



2023

**GENDER PAY GAP
Report**

PREPARED BY

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Introduction

In line with UK government regulations, AETC has published its sixth annual Gender Pay Gap report based on snapshot data from April 2023. The gender pay gap is different to the principle of equal pay and shows the variance between the average hourly earnings and bonus payments of men and women across the workforce. This means that, to a large extent, the report is a reflection of the representation of women within the workplace.

AETC maintains an excellent track record on ensuring the fundamental principles of equal pay are upheld and promoted across the Company.

Background

AETC operates within the UK engineering and manufacturing sector and as such relies on skilled workers from STEM (science, technology, engineering and maths) related fields. It is well documented that, historically, female representation in these areas has been relatively low and whilst this situation is improving, it continues to present a significant challenge to diversity within the engineering sector as a whole.

At the data capture date (5th April 2023), AETC employed 350 employees across two UK sites with females representing 9.71% of our total workforce.

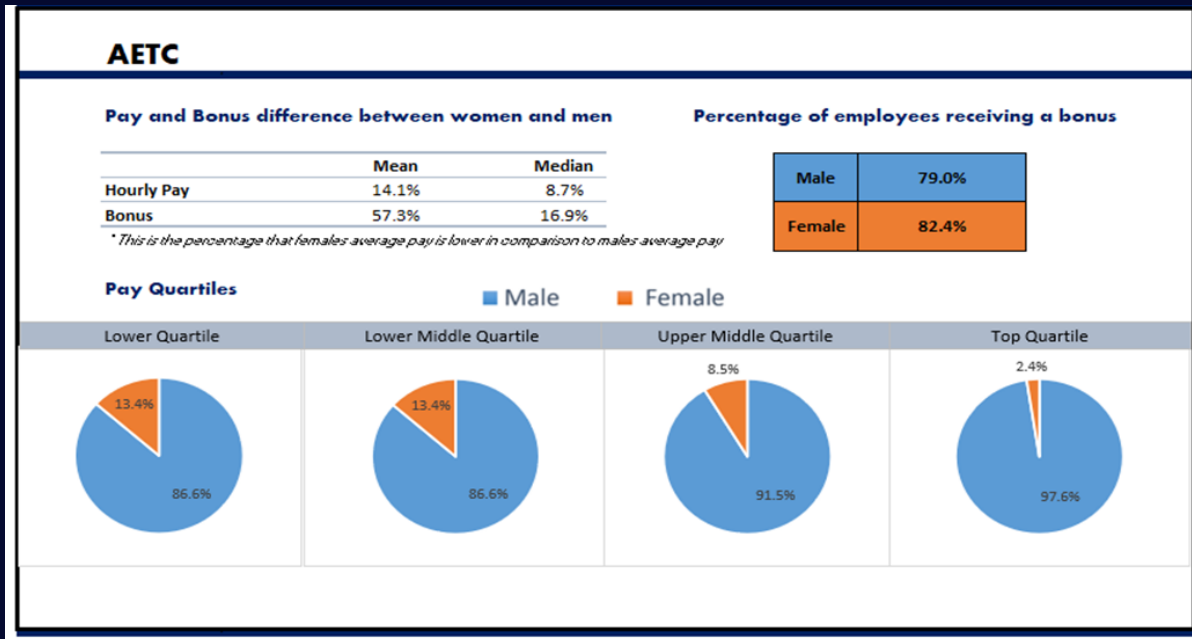
In accordance with pre-determined eligibility criteria, 328 employees were able to be included in the required data and calculations related to hourly pay and pay quartiles.

AETC remains strongly committed to creating, maintaining and promoting a diverse workplace, which empowers all employees to achieve their full potential.

Whilst there is a reduction in our Gender Pay Gap, our report for 2023 remains indicative of both the challenges facing the engineering sector in general and the continuing transition the Company is undertaking to proactively develop future generations of talent across a wide spectrum of roles and responsibilities.



Our Results



Explaining Our Data

GENDER PAY GAP:

Our median gender pay gap of 8.7% represents an improvement of 5.1% on the figures reported in 2022. The Company has actively worked over the last 18 months to identify, recruit and develop top Engineering talent across a number of key business disciplines. In line with national trends indicating that more females are pursuing careers in the Engineering field, AETC has been able to recruit a higher number of female employees into Graduate Engineering roles.

AETC's median pay data in 2022 was also significantly impeded by the impact of the Furlough Scheme on the previous snapshot date.

PAY FIGURES:

The Company's pay figures continue to be more favourable for women than the UK national average of 14.3% (Office of National statistics - 1st November 2023 - All employees).

GENDER BONUS PAY GAP:

Our median bonus pay gap, which includes all employees eligible for bonus payments, has increased from 4.6% in 2022 to 16.9% in 2023. This increase is reflective of the timing of new female starters into Graduate roles and the periods in which eligibility for bonus was achieved. The bonus system at AETC is largely based on Company performance and was, unfortunately, not payable in all quarters of the relevant 12-month period. The qualification period and achievement criteria for bonus is the same for all eligible employees regardless of gender.

OVERALL:

Although the 2023 Gender Pay Gap results demonstrate areas of improvement, AETC recognises that there are still significant challenges in striving towards the reduction and ultimate elimination of any gender pay gap.

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As with previous years our reported gap, for both hourly pay and bonus payments, is predominantly driven by the limited representation of female employees in senior leadership and technically specialist roles. Due to their level of responsibility these positions, naturally, include a higher level of salary entitlement, which may also include enhanced bonus arrangements.

This disparity is a consequence of there being proportionally more men within all areas of the workplace setting and whilst AETC actively works to encourage greater representation across all employee groups, this continues to be a long term process, due to the historically low number of females within the STEM sector.

As demonstrated by our recruitment success over the last 12 - 18 months, the Company is continuing to increase diversity within our graduate engineering roles, undergraduate placement positions and inter-company Management Development Programme. Whilst this has proven to be a positive step for increased representation in the future, due to their nature, these entry level positions, regardless of employee gender, traditionally fall into the lower pay quartiles within the Company.



Looking Ahead

To support ongoing development, the Company utilises technical development programmes, detailed individual development plans, mentoring programmes and a competitive salary increase structure for our Graduate Engineering roles.

Whilst this period of transition effects the gender pay gap reported today, it will support the Company in developing a diverse and skilled team of talented individuals for our future workforce.



Commitments

AETC is committed to providing an inclusive workplace which develops and empowers a diverse and talented team of skilled employees. Through our leadership and technical strategies, we encourage career progression and provide equal opportunity for all team members to achieve their career ambitions. The Company continues to take proactive steps to combat the gender pay gap, whilst investing in all team members.

Ongoing Commitments

- 1 A structured approach to pay in production areas and fair pay determination assessments in all other business areas
- 2 The consistent application of a renowned profit bonus sharing scheme
- 3 An expanded programme of undergraduate, development programme and apprenticeship opportunities, which encourages future talent to build a lifelong career in engineering
- 4 An enhanced range of developmental training and skills diversification opportunities across our workforce
- 5 A continuing and dedicated emphasis on employee wellbeing and the greater integration and promotion of flexible working opportunities
- 6 A focus on training and integrating a comprehensive Diversity, Equity and Inclusion strategy into our core business culture
- 7 The creation of a representative Diversity, Equity and Inclusion Committee to engage, drive and celebrate DEI across the workforce and within our local communities
- 8 A programme of DEI based activities such including events for International Women's Day, which enable us to recognise and celebrate the valuable contribution a diverse workforce makes to our business
- 9 An increased level of ongoing training for both Managers and the wider workforce on Diversity, Equity and Inclusion
- 10 A commitment to work with other PCC UK sites and subject matter experts to discuss improvements to our family friendly policies and the creation of a policy to support employees experiencing the menopause

Additional Actions

Whilst steps have been taken to address our Gender Pay Gap and achieve greater parity, our focus and commitment to build a diverse and equitable workplace will continue. In addition to the ongoing actions outlined above over the coming 12 months the Company will also look to:

1

Community

Forge strong and lasting relationships with schools, colleges, universities and non-profit organisations to support STEM related activities and increase awareness of career opportunities within the Engineering sector

2

Recruitment

Review and modernise our recruitment practices to ensure that our adverts and selection processes attract and identify the best possible talent

3

Awareness

Work on feedback from our female employees to remove the stigma around women's health by launching a Menopause Policy and providing Menopause Awareness Training

Our Pledge

AETC will continue to monitor our gender pay gap records and will maintain its position of attracting, retaining and investing in our talent across all employees and all sections of the business.

I confirm that the data reported for AETC is accurate and in line with mandatory requirements for businesses on England, Scotland and Wales.

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Dawn Bland, Group Human Resources Manager

