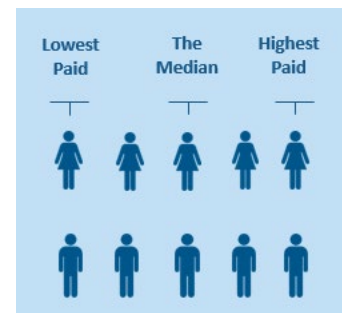


2020 CEUK GENDER PAY GAP REPORT

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation.

We can use these results to assess:

- the balance of male and female employees at different levels
- how effectively talent is being maximised and rewarded across the organisation as a whole



Gender Pay Gap

Gender Pay Gap		
	Median	Mean
Gender Pay Gap	25%	24.8%

This table shows our overall mean and median gender pay gap based on rates of pay as at the snapshot date (i.e., 5th April 2020).

Gender pay reporting is different to equal pay and we are confident that CEUK's gender pay gap is not a pay issue as our approach to recruitment and pay is gender neutral. We

are also assured that our recruitment and remuneration processes assess the job as opposed to the person, based on a number of objective criteria.

On comparison with our last report the gender pay gap has improved by more than **5%**, with the mean reducing from **30%** to **24.8%** and median from **31%** to **25%**. Our study shows that our pay gap is driven by the gender split of our workforce, which is made up of **70%** men and **30%** women. This gender imbalance is reflective of our long history of operating in a male dominated sector; traditionally, heavy manufacturing and engineering have been male dominated sectors. This, coupled with the fact that we have a long serving workforce, means that the gender split has remained static, and we have a significantly higher number of males in our total headcount. Moreover, many of these staff members are at senior levels within the business which compounds matters further.

Gender Bonus Pay Gap

This table captures the mean and median difference between bonuses paid to men and women at CEUK. Similar to the gender pay gap, when compared with our last report, our mean bonus gap has reduced by **5.3 %**. The median has remained static at **0%**.

	Median	Mean
Gender Bonus Pay Gap	0%	45.7%

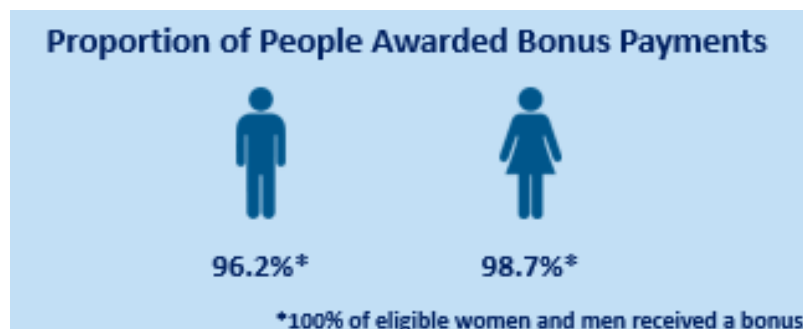
The bonus gender pay gap shows the bonus pay difference between men and women, irrespective of their role, at the median (mid-point) and mean (average).

In this reporting year, our full workforce, with the exception of employees who did not meet the eligibility criteria, namely, new joiners, were paid a discretionary fixed bonus amount. Our CEUK bonus scheme is gender neutral, however, the structure of our workforce impacts our mean bonus gap in the same way it does our gender pay gap. Additionally, there are a number of other factors which also account for this disparity including holiday pay bonuses that are payable to employees who were TUPE transferred to CEUK 16 years ago. In this reporting year, **90%** of the recipients who were eligible to receive a holiday pay bonus were male. Moreover, all of our workforce is eligible to receive a long service bonus in which the scheme recognises long service milestones on a 5-year basis commencing on achievement of 10-year service; **70%** of the employees who received this bonus were male.

Given that two of the above bonus payments were linked to long service, it is unsurprising that more males received these payments given that the sector in which we operate has traditionally been male dominated.

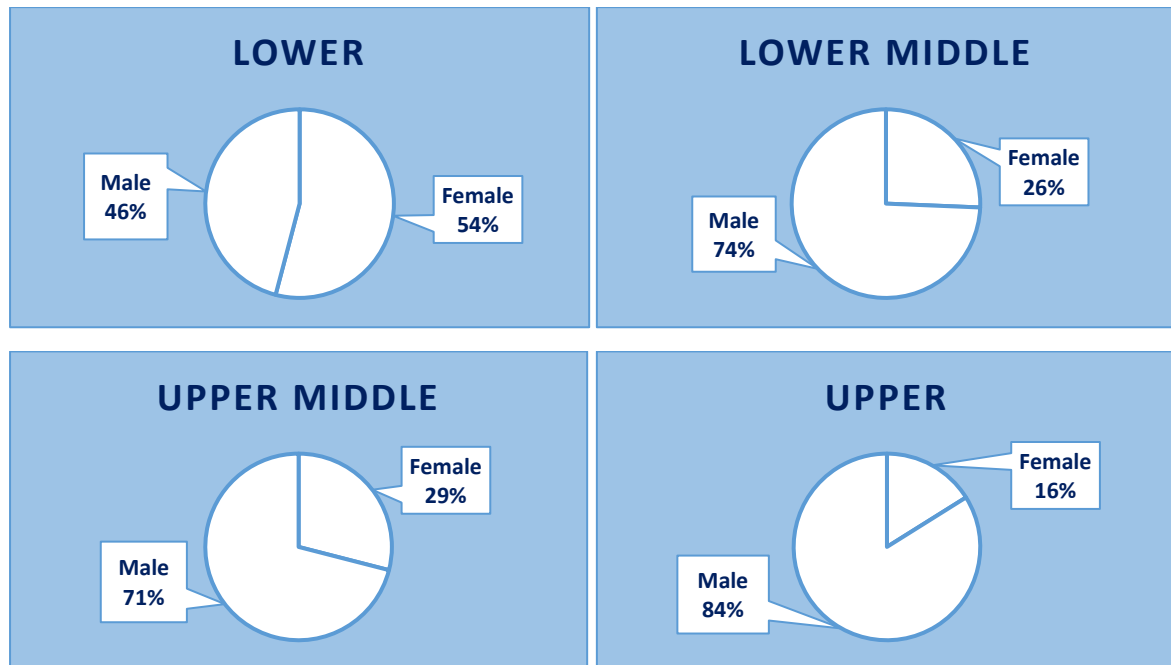
Finally, **3%** of our workforce received a payment under a performance related bonus scheme. The scheme applies to the senior leadership team and in this reporting year, **20%** of the recipients were female and the remaining **80%** were male. As above, this split is reflective of the structure of our workforce.

Percentage of Staff Awarded a Bonus



This chart shows a **2.5%** difference between the number of women and men being paid a bonus in 2020. In these statistics, not all employees were eligible for a bonus in this reporting year, namely, all new joiners who did not meet the eligibility criteria.

Proportion of Males & Females in Each Pay Quartile



The above information shows the gender distribution across four equally sized quartiles of CEUK from lowest to highest paid. Overall, women currently represent **30%** of CEUK's employee base and this data is directly related to the profile of our workforce, particularly in the top quartiles which highlights CEUK has more males in senior, higher paying roles, than females.

In our study the two lower quartiles have fluctuated slightly, however when examined in totality, have remained static. That said, on comparison with our last Gender Pay Report, we have seen a positive shift in two of the quartiles. The female Upper Middle has increased by **8%** and the female Upper has also shown improvement by rising **3%**. This is reflective of our ongoing activities to drive diverse candidate attraction in senior roles through the business.

What We Are Doing Here at CEUK to Address Our Gender Pay Gap?

We are confident that the gender pay gap will change over time and are committed to intensifying our efforts to narrow our gender pay gap further. Additionally, reporting annually allows us to both address the reasons behind the gap and establish meaningful targets.

CEUK is always striving to attract the finest talent from all genders and aims to address its gender imbalance by pursuing the following strategies, namely:

- **Training** all staff with line management responsibility over the course of 2021 through CEUK's Leading our People programme. This programme includes unconscious bias training, to ensure that we address any stereotypes, negative or positive, that exist in the subconscious and may be adversely affecting behaviour during the recruitment, development, promotion and succession planning process.
- **Identifying** high potential female employees and supporting them to succeed and grow into more senior positions.
- **Promoting** our existing family friendly policies such as: flexible working, hybrid working, shared parental leave, maternity, adoption and paternity pay (all of which are enhanced) in order to encourage and assist female employees in the workplace whilst also supporting a return to work after career breaks.
- **Participating** in more community and school initiatives which are aimed at encouraging females to pursue careers in the STEM sector via our in-house team of CEUK STEM Ambassadors.
- **Becoming** a signatory to The Women in Aviation and Aerospace Charter which is a commitment to support the progression of women into senior roles by focusing on the executive pipeline and the mid-tier level. The charter reflects the aspiration to see gender balance across all levels.
- **Working** with our recruitment associates to compile shortlists of candidates that are gender balanced and diverse.
- **Developing** our relationship with Scottish Engineering and Equate Scotland by getting involved in employer-led projects which promote the importance of females in the engineering and manufacturing sector.

I can confirm the data reported is accurate.



Brian Highet
Managing Director