

## **2020 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 1056 Full Pay Relevant Employees at the snapshot date of 5<sup>th</sup> April 2020, 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 99 female members of staff (9.37%) and 957 male members of staff (90.63%).

### **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.

<b>Distribution of all employees across the pay quartiles (at April 5, 2020)</b>		
	Male	Female
Upper Quartile	85.98%	14.02%
Upper Middle Quartile	92.40%	7.60%
Lower Middle Quartile	96.60%	3.40%
Lower Quartile	87.50%	12.50%

**Gender Pay Gap in Hourly Pay:**

- Mean Pay Gap: - 4.76 %. This means that the mean average hourly rate for female employees is - 4.76% more than for male employees.
- Median Pay Gap: - 4.04% This means the median hourly rate for female employees is - 4.04% more than for male employees

According to the Office of National Statistics, the gender pay gap fell to 8.6% among full-time employees in 2018. Spirit’s average hourly GPG is lower than the UK National Average.

In the 12 months preceding April 2020, 97.01% of males and 97.03% of females received a bonus.

**Bonus GPG:**

- Mean Bonus Gap: -13.01% Mean (average) female bonus earnings are -13.01% higher than male employees
- Median Bonus Gap :- 13.81% Median (middle) female bonus earnings are -13.81% higher than male employees.

**Steps to address the Gender Pay Gap**

**Apprenticeships**

In 2017 we implemented our **Graduate Apprenticeship Programme**, which now has 21 participants across both Engineering and Business Management degrees, with 24% female participation. We continue to work with Strathclyde University regarding further opportunities for enrolment September 2021.

Our **Modern Apprenticeship Programme** continues to mature. We are actively recruiting a further 15 Apprentices in 2021 and by August we aim to have around 50 employees in this role, equating to just over 10% of our manual workforce. Of the current 46 employees on the Apprenticeship programme, 11% 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. Unfortunately due to the Covid-19 pandemic, recruitment and recruitment events have been unfortunately postponed. It is our intention however, to continue to support females into the business at the appropriate time and we continue to review and improve our workplace policies in support of family friendly initiatives.

## Positive Steps To Recruitment

Spirit AeroSystems recognise 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. It is our intention to reignite these sessions when the pandemic allows.

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
- ✓ Pre-pandemic Spirit was working with the other aerospace organisations in Prestwick and discussing how we could work together to promote STEM more widely and specifically target females of school ages. Talks will continue when safe to do so.
- ✓ A group of our females employees are currently looking at creating a STEM webpage to help teachers, parents and kids during lockdown.

## Our Resin Transfer Moulding Spoiler Facility

Through the Covid-19 crisis and the subsequent impact to the aviation industry, aerospace companies have had to react to an adjustment to the near term customer demands for brand new aircraft. The downturn also applies to our brand new RTM spoiler facility that opened in Feb 2020 with a grand opening ceremony attended by Scotland's First Minister, Nicola Sturgeon. Shortly after the opening, Covid-19 prevented many of the technical team from completing their tasks to get the factory production ready, and it wasn't until Sept 2020 that things began to pick up. Now the factory is complete and we are going through our first part qualification, meaning that once passed, all spoilers will be qualified to be installed on a live aircraft. Unfortunately, in the short term, the output of the factory won't be required to reach the pre-covid

levels as demand for the aircraft type has slowed down temporarily, but through 2021 to 2022 we expected to see demand increase again and achieve pre-covid levels in 2023. The team have adapted well, they are fully trained in the new RTM infusion process and the fact that they all came from a non-traditional aircraft background, contain a broad mix of skills and experience, and importantly, a positive attitude towards embracing the new technology and manufacturing processes. Our team is naturally smaller than previously envisaged but will align to the increased demand appropriately.

As we embark on the production phase of the A320 RTM Spoiler project, our key technological differentiator is our ability to introduce advanced automation integrated with our RTM processes. Our new sophisticated manufacturing facility is in many ways the first of its type in the aerospace industry. The Prestwick site has a proud history in traditional aerostructures assembly manufacture, but RTM processing is very new, and as a result of this, our ability to recruit experienced people in RTM processing would naturally be limited. Our strategy is to complement our existing workforce by employing over 100 people from a wide range of backgrounds from a traditionally semi-skilled environment that Spirit will then provide bespoke automation operation, RTM infusion and high volume assembly training to. By doing this, not only will Spirit open up many exciting opportunities for people who would not normally be able to be recruited into the innovative aerospace manufacturing environment but it will also allow Spirit to broaden the diversity of our workforce in line with the gender-based initiatives as mentioned above.



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