

GKN Aerospace Services Limited

UK Gender Pay Gap Report 2019

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 in which each and every employee has 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 3,690 employees contracted in the UK based on data as at 5th April 2019.

Mean hourly pay gap	11.0%
Median hourly pay gap	14.7%

UK's National gender pay gap **17.3%**
Source: Office of National Statistics 2019

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.

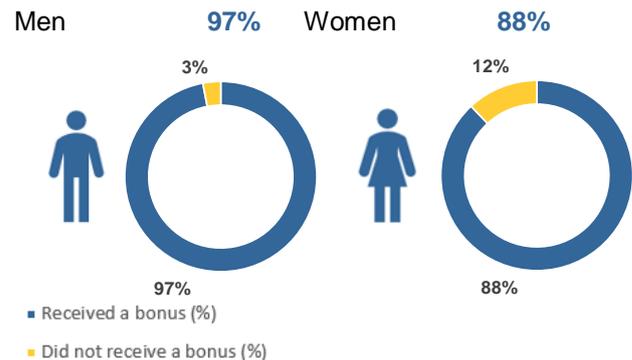
The differences in hourly pay are largely due to proportionally more men holding operational roles that attract shift premiums. With shift premiums removed from analysis, our mean and median hourly pay gaps both shift to being in favour of females.

We have seen an increasing number of females recruited into operations/engineering roles since our April 2019 report, continuing a trend observed since April 2018. 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, the rising number of females being recruited 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 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 2019.

	Mean	Median
Bonus gap	-1.7%	-0.3%

Proportion of employees receiving bonuses

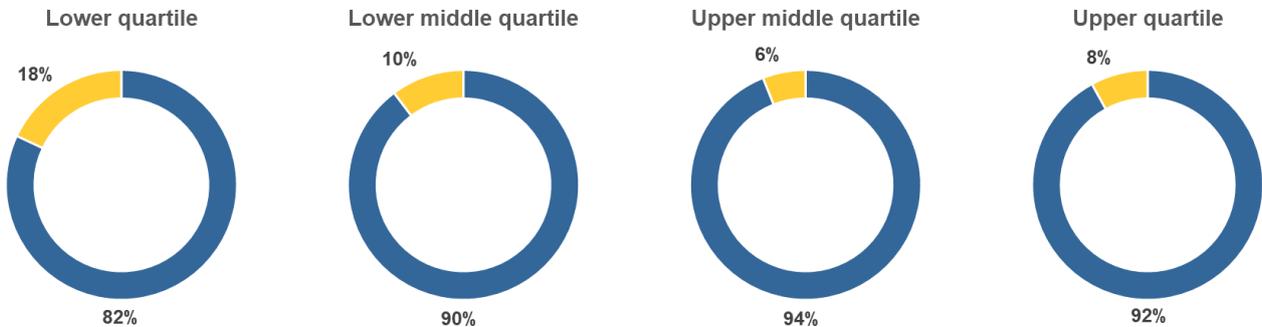


Analysis shows that, of those who did not receive a bonus, the vast majority were recently hired employees who had not been eligible for the bonus payments attributed to others over the 12-month period analysed. Over 24% of those new joiners were female which is proportionally far higher than our overall female headcount ratio, which stood at 10.9% for the relevant pay period. Although this resulted in a higher proportion of males than females receiving a bonus within the period, it reflects our deliberate aim to recruit more females into our business and redress any imbalance over time.

Pay quartiles

The charts below show the gender distribution of calculated hourly pay across four equally-sized quartiles.

Overall women currently represent 10.9% of employees. Increasing the number of women in our business is very important and we have continued to make progress in this respect both over the past 12 months from today, and the previous 12 month period between April 2018 and April 2019 to which this report relates.



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.
- 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