

GLOBAL SOLUTIONS FOR THE AEROSPACE MARKET

UK Gender Pay Gap Report 2021



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Introduction

All companies with 250 or more employees are now required to publish their gender pay gap under new legislation that came into force in April 2017.

In addition, employers are required to disclose the distribution of gender by pay quartile – in other words splitting the workforce into four groups based on their pay, and showing the proportion of men and women in each group.

Employers are also required to disclose percentages of staff receiving bonuses by gender and the gender gap on bonuses.

We continue to work hard so that we can improve our gender balance and recognise that we will see progress over the long term and that some actions may initially create a detrimental effect on our gender pay gap.

WHAT IS GENDER PAY GAP AND HOW IS IT CALCULATED?

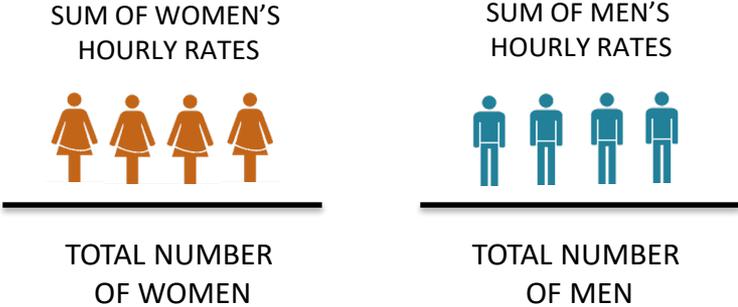
Gender pay gap is the difference between the average hourly pay of men and women across all jobs. This includes base salary, bonuses, commission, allowances and share awards.

Magellan fully understands, supports and continues to support employee development for a fully diverse workplace. A place where employees are encouraged to achieve their potential, contribute and express their own insight driving forward through innovation and employee engagement which in turn promotes our performance.

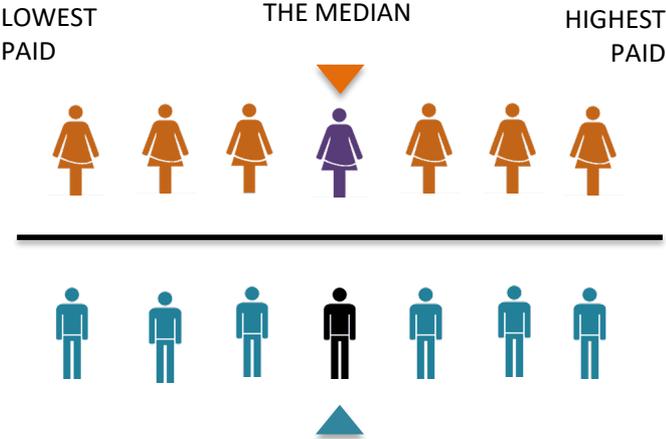


The Gender Pay Gap

Mean gender pay gap (the average) is typically the reported headline figure. It's calculated by adding up the hourly rate of all female colleagues and dividing this figure by the number of female colleagues – then do the same with male colleagues. The mean gender pay gap is the difference between the mean male and mean female hourly pay.



Median gender pay gap (the middle) – if we lined up all colleagues in a female line and a male line in order of their pay, the difference in pay between the female and male in the middle of their respective lines is the median pay gap.



The Gender Pay Gap at Magellan Aerospace UK Ltd.

The statistics included in this report represent our combined results which include all relevant employees in the UK. Overall Magellan Aerospace (MALUK) (snapshot date 5th April 2021) has a 12.99% female and 87.01% male workforce.

The percentage of female members of staff is higher at the lower percentile of the organisation, with increasing percentages of men at the higher percentiles.

2021 figures show 31% decrease in women at Magellan Aerospace UK.

The overall gender pay gap (at the snapshot date of 5th April 2021) at MALUK is 9.35% on a median basis (6.54% using mean pay). This compares to the UK median which, as reported by the Office of National Statistics, is 7.9%.

7.9%



The national gender pay gap is 7.9% for full-time workers.

* Office of National Statistics 2021

9.35%



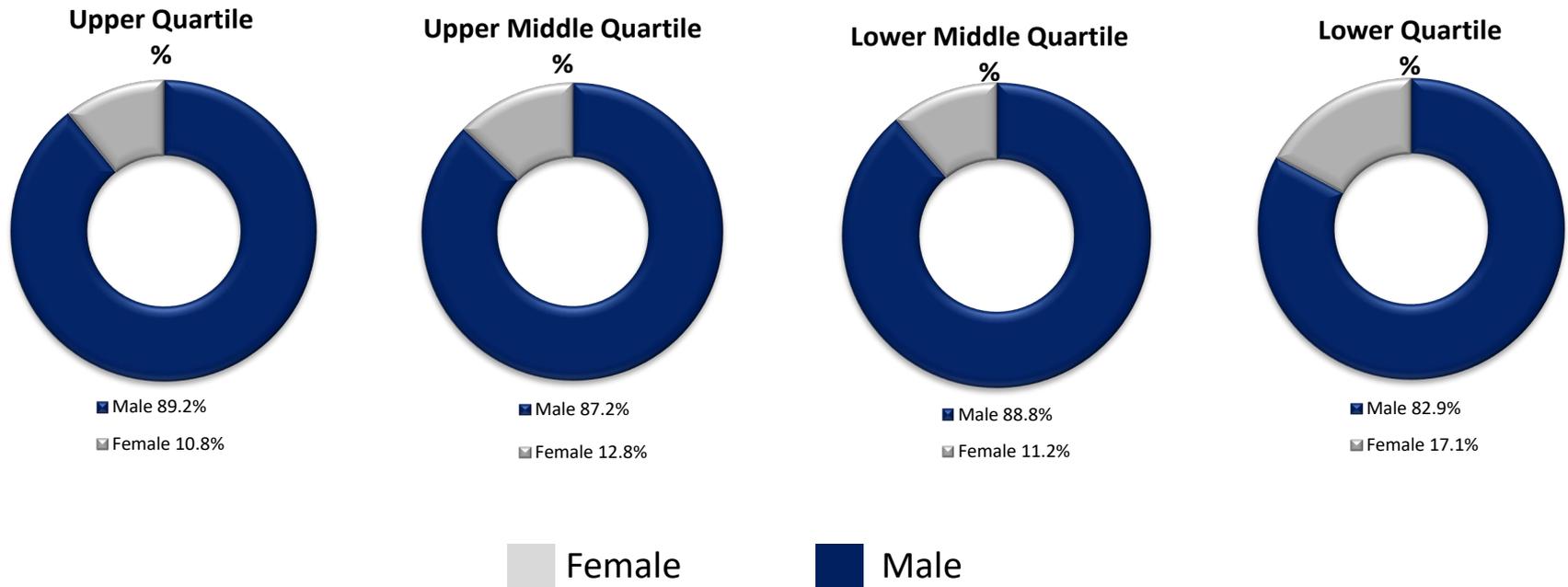
The overall gender pay gap for 2021 snap shot date in UK (including Northern Ireland)

OUR RESULTS - Distribution of all UK employees across pay quartiles

The chart below sets out the gender profile by pay quartile. The fact that there are more women in the lower paid quartile and at the lower grades of MALUK is a major driver of the overall gender pay gap.

The residual pay difference can arise from a number of factors, including differing levels of skills and experience for people doing otherwise similar jobs as well as the impact of market factors.

Gender Profile by pay quartile



OUR RESULTS - PAY



Our mean (average) gender pay gap is:

9.35%

This is a 11.25% improvement since 2018

2021	9.35%
2020	12.3%
2019	11.3%
2018	20.6%
2017	16.5%



Our median (middle) gender pay gap is:

6.54%

This is a 8.96% decrease since 2018

2021	6.54%
2020	10.8%
2019	12.5%
2018	15.5%
2017	17.5%

OUR RESULTS - BONUS

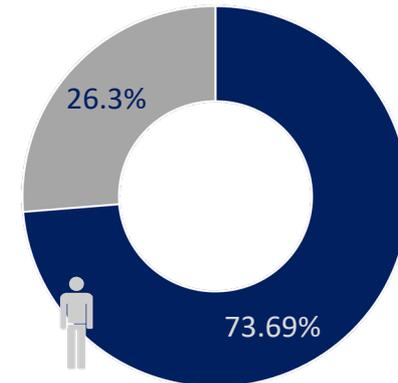
OUR MEAN (AVERAGE)

Gender bonus gap
59.3%

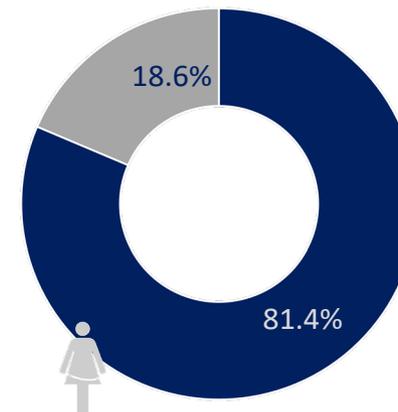
OUR MEDIAN (MIDDLE)

gender bonus gap
0%

% OF COLLEAGUES WHO RECEIVED A BONUS



■ Bonus ■ No Bonus



■ Bonus ■ No Bonus

ACTIONS WE WILL TAKE

- Magellan Aerospace is developing a global job evaluation system to implement a programme of career progression support, enabling colleagues to find clarity, momentum and direction to make positive changes.
- Work with education providers to focus on encouraging a greater take up of STEM (science, technology, engineering and mathematics) subjects, such as aerospace engineering.
- Returning to work after having children is also a key focus. We have implemented an improved Maternity Policy.

ACTIONS WE WILL CONTINUE

- Magellan aims to achieve a balanced gender candidate slate across all levels and stages, continuing to enable recruitment of the best person for the role.
- Developing our approach to flexible working, reviewing the learning from homeworking during the pandemic, to offer greater flexibility of 'workplace' and less reliance on a main head office base or on extensive travel. This should enable us to attract a more diverse workforce, especially in what have traditionally been our 'office based' roles.



Harpreet Varanitch
Human Resources Director
4th March 2022



Kerri Holland
Compensation Manager
4th March 2022