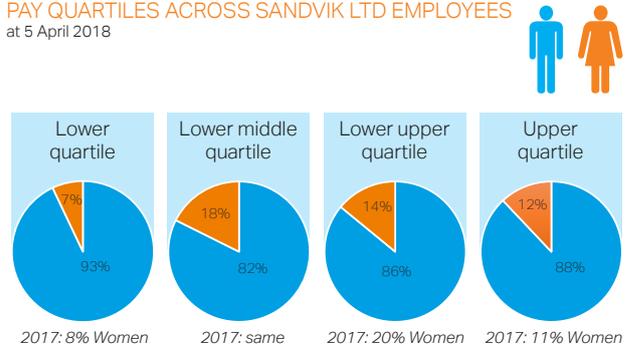
MEAN AND MEDIAN PAY AND BONUS GAP at 5 April 2018

	MEAN (2017)	MEDIAN (2017)
Gender Pay Gap	-0.3% (4.6%)	0.6% (-6.0%)
Gender Bonus Gap	40.0% (42.7%)	22.0% (33.0%)

PROPORTION OF SANDVIK LTD EMPLOYEES RECEIVING A BONUS in 12 months preceding 5 April 2018



PAY QUANTILES ACROSS SANDVIK LTD EMPLOYEES at 5 April 2018



OUR FINDINGS

The 'UK all' data shows our 'gender pay gap'. This is a snapshot of the difference between the average hourly pay levels of all women compared to all men, irrespective of their role or level in the organization, expressed as a percentage of men's average pay (mean and median). Our figures show that the median average pay of all our women in the UK is 5.3% lower than that for all our men and the mean average is 4.6% lower. For comparison, the UK's national gender pay gap is 17.9% lower for females compared to males. In addition, we compare the overall averages in bonus payments (performance related bonus) which shows Women are more likely to receive a bonus, but the gender bonus gap remains an area where Sandvik UK need to take further action. This gap is caused by an unequal distribution of men and women across the company, not because of our pay policies and practices, which are currently reviewed via a new Job Framework mechanism.

Overall, Women currently represent 17% of employees. Women are less well represented than this figure in higher pay quartiles due to proportionally more men being in senior level roles. Therefore, increasing the number of women in our business and moving towards an equal distribution of men and women across all levels is very important.

KEY COMPARISON FINDINGS

When we compare the results from 2017 to 2018 we determine that although there was an overall headcount reduction of 52 employees across the whole of the UK the proportion of females within the organization has remained at 17% representation. When reviewing the increase of women in the Lower Quartile, we observe that a higher percentage of male employees left the organisation in these roles, increasing the percentage of women in this lower quartile.

We note that there was a decrease in women in the Lower Upper Quartile in Sandvik Limited, from 20% to 14%. This is due to a number of restructuring projects within our Customer Services environment and the European HR Hub, in roles that were predominately performed by women.

SANDVIK UK APPROACH

To address the gender balance, we must maintain a culture of inclusion in which people from all backgrounds can fully contribute to the growth and success of our business. To achieve this, we will focus on three areas:

1. Director & Leadership Encouragement and Engagement

The UK Senior Management Team commits to engage with and support the Sandvik Women in Engineering Network. Where appropriate, Senior Managers will invite members of the Sandvik Women in Engineering Network to attend and participate in events and meetings that will provide exposure to new learnings and experiences. Senior Managers to explain and deliver the Gender Pay Gap Report and subsequent actions.

A Mentoring Programme will be introduced where Senior Business Managers will be encouraged to become a Mentor to a female colleague in another business. The programme will outline guidelines to successful mentoring.

2. Sandvik Women in Engineering Network

In 2018 we gave a commitment to launch two new network groups, but after much consideration felt that one combined group with a wider scope would achieve the same objective to provide a supportive forum for all women that wish to fulfil their career aspirations in Sandvik.

Following our recent 2019 International Women's Day event, the focus for 2019 will be for the Network and Steering Group to identify and shape the approach, content and format of events/meetings that will result in engagement and momentum.

Within the Sandvik Women in Engineering Network, we will launch a Special Interest Group (SIG) for Engineers. This group will support the female engineer community at Sandvik UK. The Engineering SIG will present and educate the wider Sandvik Women in Engineering Network at events and meetings. Sandvik will investigate the opportunity to appoint a STEM Ambassador for Sandvik UK.

3. Inclusive Culture

The Engineering SIG will help identify initiatives to attract more female candidates to Engineering roles within Sandvik.

Establish relationships with potential Recruitment partners that specialize in providing opportunities for female candidates in engineering.

Partner with other Groups and Networks to attract female candidates to key roles in Sandvik.

We will incorporate an explanation of the Gender Pay Gap and Sandvik Women in Engineering Network into the Induction Programme, to raise awareness for all new employees.

We confirm the data reported is accurate.



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