

Airbus in the UK 2019 Pay Gap Report

We know that diversity fosters innovation, performance and engagement and helps us to attract the best talent. We are inspired by each other's knowledge and experiences. We endeavour to foster an inclusive, friendly environment to encourage sharing and collaboration, so we can thrive as individuals.

Airbus is proud of its European roots and passionate about its achievements around the world. More than 140 nationalities are represented and more than 20 languages are spoken within the company.

We strive to ensure that Inclusion and Diversity is embedded in all that we do, serves business purposes and benefits all employees worldwide. We are constantly looking to increase the number of applications from areas that are currently under-represented in our workforce. including women, LGBTI+, people with (dis)abilities, age groups and social backgrounds.

We also know that transparency drives equality and accountability and pushes us to improve. That is why we welcome the UK Government's gender pay gap reporting initiative and the focus it has put on this topic. This is the third year we have reported information across the Airbus group of companies in the UK and we continue to work hard to improve gender balance.

We are committed to providing fair and competitive rewards to all our people for the roles they perform. regardless of their gender.

We believe that empowering women, promoting equal opportunity and ending all forms of discrimination is not only a human right, but is fundamental to the success of our company.

> Nicola Coid Head of HR Airbus Operations Ltd

We confirm that the gender pay gap data reported

is accurate and has been published in accordance

with the Gender Pay Gap Reporting regulations

Cornelia Thieme Head of HR Airbus Defence and Space Ltd

under the **Equality Act 2010** (Gender Pay Gap Information) Regulations 2017.



Caroline Bennett Head of HR Airbus Helicopters Ltd

Read more about Inclusion and Diversity at Airbus here.



The data provided within this report covers more than 10,000 employees across three entities within Airbus in the UK: Airbus Operations Ltd, Airbus Defence and Space Ltd and Airbus Helicopters UK Ltd.

In line with reporting guidelines, the data reflects the snapshot date of 5 April 2019. The figures include the hourly rate for each relevant employee, as defined by legislation. This includes base-salary and other allowances, as well as both individual and company performance-based bonus payments received over the previous 12 months.

What is the gender pay gap?

The gender pay gap shows the difference in the average pay and bonuses between all men and women across our workforce in the UK, irrespective of the job they do. It is not the same as unequal pay, which is paying men and women differently for performing equivalent work.

Mean gender pay gap

The mean gender pay gap shows the difference in the average pay and bonus earnings of men and women in our UK workforce.

Median gender pay gap

If we were to split our female employees and our male employees into two lines, arranging them in order of pay from highest to lowest, the median pay gap compares the pay of the women in the middle of the female line with the pay of the men in the middle of the male line. The most common reason for a gap is that there are more men in senior roles than women.

Gender bonus gap

These median and mean calculations are also carried out when comparing individual and company performance-based bonus payments received over the 12-month period.

Bonus proportions

The proportion of male and female employees who were paid any amount of bonus pay.

Pay quartiles across the workforce

The proportion of male and female employees in four quartile hourly rate bands ranked from lowest hourly rate to the highest hourly rate. It is completed by dividing the workforce into four equal groups.

Our results

In our previous two reports, we presented the data by our respective divisions. The same data is provided at the end of this report. The gap for each division has not changed significantly since we last reported. This is the data that we report on the UK government website.

This year we have decided to also consolidate the data to provide the position for all Airbus employees in the UK.

In 2019, our mean average gender pay gap was 6.87%.

While each of our UK businesses employs their own distinct workforce, reflecting the nature of their own individual business and producing notable disparities in gender pay gap data, the most significant causes of our gender pay gap remain unchanged.

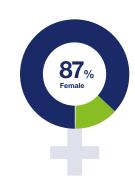
We have fewer women than men in senior leadership positions and fewer women working in higher-paying science, technology, engineering and mathematics (STEM) related manufacturing and production roles. The gap is also explained by the way bonuses are calculated in some areas of our business, with more senior positions having a higher proportion of variable performance bonuses linked to individual and business performance.

Airbus in the UK Mean and median pay and bonus gap

	2018		2019	
	Mean	Median	Mean	Median
Gender Pay Gap	9.3%	5.2%	6.9%	4.8%
Gender Bonus Gap	12.1%	0.0%	7.2%	0.0%

2018: Proportion of employees receiving a bonus











Proportion of employees in each pay quartile band

	Male		Female	
Pay Quartile	2018	2019	2018	2019
Upper	89.2%	88.3%	10.8%	11.7%
Upper Middle	88.7%	88.9%	11.3%	11.1%
Lower Middle	93.1%	92.9%	6.9%	7.1%
Lower	80.7%	79.9%	19.3%	20.1%

Our approach

Historically, the aerospace, defence, space and security sectors have been male dominated. We are committed to changing that and we continue to work hard to address this gender imbalance. In 2019, we made progress on a number of initiatives to encourage more women into our business.

We are confident that these initiatives will make a positive impact, but we also recognise that we have much more to do to achieve long term and sustainable change.

Inclusion and diversity continue to be championed at the top of our global business with targets, KPIs, actions and initiatives flowing throughout our organisation.

UN Sustainable development goals

For more than a decade, we have aligned our business with the UN Global Compact. Today, the UN Sustainable Development Goals (SDGs) framework takes us one step further, helping us to align our business operations with common principles on human rights, labour, the environment, anti-corruption and more. We examined our business operations, and looked to our employees, partners and communities to determine that we are actively contributing to eight of the 17 SDGs, including SDG 5: Gender Equality.



Read more about Airbus' commitment to the UN Sustainable Development Goals here. We are committed to **promoting women into more senior roles**. This starts at the top of our global organisation. In 2019, there were three women on the Airbus Board of Directors and Julie Kitcher, our new Executive Vice President for Communications and Corporate Affairs, joined Grazia Vittadini, our Chief Technology Officer, on the Airbus Executive Committee.

In the UK, Airbus Operations appointed Nicola Coid as Head of Human Resources and Airbus Helicopters appointed Caroline Bennett as Head of Human Resources and a member of its Executive Management Team.

We are also doing more to encourage learning and development so women have better access to senior roles. We are sponsoring a number of female managers to study for Masters level degree programmes and professional qualifications.

Targets make us accountable and help to redress the imbalance. We have set ourselves an annual target that 30% of all new recruits should be female, including those entering early in their careers, such as apprentices and graduates. Between April 2018 and April 2019, 21.9% of our overall intake were female.



Maggie Batten MSc in Logistics & Supply Chain Management

Magdalen Batten is a Segment Manager in Material Management at Airbus Helicopters UK and studying for a MSc in Logistics and Supply Chain Management at Cranfield.

Through our initiatives, we look to **enrich our working environment** so our female employees feel supported and encouraged to progress and take on more senior roles. For example, in 2019 we introduced new flexible working arrangements in most areas of our business as well as enhanced parental policies across our UK businesses. These policies provide greater flexibility for families to determine how they will manage the first year after the birth or adoption of a child, and they encourage women to return to work.

We are also proud to engage in wider industry initiatives to help us build a more balanced workforce and we set out some of those initiatives below....

Addressing the gap

Plans and commitment

In 2018, Airbus committed to the **United Nations Women's Empowerment Principles**, (UN WEPs) committing Airbus to

(UN WEPs) committing Airbus to address equitable pay, genderresponsive supply chain practices, and sexual harassment in the workplace, for example.

Talent attraction

A revision of our advertising guidelines to ensure that inclusive language is used in all job adverts. In addition, Airbus **uses Al tools** to make job adverts and job descriptions more inclusive.



Talent development

Accelerating change through the Airbus 'Balance for Business' network, including roadshows that promote employee-led initiatives such as peer to peer mentoring, confidence building and encouraging all employees to challenge stereotypes and build their careers. Airbus is also involved with ALTA mentoring, a cross-organisational mentoring scheme, which is hosted by the Royal Aeronautical Society.

Supportive environment

Support of various international and national initiatives

such as: International Women's Day, International Women into Engineering Day, Bring Your Child/Daughter to Work Scheme and Inspiring Girls into Engineering Day.

In 2019, Airbus celebrated the annual International Women in Engineering Day in Filton by hosting a number of girls from local schools showcasing the aviation and aerospace industry and highlighting potential career paths.





Inclusive culture

The Airbus GEDC Diversity
Award aims to shine a light
on successful projects that
inspire students from all profiles
and backgrounds to study
and succeed in engineering.
Now in its 8th year, the award
was developed and funded
by Airbus in partnership with
the Global Engineering Dean's
Council (GEDC), the leading
international organisation for
leaders of schools and colleges
of engineering education.



External partnerships

In 2019, for the fourth year running, Airbus **proudly sponsored** the **Women in Defence Awards**.

Recognised as a flagship event in the UK defence calendar, the awards promote gender diversity and recognise the achievements and valuable contribution of women in defence. They also have a key role to play in encouraging future generations to pursue careers in this field.

Airbus has led the 'Women in Aviation and Aerospace Charter' and has been instrumental in the development of the 'Women in Defence Charter' which demonstrates the commitment of a growing number of organisations across the industry to build a more balanced and fairer industry for women.

Many women in Airbus are members of the **International Aviation Women's Association**(IAWA), which cultivates and advances women leaders in the aviation and aerospace industries through its global membership network. As well as her work on the Women in Aviation Charter, SVP Airbus Katherine Bennett CBE is also an active Director

of IAWA.

Inspiring young people of school age to look at STEM and in particular, aerospace as a career choice



Significant effort has also been focused on **inspiring young people** of school age to look at STEM, and in particular aerospace, as a career choice, including specific programmes aimed at engaging girls.

It remains a challenge.

Only 15% of first degree entrants to general engineering are female, with this figure falling to 8% for aerospace engineering. Likewise female apprentices in the engineering and manufacturing technologies sector make up 6.8% of the total.

During 2019, in the UK alone, as well as attending many STEM focused events, Airbus hosted over 75 school visits, offered more than 600 work experience days (target of 50% to be girls) and visited over 300 schools. In addition, we continued to run sessions for teachers and careers advisers aimed at promoting careers in engineering and aerospace, many of which were aimed specifically at girls.

We also partnered with other organisations to exchange best practice and promote STEM to girls:



WISE (Women in Science and Engineering), where Airbus is one of the primary signatories of the WISE 'Ten Steps' campaign, aimed at ensuring women play a bigger part in the STEM sectors. A number of Airbus' existing STEM ambassadors have been trained to participate in WISE programmes such as '**People Like Me**', which is designed to help girls understand who they are and how this relates to roles in the workplace. Airbus sponsors a WISE award, under the outreach and engagement category.



The **EDT** (Engineering Development Trust) **Industrial Cadets Go4Set** programme. This annual challenge is run with support from Airbus employees and aims to inspire girls in STEM, to consider a career in engineering and to promote diversity. It also helps the girls to achieve their Industrial Cadets Bronze Award as recognition of the hours spent on the programme.

More information about Airbus' commitment to responsible business, including our global approach to **attracting more women into our company can be found** <u>here</u>.

¹Engineering UK 2018: The state of engineering



Case studies

Leadership Forum

Airbus led and sponsored the International Aviation Women's Association (IAWA) second annual European Leadership Forum, in London during November 2019.

The forum attracted more than 150 female leaders from across the aviation and aerospace sectors. Speakers included Catherine Adams, Deputy Director for Aviation Strategy & Communication, Department for Transport; Elisabeth Kotthaus, Head of Unit for Social Affairs, Passenger Rights & Equal Opportunities, European Commission; and Mélanie Astles, the first female pilot to compete in the Red Bull Air Race, plus many more.

The forum covered a broad range of subjects including, Inclusion and Diversity, Sustainable Aviation and the Future Talent Pipeline, with panellists debating ideas to introduce the younger generation to STEM and retain that talent once recruited.

During the Forum, we were able to promote the work of the Women in Aviation and Aerospace Charter, which received a further five signatories, taking the total to 138.

Women in Defence Charter

The Women in Defence Charter, launched in September 2019 at DSEI by Anne-Marie Trevelyan MP, former Minister for Defence Procurement, is a collaboration between the Ministry of Defence, Women in Defence UK, ADS, and the Defence Growth Partnership.

The Charter reflects the aspiration of the defence community to improve gender balance at all levels. Airbus has been instrumental in the development of the Charter and continues to be a driving force for its development led by Sophie Thomas, Zephyr Programme Manager, Airbus, in her position as Co-Chair.

The Department for Business, Energy and Industrial Strategy and the Government Equalities Office have also welcomed the initiative and recognise that more needs to be done to greater enhance the gender balance in the sector.

The Charter now has 40 signatories, including Rolls-Royce, BAE Systems, GKN Aerospace, Lockheed Martin UK and many more. Further still, Airbus continues to show its commitment and aspiration to see women represented and succeeding at all levels across the defence enterprise by sponsoring the annual Women in Defence Awards.

Statutory reporting

Airbus Operations Ltd

Gender Pay Gap:

Mean: -0.1%

Median: -3.4%

Gender Bonus Gap:

Mean: -10.2% Median: -65.8%

Proportion of employees receiving **a bonus**:

 Male:
 94%

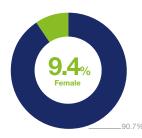
 Female:
 87%

Pay quartiles across the workforce:

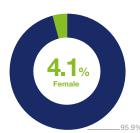
Upper



Upper middle



Lower middle



Lower



2019 saw a decrease in the average pay gap to -0.06% from 2.7% in 2018. This was largely due to an increase in the number of employees included in the reporting data following a merger with Airbus Group (56% female) and a large intake of new (majority male) apprentices in Autumn 2018, concentrated in the lower pay bands.

The population of Airbus Operations Ltd contains employees who are eligible for an individual performance bonus payment and those eligible for paid overtime who receive a collective company bonus. Employees eligible for overtime payments, which include the majority of the predominantly male manufacturing population, are not entitled to individual performance bonuses. The average individual performance bonus payment was of higher value than the company performance bonus payment, which has resulted in median bonus payments that were higher for women.

Within Airbus Operations UK Ltd, 94% of men and 87% of women received a bonus payment, which is a slight reduction when compared to the 2018 figures. This is due to a higher level of recruitment between April 2018 and April 2019, including apprentices. These colleagues were not eligible to start receiving bonus payments until May 2019, and this data will be captured in the 2020 report.

The proportion of women in each pay quartile has also improved slightly compared to 2018, following continued focused efforts on the recruitment of female employees.

Statutory reporting

Airbus Helicopters Ltd

Gender Pay Gap:

 Mean:
 29.3%

 Median:
 33.5%

Gender Bonus Gap:

 Mean:
 49.0%

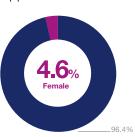
 Median:
 1.9%

Proportion of employees receiving **a bonus**:

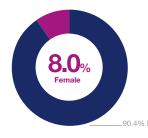
Male:	92%
Female:	91%

Pay quartiles across the workforce:

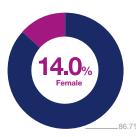
Upper



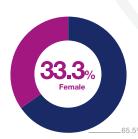
Upper middle



Lower middle



Lower



Airbus Helicopters operate in a different market to the other divisions, being a predominantly maintenance, repair and overhaul business. There are approximately 350 employees. The gender pay gap within Airbus Helicopters UK is impacted by the senior leadership roles within the business being predominantly held by men.

Following an active recruitment campaign in 2019, there was an increase in the number of females joining the business. The mean gender pay gap of 29.3% improved when compared to 2018 (32.7%) and the median gender pay gap improved to 33.5% from 34.0% in 2018. Recent changes in policy to align shared parental leave with maternity leave have been well received.

The workforce is split between employees who are eligible for an individual performance bonus payment and those eligible for a collective company bonus payment. A slight gap in the median bonus pay has opened up this year because many of the new female recruits are not yet eligible for a bonus payment having not yet completed a full calendar year. Individual performance bonus payments are paid to employees within certain higher grades and are based on individual salary level; these bonuses are typically higher than the collective payment. Proportionately more men than women are in grades which receive this individual bonus and this has resulted in a mean bonus payment which was higher for men.

Statutory reporting

Airbus Defence and Space Ltd

Gender Pay Gap:

Median:

Mean: 19.30%

Gender
Bonus Gap:

 Mean:
 14.30%

 Median:
 0%

Proportion of employees receiving **a bonus:**

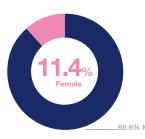
 Male:
 83%

 Female:
 79%

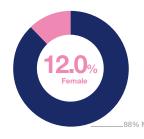
Pay quartiles across the workforce:

22.00%

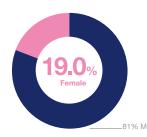
Upper



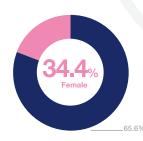
Upper middle



Lower middle



Lower



Airbus Defence and Space Ltd is more in line with the typical UK workforce composition, with more women in the lower pay quartiles. This creates an overall pay gap closer to the UK national average. The gender pay gap is impacted by the senior leadership roles within the business being predominantly held by men. Currently, we have a lower percentage of female employees in senior leadership roles in comparison to other roles in our business. Around 80% of Defence and Space's population work in specialist engineering roles of which around 15% are women.

There was a small increase in the overall proportion of women in the business in 2019, notably increasing the female intake in graduates (30% of whom are female) and apprentices (17% of whom are female). As a result the mean pay gap remained at 19.3% in 2019, identical to the figure in 2018 but the median gender pay gap figure increased slightly to 22.0% from 20.2% in 2018.

The workforce is split between employees who are eligible for an individual performance bonus payment and those eligible for a collective company bonus payment. More than 50% of employees, of both genders, receive the company's collective bonus payment which created an equal median bonus figure for men and women.

Individual performance bonus payments are paid to employees at senior and specific management grades and are based on an individual's basic salary level; these bonuses are typically higher than the collective payment. Proportionately more men than women are in grades that receive this individual bonus and this has resulted in a mean bonus payment which was 14.3% higher for men.

Contacts

lan Middleton

Director of Communications (UK)

ian.middleton@airbus.com

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Airbus in the UK

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