

Arconic UK Gender Pay Gap Report 2023



Real people. Real equity is in our sights.

At Arconic, we are dedicated to promoting a working environment where all employees know they belong and their contributions are truly valued, recognized, and rewarded. We believe that diversity in all areas leads to more innovative solutions and drives better decision-making outcomes.

We have added more focus on gender equity to further empower and engage the women in our company and communities where we operate. As part of our efforts to strengthen our global commitment to gender equality, in 2022, Arconic joined the United Nations Women’s Empowerment Principles (WEPs) which further strengthen our efforts to instil a culture focused on diversity, equity and inclusion (DEI). The percentage of salaried women at Arconic reached 31% in 2022, which is high for companies in our industry. We’re making real progress and we aim to go further.

Fostering this environment is essential to the foundation of Arconic, and we continue to encourage employees to take actions that contribute to the integration of DEI into our overall business strategy. As part of our efforts, employees are supported to bring their whole self to work and to engage with our Employee Resource Groups (ERGs). Our women’s focused ERG **Thrive** in particular, is focusing on shaping the future for women at Arconic, strengthening global networks and promoting inclusion and gender equity.

In 2023, we set a goal to increase the percentage of salaried women in our workforce to 35% as part of our 2030 Sustainability Roadmap.

Our strategy to reach this goal is focused on strengthening our diversity recruiting initiatives and further integrating equity and transparency into our talent development policies and processes.

Through our DEI goals and Thrive, we stay committed to engaging and acting on the WEPs to ensure women at Arconic are empowered and supported to reach their goals.

Real World Sustainability.

It won't happen overnight. In fact, in some areas, it may take us some time, but our commitment is genuine. A dedication to achieving our sustainability goals that we're bringing to four key areas:

- Our planet.
- Our products.
- Our people.
- Our process.

A 2030 roadmap built on seven of the UN Sustainable Development Goals most relevant to our business and our industry.

Real goals that are driving real achievements.

What is the gender pay gap?

The gender pay gap measures 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 affected 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 information for all our Arconic UK businesses in addition to the one we are legally required to report on to give a clear and transparent view on the gap that exists within our UK business.

We 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 they include:

Pay as stated in the regulations as of 5th April 2023

- 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 2023)

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

Our commitment to reducing the gender pay gap:

While we have recovered from the impacts of the Global Pandemic, we continue to feel the economic pressures of Brexit and the war in Ukraine. As an energy intensive organisation, the cost of energy on our profit margins has been phenomenal and our teams have worked hard to look for creative ways to manufacture our products maximising productivity and operational efficiency.

As we set energy efficiency improvement goals, it is our people who make a real impact. We drive business value by attracting, retaining, and developing an inclusive and diverse workforce with equitable opportunities for success. We have included gender equity in our 2030 Sustainability Goals and conducting regular pay equity analysis is a part of pursuit.

Following on from our report last year our pay gap is on average (mean) -5.56%. 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 and professional 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.

Combined Arconic UK data

Pay

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



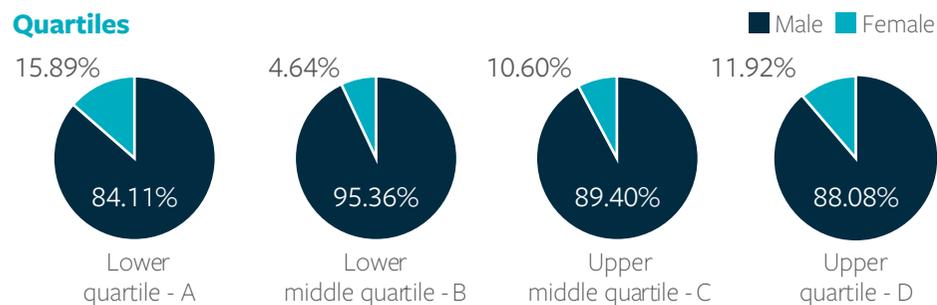
	Mean	Median
Hourly Pay	-5.56%	-5.81%
Difference	-£1.14	-£1.04

Bonus % of male and female population in receipt of a bonus.



Bonus	Mean	Median
Difference	-50.85%	-0.02%
Difference	-£989.95	-£0.23

Quartiles



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.

UK Mean (ONS data)

	Pay Gap
UK Mean	14.3%
Arconic UK Mean	-5.56%
Arconic UK Median	-5.81%

Combined Arconic UK mean Gender Pay Gap by quartile

Arconic UK*	ALL	Mean Hourly Rate	Male	Mean Hourly Rate	Female	Mean Hourly Rate	Mean Gender Pay Gap	
							Difference £	Difference %
Lower Quartile - A	151	£ 13.80	127	£13.80	24	£13.82	-£ 0.02	-0.12%
Lower Middle - B	151	£ 17.29	144	£17.29	7	£17.18	£ 0.11	0.65%
Upper Middle - C	151	£ 19.73	135	£19.67	16	£20.26	-£ 0.59	-3.02%
Upper - D	151	£ 31.61	133	£31.16	18	£34.98	-£ 3.82	-12.25%
All Employees	604	£20.61	539	£20.49	65	£21.62	-£ 1.14	-5.56%

* The information that must be published is based on the number of employees as of 5th April 2023. The total number of relevant employees for this period is 645 while the number of full-pay relevant employees is 604. As per the reporting requirements, employees on leave who are receiving less than full pay are excluded.

Understanding the gap

The composition of the workforce and the distribution across the quartiles are significant contributors to the Mean gender pay gap of -£1.14. The workforce of Arconic is predominantly male with women accounting for 10.76% of our total workforce. Women are over-represented in the Upper Quartile, meaning that women in the Upper Quartile are earning more, with a mean % pay gap of -12.25%.

The differences in mean pay are due mainly to the distribution patterns within the organisation.

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 pay gap. Bonus is significantly influenced by the Business Unit's financial performance each year and payments vary across our company; most bonuses are paid as a percentage of salary.

The GAP in simple terms

Based on the median / middle point For every £1.00 that male employees earn, female employees earn £1.06.



Arconic Manufacturing (GB) Ltd figures.

Arconic currently owns and operates two locations across the UK

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

and is reporting data on the following legal entity:

- Arconic Manufacturing (GB) Ltd**
 (Kitts Green, Rolled Products, Resource Units / Corporate functions)

Arconic Manufacturing (GB) Ltd

Pay

Pay	Male	Female	Difference £	Difference %
Mean	£20.60	£22.42	-1.82	-8.84%
Median	£18.02	£18.50	-0.48	-2.63%

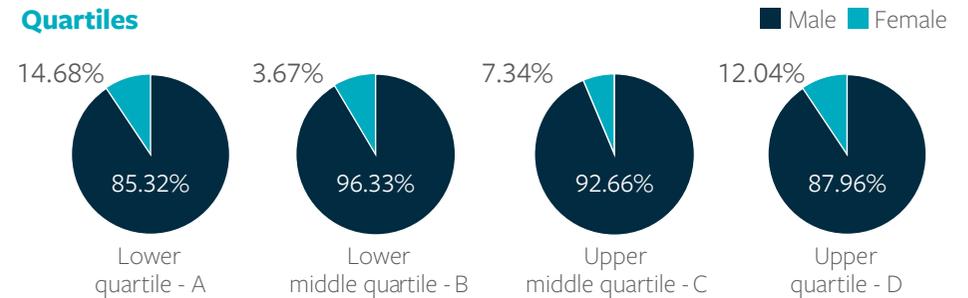
Bonus



Bonus	Male	Female	Difference £	Difference %
Mean	£1,767.94	£2,714.58	-£946.64	-53.54%
Median	£999.63	£999.86	-£0.23	-0.02%



Quartiles



* The information that must be published is based on the number of employees as of 5th April 2023. The total number of relevant employees for this period is 453 while the number of full-pay relevant employees is 435. As per the reporting requirements, employees on leave who are receiving less than full pay are excluded.

Other considerations

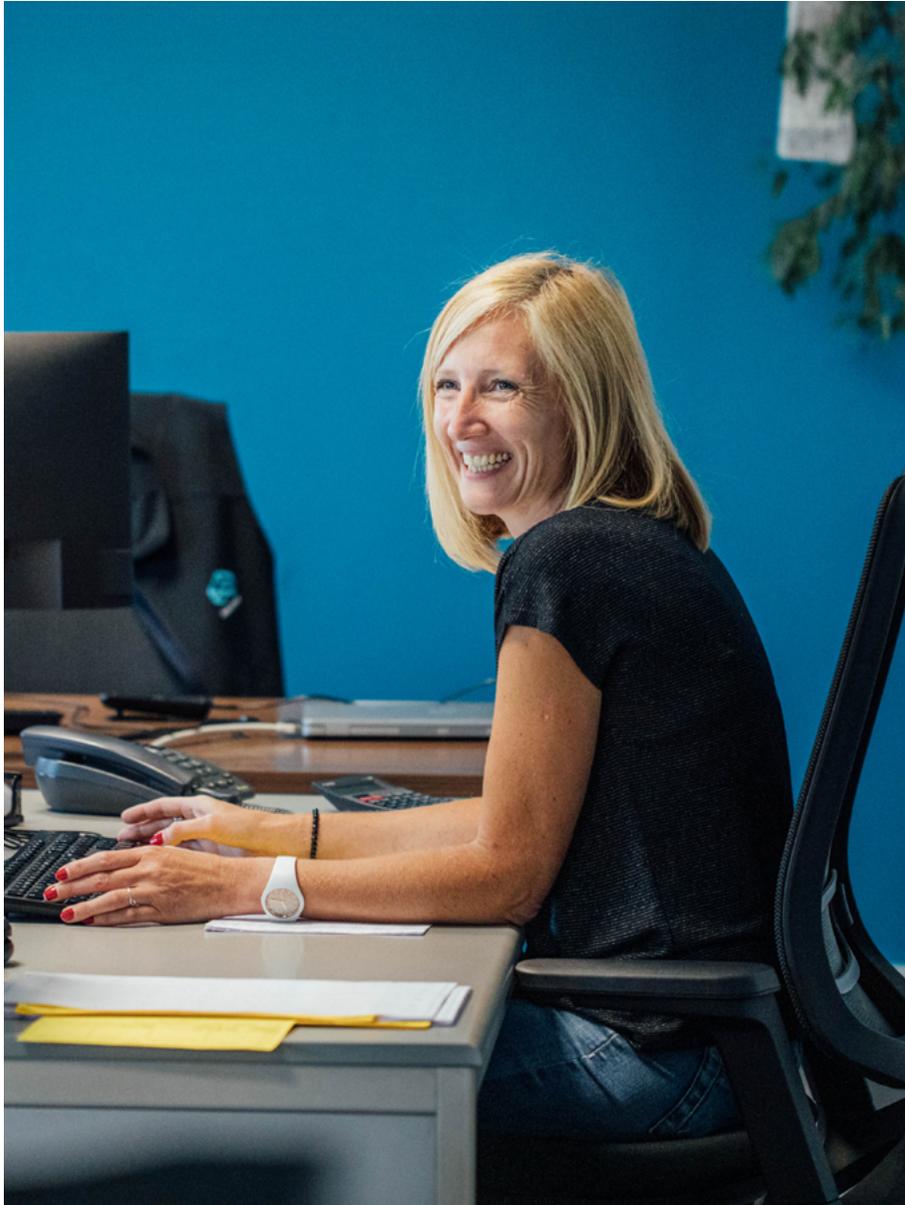
Our analysis demonstrates that the pay gaps that exist be it positive or negative, exist due to the structure of our workforce. We continue to see year on year increases in female representation at Arconic Manufacturing (GB) Ltd. This increase is significant for 2023 in the Lower Quartile - A and Upper Quartile - D. Our female colleagues tend to be concentrated in technical and higher paid professional specialized roles across our organisation.

Year on Year comparison

Quartiles	Male		Female	
	2022	2023	2022	2023
Lower - A	90.63%	85.32%	9.38%	14.68%
Lower Middle - B	91.58%	96.33%	8.42%	3.67%
Upper Middle - C	93.68%	92.66%	6.32%	7.34%
Upper - D	90.53%	87.96%	9.47%	12.04%

The problem for female participation in manufacturing is a systemic one, which is highlighted through research such as the 2023 Cambridge Industrial Innovation Policy report into the barriers to inclusion for women in manufacturing. They have shown that though women represent almost half of the labour force in the UK, they account for just **26% of all workers in the manufacturing sector**. Furthermore, the report goes on to suggest that traditional gendered division of labour persists in manufacturing industries. Men mostly dominate the automotive industry, while the pharmaceuticals, textiles, and apparel industries have a more equal representation of both genders.

At Arconic, we are challenging ourselves every day to make the right decisions for our business and our colleagues to ensure that we have an environment that will attract and retain the best talent regardless of their gender. 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.



Driving Diversity of Thought.

Our people make a real impact. We drive business value by attracting, retaining, and developing an inclusive and diverse workforce with equitable opportunities for success. Being part of an industry that has historically low levels of women representation, we highly value gender diversity and work to make sure that women are empowered to thrive in our workplace and across our value chain.

- We continue to participate in the United Nations Global Compact (UNGC) Target Gender Equality Accelerator initiative and joined the force of over 3,000 corporate signatories who pledged to the United Nations Women's Empowerment Principles (WEPs) to advance gender equality.
- In 2022, Arconic signed the CEO Action for Diversity & Inclusion™ pledge, making a commitment to advance diversity and inclusion in the workplace.
- 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 reward our people based on both their performance and individual contribution.
- We continue to build a workplace which is fair and equitable.
- We encourage more young females to embrace careers in science, technology, engineering, and mathematics (STEM), continuing working closely with schools, universities and youth organizations through our community activities and grants from 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.
- In support of our women recruiting initiatives and to provide candidates with an inside look at careers at the company, we launched a "Women of Arconic" social media campaign in 2023. The campaign showcases our women workforce where employees share testimonials on leadership, career growth, mentorship, DEI, and more.

Arconic Manufacturing (GB) Ltd. How We Make a Difference

Arconic Manufacturing (GB) Ltd has been re-confirmed at the **Gold level accreditation standard by Investors in People (IIP)**, a UK organization that advises and assesses employers using IIP's framework, focusing on employee engagement, development, communication, organizational culture, and work practices.

Arconic Manufacturing (GB) Ltd has been recognised as an Investor in People since 2012, attaining and maintaining the Gold Level of accreditation since 2018, steadily proving its high standards of engaging employees across the organization. As noted by the auditors, "the plant leadership invests in its people by providing learning and development opportunities that supported many people to progress in their careers and fulfil their potential."

The employees' quantitative and qualitative feedback is a part of the assessment process. It shows that the Kitts Green's survey score is higher than the average for the Manufacturing sector and the We Invest in People benchmarks.

INVESTORS IN PEOPLE®
We invest in people Gold

I 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 **ACT!ON** 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