

## UK Gender pay report 2020

We believe in the significant benefits that derive from a more inclusive and diverse organisation. From entry-level roles to senior executive positions, we're committed to driving gender equality across our business. However, gender equality is just one element of our commitment to create a truly inclusive workplace where all employees can thrive.

### What is the gender pay gap?

The gender pay gap is the difference between the hourly rate of pay levels for male and female employees in our UK business, covering standard and variable pay. It is influenced by a range of factors, in particular the demographic of a company's workforce. Details of our gender pay gap are set out below.

### Does this mean women are not paid the same as men?

No, the gender pay gap is different to equal pay. Equal pay is about whether a woman and a man receive equal pay for the same or a similar job. We are committed to equal pay and fostering a fair and transparent environment where employees are rewarded based on their position, competencies, performance and contribution.

### Meggitt Gender Pay Gap Data

Meggitt in the UK is made up of various legal entities, with three main employers: Meggitt PLC, Meggitt Aerospace Limited and Meggitt (UK) Limited. Looking at the combination of these employees in the UK, our gender pay gap analysis shows the following:

#### Pay difference between male and female: all UK employees as at 5 April 2020

- Meggitt mean pay gap – 9.3% (2019:14.9%)
- Meggitt median pay gap – 9.5% (2019: 13.5%)
- UK national gender pay gap – 15.5% (2019:17.3%)

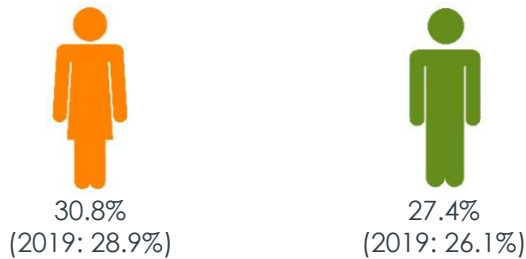
The gender pay gap data above shows the difference between the hourly rate of pay levels of male and female employees in the UK. On average, men are paid 9.3% (2019:14.9%) more an hour than women in the UK at Meggitt. The data shows that the median difference between men and women's pay is 9.5% (2019:13.5%).

#### Bonus difference between male and female employees in 12 months preceding 5 April 2020

- Median difference in bonus pay – 37.0% (2019: 28.8%)
- Mean difference in bonus pay – 36.3% (2019: 48.9%)

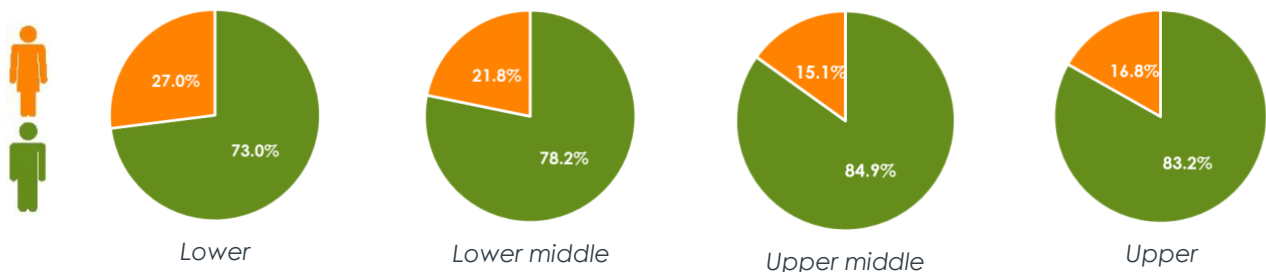
The median difference in bonus pay between men and women in 2020 was 37% compared to 28.8% in 2019. The mean difference decreased from 48.9% to 36.3% over the same period.

**Proportion of all UK employees receiving a bonus in 12 months preceding 5 April 2020**



In 2020, a higher percentage of female employees in the UK received bonuses (30.8% females compared to 27.4% males).

**Pay quartiles across all UK employees as at 5 April 2020**



As at 5 April 2020, there were around 2,547 full pay relevant employees in the UK. Each quartile represents approximately 637 employees. In the lower quartile, 27.0% of employees were female and 73.0% were male (2019: 25.6% and 74.4%). In the top quartile, 16.8% of employees were female and 83.2% were male (2019: 14.9% and 85.1%).

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. Those on furlough on 5 April 2020 are also excluded from the ordinary pay calculations.

The reduction in the gender pay gap from April 2019 to April 2020 is attributed to:

- the combined salary for men joining the business at senior director level was around one third less than the combined salaries of men leaving the business; and
- the combined salary for women joining the business at senior director level was just over a quarter higher than the combined salaries of women leaving the business.

Whilst we have seen an improvement in our results we know that there are many factors which influence the data, in particular the overall number of employees and the male to female ratio of our senior leadership population. The hourly pay gap exists because we employ more men than women and a greater proportion of our senior managers are male. We have a bonus gap because we have fewer women in roles that attract higher levels of pay where the scale of the bonus potential is greater.

### **Why do we employ more males?**

Our business relies on employing large numbers of employees with qualifications in science, technology, engineering and mathematics (STEM) related fields. We, like others in similar industries, face challenges recruiting female employees with STEM qualifications and experience because there are significantly fewer women who study and work in these fields.

### **Why are there more males in the senior leadership team?**

Due to the under-representation of females with STEM qualifications and relevant industry experience we face particular challenges in finding females with the requisite knowledge and or experience to become members of our senior leadership team.

We invest time and energy to ensure that we attract, develop and retain the best talent and foster an environment where everyone has equal opportunity to succeed and reach their full potential. Appointment into senior leadership roles at Meggitt is based on skills, behaviours, knowledge and experience. Currently 17.9% of our Executive Committee and their direct reports are female and we recognise that through our commitment to diversity and inclusion, there is work to do to increase female representation at all levels.

### **What are we doing to address this and reduce the gender pay gap?**

Since 2017 we have launched various initiatives at Meggitt to develop our culture and more specifically our approach to diversity and inclusion. This includes:

- Progressive improvements to our talent, recruitment and retention processes to reflect and encourage a more diverse organisation.
- A focus on an inclusive culture as part of our High Performance Culture work and specific unconscious bias training.
- Helping to foster an inclusive workplace culture, promoting agile and flexible working where possible. In 2020, we adopted a new Flexible Working Policy.

Additionally, a series of employee resource groups have been launched, reflecting the passion and enthusiasm of our employees for diversity and inclusion.

Our Meggitt STEM employee resource group works towards inspiring young people to engage in STEM subjects, which is not only crucial for a young person's educational development, but to the future of global STEM industries. Our STEM initiatives engage young men and women, educate them in the real-world applications of STEM, and encourage them to pursue higher education and careers in a technical field. Our STEM group's aims include creating partnerships with schools and increasing the profile of Meggitt in the communities around our key sites and increasing the quality, quantity and diversity of young men and women applying to be a part of our Apprenticeship and Graduate Programmes, and the industry as a whole.

PAVE is an employee resource group focused on encouraging women's contributions, development and advocacy across Meggitt. Focused on women and open to all, PAVE is designed to advance gender equality by sponsoring, inspiring and educating men and women at Meggitt. The group connects a strong network of individuals across Meggitt to support, encourage and mentor women towards achieving career goals, increasing engagement, helping to improve working conditions, through process and policy change, facilitating growth and development and providing mentorship opportunities.

We will continue to promote diversity and inclusion through our policies, training, awareness events and commitments as well as through our internal promotion, recruitment and graduate and apprentice intakes.



Tony Wood  
Chief Executive Officer

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



Geoff Lloyd  
Group HR Director

**Statutory disclosures**

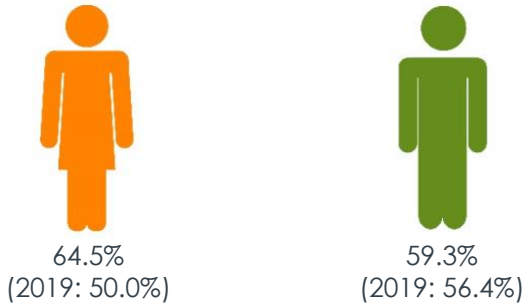
Under the regulations we are required to report our gender pay gap data for employers that have at least 250 employees. The relevant reporting employers for the Meggitt Group are Meggitt PLC, Meggitt (UK) Limited and Meggitt Aerospace Limited. Their data is set out below.

**Meggitt PLC**

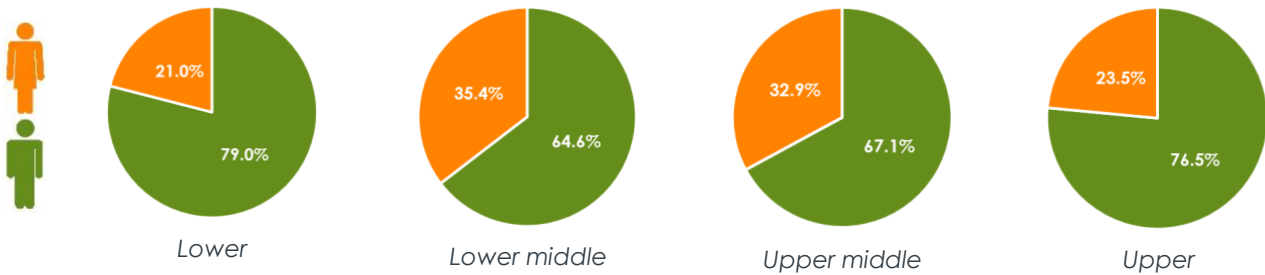
**Pay and bonus difference between men and women**

	<b>Median</b>	<b>Mean</b>
Hourly pay gap	0.1%	6.6%
Bonus gap	16.4%	36.3%

**Proportion of employees receiving a bonus**



**Proportion of females and males in each quartile band**

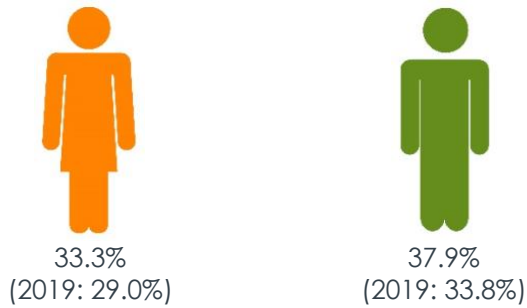


**Meggitt (UK) Limited**

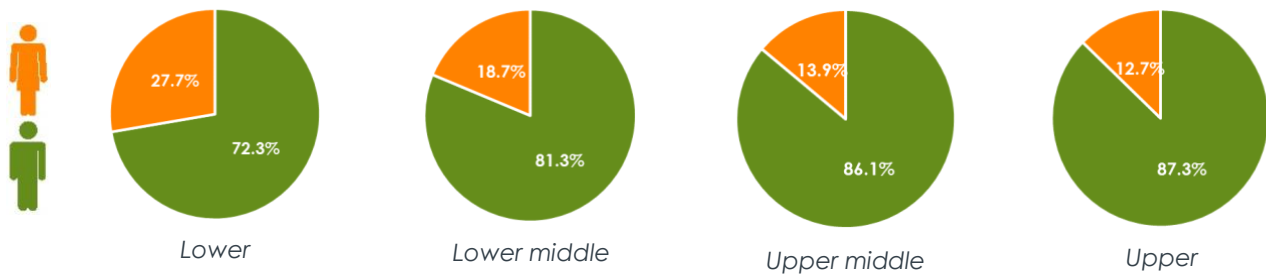
**Pay and bonus difference between men and women**

	<b>Median</b>	<b>Mean</b>
Hourly pay gap	14.9%	16.1%
Bonus gap	37.1%	68.4%

**Proportion of employees receiving a bonus**



**Proportion of females and males in each quartile band**

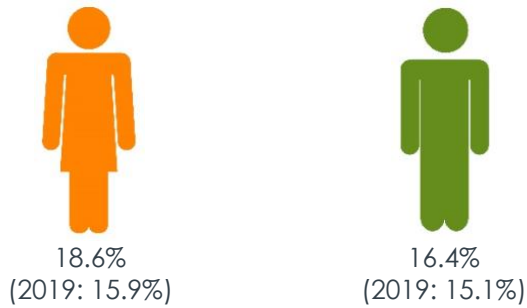


**Meggitt Aerospace Limited**

**Pay and bonus difference between men and women**

	<b>Median</b>	<b>Mean</b>
Hourly pay gap	15.8%	13.7%
Bonus gap	35.4%	63.1%

**Proportion of employees receiving a bonus**



**Proportion of females and males in each quartile band**

