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Definition

#### **Gender Pay Gap**

The gender pay gap shows the difference between the average (mean or median) earnings of men and women. The mean is the average and the median is the middle number when hourly rates are placed in order from lowest to highest; both calculations are expressed as a percentage of male earnings.

#### **Equal Pay**

Equal pay is not the same as the gender pay gap. Equal pay deals with pay discrimination and the differences in pay when members of the opposite sex are paid differently but yet they carry out the same work, similar work or work of equal value. We are committed to supporting equality through fair pay and we strive to ensure that men and women are paid equally for doing equal work.

Introduction

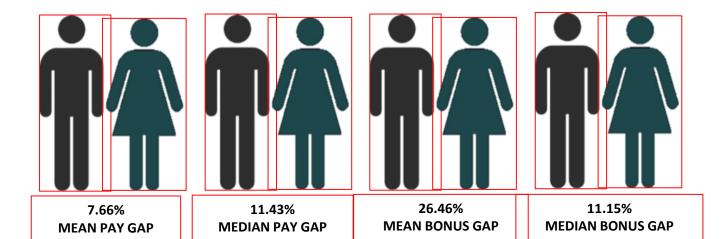
The Manufacturing Technology Centre (MTC) develops and proves innovative manufacturing processes and technologies in an agile, low risk environment, in partnership with industry, academia and other institutions. We focus on delivering bespoke manufacturing system solutions for our customers.

To achieve our ambitious growth plans we recognise that we need a talented and diverse workforce and we are actively working to develop this in order to help us innovate and realise our corporate goals.

We continually encourage young people into exciting careers in engineering, to develop and embed technologies that will impact UK industry for years to come.

Gender Pay and Bonus Gap

#### Gender Pay and Bonus Gap

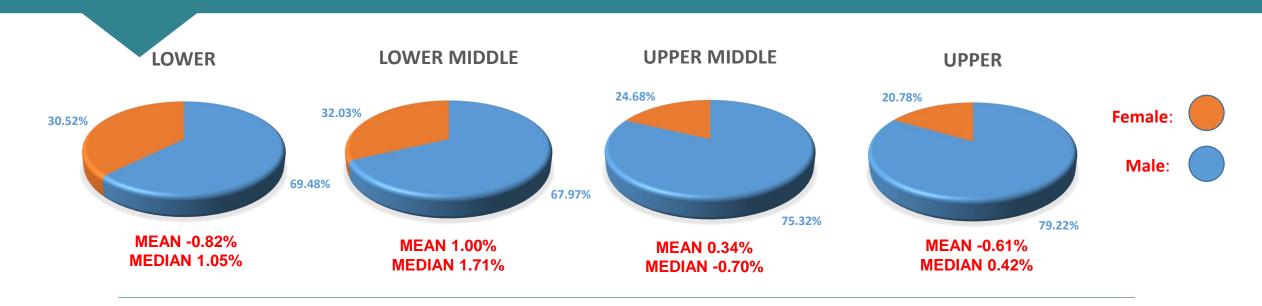


The national mean gender pay gap (all employees) is 15.4%. Our mean pay gap is well below the national average. The calculation for ordinary pay is based on a snapshot period that includes 5 April 2021. The bonus pay calculation is based on the 12-month period 6 April 2020 to 5 April 2021 inclusive.



Proportion of Men and Women Paid a Bonus during the bonus pay period

## Salary Quartiles



#### What do our results show?

The proportion of females is increasing in the upper quartiles, both through internal promotion and external recruitment. The gender split across the business now stands at 70% male and 30% female.

	Proportion of females in Lower Quartile	Proportion of females in Lower Middle Quartile		Proportion of females in Upper Quartile
2020	35.70%	28.75%	19.60%	20.77%
2021	30.52%	32.03%	24.68%	20.78%

#### A Year in Review

At the MTC, we pride ourselves on being transparent and open in our approach to ensuring a culture of inclusion.

The MTC, based in Ansty Business Park, Coventry, has offices in Culham, Liverpool and London. As we extend our geographical reach in order to achieve our business goals, we are also keen to promote our ambition to have a truly diverse and inclusive workforce where colleagues can bring not only their talent but also their whole self to our workplace.

We are pleased to be able to report sustained progress compared to our data for 2020:

- Mean pay gap down from 9.95% to 7.66%
- Median pay gap down from 12.71% to 11.43%

We also note that the mean bonus gap has changed from -1.54% (i.e. the mean bonus for females was 1.54% higher than for males) to 26.46% (i.e. in 2021 the mean bonus for males was 26.46% higher than for females). This is explained by the fact that, in the 2020 data, bonuses were only paid to senior managers, most of whom were male, whilst in the 2021 data, bonuses were paid to the whole company to recognise their resilience and contribution to the business during the pandemic, which has resulted in the change to the gap.

We are also pleased to report that women are now paid within 1% of men in the Lower Middle and Upper Middle Salary Quartiles, and slightly more than men in the Lower and Upper Salary Quartiles.

Our gender pay gap is heading in the right direction, however we continue to challenge ourselves to ensure we are doing all we can via our working practices to be a diverse and inclusive community.

This is our fifth Gender Pay Gap Report and this report sets out the progress we have made to narrow the pay gap.

A Year in Review

#### Recruitment

In 2021 we successfully recruited more females into the workplace; of the 164 new colleagues who joined the MTC during 2021, 33% were female. 50% of the new female colleagues are in the Upper Middle and Upper pay bands. We maintained the 2020 level of female representation on our annual graduate intake, at 30%.

Men continue to be more highly represented in the manufacturing sector – just 14.4% of all people working in STEM in the UK are female.

#### **Our working environment**

The MTC's fully flexible working week working arrangements have proved popular with colleagues, who have welcomed this added benefit as a contributor to a healthy work-life balance.

The flexible working arrangements have also proved to be a key influencer in our attraction strategy, enabling us to recruit from a diverse pool.

Our affinity group, Women@MTC continues to celebrate women in our community. They meet online every month with a guest speaker and have Q&A time set aside. In addition to this affinity group, a range of other groups exist to support colleagues to be themselves and do their best work. These groups include LGBT+ and Neurodiversity for example.

#### A Year in Review

#### **Women into Engineering**

Navigating our work through these uncertain times, we have continued to deliver on our promises to encourage greater diversity in our Engineering workforce.

The MTC's Science, Technology, Engineering and Mathematics (STEM) Outreach Programme, the Tilly Shilling Initiative (TSI), changed how they connected with schools and other networks. Their approach is to encourage greater diversity and inclusivity in general, in the field of Engineering.

Some of these activities included a year of virtual 'STEM the Gap' webinars focusing on specific themes such as Women in STEM, BAME in STEM, LGBT+ in STEM, to name but a few.

TSI and the MTC's Giving Something Back Project group joined forces with the Social Mobility Business Partnership (SMBP) to host an event targeting bright Year 12 students from less advantaged backgrounds. TSI also hosted A to B Challenges – running workshops, virtual career talks, careers days for local schools, including those catering for pupils with Special Educational Needs (SEN).

#### **Women into Engineering**

Our apprenticeship programme has hosted virtual open events throughout the year in order to achieve their recruitment targets. They have also attracted young people from diverse backgrounds, as well as young women, some of whom have won awards and represented the MTC professionally.

For example, two of our apprentices have been appointed to the Women's Engineering Society (WES) Apprentice and one was appointed as Vice Chair.

Female apprentices also took to social media to celebrate International Women's Day, raising awareness about the role of women in Engineering.

This year's apprenticeship intake has also seen one female apprentice win numerous awards, highlighting their professionalism in the field of Engineering. Awards included Apprentice of the Year in Leicestershire Live's Education Awards, the Best of British Engineering Award, and SME Apprentice of the Year. They have also since become an ambassador for education organisation, Enginuity.

## Closing the Gap

We want to make the MTC a great place to work - a place where the best talent, irrespective of who they are, will want to be (and remain) part of our vibrant, innovative and diverse community.

We understand the value diversity brings to our business and whilst I am pleased to see a further narrowing of the gender pay gap, we are not resting on our laurels and will remain focused on creating the right environment to encourage change.

For our People Plan 2022 we have devised equality, diversity and inclusion objectives to guide how we:

- Recruit the best talent.
- Use diversity monitoring data.
- Share knowledge and understanding within our community, provide mentoring & coaching and relevant training.
- Engage and support our affinity groups and recognise awareness raising events and other activity.

Our Employee Value Proposition remains as 'Together we impact society' – this is not only our promise but it shapes how we deliver value to our customers and stakeholders, and we know that this value is all the better for having a diverse community effort behind it its delivery.

I am proud of what we have achieved so far in addressing the gap and hope to continue to report further progress next year.

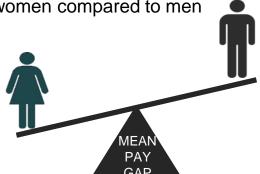
Victoria Sanderson Human Resources Director

## What is the Gender Pay Gap?

The Gender Pay Gap shows the difference between the average (mean or median) earnings of men and women. It is always expressed as a percentage of male earnings.

#### **Mean Pay Gap**

The mean is the difference in the average hourly pay for women compared to men



#### **Median Pay Gap**

The median is the middle number when hourly rates are placed in order from lowest to highest



### It is not the same as 'Equal Pay'

Equal pay deals with pay discrimination and the differences in pay when members of the opposite sex are paid differently but yet they carry out the same work, similar work or work of equal value.

A gender pay gap is not necessarily evidence of pay discrimination in the workplace; a pay gap can exist for a variety of legitimate non-discriminatory reasons.



Together we impact society.

The **RIGHT** Way

## What is a salary quartile?

- Take the hourly rate results of **all** full pay relevant employees
- Rank those employees in order from lowest paid to highest paid
- Divide the employees in four sections (each containing the same number of employees)



- **†** Express it as a percentage for each quartile:
  - † The proportion of males
  - †† The proportion of females

# What is included as 'pay'?

	Data included in the calculation	Data excluded from the calculation
ŤŤ	Basic pay	† Overtime
††	Shift premium pay	Redundancy / termination payments  Arrears of pay  Benefits in kind – e.g. company car
	Bonuses – which happen to be <u>paid</u> in the pay period including 5 April	<ul> <li>th Expenses</li> <li>th Salary sacrifice schemes (i.e. use the gross pay figure <u>after</u> the deduction)</li> <li>th Pension deductions (i.e. use the figure <u>before</u> deduction at source)</li> </ul>

The ordinary pay period used for each employee calculation varies according to the frequency of when they are paid (e.g. weekly, fortnightly, monthly etc.). This period must include the snapshot date of 5 April for each employee.

The bonus pay period is the twelve month period ending on 5 April each year. The bonus pay period is 6 April 2020 to 5 April 2021 inclusive.

## National Statistics by sector

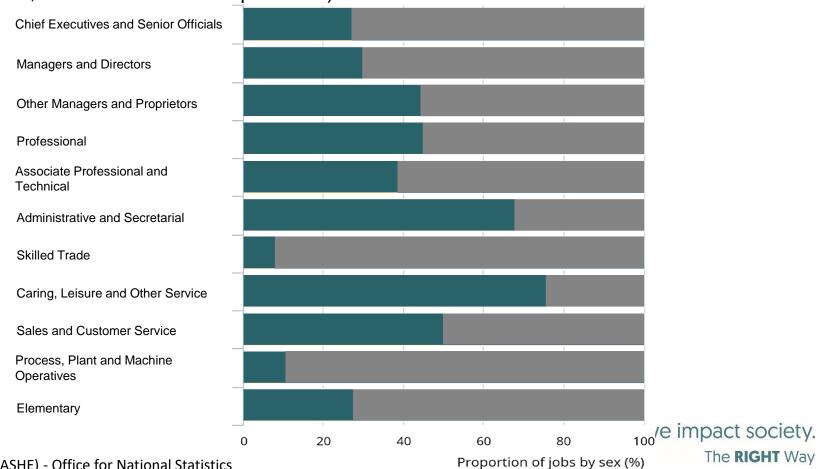
Occupation is a key factor. The manufacturing sector is male dominated (Skilled Trades, Associate Professional Technical and Process, Plant and Machine Operatives). Our business reflects the national

trend.

Female:

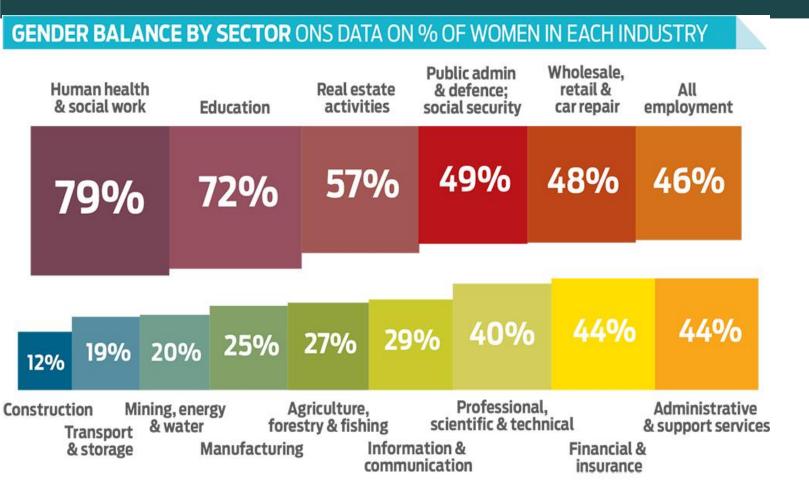
Male:

Percentage of male and female employees in different occupational groups, UK 2017



The **RIGHT** Way

# National Statistics by sector



- Occupation is a key factor. The manufacturing sector is male dominated (Skilled Trades, Associate Professional Technical and Process, Plant and Machine Operatives), with males accounting for 75% of employees. Our business reflects the national trend.
- The UK has the lowest proportion of female engineers when compared to the European Union, less than one in ten engineering professionals is a woman.
- At the MTC, females account for nearly 20% of engineering professionals.

## National statistics

Just to put the headline statistics into context, the 2021 national averages for combined full and part-time employees for ordinary pay are:

National Mean 15.4%

MTC 7.66%



## Our Gender Pay Gap Results

# GENDER PAY AND BONUS GAPS 7.66% MEAN PAY GAP 11.43% MEDIAN PAY GAP 11.15% MEDIAN BONUS GAP 11.15% MEDIAN BONUS GAP

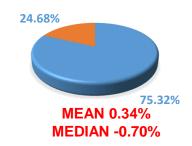
#### **PROPORTION RECEIVING A BONUS**



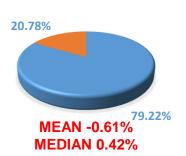
#### Salary Quartiles



#### LOWER MIDDLE UPPER MIDDLE



#### **UPPER**



Female:

Male:



