

At TT Electronics we strive to build a supportive, diverse and engaging place to work. We are committed to “Building Expertise” to develop the engineering solutions of the future.

Under new UK legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap reporting statistics as at 5 April 2017 within one year of this date, and then on an annual basis.

The gender pay gap is not about equal pay for men and women doing the same or similar jobs. Within our businesses we are confident that men and women are paid equally for doing equivalent jobs of equal value. Calculating the gender pay gap takes into account all jobs, at all levels and all salaries within an organisation. This means the gender pay gap paints a picture of the level and type of roles that men and women fill. This can result from many different factors, such as historical trends of one gender dominating certain industries and types of job.

TT pays men and women equally for doing equivalent jobs of equal value within our businesses. The difference highlighted in our pay and bonus gap arise because women currently hold fewer senior positions within the organisation than men, for both managerial and technical roles. Like many employers within our industry, we aim to encourage more women to pursue engineering based careers. With only 14%<sup>1</sup> of engineering and technology graduates in the UK being female and only 11%<sup>2</sup> of the engineering workforce in the UK being female, collectively we must address the diversity skills gap. We continue to take action to address gaps and to make sure that our policies and practices are fair.

The method for calculating the gender pay gap has been outlined in detail by the UK Government<sup>3</sup> and the results from every organisation will be published on a UK Government website<sup>4</sup>.

### Pay and Bonus Gap

Women account for 50% of our global workforce. This is lower in the UK where women made up 36% of our employees in April 2017. 30% of our UK women earned at or above our median pay level. The level and type of roles held by women in the UK is the main factor in determining our pay and bonus gaps.

On the snapshot date, TT Electronics had two employing entities in the UK with 250 employees or more. Under the gender pay reporting regulations, information for the two entities are set out below.

### The UK gender pay gap reporting has four key requirements:

1. Reporting the differences in mean and median pay between men and women, calculated on the basis of equivalent hourly pay rates;
2. Reporting the distribution of men and women in each pay quartile, calculated using the range of equivalent hourly pay rates;
3. Reporting the differences in mean and median bonus pay between men and women; and
4. Reporting the proportion of men and women receiving bonus pay in a year.

### Pay and Bonus Gap: Welwyn Components Limited

#### 1. Equivalent hourly pay gap

	2017
Median hourly pay difference between men and women	7.3%
Mean hourly pay difference between men and women	14.3%

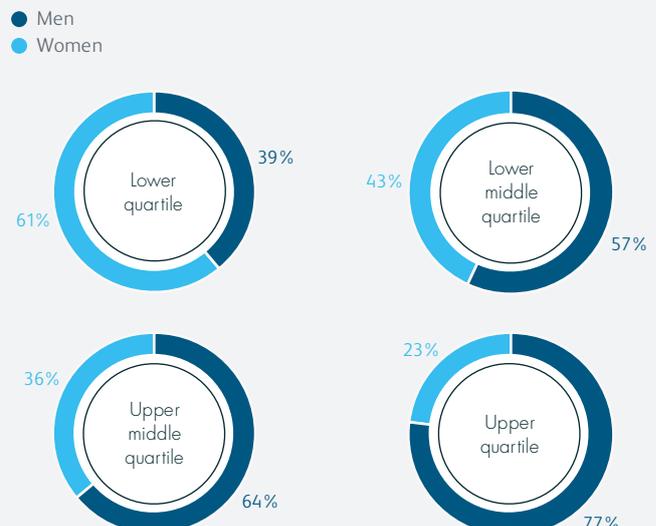
#### 3. Bonus gap

	2017
Median hourly pay difference between men and women	1.8%
Mean hourly pay difference between men and women	-9.4%

#### 4. Proportion of men and women receiving a bonus

	2017
Male employees receiving bonus pay	92.6%
Female employees receiving bonus pay	94.7%

#### 2. Proportion of men and women in each pay quartile



1 WISE UK statistics, 2017  
 2 ONS figures, 2017  
 3 <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>  
 4 <https://gender-pay-gap.service.gov.uk/viewing>

# Pay and Bonus Gap: TT Electronics Integrated Manufacturing Services Limited

## 1. Equivalent hourly pay gap

	2017
Median hourly pay difference between men and women	25.4%
Mean hourly pay difference between men and women	25.9%

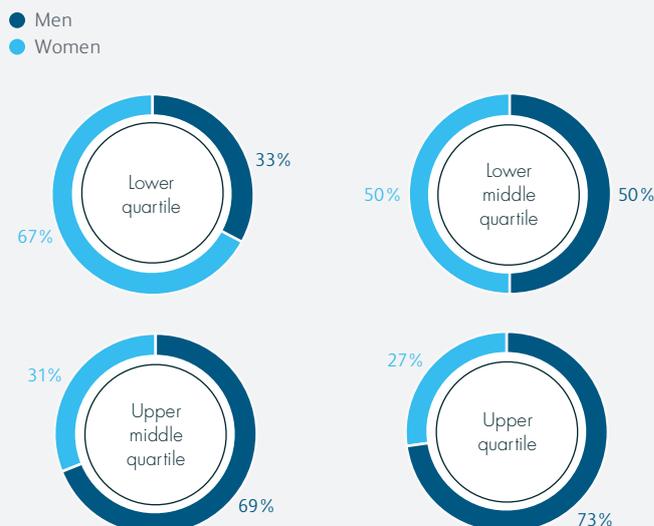
## 3. Bonus gap

	2017
Median hourly pay difference between men and women	90.7%
Mean hourly pay difference between men and women	91.0%

## 4. Proportion of men and women receiving a bonus

	2017
Male employees receiving bonus pay	5.4%
Female employees receiving bonus pay	1.8%

## 2. Proportion of men and women in each pay quartile



## Understanding our gender pay gaps

We are confident that men and women are paid equally for doing equivalent jobs of equal value within our businesses; we know this because our approach to pay, performance and incentivisation is free of discrimination. Our analysis shows that our pay and bonus gaps are driven instead by the types of roles men and women fill in our workforce.

Our gender pay gap figures arise because women currently hold fewer senior positions within the organisation than men, for both managerial and technical roles. This is similar to the UK national workforce where in 2017 just 23% of the Core STEM (Science, Technology, Engineering and Math) workforce in the UK were women<sup>1</sup>. The UK also has one of the lowest percentages of women engineering professionals in Europe at 11%<sup>4</sup>. As an industry we must address this imbalance within society.

Women held 36% of our roles in the UK in April 2017 and only 30% of those earned at or above our median pay level.

The composition of our workforce has a similar influence on our bonus gaps. Some of our entities, such as Welwyn Components Limited, have annual bonus profit share schemes, which by design are free of discrimination and received by most employees. More senior positions are eligible to join the TT Group annual incentive scheme and the most senior positions are eligible for Long Term Incentive awards. The significantly higher proportion of men in these roles results in the higher mean bonus gaps at TT Electronics IMS Limited and across the UK as a whole.

## Tackling our gender pay gap

The challenge for TT is less about equality of pay and more about encouraging and nurturing diversity in, and into our organisation and industry. The difference, in both our pay and bonus gaps, tells us there is much more work to be done. Whilst we do not have an equal pay issue, we do need to continue to take steps to reduce the pay gaps in the long term by continuing to target a diverse workforce across all levels of the organisation.

Within TT, we will continue to make improvements at our organisational level. However, we recognise that in order to create sustainable changes to the gender pay gap, meaningful change to attitudes and mind sets will be required in society.

## Evoking societal change within our communities

As a responsible UK employer we are committed to tackling the diversity imbalance we see today and inspiring future generations of engineers through our Corporate responsibility programme, further details are available on page 39 of our Annual Report and Accounts. Globally across the organisation we engage with a range of partners and networks which enable us to continue our initiatives to "Build Expertise" in STEM within education systems. We believe that focussing within our local communities and engaging with the workforce of the future will help us to address both the shortage of skills and diversity of potential employees across STEM subject areas.

## Organisational improvements

Creating a positive work environment where all employees want to build their expertise is of paramount importance to TT. We strive to build a supportive, diverse and engaging place to work built around the "TT Way". In the last year we introduced market leading UK maternity and paternity provisions to better support our employees.

We continue to promote apprentice schemes throughout the organisation targeting diverse intakes, championing talent and nurturing our leading experts of the future to enable the sustainable development of our business.

Within our organisation we continue to take steps to: ensure that our recruitment processes are without bias, continue ensuring development opportunities are available to all and all employees are offered development plans and development conversations. Our talent boards will continue to focus on diversity as part of our succession planning as we seek to create a work environment where all employees can fulfil their potential.

## Statement

We confirm that the data and information presented in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Neil Carson**  
Chairman, TT Electronics plc.

**John Leighton-Jones**  
EVP HR, TT Electronics plc.

<sup>1</sup> WISE UK statistics, 2017

<sup>2</sup> ONS figures, 2017

<sup>3</sup> <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

<sup>4</sup> <https://gender-pay-gap.service.gov.uk/viewing>