

## UK Gender pay report – 4 April 2018

Meggitt PLC

We believe in the significant benefits that derive from a more inclusive and diverse organisation. This report highlights our 2018 gender pay gap data and details our steps towards achieving a more inclusive and diverse workplace.

### Gender pay gap data for all UK employees as at 5 April 2018

Gender pay gap legislation requires us to report data as at 5 April 2018 for two of our five UK employers. We have reported this data in the prescribed format and included it at the end of this statement, under 'Statutory disclosures'. To help provide a complete picture of pay to all our UK employees, we highlight in this statement the combined data for all of our UK companies. We use this data as our UK benchmark, against which we can monitor and demonstrate the impact and effectiveness of our Group policies and practices. The gender pay gap data is different to 'equal pay', which is about ensuring men and women are paid the same for carrying out the same or work of equal value. During 2018 we have made good progress with diversity and inclusion plans, and these remain a priority for our leadership teams. The steps we have taken during 2018 are outlined at the end of the report.

### Pay difference between male and female: all UK employees as at 5 April 2018\*

Meggitt mean pay gap	23.1% (2017:20.50%)
Meggitt median pay gap	20.1% (2017:20.90%)
UK national mean pay gap	17.9% (2017:18.10%)

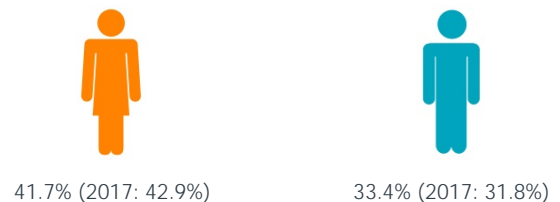
The gender pay gap data above shows the difference between the hourly rate of pay levels of male and female employees in the UK. On average, men are paid 23.1% (2017: 20.50%) more an hour than women in the UK at Meggitt. The data shows that the median difference between men and women's pay is 20.0% (2017: 20.90%).

### Bonus difference between male and female employees in 12 months preceding 5 April 2018\*

Median difference in bonus pay	39.9% (2017: 56.5%)
Mean difference in bonus pay	72.0% (2017:55.8%)

The median difference in bonus pay between men and women in 2018 was 39.9% compared to 56.5% in 2017. The mean difference increased to 72.0% over the same period.

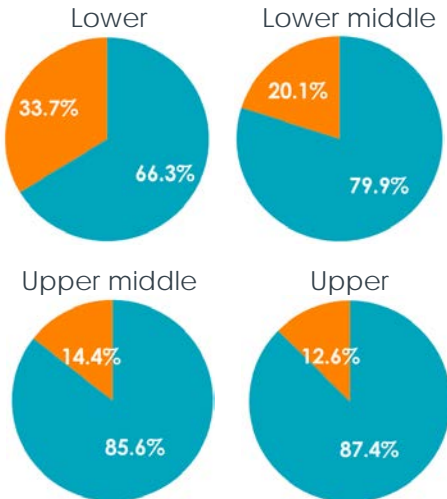
### Proportion of all UK employees receiving a bonus in 12 months preceding 5 April 2018\*



In 2018, a higher percentage of female employees in the UK received bonuses than male employees (41.7% of females received bonuses compared to 33.4% of males).

## Pay quartiles across all UK employees as at 5 April

2018\* 



As at 5 April 2018, there were about 2,500 employees in the UK. Each quartile therefore represents appropriately 612 employees. In the lower quartile, 33.7% of employees were female and 66.3% were male (2017: 32% and 68%). In the top quartile, 12.6% of employees were female and 87.4% were male (2017: 11% and 89%).

\* Ordinary pay under the regulations does not include remuneration referable to overtime, redundancy or termination of employment, in lieu of leave or remuneration provided otherwise than in money.

### Steps that we are taking to create a more inclusive and diverse workplace:

The Board of Directors, executive management, and leaders across the Group recognise that a diverse and inclusive workforce is critical to running a sustainable and successful business.

To reinforce our commitment to creating a diverse and inclusive environment, in 2018 the Board approved a Diversity and Inclusion Policy. We also established a Group-wide Diversity and Inclusion Council. The Council will provide overall guidance and a framework to help roll out Employee Resource Groups across the company to facilitate discussions and initiatives on diversity and inclusion.

The Board is committed to working with managers at all levels to build a diverse and inclusive organisation and we are taking a number of actions to deliver this. Our commitments are as follows:

**(i) Build a High Performance Culture (HPC) across the Group based on helping managers and employees to share the same strategic vision.**

The Board and executive management recognise that developing the right culture at Meggitt is important and will ultimately help us to deliver sustained high performance. Managers and employees are given tools during their HPC training to support an inclusive culture that promotes inclusive thinking and diversity of thought. Participation in HPC workshops has been encouraging, with strong engagement across the 2,000 colleagues that have attended.

**(ii) Work with each of our divisions and functions to develop diversity and inclusion strategies that recognise their specific requirements and challenges.**

Each of our divisions and functions developed diversity and inclusion strategies which were integrated into our overall Talent Management Framework. The Executive Committee and the Board have discussed diversity and inclusion regularly throughout the year.

**(iii) Engage with employees to ensure open debate and raise awareness about diversity and inclusiveness.**

The results of our 2018 annual employee engagement survey showed positive improvement compared to our 2017 data in a number of areas, including engagement, alignment and agility. During 2019 we will continue to collect feedback from employees and, based on feedback from 2018.

**(iv) Create a culture that supports employees in the various stages of their working lives.**

We recognise that our employee's circumstances can change, and as a responsible employer we have a role in creating a supportive culture. We continue to support those parents who choose to take shared parental leave through our maternity and paternity policies. As part of the transition of a large proportion of our UK workforce to Ansty Park, we are also looking to improve workplace flexibility through flexi-time and continuing to support applications for formal flexible working arrangements.

**Progress in 2018**

During 2018, some of our UK employees to become Science Technology Engineering and Mathematics (STEM) Ambassadors. Our targeted STEM programme aims to increase the diversity of our workforce by engaging with schools and university communities and encouraging people from all backgrounds to apply for roles within Meggitt. Through participating in workshops and events we hope to inspire individuals from all backgrounds to become the next generation of engineers. We will continue to promote diversity and inclusion through both our graduate and apprentice intakes.

During 2019, we will continue our review of all HR policies to ensure they support a diverse and inclusive population.

We confirm that the data reported under the Regulations is accurate and meets the requirements of the Regulations.



Tony Wood  
Chief Executive Officer



Geoff Lloyd  
Group HR Director

**Statutory disclosures**

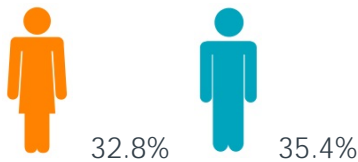
Under the regulations we are required to report our gender pay gap data for employers that have at least 250 employees. The relevant reporting employers for the Meggitt Group are Meggitt (UK) Limited and Meggitt Aerospace Limited. Their data is set out below.

**Meggitt (UK) Limited<sup>1</sup>**

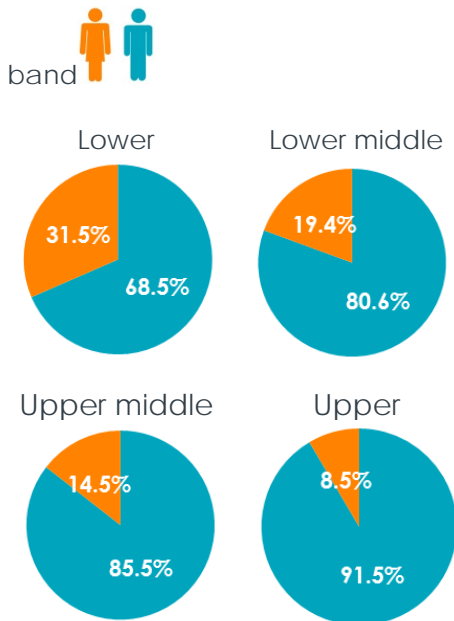
Pay and bonus difference between men and women

	Median	Mean
Hourly pay gap	18.8%	23.6%
Bonus gap	43.2%	72.2%

Proportion of employees receiving a bonus



Proportion of females and males in each quartile



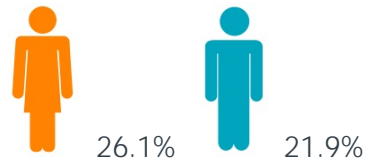
<sup>1</sup> At the snapshot date Meggitt (UK) Ltd had 659 employees over six sites.

**Meggitt Aerospace Limited<sup>2</sup>**

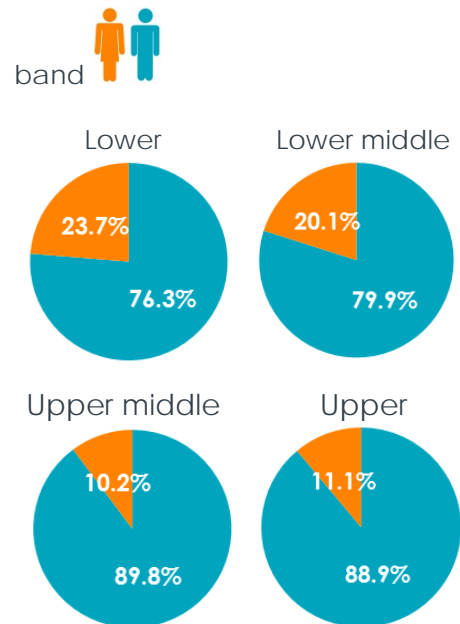
Pay and bonus difference between men and women

	Median	Mean
Hourly pay gap	19.1%	14.7%
Bonus gap	-40.9%	45.1%

Proportion of employees receiving a bonus



Proportion of females and males in each quartile



<sup>2</sup> At the snapshot date Meggitt Aerospace Ltd had 1,366 employees over six sites.