

GKN Aerospace Services Limited

UK Gender Pay Gap Report 2020

GKN Aerospace embraces diversity within all areas of its business and recognises the need to treat all employees fairly and equitably in order to create a motivated and high-performing workforce. Accordingly, GKN Aerospace operates an inclusive environment which supports diversity, inclusion and belonging and provides all of our employees with the opportunity to develop skills and talents aligned with their own personal objectives while contributing to the future sustainability and success of the business.

Hourly pay difference between men and women for 3,591 employees contracted in the UK based on data as at 5th April 2020.

Please note that given the statistical anomaly caused by the impact of the Covid-19 pandemic on shift patterns last year, we have also included the figures for February 2020 for comparative purposes.

Mean hourly pay gap	7.7% [9.7% in February 2020]
Median hourly pay gap	11.8% [14.6% in February 2020]

UK's National gender pay gap **15.5%**
Source: Office of National Statistics 2020

This analysis is based on the government's designated methodology. Unlike "equal pay", which refers to pay relativities between men and women performing the same or similar work, the gender pay gap reflects the difference in overall average/median pay across a whole organisation, and thus reflects both pay levels across all employees, and the demographic spread of men and women across different levels of the business.

In April this year we reported an improvement in the mean hourly pay gap to 7.7% [9.7% in February] compared to 11% in April last year. The main difference in hourly pay was largely due to proportionally more men holding operational roles that attract shift premiums.

Continuing a trend observed in prior years, we have seen recruitment of an increasing number of women. Although many joined at entry level, which initially served to lower average female pay across our business and thus impacted our overall pay gaps, this proactive recruitment has now started to show an increase in female pay as women move through the pay quartiles.

The rising number of women is a critical aspect of our commitment to encourage more females into technical professions, while laying a strong foundation for greater female uptake of shift premiums in future. This will help to build a greater pool of talent from which we can develop the future female leaders of our business. We will continue to promote this activity.

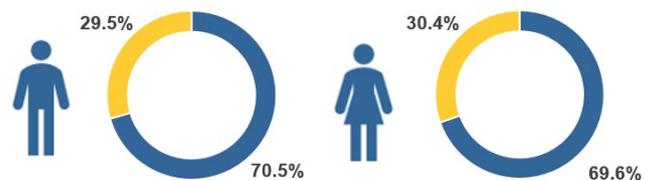
Bonus difference between men and women in the twelve months preceding 5th April 2020.

	Mean	Median
Bonus gap	-5.3%	-38.7%

Proportion of employees receiving bonuses

Men **70.5%** Women **69.6%**

- Received a bonus (%)
- Did not receive a bonus (%)



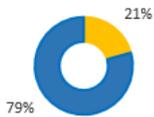
The number of employees receiving a bonus has reduced in the last 12 months although the proportion of men and women remain comparable. This reduction is a result of the legacy Share Incentive Plan which resulted in payments to eligible employees in the previous year. This year is more reflective of the typical situation.

Pay quartiles

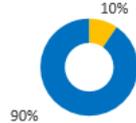
The charts below show the gender distribution of calculated hourly pay across four equally-sized quartiles. Overall women represent 11.9% of our employees which is an increase of 1% and has continued the increasing trend from prior years. The proportion of women in our top half of earners has increased by 3% since our last report and we are continuing to focus on increasing the number of women in leadership roles within our business.



Lower quartile



Lower middle quartile



Upper middle quartile



Upper quartile



What we're doing to make a difference:

- Reviewing recruitment processes to ensure a diverse pool of candidates.
- Providing training on diversity and inclusion to reduce the potential for any unconscious bias.
- Working with schools to get children interested in engineering and taking on a diverse mix of school placements.
- Reviewing the ergonomics of work stations to remove heavy lifting.
- Introducing Employee Resource Groups to support our 5 Culture Principles and our new Diversity, Inclusion and Belonging (DIB) policy.
- Learning from successful initiatives in some of our international plants that employ much higher numbers of women in manufacturing positions.
- We are a *Women in Aerospace and Aviation Charter* signatory, and are actively undertaking initiatives to improve gender balance more broadly across our business.
- We have recently re-launched our Inspired Women's Leadership Development Programme, focused on developing female leaders and enabling women to thrive in the workplace.

The figures above have been compiled by the Company for the purposes of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and have been validated and confirmed.

Marisa Kismul

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