

GENDER PAY REPORT 2022



Introduction

In line with UK government regulations, AETC has published its fifth annual Gender Pay Gap report based on snapshot data from April 2022.

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

Company Background

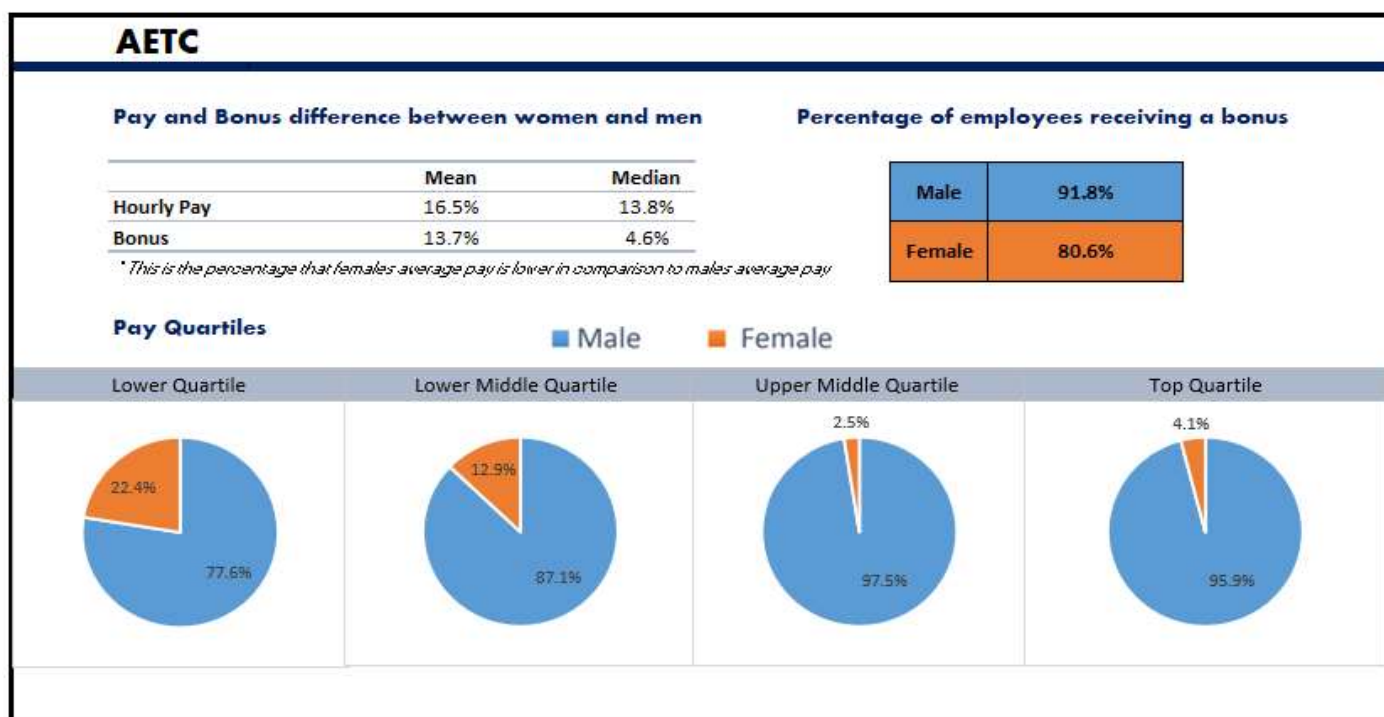
AETC operates within the UK engineering and manufacturing sector and as such relies on skilled workers from STEM (science, technology, engineering and maths) related fields. It is well documented that, historically, female representation in these areas has been relatively low and whilst this situation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

At the data capture date (5th April 2022), AETC employed 300 employees across two UK sites with females representing 10.33% of our total workforce. In accordance with pre-determined eligibility criteria, 295 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.

Our Gender Pay Gap report for 2022 is 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



Our results explained

Our median gender pay gap of 13.8% represents a decline of 1.2% on the figures reported in 2021. Whilst the Company will naturally use this as a driver to push for a tangible reduction in 2023, these results must be considered in the context that our 2021 report was heavily impacted by the high number of employees discounted from the pay calculation due to being furloughed at the snapshot date. AETC's pay figures continue to be more favourable for women than the UK national average of 14.9% (Office of National statistics – October 2022 – All employees)

Our median bonus pay gap, which includes all employees eligible for bonus payments, has improved considerably from 8.2% in 2021 to 4.6% in 2022. This is the second consecutive year where the bonus gap has significantly reduced and is indicative of AETC's drive to champion diversity and attract, retain, and advance a diverse, high calibre pipeline of talent for the future success of our business.

Whilst the number of female employees receiving a bonus has also increased by 2.2% compared to the 2021 report, the continued disparity between male and female employees in this area is driven by the high number of female employees (16% of total female workforce) who were new to the business at the snapshot date and had therefore not yet qualified for bonus payments. The qualification period is the same for all eligible employees regardless of gender.

Although the 2022 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.

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.

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.

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.

Our commitment

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, including:

- A structured approach to pay in production areas and fair pay determination assessments in all other business areas.
- The consistent application of a renowned profit bonus sharing scheme.
- An expanded programme of undergraduate, development programme and apprenticeship opportunities, which encourages future talent to build a lifelong career in engineering.
- An enhanced range of developmental training and skills diversification opportunities across our workforce.
- A continuing and dedicated emphasis on employee wellbeing and the greater integration and promotion of flexible working opportunities.
- A focus on training and integrating a comprehensive Diversity, Equity and Inclusion strategy into our core business culture.
- The creation of a representative Diversity, Equity and Inclusion Committee to engage, drive and celebrate DEI across the workforce and within our local communities.
- A programme of roundtable events across the year, designed to understand the employee experience of working at AETC and drive improvements to our working practices and environment.
- 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.



- A continued focus on our gender pay reporting and commitment to the actions within this report to help achieve greater parity.

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.

A handwritten signature in blue ink that reads "D Bland".

Dawn Bland, Group Human Resources Manager