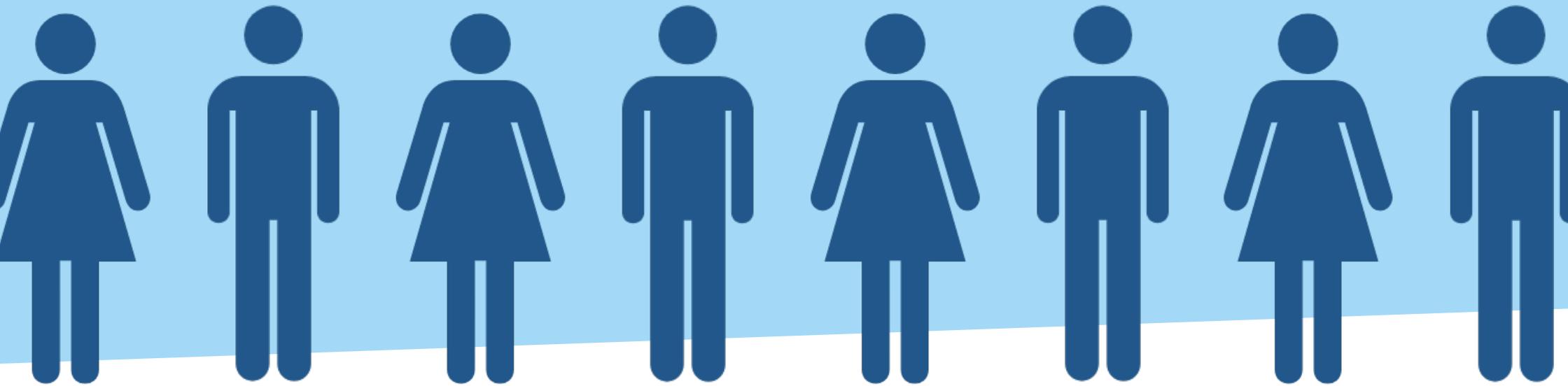


MAG GENDER PAY GAP REPORT 2018

Closing the gender pay gap together



INTRODUCTION

We believe in fair pay for our colleagues for the contribution they make, irrespective of gender.

“Over the past year, MAG has been working with colleagues across our business to build on and develop our commitments to diversity and inclusion. We want to ensure that everyone is treated fairly and equally and that we have a truly inclusive culture.

Recently, through our sponsorship of initiatives such as Northern Power Women, we have made some progress, however we recognise there is still more to do. Over the next year, we will be working with colleagues and stakeholders internally and externally to continue our journey on diversity and inclusion.



The results within our Gender Pay Gap Report have been carefully calculated and I can confirm they have been independently verified by an external organisation.”

Charles T. Cornish

Chief Executive Officer, MAG

MEASURING THE PAY GAP

Under the UK Government's Gender Pay Gap Regulations, employers in Great Britain with more than 250 employees need to report their gender pay gap.

WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap is different from Equal Pay. Equal Pay is about men and women receiving equal pay levels for the same work or work of equal value.

MAG believes in equal and fair pay and is committed to diversity and inclusion across our organisation.

The Gender Pay Gap measures the difference in average pay between men and women, expressed as a percentage of the average male earnings.

MAG GENDER SPLIT



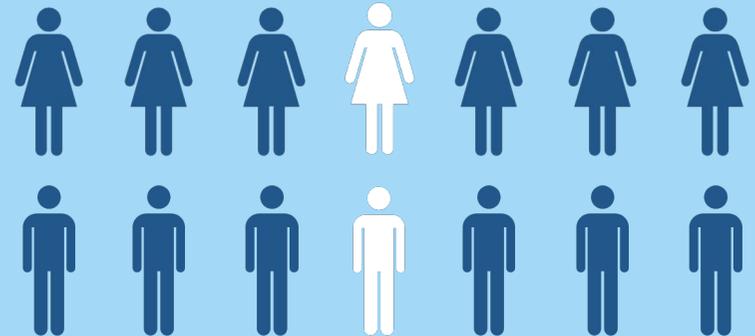
6,189 Colleagues at MAG*

*total workforce at snapshot date of 5 April 2018

HOW IS IT CALCULATED?

1) MEDIAN PAY GAP

The median is the figure that falls in the middle of a range when the hourly rates of all relevant employees are lined up from smallest to largest. The median gender pay gap is calculated based on the difference between the middle employee in the range for males and the middle employee in the range for females.



2) MEAN PAY GAP

The mean is calculated by adding up the hourly rates of all relevant employees and dividing the figure by the number of employees. The mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.



UNDERSTANDING MAG'S PAY GAP

MAG is a leading UK airport group that owns and operates three airports: Manchester, London Stansted and East Midlands. We believe in fair pay for the contribution made at work.

HOURLY PAY GAP

Median Hourly Pay Gap

5.5%

Mean Hourly Pay Gap

9.5%

On average across the Group, women are paid 9.5% less than men.

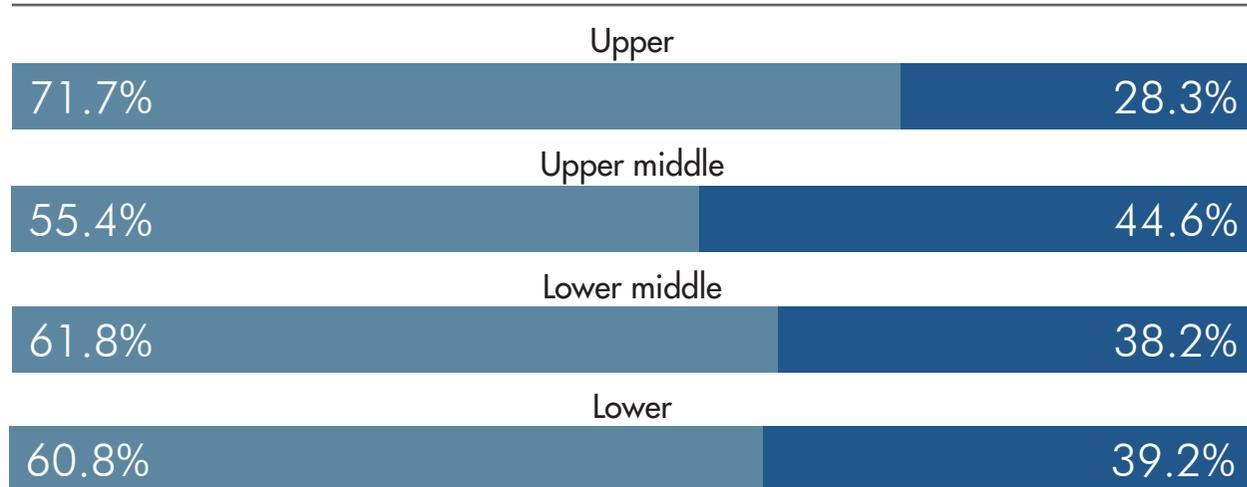
Whilst females make up a greater proportion of the workforce than in 2017, the salary differential between males and females has increased by 0.9%. This is primarily due to an increase in the number of females in lower paid roles across the organisation and an increase in the number of males in higher paid roles.

HOURLY PAY QUANTILES

This calculation shows the proportions of men and women in four quartile pay bands. All men and women's hourly pay rates are ranked from the lowest to the highest to create four equal bands.



GENDER SPLIT PER QUARTILE PAY BAND



UNDERSTANDING MAG'S PAY GAP cont.

ACROSS THE ORGANISATION

We are encouraged that the gender pay gap amongst our senior leaders is negative, meaning that on average women are paid more than men. Women are however under-represented at this level, with only 24% of roles at this level held by women. Our challenge as we move forward is to take steps to address this balance.

The hourly pay gap is most pronounced amongst our leadership group. In this group women occupy a smaller share of the high graded roles than men.

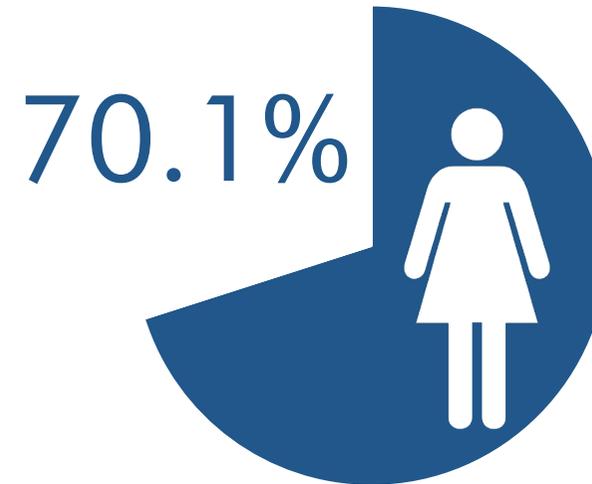
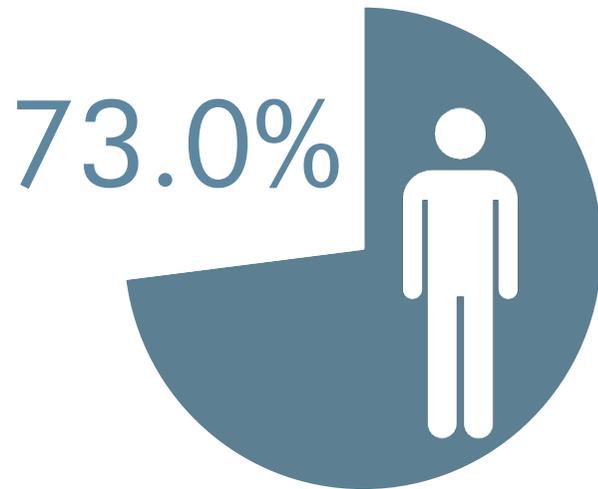
At a colleague level, the gender pay gap lessens. The use of spot rates for many of our operational roles and uniform pay increases have a positive impact on our gender gap through consistent pay practices across males and females. The gender pay gap for this group is primarily due to the prevalence of men in roles that attract a shift premium or early start payment and in some of our highest paid operational and technical roles e.g. fire service and engineering.

	Median Hourly Pay Gap	Mean Hourly Pay Gap
Senior Leadership	-3.1%	-9.9%
Leadership	6.2%	8.7%
Colleagues	-1.3%	5.7%

	Senior Leadership		Leadership		Colleagues	
	Male	Female	Male	Female	Male	Female
Upper	63.6%	36.4%	76.7%	23.3%	69.5%	30.5%
Upper Middle	81.8%	18.2%	62.1%	37.9%	52.5%	47.5%
Lower Middle	75.0%	25.0%	69.8%	30.2%	64.8%	35.2%
Lower	81.8%	18.2%	57.8%	42.2%	60.8%	39.2%

UNDERSTANDING MAG'S PAY GAP cont.

BONUS PAY GAP - Proportion of employees who received a bonus



Median Bonus Pay Gap

18.2%

Mean Bonus Pay Gap

46.8%

	Median Bonus Pay Gap	Mean Bonus Pay Gap
Senior Leadership	-23.4%	40.1%
Leadership	13.9%	19.9%
Colleagues	22.7%	14.3%

The average bonus pay gap has reduced by 6.7% from last year.

The bonus pay gap continues to be explained by:

- A greater prevalence of women working part-time, meaning that bonus is reflective of a part-time contribution
- Women occupying a smaller share of senior positions than men within each of our employee groups
- A significant number of women taking maternity leave in the year

AROUND OUR AIRPORTS



Manchester Airport

Hourly Pay Gap

Median Hourly Pay Gap

4.6%

Mean Hourly Pay Gap

9.4%

Bonus Pay Gap

Median Bonus Pay Gap

7.9%

Mean Bonus Pay Gap

45.2%

Hourly Pay Quartiles

Upper



Upper middle



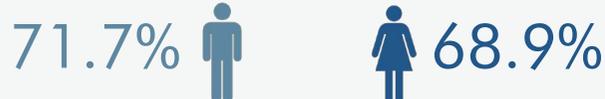
Lower middle



Lower



% of those who received a bonus



London Stansted Airport

Hourly Pay Gap

Median Hourly Pay Gap

4.7%

Mean Hourly Pay Gap

8.0%

Bonus Pay Gap

Median Bonus Pay Gap

24.3%

Mean Bonus Pay Gap

27.8%

Hourly Pay Quartiles

Upper



Upper middle



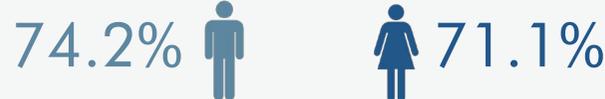
Lower middle



Lower



% of those who received a bonus



East Midlands Airport

Hourly Pay Gap

Median Hourly Pay Gap

16.0%

Mean Hourly Pay Gap

19.6%

Bonus Pay Gap

Median Bonus Pay Gap

9.0%

Mean Bonus Pay Gap

51.8%

Hourly Pay Quartiles

Upper



Upper middle



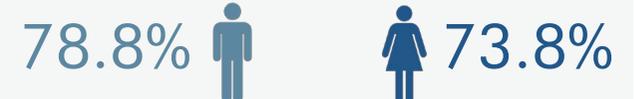
Lower middle



Lower



% of those who received a bonus



CLOSING MAG'S PAY GAP

MAG is committed to increasing organisational diversity and inclusion at all levels across the Group – aiming to better reflect the diverse customer base seen at our airports. Our approach to diversity and inclusion is centred on three key areas:

Inclusive leadership

The key to diversity is having inclusive leaders. It is proven that inclusive leaders get the best out of their people through increased levels of engagement, collaboration and discretionary effort.

MAG has signed up to the Women in Aviation and Aerospace Charter which commits organisations to support the progression of women into senior roles by focussing on the career pipeline and opportunities.

As well as this, we announced a partnership in March 2018 with Northern Power Women, a UK campaign driven from the North to accelerate gender diversity across all industries and businesses.

Creating an inclusive working environment

Diversity and inclusion are woven into our business processes and activities to ensure unbiased, fair and equitable processes.

The appointment of a permanent Organisation Development Director demonstrates MAG's continued commitment to diversity and inclusion. MAG continues to partner with businesses in the local community to deliver diversity awareness and we are weaving diversity and inclusion into all aspects of our HR strategy.

Launching this year is an inclusivity forum which will help us hear directly from colleagues about what we need to do to make MAG a great place to work for everyone.

Career progression opportunities & support for all employees

MAG is committed to providing unbiased career opportunities, helping to reduce any barriers to employees reaching their potential.

We continue to offer flexible and part-time working and a full dynamic working approach is being considered to further encourage flexible ways of working, enabling both males and females to balance work and home commitments.

We are implementing improvements in the areas of recruitment and talent management, including investment into our recruitment technology to further support and enhance the candidate journey. Where we use third party agencies to support recruitment activity, we have committed our supply chain to key metrics and service levels regarding the promotion of equality, diversity and inclusion across all opportunities at MAG.