

GKN Aerospace Services Limited

UK Gender Pay Gap Report 2018

At GKN Aerospace, Diversity and Inclusion is about embracing the human attributes that make us unique. An inclusive environment where these differences are valued, and where everyone has the opportunity to develop skills and talents consistent with our principles and objectives, helps pave the way to delivering continued success.

Hourly pay difference between men and women for 3,668 employees in the UK based on data as at 5th April 2018.

Mean hourly pay gap	12.0%
Median hourly pay gap	16.4%
UK's National gender pay gap	17.9%

Source: Office of National Statistics 2018

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.

The differences in hourly pay are largely due to proportionally more men being in operational roles that attract shift premiums.

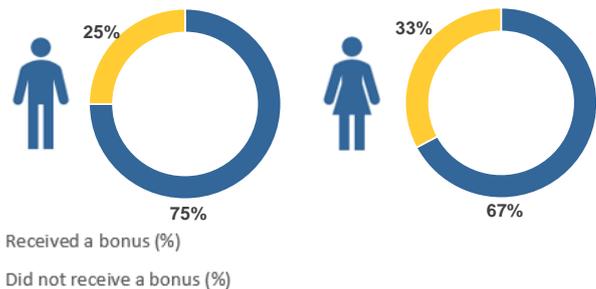
We have seen increased recruitment of females into operations/engineering roles vs our April 2018 report. Many have joined at entry level, which has served to lower average female pay across our business and thus has impacted our overall pay gaps. Nonetheless, this increased recruitment of females into operations and engineering roles is a critical aspect of our commitment to encourage more females into technical professions, while laying a strong foundation for greater female receivership 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 2018.

	Mean	Median
Bonus gap	-17.2%	0.0%

Proportion of employees receiving bonus

Men	75%	Women	67%
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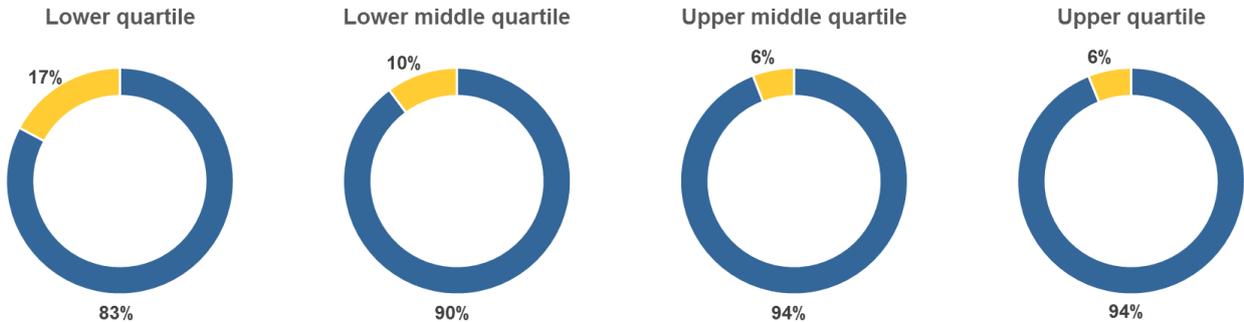


While bonus receivership for men is higher, we have seen improved alignment in receivership over the 12 month analysis period, with women's receivership increasing by over 50% vs. men's at 42%.

Pay quartiles

The charts below show the gender distribution in four equal sized hourly paid quartiles, each containing 917 employees.

Overall women currently represent 9.8% of the employees. Increasing the number of women in our business is very important and we are starting to make progress on this by taking actions as described below.



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 so that manufacturing jobs become more attractive to women.
- 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 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.

Gordon Pitman

Chief HR Officer, GKN Aerospace Services Limited