

McLaren Gender Pay Gap Report 2018



18%
2018 UK GENDER
PAY GAP AVERAGE



In accordance with UK regulations, all companies with 250 or more employees at April 5 2017 are required to publish details of their gender pay gap.

The gender pay gap is a measure of the difference between the average hourly earnings of men and women.

In 2018 the gender pay gap in the UK was 18%, but varies significantly by sector.

The gender pay gap differs from equal pay. Equal pay deals with the pay difference between men and women who carry out the same or similar jobs but are being paid differently.

The gender pay gap shows the difference in the average pay, worked out on an hourly rate basis, between men and women, taking into account all jobs, at all levels and all salaries within an organisation.



OUR GENDER PAY GAP RESULTS

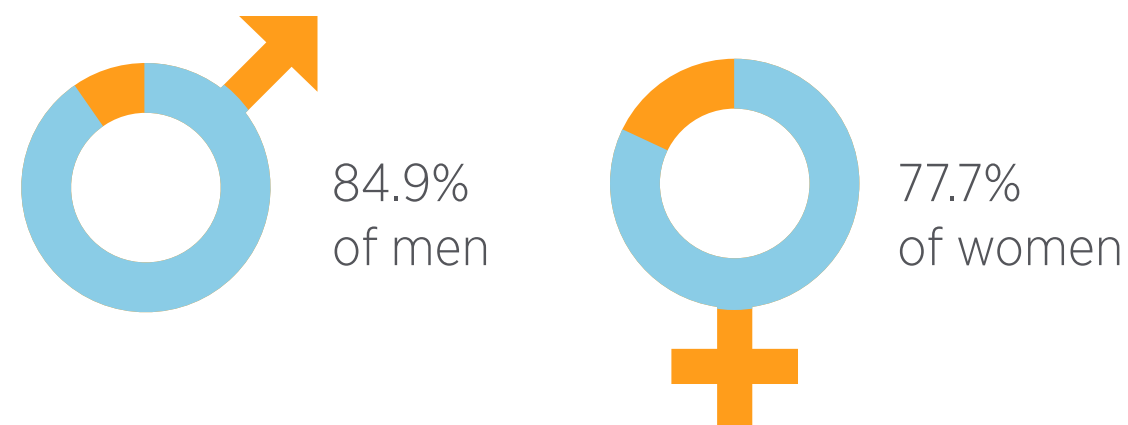
McLaren Group comprises three businesses required to report their gender pay gap results; McLaren Automotive Limited, McLaren Racing Limited and McLaren Applied Technologies Limited.

McLaren Automotive

Women's hourly rate	
MEAN	MEDIAN
4.4% lower	1.2% higher

Women's bonus pay	
MEAN	MEDIAN
19.4% lower	14.1% lower

Who received bonus pay



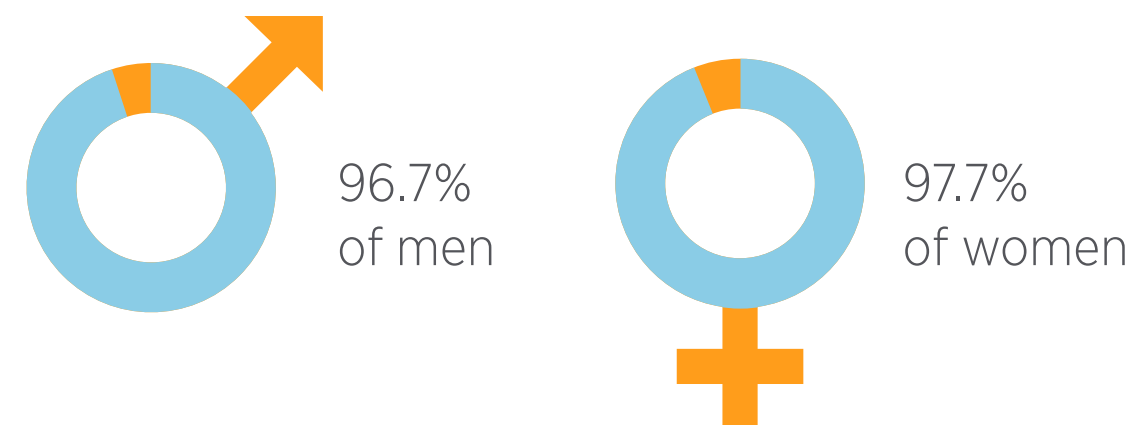
Proportion of employees in each pay quartile		
QUARTILE	MALE	FEMALE
Top	88%	12%
Upper middle	87%	13%
Lower middle	88%	12%
Lower	86%	14%

McLaren Racing

Women's hourly rate	
MEAN	MEDIAN
36.8% lower	29.7% lower

Women's bonus pay	
MEAN	MEDIAN
56.7% lower	0% lower

Who received bonus pay



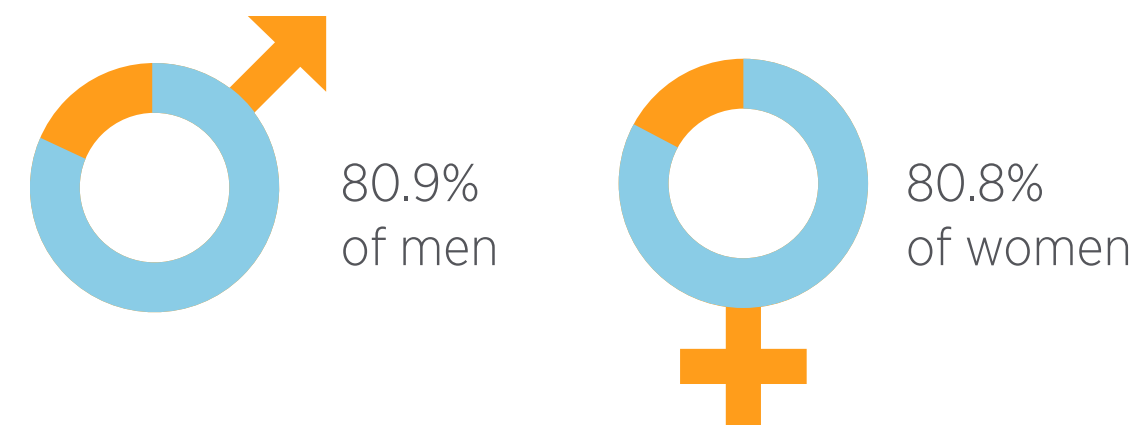
Proportion of employees in each pay quartile		
QUARTILE	MALE	FEMALE
Top	99%	1%
Upper middle	97%	3%
Lower middle	92%	8%
Lower	85%	15%

McLaren Applied Technologies

Women's hourly rate	
MEAN	MEDIAN
24.1% lower	24.8% lower

Women's bonus pay	
MEAN	MEDIAN
31.4% lower	35.3% lower

Who received bonus pay



Proportion of employees in each pay quartile		
QUARTILE	MALE	FEMALE
Top	94%	6%
Upper middle	88%	12%
Lower middle	82%	18%
Lower	68%	32%

KEY

Mean and median:

The gender pay gap shows the difference between the mean (average) and median (mid-point) pay and bonus earnings of male and female employees, expressed as a percentage of male employee's earnings.

Proportion of males and females receiving a bonus:

The proportion of male and female employees who were paid any amount of bonus pay.

Proportion of males and females in each pay quartile band:

The proportion of male and female employees in four quartile hourly rate pay bands ranked from lowest hourly rate to the highest hourly rate. It is achieved by dividing the workforce into four equal parts.



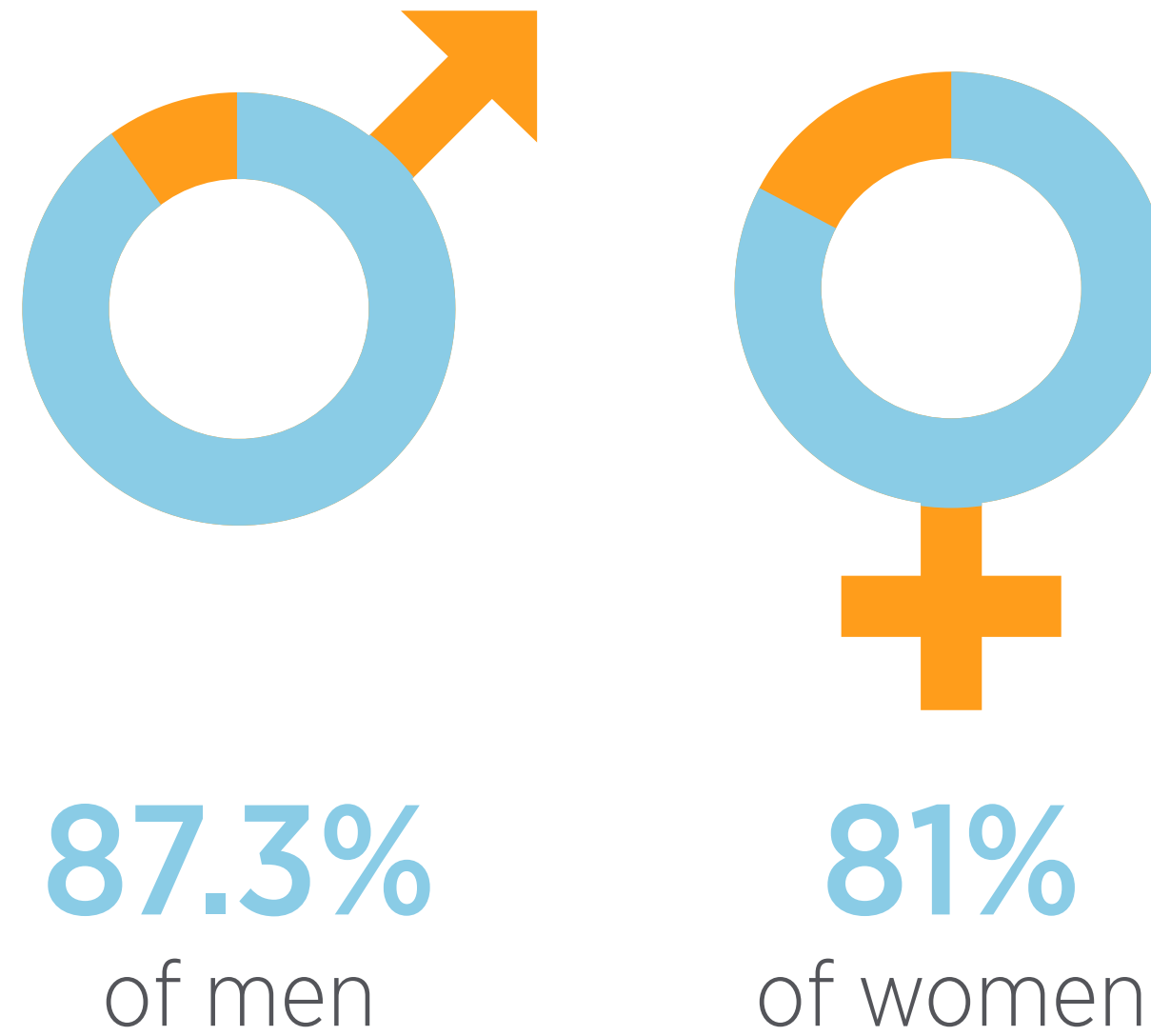
OUR CONSOLIDATED McLAREN GROUP RESULTS

The data below is the consolidated number of all three reporting companies.

Women's hourly rate	
MEAN	MEDIAN
15.7% lower	14.3% lower

Women's bonus pay	
MEAN	MEDIAN
26.7% lower	1.7% higher

Who received bonus pay



KEY

Mean and median:

The gender pay gap shows the difference between the mean (average) and median (mid-point) pay and bonus earnings of male and female employees, expressed as a percentage of male employee's earnings.

Proportion of males and females receiving a bonus:

The proportion of male and female employees who were paid any amount of bonus pay.

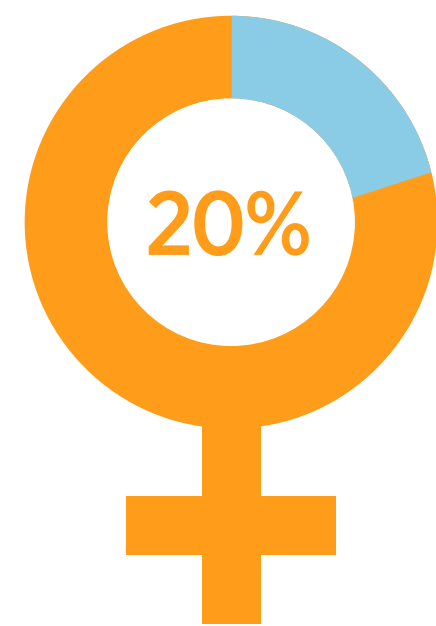


WHAT ARE THE REASONS FOR OUR GENDER PAY GAP?

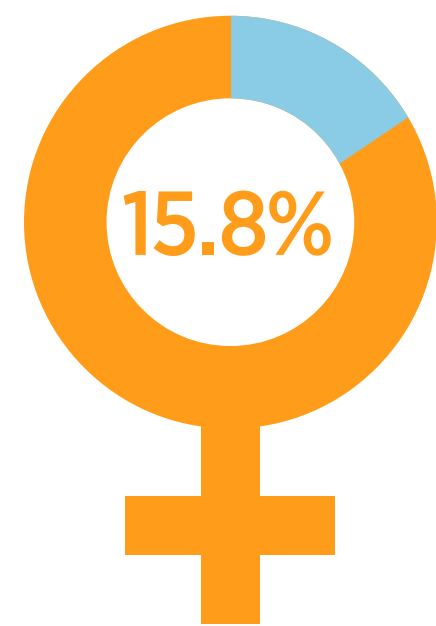
We are confident that men and women are paid equally for doing equivalent jobs.

McLaren operate in the innovation, manufacturing, engineering and motorsports industries which all have historically higher proportions of male employees.

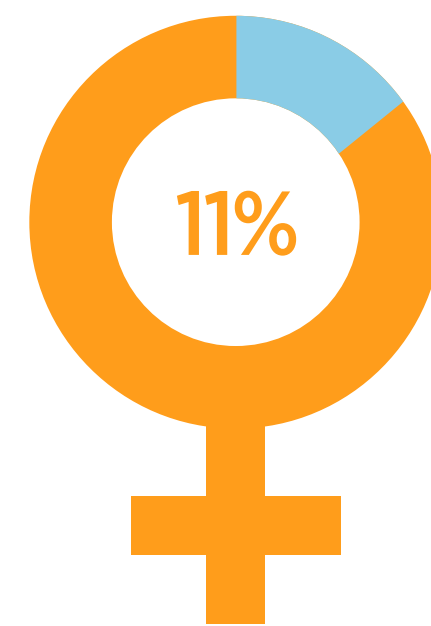
Our gender pay gap is driven by the high proportion of men we employ within our business – in particular within our most senior roles – coupled with the relative scarcity of women within our sector’s talent pipelines.



Just 20% of A Level physics students are female. This percentage has remained static for 25 years¹



Only 15.8% of engineering and technology undergraduates in the UK are female²



Women make up just 11% of the UK engineering population³

1. Why Not Physics?, Institute of Physics 2018. 2. Women in STEM: Facts and Statistics 2012-2015, IET. 3. Women in the UK STEM Workforce, WISE, 2017.



ACTIONS WE ARE TAKING TO REDUCE OUR GENDER PAY GAP

Each of our businesses have developed their own action plans to address their gender pay gaps but also pool resources and share best practice across the Group where appropriate. Activity is centred around three broad areas to help us deliver long-term change.

1 Inclusive recruitment

Working in partnership with a variety of organisations around the world, we use the power of our brand, products and people to help attract more girls and young women to take up careers in science, technology, engineering and maths (STEM) and to raise ambition across the board. An example includes the BBC Live Lesson on forces aimed at primary school children and filmed at McLaren featuring female engineers talking about their careers.

We continue to review recruitment and selection processes to ensure they are inclusive and barrier-free, and as a result we are pleased to see an increase in women joining our business.

2 The feel of the place

We ensure our business leaders have the right knowledge and skills to lead diverse teams, for example, by providing unconscious bias and respect training.

McLaren seek to provide an agile and flexible work environment where everyone can perform at their best. As a result, in the past year, we have seen an increase in both men and women working flexibly. We continue to ensure employees have a voice and encourage feedback and action orientated suggestions. We regularly celebrate key diversity driven dates during the year including International Women's Day.

3 Developing and retaining talented women

We proactively support employees to reach their full potential. We do this though supporting and encouraging our networks including our Driven Women network. We also support the career aspirations of all employees, for example, through development plans, mentoring and coaching. In the past year, we have seen an increase in the number of women being promoted to more senior positions.

McLaren offers people the opportunity to have diverse careers across our range of businesses which supports career development.





OUR COMMITMENT

Diversity is good for our business. McLaren is a multinational, multicultural organisation, operating in diverse markets; embracing difference in all its forms is vital in our relentless drive for innovation, creativity and high performance. We want to create an environment where that diverse talent can thrive, where people can be themselves and share their unique strengths to contribute to the success of our business.

We are committed to taking action to reduce the gender pay gap at McLaren. We recognise in certain areas of the business that the effects of our actions may take many years to be fully realised. We will regularly monitor our progress.

We confirm the McLaren pay gap data provided has been collated in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in white ink, appearing to read 'M. Flewitt', is located above the name and title of Mike Flewitt.

Mike Flewitt

Chief Executive Officer
McLaren Automotive Limited

A handwritten signature in white ink, appearing to read 'Simon', is located above the name and title of Simon Roberts.

Simon Roberts

Chief Operating Officer
McLaren Racing Limited

A handwritten signature in white ink, appearing to read 'Celia', is located above the name and title of Celia Gaffney.

Celia Gaffney

Chief Operating Officer
McLaren Applied Technologies Limited