

2022 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 863 Full Pay Relevant Employees at the snapshot date of 5th April 2021, 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 87 female members of staff (10.08%) and 776 male members of staff (89.92%).

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, 2021)		
	Male	Female
Upper Quartile	86.11%	13.89%
Upper Middle Quartile	87.04%	12.96%
Lower Middle Quartile	99.53%	0.47%
Lower Quartile	87.04%	12.96%

Gender Pay Gap in Hourly Pay:

- Mean Pay Gap: - 7.83 %. This means that the mean average hourly rate for female employees is – 7.83% more than for male employees.
- Median Pay Gap: - 9.65% This means the median hourly rate for female employees is - 9.65% more than for male employees

In the 12 months preceding April 2021, 99.87% of males and 100% of females received a bonus.

Bonus GPG:

- Mean Bonus Gap: -13.18% Mean (average) female bonus earnings are -13.18% higher than male employees
- Median Bonus Gap :- 18.11% Median (middle) female bonus earnings are -18.11% higher than male employees.

Steps to address the Gender Pay Gap

Apprenticeships

In 2017 we implemented our **Graduate Apprenticeship Programme**, which now has 19 participants across both Engineering and Business Management degrees, with 26% female participation. We are actively working with Strathclyde University regarding further opportunities for enrolment which will commence in September 2022.

Our **Modern Apprenticeship Programme** continues to mature, with a current population of 51 employees engaged on a 4 year fixed term contract. We are actively recruiting a further 15 Apprentices in 2022. The MA population equates to just over 10% of our manual workforce. Of the current 51 employees on the Apprenticeship programme, 10% 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.

Since 2021 to date (Feb 2022), we have recruited approximately 120 people into the business in various roles and levels, with 6% of these being female. 5 of these hires were into our leadership team and 1 or 20% was female.

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. We have recently refreshed our commitment to promote our industry and the wonderful careers it offers throughout 2022 as our schools re-open to allow STEM visitations and promotional activities. Our female lead STEM Engineer will be supported by two new members from our Senior Leadership Council, one who is female and the other male.

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

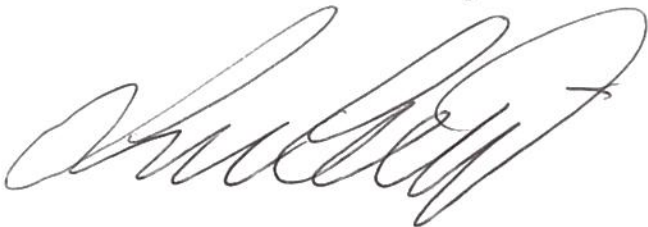
- ✓ Potential to review Spirit adverts to ensure they are written gender neutral
- ✓ Pre-pandemic Spirit was working with the other aerospace organisations in Prestwick and discussing how we could work together to promote STEM more widely and specifically target females of school ages. Progress can now be made as we pick up begin to attend on-campus events.

Our Resin Transfer Moulding Spoiler Facility

As we emerge from the global pandemic and the subsequent period of manufacturing disruption due to the reduced customer demand for flying, we now see a steady forward view on future flying numbers, particularly domestic and European short haul routes. As a result of this, our customers are taking orders from airlines which is pushing our order book up close to pre-pandemic rates. This means we need to recruit both manufacturing and support staff to meet this demand. Part of our RTM Spoiler strategy is to increase Prestwick production and simultaneously reduce or Malaysian

production to eventually transfer all work on Spoilers to Prestwick. This ramp up and ramp down process is well underway and with the customer demand increasing we will also see a need to add employee capacity to our existing Spoilers team. Over the course of 2022 we will recruit over 24 manufacturing employees to the Spoiler factory and over 30 manufacturing employees to the existing production areas coming from a mixed skill background. We are also predicting a further increase in demand and therefore additional employees in 2023 and beyond. What is also important to note is that as production and manufacturing employee numbers increase, we will proportionately increase our support teams which cover a variety of specialist and skilled roles in Supply Chain, Logistics, Quality and Engineering, Tooling and Automation to name a few.

Spirit are committed to providing many exciting opportunities for people who would have previously been employed in a similar environment pre-pandemic and to those 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.

A handwritten signature in black ink, appearing to read 'Les Carey', written in a cursive style.

Les Carey
General Manager
Prestwick