



UK GENDER PAY REPORT 2017

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 Ltd, 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

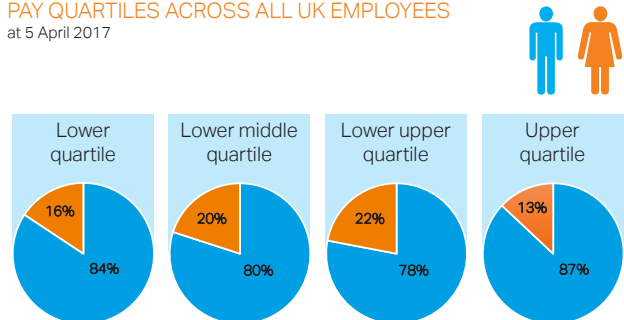
MEAN AND MEDIAN PAY AND BONUS GAP at 5 April 2017

	MEAN	MEDIAN
Gender Pay Gap	6.8%	1.8%
Gender Bonus Gap	34.2%	28.2%

PROPORTION OF ALL UK EMPLOYEES RECEIVING A BONUS in 12 months preceding 5 April 2017



PAY QUANTILES ACROSS ALL UK EMPLOYEES at 5 April 2017

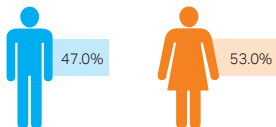


SANDVIK LTD

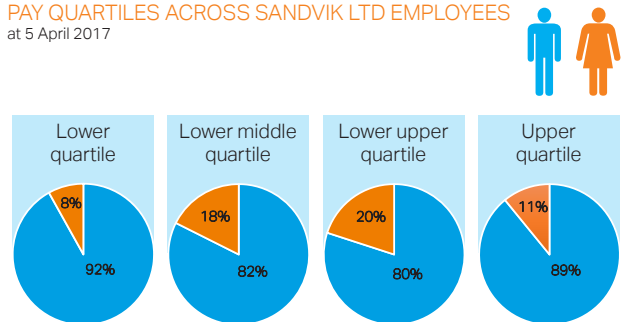
MEAN AND MEDIAN PAY AND BONUS GAP at 5 April 2017

	MEAN	MEDIAN
Gender Pay Gap	4.6%	-6.0%
Gender Bonus Gap	42.7%	33.0%

PROPORTION OF SANDVIK LTD EMPLOYEES RECEIVING A BONUS in 12 months preceding 5 April 2017



PAY QUANTILES ACROSS SANDVIK LTD EMPLOYEES at 5 April 2017



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 organisation, 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 1.8% lower than that for all our men and the mean average is 6.8% lower. For comparison, the UK's national gender pay gap is 18.1% lower for females compared to males. The hourly pay figure used to calculate the difference includes all items specified in the regulations, such as allowances and shift pay. 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 is 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 being reviewed via a new Job Framework mechanism.

Overall, Women currently represent 17.5% of employees. Women are less well represented than this figure in the 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.

SANDVIK UK APPROACH

To address 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 four areas:

1. Visible Leadership

The UK Senior Management Team will continue to actively support and review the HR Strategy across the UK with Diversity and Inclusion being included as a regular agenda item.

They will also take part in an unconscious bias training course in 2018.

The UK Senior Management Team will also invite selected members of the Sandvik UK's Women in Engineering Network (Professional Level) and the Sandvik UK Women in Management to events as appropriate and provide coaching and mentoring, which will be reviewed and facilitated by the HR Country Co-Ordinator on an individual basis.

2. Recruitment and Attraction

Sandvik are to investigate working with organisations such as Women in Engineering to boost our visibility amongst potential female talent.

We will continue to be a lead sponsor at The Manufacturing Technologies Association (MACH exhibition) which is a trade association for companies working in the engineering-based manufacturing sector. Which encourages talent through funding and support for workplace training and education initiatives in schools, colleges and universities. And encourages young women to see science, technology, engineering and mathematics (STEM) as a future career. And to continue to support local STEM initiatives via STEM Ambassadors.

We will mitigate unconscious bias during selection processes by providing guidance, information and training to recruiting managers and encourage gender-balanced selection panels.

We will continue to develop our external recruitment materials in the UK, which may include a statement about the Gender Pay Gap, our approach to equal opportunities or information that recognises our commitment.

3. Inclusive Culture

Sandvik UK will support the Global Sandvik Diversity and Inclusion strategy and the Sandvik Code of Conduct. We will review local UK family friendly policies to reflect legislation but also best practice and communicate these to employees in a proactive manner.

4. Career Development

Sandvik UK will launch two new networking groups in the UK in 2018, which will be facilitated by the UK HR Country Co-ordinator.

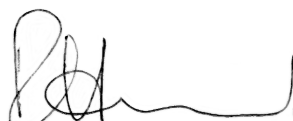
- a. Sandvik UK Women in Engineering Network (Professional Level)
- b. Sandvik UK Women in Management (Management Level)

The primary terms of reference for both networks is to enhance career progression by providing the opportunity to enhance skills and the added exposure to senior managers via coaching and mentoring.

We confirm the data reported is accurate.



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