

2024 Spirit AeroSystems (Europe) Limited UK Gender Pay Gap Report

Introduction

Spirit AeroSystems (Europe) Limited ('Spirit' or 'the Company') values our employees and the contribution they make. We pay all of our employees commensurate with the market for the position they are in and their unique skills and experience. Spirit employees enjoy a working environment where there are equal opportunities for everyone to fulfil their potential and contribute to the success of the business, irrespective of gender.

Nature of Business

Spirit is the wholly owned subsidiary of Spirit AeroSystems, Inc., a global company. Spirit's customers include Airbus and Boeing. Spirit designs, develops, and manufactures complex structures for the aerospace industry. Spirit's manufacturing facility is located in Prestwick, Scotland.

Spirit had 974 Full Pay Relevant Employees at the snapshot date of 5th April 2023, comprising of various skill-sets including; design, engineering, transfer and project management skills, as well as a highly skilled manufacturing population.

The workforce is predominately male, with 103 female members of staff (10.6%) and 871 male members of staff (89.4%).

Gender Pay Calculations

The Gender Pay Gap (the 'GPG') is a measure of the difference in the average pay of men and women – regardless of the nature of their work – employed by Spirit.

Annually, companies which employ more than 250 employees must report the following:

- Mean and Median GPG in hourly pay;
- Mean and Median bonus GPG;
- Proportion of men and women who receive a bonus; and
- Distribution of men and women across pay quartiles.

The GPG shows the difference between the mean (average) and median (mid-point) hourly earnings and bonus payments for both male and female employees, expressed as a percentage.

Distribution of all employees across the pay quartiles (at April 5, 2023)		
	Male	Female
Upper Quartile	86.00%	14.00%
Upper Middle Quartile	92.18%	7.82%
Lower Middle Quartile	93.44%	6.56%
Lower Quartile	86.00%	14.00%

Gender Pay Gap in Hourly Pay:

- Mean Pay Gap: 0.43 %. This means that the mean average hourly rate for male employees is 0.43% more than for female employees.
- Median Pay Gap: - 5.67% This means the median hourly rate for female employees is - 5.67% more than for male employees

In the 12 months preceding April 2023, 96.19% of males and 99.06% of females received a bonus.

Bonus GPG:

- Mean Bonus Gap: -0.16% Mean (average) female bonus earnings are -0.16% higher than male employees
- Median Bonus Gap:- 1.81% Median (middle) female bonus earnings are -1.81% higher than male employees.

Steps to address the Gender Pay Gap – Apprenticeships

In 2017 we implemented our **Graduate Apprenticeship Programme**, which currently has 17 participants across both Engineering and Business Management degrees, with 12% female participation. We are actively working with Strathclyde University regarding further opportunities for enrolment which will commence in September 2024.

Our **Modern Apprenticeship Programme** continues to mature, with a current population of 50 employees engaged on a 4-year fixed term contract. We are actively recruiting a further 15 Apprentices in 2024. The MA population equates to 7% of our manual workforce. Of the current 50 employees on the Apprenticeship programme, 6% are female.

Recruitment

In 2018, Spirit demonstrated our commitment to see gender balance at all levels of the business by committing to the UK government's **Women in Aviation and Aerospace**

Charter. The charter commits Spirit to drive towards an aspiration to see gender balance at all levels across the industry.

Spirit will continue to support females into the business and we continue to review and improve our workplace policies in support of family friendly initiatives including growth in flexible working.

Since January 2022 to date (April 2024), we have recruited approximately 400 people into the business in various roles and levels, with 8% of these being female.

Positive Steps to Recruitment

Spirit AeroSystems recognize that females are still under-represented in STEM roles nationally and we are no different to that. In order to address this, we have various initiatives where employees promote these careers within the school environment – both at primary and secondary level. We have a number of females within the business who support these initiatives and continue to reinforce the message that there are lots of opportunities in this field.

Some activities we are currently considering in furthering promoting our industry to increase female applicants.

- ✓ Potential to review Spirit adverts to ensure they are written gender neutral
- ✓ Further exploration of this topic as part of our Diversity Council
- ✓ Expanding our Learning Academy to incorporate in person STEM events in local schools and career fayres.

Spirit Prestwick Manufacturing Operations

The Aerospace sector continues to show significant appetite to grow as we see the paying public return to pre-pandemic passenger numbers, and with that comes the demand for new and more efficient aircraft. The pandemic brought challenges for aerospace companies and airlines alike that meant fewer passengers could travel. This grounded the majority of airline fleets, so aircraft were either stored or retired. In some cases, the aircraft were reaching the end of their lifespan, and it was more economical to retire them than keep them servicable. This has created a two-fold issue. Passenger numbers are growing year on year since then and there is simply not enough aircraft available to supply that demand. Airbus and Boeing, the two main aircraft manufactures cannot provide enough for two main reasons. The aircraft sector supply chain, having slowed down, is finding it difficult to recruit the number of staff that is necessary to manufacture the products. With every other manufacturing industry ramping up, not just aerospace, these companies can only grow as fast as the resources become available. Also, the geo-political landscape in the Middle East and with Ukraine and Russia at war, the raw material supply from these regions is

drastically reduced. As such with these material and resource challenges, it is difficult for Airbus and Boeing to meet the airlines expectations and equally, the airlines to meet the public demand.

At Spirit Aerosystems Prestwick, all of our manufacturing programs have a healthy order backlog and are actively recruiting over 150 employees in 2024 and have recruited a similar number in 2023.

To mitigate the challenges Spirit is having in recruiting the required number of new employees, we have held six recruitment fairs throughout the Ayrshire and Glasgow areas and are working closely with our Trade Union partners to find new and innovative ways to refresh the historic criteria that would open new opportunities for different demographics and skills that have not traditionally been aligned to the Spirit profile.

Spirit are part of the wider Prestwick Aerospace manufacturing community and play an active part in the regions skilled manufacturing talent sector and remain committed to providing many exciting opportunities for people who would have previously been employed in a non-aerospace environment. It will also allow Spirit to broaden the diversity of our workforce in line with the gender-based initiatives as mentioned above.

Les Carey
General Manager
Prestwick