

UK Gender Pay Report 2022

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, most notably the voluntary sacrifice deductions chosen by employees and the representation of women at senior level in a company's workforce.

This report contains details of gender pay gap on 5 April 2022, prior to the acquisition of Meggitt by Parker Hannifin which took place in September 2022.

Does having a pay gap 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.

What is Meggitt's Gender Pay Gap?

Gender pay gap legislation requires us to report data as at 5 April 2022 for two of our UK employing companies, Meggitt Aerospace Limited and Meggitt (UK) Limited. This data is reported in the prescribed format at the end of this statement, under 'Statutory disclosures'.

To help provide a complete picture, we set out in this statement the combined data for all of our UK companies.

Hourly Pay Gap

- Meggitt mean pay gap – 11.6% (2021: 5.7%)
- Meggitt median pay gap – 10.7% (2021: 9.7%)

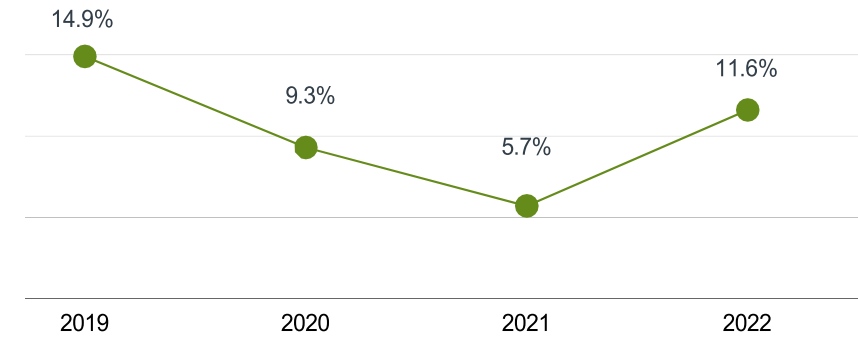
WHAT IS MEAN PAY?

We add together the hourly pay of all male employees, then divide the total by the number of male employees. We then do the same for all female employees and compare the average (or mean) hourly pay.

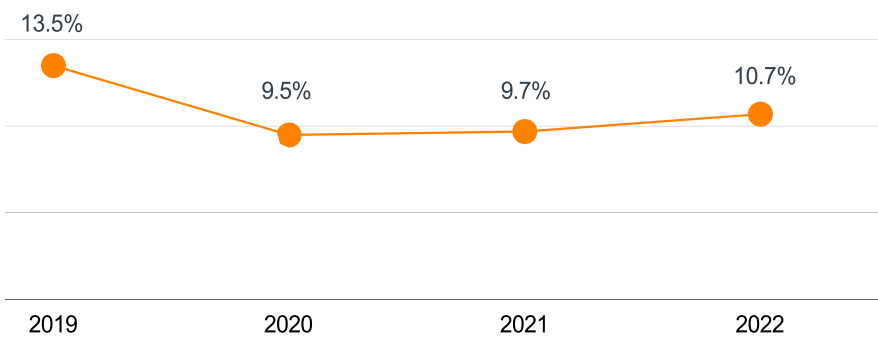
WHAT IS MEDIAN PAY?

We rank all male employees in order of their hourly pay and do the same for all female employees. We then compare the pay of the 'middle male' and the 'middle female'.

Meggitt mean pay gap over time



Meggitt median pay gap over time



Bonus Pay Gap

- Mean difference in bonus pay – 57.3% (2021: 67.9%)
- Median difference in bonus pay – 12.3% (2021: 41.3%)

Bonuses are made up of ‘one-off’ payments such as incentive, sale of shares and other recognition, retention and service awards. These have a variable monetary value for each element so amounts paid vary year-on-year. This makes the data more volatile and so our figures fluctuate from one year to the next.

WHAT IS MEAN DIFFERENCE IN BONUS?

We add together the bonuses received by all male employees, then divide the total by the number of male employees that received bonuses. We then do the same for all female employees and compare the average (or mean) bonus.

WHAT IS MEDIAN DIFFERENCE IN BONUS?

We rank all male employees that received a bonus in the 12 months preceding 5 April 2022 in order of the value of their bonus and do the same for all female employees. We then compare the bonus of the ‘middle male’ and the ‘middle female’.

Proportion of UK employees receiving a bonus in 2022

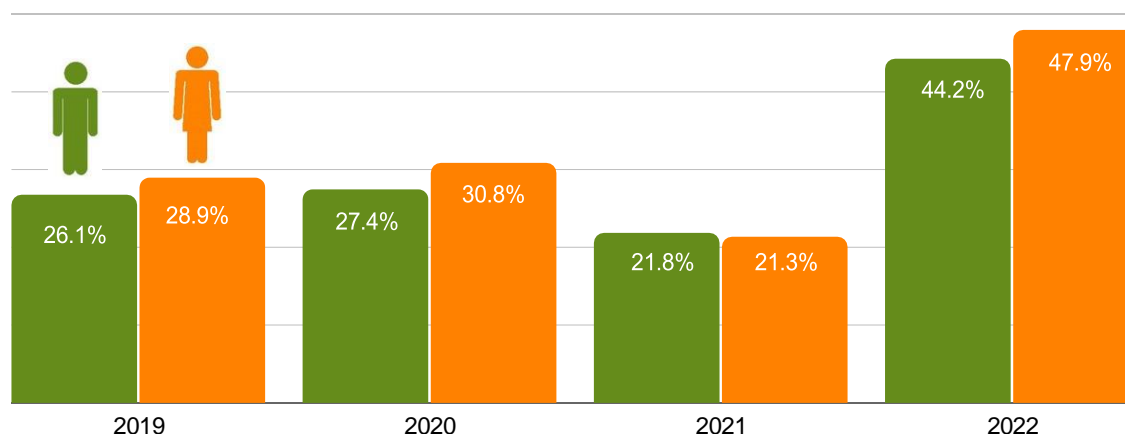


2022: 44.2%
(2021: 21.8%)



2022: 47.9%
(2021: 21.3%)

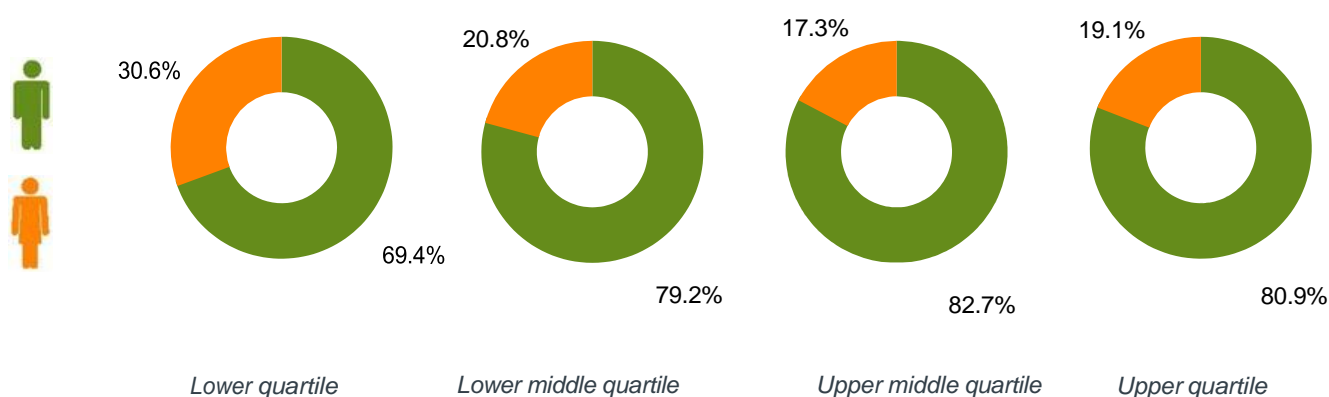
Proportion of UK employees receiving a bonus over time



Pay quartiles

WHAT ARE PAY QUARTILES?

We rank the workforce from lowest to highest paid, then split into four equal groups (quartiles), and state the percentage of men and women in each group.



The lowest quartile represents the typically more junior roles in our organisation, while the top quartile represents the most senior roles and highest paid roles.

What does the Gender Pay Gap tell us?

Whilst we have seen an overall improvement in Gender Pay Gap over the last few years, there are many factors which influence the data, most notably the voluntary sacrifice deductions chosen by employees and the male to female ratio of our senior leadership population. Minor changes to our senior leadership population can have a substantial impact on our gender pay gap, potentially overshadowing the significant work we have undertaken in recent years to improve diversity, in its truest sense, throughout the organisation.

In 2021 the number of eligible employees used in gender pay gap calculations was reduced significantly due to the impact of the coronavirus pandemic resulting in furloughs and reduced working hours. In the 2022 snapshot period, the number of eligible employees increased again as post covid norms were established. This large fluctuation in employee relevant headcount means it is difficult to directly compare gender pay gap numbers year on year.

What are we doing to reduce the Gender Pay Gap?

The Gender Pay Gap is significantly impacted by the ratio of men and women in the organisation, particularly those at senior management level. We are determined not only to bring more women into the organisation but to increase the number of women through middle and senior management roles, creating a more inclusive organisation across the pay grades, and ultimately, strengthening our performance and competitiveness.

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.

Statutory disclosures

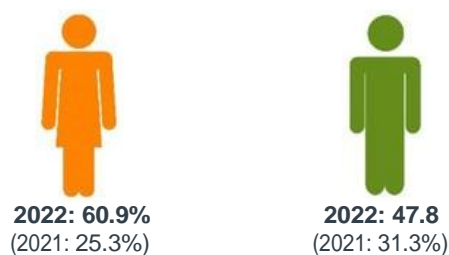
Under the regulations we are required to report our gender pay gap data for employers that have at least 250 employees. The relevant reporting employers for the Meggitt Group are Meggitt (UK) Limited and Meggitt Aerospace Limited. Their data is set out below.

Meggitt (UK) Limited

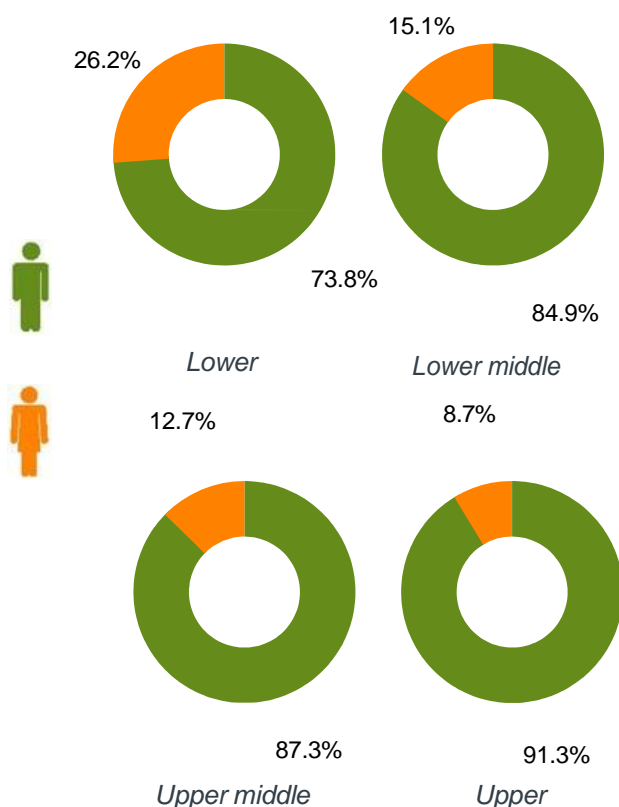
Pay and bonus difference between men and women

	Median	Mean
Hourly pay gap	21.7%	19.1%
Bonus gap	83.1%	64.4%

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

	Median	Mean
Hourly pay gap	10.1%	11.6%
Bonus gap	-27.2%	58.6%

Proportion of employees receiving a bonus



Proportion of females and males in each quartile band

