



UK Gender Pay Report

5th April 2023



Reaction
Engines



At **Reaction Engines** making a difference runs through to our core. Whether improving performance in motorsport, converting waste heat into renewable energy, or supporting more sustainable aviation, we know we cannot achieve any of it without a team of truly innovative minds. We are a business powered by our people and it is imperative that we create an environment where everyone thrives.

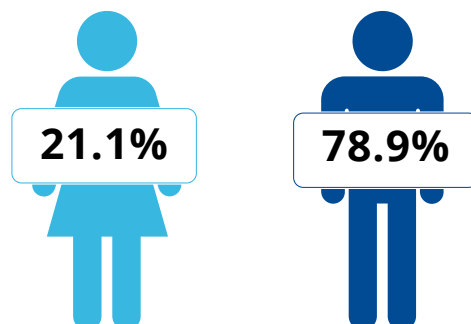
We are proud of the open and inclusive culture we have created and continue to invest in increasing our awareness, advocating for equality of opportunity, and championing diversity. This is not tokenism or a tick box exercise, we take the time to listen to understand, and aspire for meaningful action.

Whilst legislation requires UK companies of 250 or more employees to publish an annual gender pay gap report, we very much believe in transparency, which is why, for the second year running, we have elected to voluntarily disclose our gender pay gap data.

The Gender Pay Gap is the difference in the average hourly pay of relevant UK men and women employees across the organisation, expressed as a percentage of men's earnings.

Our data is based upon the snapshot date of the **05 April 2023**.

On the 5th April 2023, Reaction Engines recorded **247** employees.



Distribution of all UK employees across pay quartiles.

	2022	2023
Lower hourly pay quartile	29.2%	29%
Lower middle hourly pay quartile	14.6%	17.7%
Upper middle hourly pay quartile	18.8%	17.7%
Upper hourly pay quartile	22.9%	19.7%

We are focusing our efforts on attracting women to 'core and related' technical roles as well as increasing the overall diversity across the organisation.

We are already seeing encouraging results with 18.6% of our 'core and related' engineering roles' occupied by women, which is **6.1% above the UK average reported by EngineeringUK.**

Women represent **21.1%** of our UK employees, with the highest proportion in the lower and upper hourly pay quartiles. This is due to a higher number of women in support function and managerial / leadership roles. Women are the least represented in the middle two quartiles, which are largely dominated by technical roles however; we are pleased to report a **3.1% increase** from our 2022 data in the lower middle quartile.



The Gender Pay Gap.

The Gender Pay Gap is not the same as equal pay. Equal pay is the legal requirement that men and women employed at the same company, performing the same role, or work of equal value, receive the same pay. The Gender Pay Gap shows the difference in the average earnings of men and women across the entire organisation. At Reaction Engines, we review and analyse our employee pay to ensure men and women are treated equally when performing the same role and are confident we do not have an equal pay issue.

The **Gender Pay Gap** is displayed as a **mean** and a **median** figure.

The **mean** is calculated by taking the average hourly earnings of all UK relevant employees in the organisation, comparing the difference between the average hourly pay for men and the average hourly pay for women.

The **median** is calculated by taking the midpoint figure when pay is arranged in order from lowest to highest. The median gender pay gap is the difference between the midpoint figure for all women's hourly pay and the midpoint figure for all men's hourly pay.

Salary Sacrifice.

This report has been compiled in accordance with the Government's reporting guidance using **post salary sacrifice** pay data for all UK relevant employees. To support the financial wellbeing of our people, Reaction Engines introduced a salary sacrifice pension scheme in the autumn of 2022 and as a result, we have seen an increase in our 2023 Gender Pay Gap. We know that addressing the **Gender Pension Gap**^{*}, is one of the many reasons women may be more likely to sacrifice a greater percentage of their salary. We also know that salary sacrifice is not the preferred method for all employees and as such, has skewed the outcome data.

***The Gender Pension Gap** is the percentage difference between men's and women's pensions. It begins at the very start of a woman's career and is affected further by career breaks and part-time working.



Our Gender Pay Gap.

	2023		
	2022	Pre Salary Sacrifice	Post Salary Sacrifice
Mean gender pay gap	9.6%	6.7%	12.7%
Median gender pay gap	7.8%	5.3%	10.9%

According to the ONS, the **UK's 2023 median Gender Pay Gap was 14.3%**.

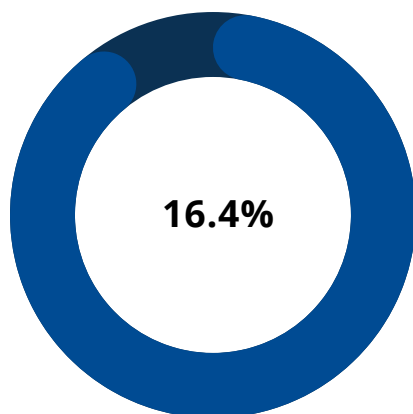
3.4% greater than ours at 10.9%.

When analysing our **pre salary sacrifice** pay data, and comparing this with our 2022 report, we are pleased to report a **reduction in our mean GPG of 2.9%** and a **reduction in our median GPG of 2.5%**.

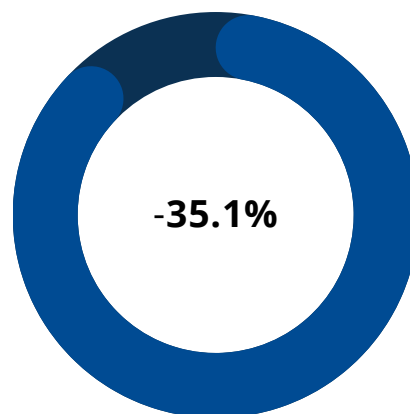
The Bonus Gender Pay Gap.

Of the eligible employees to receive a bonus payment during this pay period, **100% of both men and women** received a bonus payment.

Mean Bonus Pay Gap



Median Bonus Pay Gap



When using the median, women at Reaction Engines were paid **35.1% more** in bonus pay than men. There is no equivalent 2022 data to enable a comparison.

Equity, Diversity, and Inclusion (ED&I) at Reaction Engines.

In 2022, we set a target to reach **30% minority gender representation by 2030**. We remain committed to reaching our 2030 ED&I goals and closing the gender pay gap. We do, however, recognise the challenges associated with attracting diverse talent in our industry and are grateful for the support of our specialist partners who continue to work hard to challenge perceptions.

What have we done?

At Reaction Engines, we believe in **allyship**, striving to ensure that the actions we take genuinely make a difference and continue to improve the working experiences of our people. For this reason, our ED&I action plan is constantly evolving based on the data we have and the lived experiences of our people.

2023 was the first full year of our long-term ED&I strategy and for us, it was important to listen and learn. Through internal and external focus groups, our annual employee engagement survey, to which we had an 87% response rate, active engagement and empowerment groups, our CEO listening circles, and internal mentoring and coaching, we have worked hard on creating an environment where our people feel safe to speak up.

These learnings played a vital role in the design of our ED&I training, including our **mandatory** companywide eLearning series illustrating the **importance of allyship**, the **risks of unconscious bias**, and the **power of inclusive meetings**.

Believing in the power of storytelling, we have now published six employee-led quarterly ED&I newsletters and have an active intranet sharing lived experience stories, videos, articles, and podcasts designed to increase our cultural competency, and build empathy.

“At Reaction Engines we are very proud of our open and inclusive culture. Our ED&I newsletter has been a fantastic enabler of this, uniting cultures, offering unique insights, and building empathy amongst colleagues”

- Lisa Rudzki, Chief People Officer



Our **9-day fortnight trial** introduced in January 2023 was a huge success and is now our default working pattern. The benefits have been far reaching and invaluable to many.

“The new 9-day-fortnight working pattern has enabled me to pursue my hobbies and interests and I now use these Fridays off to pursue a volunteering role again which brings me a lot of joy and fulfilment. Overall this working pattern serves to greatly improve my mental health”

- Ruta Marcinkeviciute, *Systems Architecture Engineer*

Recruitment.

In 2023, Reaction Engines took targeted action by partnering with **STEM Returners** and in January 2024, we welcomed our first Returner cohort to the business.



We continue to make improvements in our approach to attracting and screening talent, being much more deliberate in our intent to hire outside of the traditional working patterns, and really challenging ourselves on the requirements. In 2023, we also introduced a new applicant tracking system with greater data capture capabilities enabling us to identify hiring trends much earlier in the process.

We are already seeing encouraging results with the overall percentage of women across the UK business reaching **21.5% in December 2023** (a 0.4% increase from April 2023) and **57.1% of our graduate roles** occupied by women.

STEM outreach.

Reaction Engines continues to be very committed to STEM outreach, with colleagues having participated in over **15 events** throughout 2023. We are proud to sponsor **two Arkwright Scholars** and last year, supported a team of college students through their **Gold Cadets award** with the **Engineering Development Trust**.

2024 and beyond.

Having taken the time to get to know our people, 2024 is about acting upon our learnings. We intend to move our training from self-guided eLearning to face to face closed group workshops, creating safe spaces to discuss key themes such as **inclusive language** and **microaggressions**.

Our **Women's** and **Parents and Carers focus groups** will become support networks, providing an opportunity to discuss community specific topics.

Work has already started on reviewing our progression process to ensure equality of opportunity and we intend to conduct a full cultural audit to ensure no individual is disadvantaged, whether through our policies, processes, or benefits.

When it comes to STEM outreach, according to **EngineeringUK's 2022 report**, just **39% of parents** say they are confident giving their child advice about careers in engineering. To help tackle this, we will continue with our **'Influencing the Influencers'** outreach theme and have started working with leading social mobility charity, **The Sutton Trust**, on their **Pathways to Engineering programme**.

“ We are working hard to build a diverse and inclusive Company, where everyone feels equally valued and fulfilled. I see amazing people making a difference every day, invested not just in the Company's success but also the desire to make a positive, long term, impact on society ”

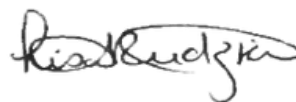
- Mark Thomas, CEO

All our work is supported by our ESG Steering Group and discussed with the ESG Committee and our Board on a regular basis.

We confirm the data reported is accurate.



Mark Thomas
Chief Executive Officer



Lisa Rudzki
HR Director

