



Gender Pay Gap

2023 Report



Scientist



Application Engineer



Site Leader



HR Manager



Finance Director



Office Manager

Gender pay gap report – 2023

Recruiting and retaining the best people from the widest possible talent pool is a priority at Morgan Advanced Materials, and that is why our gender diversity matters.

What is the 'gender pay gap'

A gender pay gap is 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 as a whole. It can be driven by the different number of men and women across all roles.

One of the main reasons for the gender pay gap in our society is that despite significant progress, men are still more likely to be in senior job roles.

There is an important distinction between gender pay gap reporting, which relates to pay averages across the organisation, and the concept of 'equal pay', which refers to individual male and female employees being paid equally for doing the same job at the same level.

From 5 April 2017, employers in the UK with a headcount of 250+ were obliged to publish annually, certain information relating to the salaries and bonuses paid to their male staff members as compared to their female staff members.

How are the median and mean pay gaps calculated?

Using the calculations set out in the gender pay gap reporting regulations, we have taken pay data

from our Technical Ceramics legal entity, which includes many different roles, with a variety of rates of pay.

Imagine a situation where all our female employees stood next to each other in one line in order of lowest hourly rate of pay to highest. Then imagine the same situation where all our male employees did the same.

The median gender pay gap is the difference in pay between the female employees in the middle of their line and the male employees in the middle of their line.

The other measure is the mean gender pay gap, which shows the difference in average hourly rate of pay between men and women. This is also affected by the numbers of men and women in different roles.

These median and mean calculations are also carried out when comparing bonus pay over a twelve-month period.

We also share the percentage of men and women in each pay quartile. Quartiles are calculated by listing the rates of pay for each employee across the business from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each.

The data presented has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap

Information Regulations 2017) and is an accurate reflection of our Morgan Technical Ceramics UK entity.

Understanding our pay gap

In 2023, the average gender pay gap for our UK workforce was 18.9% (2022 : 21.6%).

Our gender pay gap exists because a greater proportion of our senior leadership is male and compared to last year our gap has decreased.

We have set ourselves a target that 40% of our leadership population will be female by 2030 across Morgan.

Key insights

The analysis continues to indicate that the gender pay gap is not caused by pay inequality in terms of pay rates for the same role, and is due to a greater proportion of our senior leadership population being male.

The mean (18.9%) and median (17.5%) hourly pay gaps have decreased when comparing 2023 vs. 2022.

For the total UK population both the hourly mean (15.3%) and median (16.4%) pay gaps have decreased for 2023. The decreased mean gap is contributed to by the Executive Directors' 2022 bonus outcomes being lower than Executive Director 2021 bonus outcomes, and lower than senior female 2022 bonus outcomes.

The total UK population has a slightly lower mean and median pay gap than the Technical Ceramics legal entity.

The quartile data shows an increased proportion of male employees in the lower (51.6%) and decreased proportion in the upper middle (67.1%) quartiles, which is an improvement. However, there is also a slightly increased proportion of males in the upper (85.7%) and decreased proportion in the lower middle (54.2%) quartile.

The pay quartiles data continues to provide clear evidence that there are more men in senior roles, and this is the key factor affecting the results.

The picture is better overall when looking at the total UK population, where 72.9% of the upper quartile and 58.6% of the lower middle quartile is male.

The mean bonus pay gap (27.9%) has decreased since last year and the median bonus pay gap (-33.3%) has widened in favour of women.

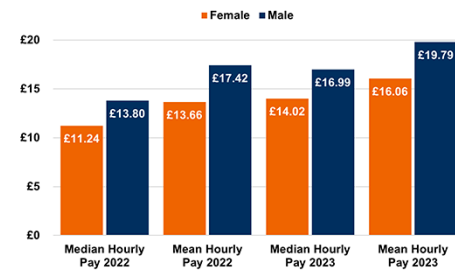
This is mainly due to the fact that a large number of employees received a 'flat rate' bonus value based on their site's performance, and a larger proportion of females worked at the site with the higher of two bonus outcomes.

The mean (7.67%) bonus gap for the total UK population is lower than that of the Technical Ceramics entity, however the median (36.71%) is higher. The mean gap for the total UK population has significantly decreased since last year – a contributory impact has been made by the Executive Director bonus outcomes being proportionally lower than those of senior females.

The proportion of employees receiving a bonus has decreased for both males (37.65%) and females (33.06%) compared to last year; much of this is as a result of a high number of new starters across both genders who started after 1 October and therefore were not eligible for a bonus payment.

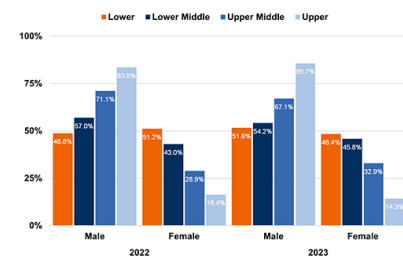
Compared to the Technical Ceramics entity, the total UK population has higher proportions receiving bonus for both males and females (50.8% and 45.65% respectively), again with the higher proportion being male.

Median and mean pay



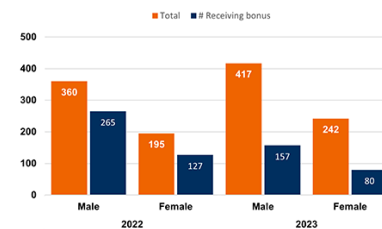
Female	£11.24	£13.66	£14.02	£16.06
Male	£13.80	£17.42	£16.99	£19.79
Gender Gap	18.6%	21.6%	17.5%	18.9%

Pay quartiles



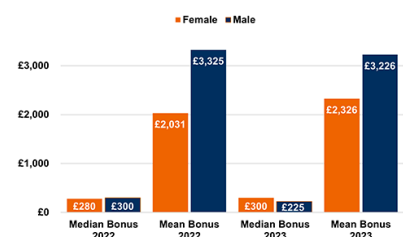
	Male	Female	Male	Female
Lower	48.8%	51.2%	51.6%	48.4%
Lower Middle	57.0%	43.0%	54.2%	45.8%
Upper Middle	71.1%	28.9%	67.1%	32.9%
Upper	83.6%	16.4%	85.7%	14.3%

Bonus eligibility



	Male	Female	Male	Female
Total	360	195	417	242
# Receiving bonus	265	127	157	80
% Receiving bonus	73.61%	65.13%	37.65%	33.06%

Bonus amount



Female	£280	£2,031	£300	£2,326
Male	£300	£3,325	£225	£3,226
Gender Gap	6.7%	38.9%	-33.3%	27.9%

WORKFORCE BY GENDER MEMBERS AS AT 31 DECEMBER 2023

MALE		ALL LEADERS		FEMALE		ALL LEADERS	
BOARD	4 MALE 57% (2022: 57%)	296 MALE 70% (2022: 71%)	BOARD	3 FEMALE 43% (2022: 43%)	128 FEMALE 30% (2022: 29%)		
EXECUTIVE COMMITTEE	6 MALE 67% (2022: 70%)	5,798 MALE 67% (2022: 66%)	EXECUTIVE COMMITTEE	3 FEMALE 33% (2022: 30%)	2,896 FEMALE 33% (2022: 34%)		
SENIOR LEADERS	66 MALE 74% (2022: 74%)		SENIOR LEADERS	23 FEMALE 26% (2022: 26%)			

During 2023, Morgan met the board diversity targets set out in the Financial Conduct Authority's Listing Rules: Our Board composition was 43% female, and the role of Senior Independent Director was held by a woman. Our 2030 target is for 40% female representation across our leadership population.

What actions have we taken?

Gender diversity remains a focus and we continue to take action to achieve a more balanced proportion of women in senior positions.

We ensure that our candidate lists are diverse and have a more inclusive approach using assessment to inform decision making.

Diverse talent is reviewed during talent discussions at Board, executive, business unit and functional levels.

We promote female careers via social media and take gender into consideration when selecting participants for our development programmes.

We continued to roll out our license to recruit programme, supporting our hiring managers through

inclusion training.

In addition we are developing more inclusive language for our job adverts, especially female friendly language.

In 2023, we continued to build upon the successful launch of our Women@Morgan employee resource group. We opened up several new chapters including in China.

The global group brought us informative talks on topics such as menopause, while the UK chapter hosted a session on the UK gender pension gap.

In March we saw everyone come together to highlight the amazing contribution of women at Morgan, as part of celebrations linked to International Women's Day.

To support the next generation of female leaders at Morgan we also

ran a pilot female mentoring programme in one of our global business units. After very positive feedback we hope to widen the participation of this to more women across the whole Group.

We supported our employees by asking them what would help them to progress further within the organisation. This led to the harmonisation of parental leave across all UK sites.

Our 'Your Voice' employee engagement survey also revealed a high score for work-life balance.

And finally, we have created a new employer brand that features real Morgan people. This is opening up our culture to the communities we serve, so they can see what it is like to work for Morgan.

Our next steps

We are committed to making year-on-year progress to reduce our gender pay gap.

Our strategic priority of 'big positive difference' commits us to achieving 40% of women in leadership by 2030.

Our commitment starts with our Board but is also a goal shared across our organisation.

We are taking the necessary steps to support women at Morgan and close the gender pay gap.

We want to provide a safe, fair, and inclusive workplace, so that people want to work for us and with us. Overall this supports our purpose to 'improve the quality of life'.

We have priority focus areas for 2024 and beyond:

- We are focused on the whole pipeline. Our entry level employees are the future leaders and managers of tomorrow and getting the gender balance right at this level will support our future goals.
- We are offering more targeted support to our female leaders including female centered leadership programmes.
- We are listening to the feedback of our women through Women@Morgan and from our employee survey, so we can truly understand what will make Morgan an even better place to work for women.
- You'll see us at more female centered careers events like 'Her Career' in Germany. We're passionate about woman in STEM and events like this help us to show how fantastic a career in this area can be.
- We are opening up more chapters of Women@Morgan, for example in Korea.
- In the US we have become members of the Society of Women Engineers.

"Diversity, inclusion and belonging matter - they are imperative for Morgan and make a difference to employees.

There is lots more we can and will be doing at Morgan, and I look forward to reaching our target of 40% of our leadership population being female by 2030."

Pete Raby

CEO
Morgan Advanced Materials

Useful resources

ACAS guidance on Gender Pay Gap Reporting provides a full description of the reporting requirements, the distinction between Gender Pay Reporting and equal pay and links to useful communication materials: www.acas.org.uk/genderpay.

The Women's Business Council provides some helpful resources to help improve gender diversity: www.womensbusinesscouncil.co.uk/toolkits.

The UK's leading charity campaigning for gender equality and women's rights: www.fawcettsociety.org.uk.