



ARCONIC

Arconic UK
Gender Pay Gap Report 2022



Empowering women to thrive

At Arconic, we value gender equality, and we work to make sure that women are empowered to thrive in our workplace. As part of our efforts to strengthen our global commitment to gender equality and as a fitting conclusion to our 2022 Women’s History Month celebrations, Arconic joined the United Nations Women’s Empowerment Principles (WEPs) which will further strengthen our efforts to instil a culture focused on diversity, equity and inclusion (DEI).

Tim Myers, CEO of Arconic, signed the CEO Statement of Support and shared his thoughts on why Arconic is adopting the WEPs:

“With a culture that embraces inclusion, diversity and social equity, Arconic proudly supports the United Nations Women’s Empowerment Principles, which provide guidelines for businesses that seek to advance and empower women. Arconic looks forward to acting on these principles to further empower and engage the women in our company and communities where we operate.”



Through our DEI goals and Thrive, the Arconic Women’s Network, we stay committed to engaging and acting on the WEPs stages and principles to ensure that women at Arconic are empowered and supported to reach their goals.



“As a female executive at a global manufacturing company, where data-driven decision making is of paramount importance to the delivery of measurable outcomes, I am convinced that relevant statistics and analysis are critical in addressing gender equity most effectively. Research has paved the way to the collective knowledge about gender disparity and nuances related to this broad and complex issue, and will continue to drive action. From a business standpoint, it’s valuable to understand the benefits of narrowing the gender gap.”



Natalie Renziehausen, Vice President of Diversity, Equity and Inclusion, Arconic Corporation

What is the gender pay?

A measure of the difference in the average pay of men and women - regardless of the nature of their work - across an entire organisation, business sector, industry or the economy. It can be impacted by the shape of the organisation, and by the number of both men and women across all roles.

Gender pay is not the same as equal pay which deals with the pay differences between men and women who carry out the same, similar or equivalent work.

We have provided the gender pay gap number for all of our Arconic UK businesses in addition to those we are legally required to report, so that we can provide a clear and transparent view on the gap that exists within our business.

We currently are required to report on the following 6 key measures:

Hourly pay

- Difference in the mean (average) hourly pay of male and female employees.
- Difference in the median hourly pay of male and female employees.
- The proportion of males and females when the workforce is divided into four groups or quartiles from the lowest hourly pay to the highest.

Bonus

- Difference in the mean (average) bonus pay of male and female employees.
- Difference in the median bonus pay of male and female employees.
- Proportion of male and female employees who have received bonus pay.

Our numbers and what it includes:

Pay as stated in the regulations as of 5th April 2022

- Pay is based on earnings which include: basic pay, any additional allowances including shift premium, bonus pay.
- Earnings that are not included: overtime pay, expenses, the value of any salary sacrifice schemes, benefits in kind, redundancy pay and tax credits.

Bonus (any bonus pay received during the period of 12 months to 5th April 2022)

- Any payment that has been classed as bonus in our payroll system.

Our commitment to reducing the gender pay gap:

The past year has been challenging, not only has the UK been dealing with the impacts of Brexit but we were also hugely impacted by the Global Pandemic.

From a people perspective these challenges have presented by the increasing importance of talent retention and attraction and the need for us to focus on the wellbeing of all of our employees.

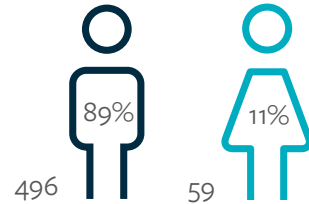
Following on from our report last year our pay gap is on average (mean) -2.34%. The negative pay gap that is seen across our results is indicative of the structure of our business as our female employees are in general more prevalent in our middle management groups.

We remain committed to building a strong pipeline of female talent and a greater number of females joining our business so we may continue to drive our number in a positive direction.

Arconic UK (all sites)

Pay

Our UK business is predominately male which significantly impacts our gender pay gap figures.



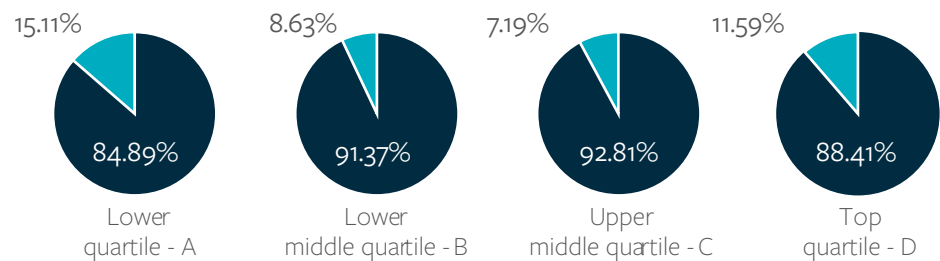
	Mean	Median	Bonus
Hourly Pay	-2.34%	0.85%	£448.24
Difference £	-£0.47	£0.15	-£37.07

A positive percentage figure represents female employees having lower pay or bonuses than male employees. A negative percentage figure represents female employees having higher pay or bonuses than male employees.

Bonus



Quartiles



UK figures

	Pay gap
UK mean*	14.9%
Arconic UK mean	-2.34%
Arconic UK median	0.85%

* UK figures are from ONS.

Combined Arconic UK mean Gender Pay Gap by quartile

Group / Quartile	ALL	Mean Hourly Rate	Male	Mean Hourly Rate	Female	Mean Hourly Rate	Mean Gender Pay Gap	
							Difference £	Difference %
Lower Quartile - A	139	£12.89	118	£12.77	21	£13.61	-0.84	-6.57
Lower Middle - B	139	£17.77	127	£17.77	12	£17.76	0.01	0.07
Upper Middle - C	139	£19.87	129	£19.87	10	£19.94	-0.07	-0.37
Upper - D	138	£29.92	122	£29.65	16	£32.01	-2.36	-7.97
All Employees	555	£20.10	496	£20.05	59	£20.51	-0.47	-2.34

Understanding the gap

The distribution of men and women across the quartiles is a significant factor to the overall gender pay gap. The workforce of Arconic is predominantly male with women accounting for 10.63% of our total workforce.

Over the last 12 months the company has increased its female population by 13, which is a percentage of 28% year over year. This has improved participation in all quartiles of the organisation apart from the upper middle (C) which has remained static at 7%.

The differences in mean pay, while negative meaning that on average for every £1 that a man earns a female colleague will earn £1.02 reflects the fact that on average women are evenly distributed throughout the quartiles but are in roles such as metallurgy, finance, procurement and HR which are operating at a higher level than the average male counterpart therefore the gap is reflecting our local organisation structure rather than an underlying like for like pay gap. This is further reflected in the median gap where only a very small gap exists.

Our bonus schemes are gender neutral by design, but the shape of the workforce and the eligibility for bonus drives the mean bonus gap in the same way it impacts the gender pay gap. Bonus is significantly influenced by the Business Unit's financial performance each year.

Bonus scheme payments vary across our business, the majority are paid as a percentage of salary, but the average pay will be impacted by the numbers of new starters and part time workers.

The GAP in simple terms
For every £1 that male employees earn, female employees earn £1.02 based on the mean calculation. Based on the median / middle point, for every £1 a male employee earns a female employee will earn 99 pence.



Our figures

Arconic currently owns and operates two locations across the UK, and is reporting data on the following legal entities:

- **Arconic Manufacturing (GB) Ltd**
(Kitts Green, Rolled Products, Resource Units / Corporate functions)
- **Kawneer UK Ltd**
(Runcorn, Building and Construction Systems, not required to report data)

Note regarding the impact of the Global Pandemic:

- The company did have to use the furlough programme to save jobs during the pandemic. The two companies' approach to furlough reflects the different commercial markets in which they operate.
- Employees furloughed have been excluded from the statistics.

Arconic Manufacturing (GB) Ltd

Pay	Male	Female	Difference £	Difference %
Mean	£20.89	£21.94	-1.05	-5%
Median	£18.74	£18.34	0.39	2.10%

Kawneer UK Ltd

Pay	Male	Female	Difference £	Difference %
Mean	£18.04	£18.83	-0.79	-4.38%
Median	£14.31	£16.86	-2.55	-17.8%

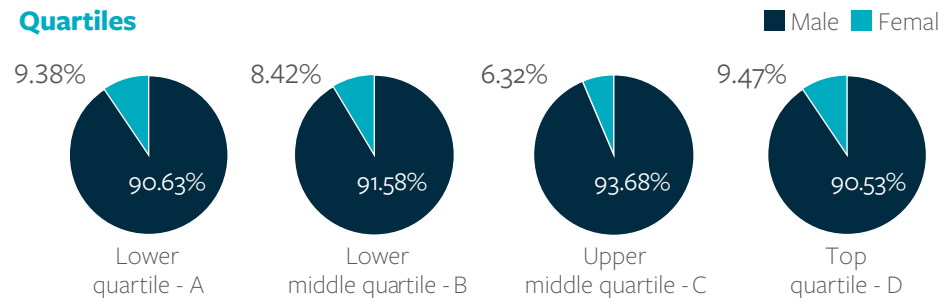
Bonus



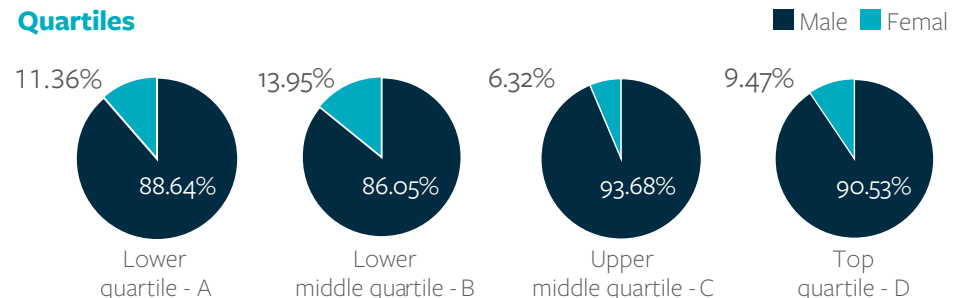
Bonus



Quartiles



Quartiles



The information that must be published is based on the number of employees as at 5th April 2022. The total number of relevant employees for this period is 402 while the number of full-pay relevant employees is 381. As per the reporting requirements employees on leave who are receiving less than full pay are excluded.

Other considerations

Our analysis demonstrates that the pay gaps that exist be it positive or negative, are there due to the structure of our workforce. We have seen an increase in female representation in each of the quartiles apart from one, our female colleagues tend to be concentrated in technical and higher paid professional specialisms across our organisation.

The manufacturing sector does have a higher propensity of shift working, and our manufacturing sites work shifts of varying patterns. While there are no specific occupational reasons for male dominance in traditional manufacturing roles, there is very little flexibility in terms of working hours and this is particularly challenging for those with childcare responsibilities, which may be one reason for the disparity in male and females in the lower quartiles.

Historical reduction in workforce numbers is due to a Global demerger in 2020.

Our pay award philosophy by design is based on pay for performance and equality of opportunity for the same job responsibility. However, gender pay equality is just one aspect of our drive to ensure that our workforce is a truly engaging and inclusive one.



How we make a difference

Arconic is committed to grow stronger together. We cultivate an inclusive and diverse culture that advocates for equity.

- At Arconic, we take pride in our work and our innovative products and technologies that advance sustainable solutions for a better world. We strive to create a safe, inclusive and collaborative workplace with competitive benefits, development opportunities and a culture that values and rewards employees on all levels of the organization. This is Arconic's Employee Promise, which we introduced in 2022 following a comprehensive review of feedback received from employees across the company.
- Arconic has joined the United Nations Women's Empowerment Principles (WEPs) which will further strengthen our efforts to build a culture focused on diversity, equity, and inclusion. Our CEO signed a CEO Statement of Support signifying our commitment to the WEPs at the highest levels of the company and to work collaboratively in networks to foster business practices that empower women.
- Arconic's CEO has signed the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. Nearly 2,000 CEOs across 85 industries are part of this initiative, which centres around four main pledge commitments including:
 - cultivating trusting workplaces that can have complex, and sometimes difficult conversations;
 - implementing or expanding unconscious bias education;
 - best and unsuccessful practice sharing and;
 - creating and sharing strategic inclusion and diversity plans with the board of directors.
- We aim to grow our talent pipeline through female apprentices and graduates, focusing our employer branding to appeal to all.
- We aim for even gender diversity among candidates for all our professional level roles.
- We encourage career progression for all employees and have set a target of increasing our percentage of salaried women to 35% by 2030.
- We reward our people based on both their performance and individual contribution.
- We continue to build a workplace which is fair and equitable.
- We promote Employee Resource Groups (ERGs) within our organization to ensure everyone has a voice. Our 'Thrive' network in particular is focusing on shaping the future for women in Arconic, strengthening global networks and promoting inclusion and gender equity both through female as well as male members.
- We encourage more young females to embrace careers in science, technology, engineering and mathematics (STEM), continuing closely working with schools, universities and youth organisations through our community activities and grants of Arconic Foundation, an independently endowed U.S. 501(c)(3) private foundation.
- We train our leaders in the importance of inclusion and in particular their roles as Allies in supporting women in the workplace.

Final thoughts

We are dedicated to maintaining a work environment where everyone feels valued, and we celebrate the differences and similarities among our people. We also believe that diversity in all areas is essential to the foundation of a strong company.

We confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

J. Wallace

Jim Wallace

Arconic Corporation (GB) Ltd

**CEO ACTION FOR
DIVERSITY & INCLUSION**

thrive
ARCONIC WOMEN'S NETWORK

GROW TOGETHER
ARCONIC INCLUSION AND DIVERSITY

ARCONIC

We build together.
We grow together.
We are Arconic.

**ARCONIC
FOUNDATION**