

GENDER PAY GAP REPORT 2018



SPS Aerostructures Ltd

All data correct as at 5th April 2018

Introduction

The Gender Pay Gap Reporting Regulations require all Companies with 250 or more employees to report on their gender pay and bonus gap. As at 5 April 2018, the 'snap shot date', SPS Aerostructures Ltd. employed 815 employees across three UK sites. Females represented 10% of our total workforce.

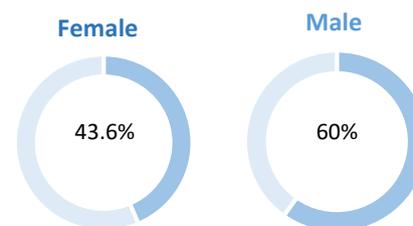
Pay and Bonus difference between male and female employees

At 5 April 2018

| | Mean | Median |
|-------------------------|------|--------|
| Gender Pay Gap | 5.0% | 17.2% |
| Gender Bonus Gap | -6% | 21% |

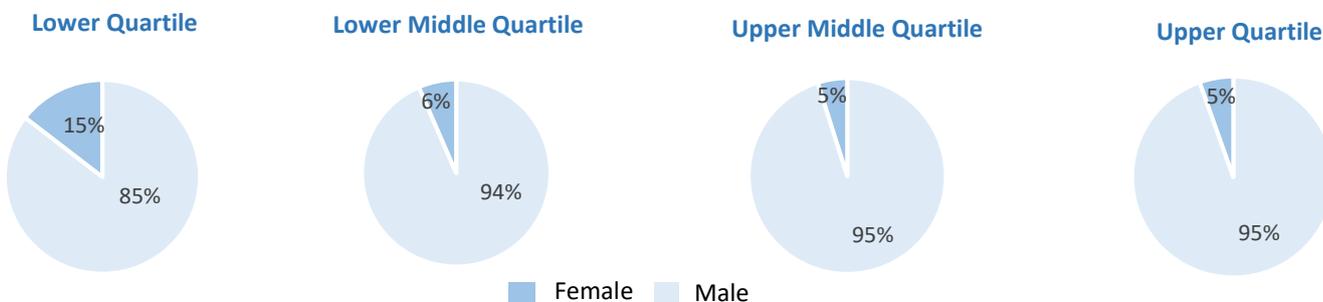
Proportion of employees receiving a bonus

In 12 months preceding 5 April 2018



Proportion of male and female employees in each pay quartile

At 5 April 2018



Gender pay gap reporting differs from equal pay as it shows the differences in the average pay between men and women whereas equal pay refers to the differences between men and women who carry out the same or similar jobs or work of equal value.

Equal Pay

At SPS Aerostructures Ltd. we have a robust pay structure in place with clear bandings identified to ensure equality of pay for all work of equal value regardless of gender. Annual bench marking and pay review exercises are carried out to not only ensure we are paying fairly and equitably to the marketplace but also internally for all employees in order to negate any potential inequality concerns.

Gender Pay Gap

SPS Aerostructures Ltd. gender pay gap data identifies that there is a gender pay gap when we look at the overall distribution of pay rates for females and males. This gap is because of our employee demographics and the unequal number of males to females across the company.

Understanding the Gender Pay Gap

The aerospace industry remains a very male dominated space within engineering and manufacturing. This continued to reflect in SPS Aerostructures Ltd where 90% of our employees are male and only 10% are female.

Whilst our figures show that the median average pay of all our female employees is 17.82% lower than our male employees; this is still below the UK national average of 18.1% (Office of National Statistics). Furthermore, it can be seen that females are relatively equally distributed across all pay quartiles, but much less represented to males across all quartiles. This is also due to the high proportion of males in comparison to females throughout all levels of the organisation.

SPS Aerostructures Ltd. This year SPS Aerostructures have continued to actively encourage more women to enter the aerospace engineering and manufacturing industry through our recruitment campaigns and leadership development strategy. Furthermore, we continue to review and develop our recruitment processes to ensure any possible unconscious bias is eliminated at any stage of the process and a culture of inclusion is fostered throughout the organisation at all levels.

In conjunction with our Parent Company, Precision Castparts Corporation, we provide a profit sharing bonus scheme, which is consistently applied to the whole of our workforce regardless of gender. Whilst the median average bonus pay of all our female employees is 21% lower than our male employees, the overall average bonus is in fact 6% higher. The bonus scheme whilst it is equally applicable to males and females, there is an eligibility criteria based on an employee's start date. As well as absence record which can also impact bonus payments. Furthermore, there is an additional bonus scheme in place for our Senior Leadership Team. Eligibility for this additional bonus scheme is applied consistently across the Senior Leadership team regardless of gender. Due to the number of females eligible in the Senior Leadership Team versus the number of males eligible at the time of the snapshot date, this impacted on the mean figure.

We confirm the data reported for SPS Aerostructures Ltd. is accurate.

Jas Sanghera HR