

# ULTRA ELECTRONICS

## GENDER PAY GAP

### REPORT 2018



making a difference



At Ultra Electronics the Board and Executive team are committed to delivering long-term, sustainable, value creation for all our stakeholders. As recently communicated during our 2018 annual results, and as we work through our strategic business review, we recognise that there are areas of our business and organisation that we need to 'FOCUS' on, some areas that we need to 'FIX' and some that we need to 'GROW'.

Creating a flexible, inclusive and diverse organisation and culture, that will attract, retain, develop and motivate all employees is essential to us meeting our aspirations. As a result, we have been working hard on identifying the work that we need to do to Focus, Fix and Grow both in the business and in our people agenda and this is something that we will be investing in significantly over the coming years.

The Gender Pay Gap reporting process has provided us with another source of input into setting the agenda for our HR strategy, and as such, we welcome the opportunity to share our gender pay data for 2018 but more importantly, the actions we have been taking and those that we are putting in place to improve our position and make Ultra an even greater place to work.

The data provided within this report is based on the hourly rates of pay at the snapshot date of 5th April 2018 and bonus paid in the year to 5th April 2018.



**Simon Pryce**  
Chief Executive Officer



**Steve Izquierdo**  
Chief HR Officer

## Gender Pay Gap 2018 data

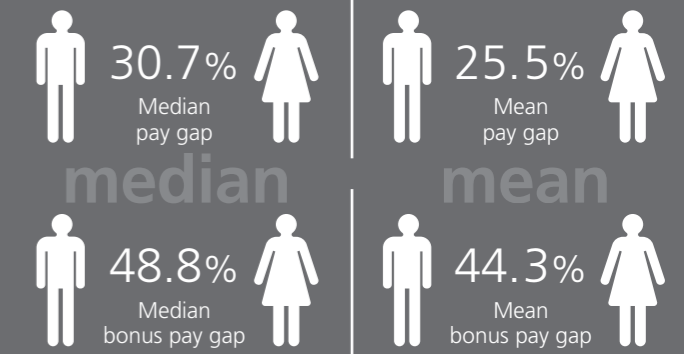
Gender representation



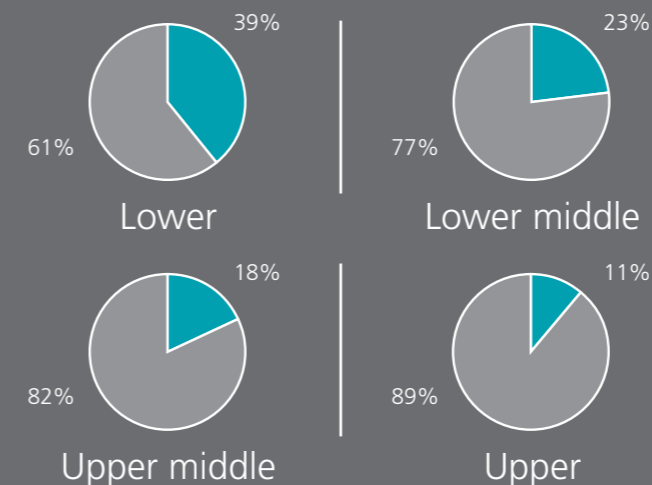
The report for Ultra Electronics is as follows:

- The mean gender pay gap is **25.5%**
- The median gender pay gap is **30.7%**
- The mean gender bonus gap is **44.3%**
- The median gender bonus gap is **48.8%**
- The proportion of men receiving a bonus is **75.5%**
- The proportion of women receiving a bonus is **79.3%**

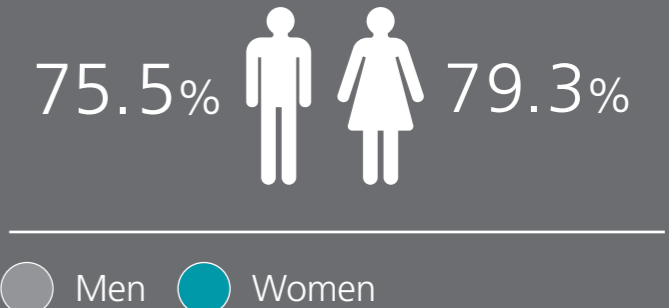
### Results:



Proportion of men and women in each pay quartile band:



Proportion of employees receiving a bonus:



**Gender Representation** – Our data for 2018 remains the same as the 2017 Gender Pay Report with 23% of our headcount women. This is in line with the manufacturing sector average of 24%.

**Mean and Median Pay Gap** – Our 2018 Mean Pay Gap and our Median Pay Gap have widened since the last report. The key driver of this is continued under-representation of women in senior leadership roles which has been compounded by the loss of a few senior women executives during the reporting period.

**Proportion of employees receiving a bonus** – The proportion of women and men receiving a bonus in 2018 increased significantly to 79.3% and 75.5% respectively.

**Mean and Median Bonus Gap** – The key drivers of this are linked again to having fewer women in senior positions where bonus payments are typically higher and due to the fact that we have more women working part time meaning their bonuses are pro-rated.

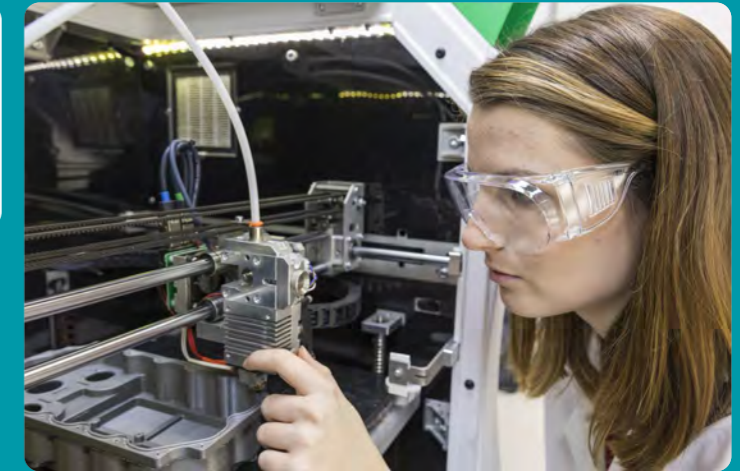
**Proportion of men and women in each of the Pay quartiles** – The % of women in the various quartiles has remained constant between the 2017 and 2018 reporting periods

## Actions over the last year

In our report of 2017 we shared examples of some of the work that we're doing to improve our overall Gender Pay Gap position and here is an update on progress against these key areas...

### ...recruit and retain a higher proportion of women at all levels

- We have successfully hired women into roles on, and reporting into the Executive team over the last 12 months post the reporting report and will continue to look for opportunities to do this.
- We continue to run People Management Workshops across the business to equip line managers with the practical skills and tools they need for the day to day management of their teams.



### ...create an evidence base

- We have monitored the number of men and women being promoted during the calendar year 2018 and as a % of end of year respective headcounts, +0.21% more women have been promoted than men;
- We have monitored the number of men and women leavers during the calendar year 2018 and as a % of end of year respective headcounts, 2.04% fewer women have left Ultra versus men;
- There has been no change to the proportion of men and women named on succession plans with these still being predominantly male dominated;
- We continue to monitor the number of employees returning after a period of maternity or parental leave and those that are employed a year after returning to work.

### ...building a talent pipeline

- Across all of our businesses, we continue to invest time and resources in visiting schools and colleges to promote Physics, STEM and Women in Engineering;
- We have presented at Taking Control of Your Career as a Female Physicist – and have taken part in employer panels;
- Our Young Generation (YG) initiative continues to evolve, led by our female Physics Graduate;
- We have participated in the Women in Nuclear group;
- Across the UK businesses, we have continued to attend career fairs to promote careers at Ultra, trying to access and attract female graduate talent;
- We have continued to support family friendly policies and applications for flexible working for existing employees and potential employees.



## Actions going forward

We are in the process of finalising our HR Strategy for the next 3-5 years – contained within this are a number of work streams that will focus on creating a flexible, inclusive and diverse organisation and culture that will attract, retain, develop and motivate all employees. Here are some examples of this work which we believe will help us improve in a number of areas including our Gender Pay Gap position...

# Entrepreneurship

the whole business to be entrepreneurial

the advantage through the offerings

skewed in Ultra's favour, while

offering by teaming either

## 1. Build the Talent Pipeline

- Implementing a Global job posting policy and process to provide greater transparency and visibility of all open positions in the Company
- Improving succession planning through a greater emphasis on understanding critical roles and developing talent for these
- Enhancing talent acquisition resources and capability to better source the best diverse talent in the market – seeking for balanced candidate slates for all roles
- Defining our Global reward strategy and philosophy, implementing a global grading structure with improved market data and analytics

## 2. Strengthen Leadership

- Implementing a Global leadership framework which will define what being a great leader is within Ultra to include the importance of creating a diverse workforce
- Increased focus on Global leadership and High Potential programmes with appropriate diversity in participation on these programmes

## 3. Build Capabilities

- Implementing functional development programmes with a structure around how employees can increase their capability and further their career
- Improving interviewing skills capability – creating greater awareness of bias and focussing on diverse candidates
- Manager capability – creating a programme for managers on key manager skills including creating a work environment for all to succeed
- Learning and Development – a holistic offer including core programmes, on-boarding, functional and leadership training

## 4. Succeed through Diversity

- Designing and rolling out a "Valuing Difference" programme across the organisation for all employees
- Implementing a Global flexible working framework
- Creating a Diversity & Inclusion agenda across the organisation
- Implementing a Board sponsored women in leadership network across Ultra
- Reviewing our policies (including maternity and paternity) to ensure that they fully support our employees

## 5. Create a Winning Culture

- Updating our Company Vision, Mission and Values and training and embedding this within the organisation
- Increasing recognition
- Making the most of our wellbeing and Employee Assistance Programmes and making these more available and accessible
- Implementation of a Global Engagement survey driving actions at the Global, Regional and Business level

## 6. Transform our Business

- Implementing a Global HR Information System which will generate better analytics
- Clarity on business strategy and operating model



## Summary remarks

In summary, our Gender Pay Gap in 2018 has slightly widened since our 2017 report. This is disappointing but we remain confident that this pay gap does not stem from paying men and women differently for the same or equivalent work. The key driver of the difference, as it was last year, remains the fact that women are under-represented at the more senior levels of our organisation.

Notwithstanding this, and some of the issues highlighted in this report, we are not making progress quickly enough which is why diversity is an area of increased focus for us in our HR strategy.

We have a significant People agenda over the next 3-5 years and we will be investing in resources to ensure that we deliver the initiatives that we have identified. We know that it may take several years for us to implement some of these but we are fully committed to them and to reducing our gender pay gap.

Our goal is to create an organisation and culture that helps supports all our employees and one that makes Ultra an even greater place to work.

Handwritten signature of Simon Pryce in black ink.

**Simon Pryce**  
Chief Executive Officer

Handwritten signature of Steve Izquierdo in black ink.

**Steve Izquierdo**  
Chief HR Officer



**making a difference**