


QINETIQ

# Gender Pay Gap Report

Published March 2018

The bottom half of the page features two large, overlapping geometric shapes. On the left is a magenta triangle pointing towards the center. On the right is a dark blue shape that fills the rest of the bottom half, creating a dynamic, abstract background.



**As part of the Government's commitment to tackle workplace discrimination, all UK companies with 250 or more employees are required to disclose their gender pay gap.**

This includes the comparison between mean and median hourly pay for all women and men within a business. It is different to equal pay, where QinetiQ is committed to ensuring that men and women doing the same or a similar job are paid the same.

**Message from our**

## Chief Executive Officer

We welcome the Government initiative on gender pay gap reporting and are fully committed to a diverse and inclusive QinetiQ; where our differences are not only embraced, but make us stronger.

To achieve this we have an Equality, Diversity & Inclusion strategy and programme. The aim of which is to ensure our ways of working enable everyone to contribute. We are focused on creating an environment where our people work together and learn from each other; enabling each of us to realise our full potential.

Our current mean gender pay gap is 17%. This is primarily driven by the proportion of men who have senior or technical roles which are generally better paid. We are committed to reducing this gap; not because we have to report on it, but because we believe it is the right thing to do. It is fundamental to creating an innovative, sustainable and high performing company.

We take the issues of gender and diversity seriously and I look forward to working with QinetiQ colleagues as we strive to deliver a more inclusive company.



**Steve Wadey**

## The QinetiQ gender pay gap

Data from the Office of National Statistics indicates that the gap in mean pay between men and women is 18.4%<sup>(i)</sup>.

Our gender pay gap (calculated as required by the legislation, see Appendix for an explanation of the terms) is as follows:

### Gender pay gap across all QinetiQ employees in the UK:

Mean	Median
17.0%	20.5%

### The bonus gender pay gap in QinetiQ is:

Mean	Median
24.5%	13.9%

this is because we have more women in junior roles with lower incentive opportunities.

### Proportion of UK employees in receipt of a bonus payment:

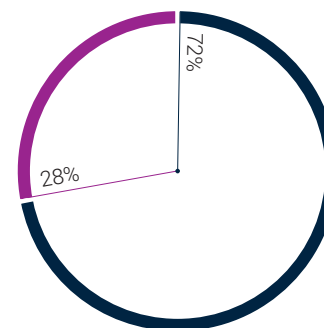
Men	Women
23.6%	28.0%

(i) calculated on a slightly different basis from the gender pay gap analysis, as it is the average weekly pay of women compared to men in the 2017 Annual Survey of Earnings and Hours.

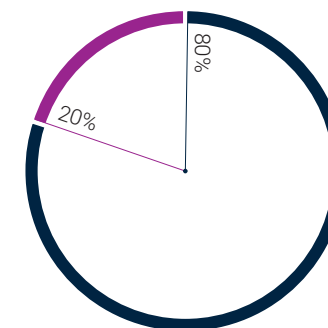
## The quartile pay distribution in QinetiQ is:

Quartile pay distribution is the proportion of men and women in each 25.0% (quartile) of our pay structure.

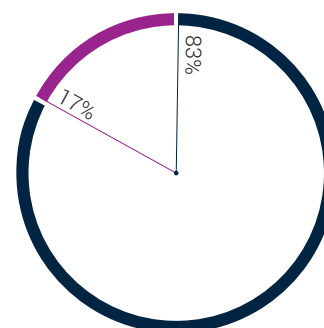
Lower quartile



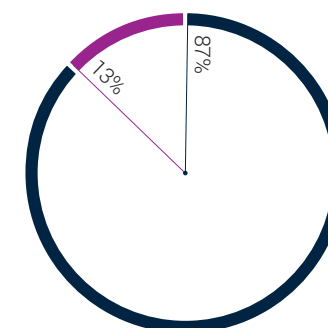
Lower middle quartile



Upper middle quartile



Upper quartile



● Male  
● Female

The quartile distributions show that we have more women in lower paid roles.

### **Why does QinetiQ have a gender pay gap?**

When we look at the salaries we pay our men and our women, the difference in mean and median pay is due primarily to our employee profile; more men being in senior, higher paid roles.

In QinetiQ, 19.6% of our UK population is female with 16.2% of senior management roles held by women.



In addition, there are roles across the UK employee base with a historical gender bias (for example science, technology, engineering and maths (STEM) roles), which is reflected in QinetiQ. Technical roles are generally better paid than some of the non-technical roles which have a higher proportion of women.



## What is QinetiQ doing to reduce the gender pay gap?

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Activities to reduce our gender pay gap form part of a wider Equality, Diversity & Inclusion programme where we have a number of measures in place:

### – Focusing on recruitment to ensure there is no bias:

- Training our interviewers.
- Gathering data to better understand diversity in the market and potential pipeline.
- Consider all new roles as 'part-time' as the default approach.

### – Encouraging more women into technical and engineering roles:

- Actively supporting campaigns such as International Women in Engineering Day (last year we were corporate sponsors), and the Wise ten steps. This is underpinned by our 'girls in STEM' working group which is driving a greater emphasis on gender in our outreach programmes.
- Supporter of Year of Engineering 2018, which actively encourages diversity.
- Member of The 5% Club (QinetiQ is the founding member) which is campaigning on diversity in 2018.

### – Improving training and awareness:

- This year we have focused on unconscious bias training for key roles.
- Introducing new Equality, Diversity & Inclusion mandatory training for all employees in the new financial year.
- Our programme for the next year will include new training for leaders.
- Reviewing our mentoring and affinity networks.

### – On-going programme of benchmarking:

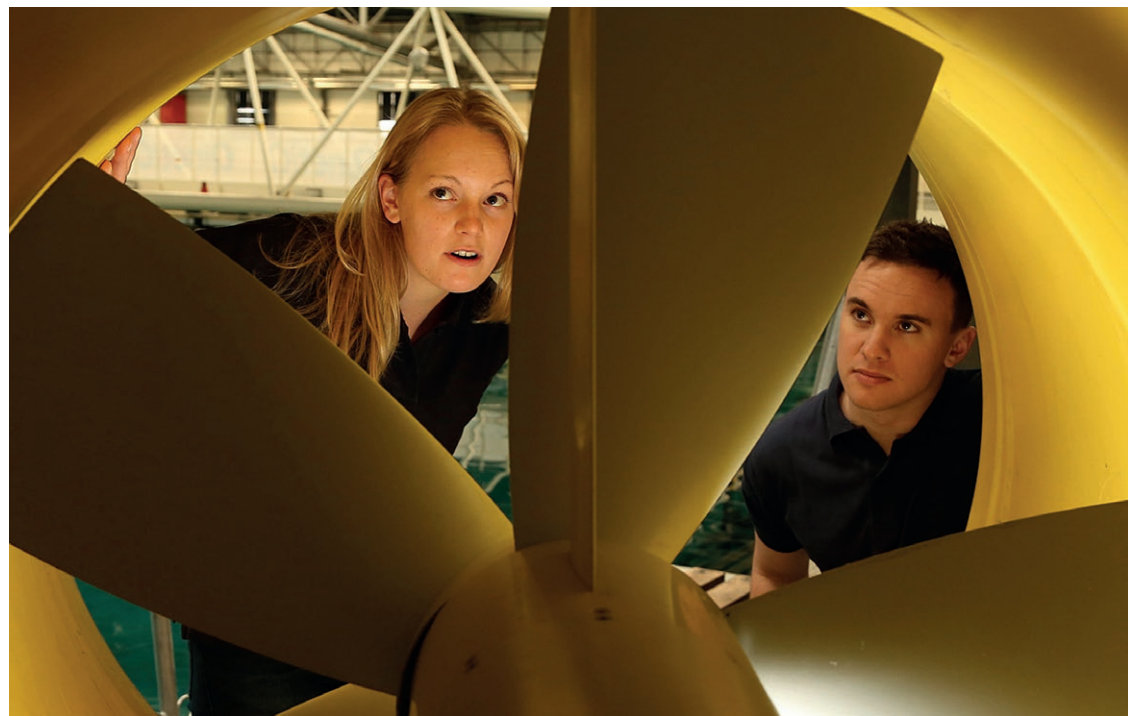
- Using formal tools and building relationships with customers and partners.
- Active participants in expert networks to share best practice.

This work sits under our Equality, Diversity & Inclusion Steering Group, chaired by our Group HR Director.

In last year's annual pay review, we targeted high performing colleagues who were paid below average. This resulted in the average pay market position for women improving in both a pure market analysis and in relation to male employees. This trend is likely to continue in 2018 and thereafter.

Our gender pay gap analysis provides a timely reminder of the importance of our Equality, Diversity & Inclusion programme.

We have a clear roadmap and desire to improve QinetiQ's position; enhancing business performance and creating a stronger company.



We recognise that some positive activities – such as attracting more women onto our graduate and apprentices programmes, which will increase the proportion of women on lower salaries at the start of their careers – may have a negative impact on our gender pay gap in the short-term.

However, this is clearly the right thing to do. We have seen an increase in the percentage of women joining our early careers programme during the last three years and are keen to progress this further.



## Appendix

# Gender pay gap Reporting Terms

The Gender Pay Gap is entirely different from equal pay, as it does not show differences in rates of pay for comparable jobs.

Figures account for employees who are full-time and part-time (on a full-time equivalent basis), not contractors.

The reporting applies to QinetiQ Ltd as the main UK employing entity.

Data provided is as of 5 April 2017 as specified by UK regulations. The bonus calculations are based on bonus/share payments made in the 12 months to 5 April 2017.

**The mean gender pay gap** is the difference between the mean (average) hourly pay rate for all men in our organisation, and the mean hourly pay rate for all women, expressed as a percentage of the mean hourly rate for men.

**The median gender pay gap** is the difference between the median (middle) value of hourly pay rates (when ordered from lowest to highest) for all men in our organisation, and the median value of hourly pay rates for all women, expressed as a percentage of the median hourly rate for men.

**The bonus gender pay gap** is the difference between the mean (average) value of bonuses for all men in our organisation and the mean value of bonuses for all women, expressed as a percentage of the mean bonus for men.

**Quartile pay distribution** is the proportion of men and women in each 25% (quartile) of our pay structure, calculated by taking all the hourly pay rates, from lowest to highest, for all men and women and dividing them into four equal sections of 25%: lower, lower middle, upper middle and upper.



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