McLaren Applied Gender Pay Gap Report

2024/2025 reporting year

Contents

01: Introduction

- At McLaren Applied, we drive innovation in Telemetry, Control and Analytics, and Electrification, delivering world-class products and services across motorsport, automotive, and transport industries. Our vision is to create a sustainable, intelligent, connected, and purpose-driven future.
- Diversity is vital to our success. As a multinational, multicultural organisation, we value diverse talents and perspectives to compete, innovate, and excel for our customers. We are committed to fostering an inclusive environment where everyone can thrive and contribute their unique strengths.
- We remain dedicated to reducing the gender pay gap and improving diversity across our business. We recognise that meaningful change takes time, and we continually challenge ourselves to do better while closely monitoring our progress.

We confirm that the information in this report is accurate.

Samir Maha
CEO

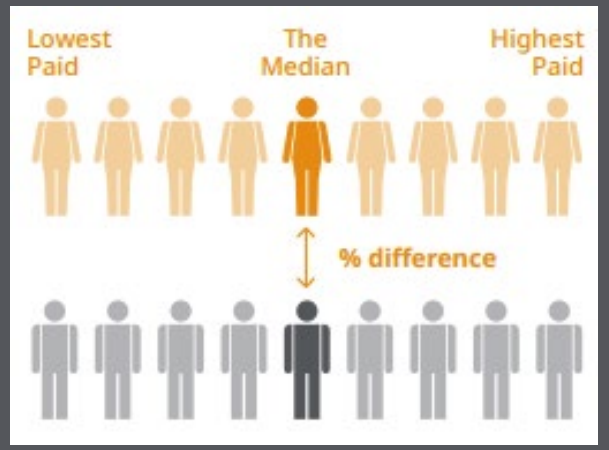
Lynette Prag
HR Director

02: What is the gender pay gap?

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

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 (GPG) is not job-specific, but rather illustrates the difference in the average pay, worked out on an hourly rate basis, between men and women, considering all jobs, at all levels and all salaries within an organisation.



03: How is the gender pay gap calculated?

Mean gender pay gap	The difference between the mean (average) hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
Median gender pay gap	The difference between the median (midpoint) hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees in a ranking of highest to lowest paid.
Mean bonus gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
Median bonus gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees in a ranking of highest to lowest bonus paid.
Bonus proportions	The proportions of male and female employees who were paid bonus pay during the relevant period.
Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands ranked from lowest hourly rate to highest hourly rate of pay. Pay quarters give an indication of women's representation at different levels in the organisation.

04: Our results (snapshot date of 5 April 2024)

Women's hourly rate of pay

Mean	Median
21.23% lower	25% lower

Women's bonus pay

Mean	Median
55.77% lower	100% lower

Our gender profile

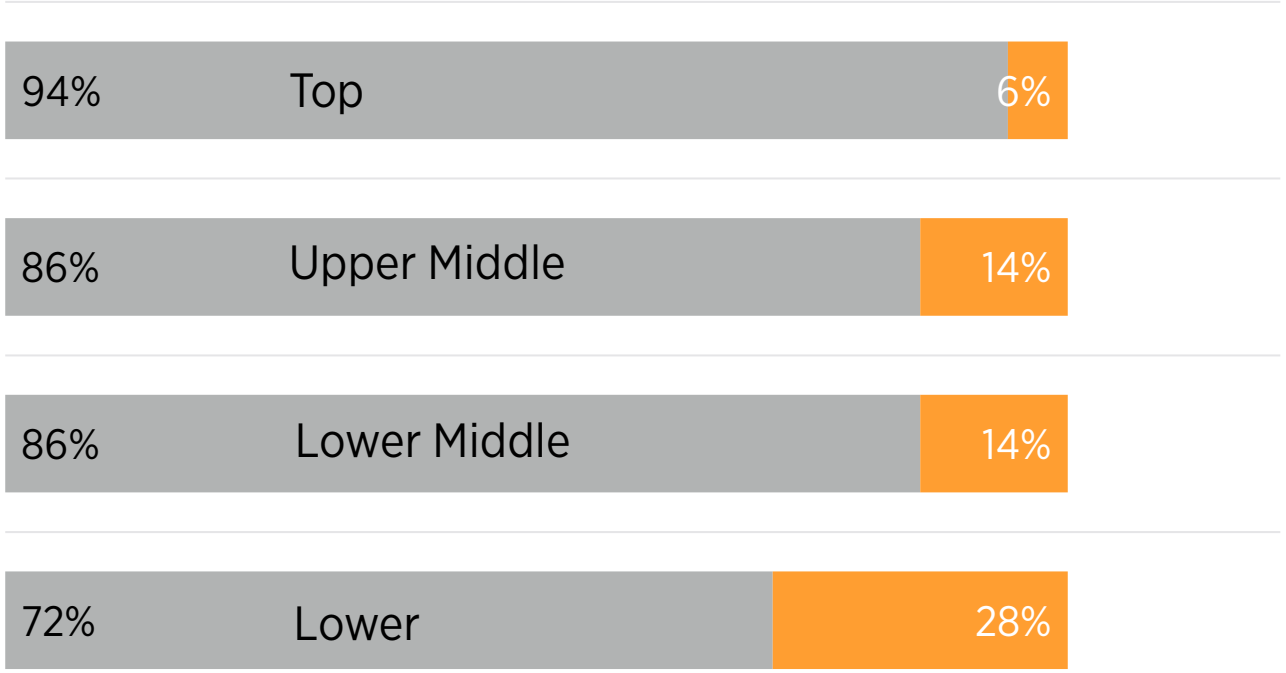
85% 15%

Who received bonus pay

64.61% 47.73%

04: Our results

Proportion of employees in each pay quartile



Women's hourly rate in each pay quartile

Median = 5.14% lower for women
Mean = 11.8% lower for women

Median = 2.48% higher for women
Mean = 1.66% lower for women

Median = 2.38% higher for women
Mean = 2.72% higher for women

Median = 0.16% higher for women
Mean = 2.25% higher for women

05: What are the reasons for our gender pay gap?

- McLaren Applied specialises in innovation, manufacturing, and engineering, with a significant presence in motorsports. Most roles are in manufacturing and engineering, fields traditionally dominated by male employees.
- The gender pay gap at McLaren Applied arises from the higher proportion of men employed in the business, particularly in senior positions, and the limited number of women in the industry's talent pool. Importantly, this gap is not due to unequal pay for equivalent work but is tied to the varying salaries of roles occupied by men and women.
- Encouragingly, in both the lower and lower middle quartiles, women's median and average (mean) pay exceeds that of men. Additionally, the median pay for women in the upper middle quartile is higher than for men. However, a pay gap persists in the top quartile, though it is expected to narrow following recent senior female appointments in late 2024.
- At the snapshot date, 15% of McLaren Applied's workforce were women. As the company relies on highly skilled individuals educated in STEM fields, the historical gender imbalance in STEM studies contributes to the disparity in male and female applicants in the sector.

Gender disparity in engineering and technology

"The number of women working in engineering and tech has dropped by 38,000 – from 16.5% of the 2022 workforce to 15.7% of the 2023 workforce."

Source: https://www.engineeringuk.com/research-and-insights/our-research-reports/women-in-engineering-and-technology/ May 2024 update

06: What are the reasons for our gender bonus gap?

- The snapshot date for the bonus gender pay gap calculation was 5 April 2024, covering bonus payments made between 6 April 2023 and 5 April 2024. Company bonuses paid in June 2023 were based on 2022 performance. It's important to note that many employees, both male and female, were ineligible for bonuses. This ineligibility stemmed from either joining the company recently or not being employed on the bonus pay date, despite being employed on the snapshot date. As a result, the bonus gender pay gap does not accurately reflect the actual distribution of bonuses.
- The government-mandated median calculation for the gender bonus gap showed men receiving 100% higher bonuses than women. However, this figure is misleading, as the median does not represent the population eligible for bonuses—it's simply the middle value in a list. A detailed analysis reveals that bonuses were based on internal job levels, paid at a flat rate, and pro-rated for employees who didn't work the full year in 2022.
- Due to the lower representation of women in senior roles within the company, the distribution of bonuses reflects this imbalance. Nonetheless, 100% of eligible women received bonuses when payouts occurred in June 2023. This dataset highlights the nuanced nature of bonus pay disparities.

Eligible women's bonus pay	
Mean	Median
40.12% lower	27.27% lower

07: Our areas of focus

01

External market review

We continue to benchmark the salaries of McLaren Applied roles against the market to create a fair and rewarding work environment.

We use job levels in which all roles within the organisation are aligned. This ensures that our people receive comparable pay and benefits for their role regardless of age, sex, background etc.

02

Women in leadership

Since the 2024 snapshot date, we have improved the female representation at our Senior Leadership Team (SLT) level, Head of level and management level. We have promoted and recruited several women to senior roles and welcomed a female HR Director to the SLT. Women are now leading across various departments at Applied, demonstrating that their careers can thrive with us.

We are committed to further increasing female representation in senior roles. Our goal is to ensure that women continue to advance and lead within our organisation, fostering a diverse and inclusive workplace where everyone can succeed.

03

The feel of the place

We strive to provide an agile and flexible work environment where everyone can perform at their best. Our hybrid working approach supports our employees by helping them balance their work and home lives through flexible working arrangements that accommodate their various priorities.

In the past 12 months, we have accepted 100% of flexible working requests from our employees, both men and women, to support career longevity.

We continue to ensure employees have a voice, encouraging feedback and action orientated suggestions.

04

STEM

Addressing the future demand for engineers involves encouraging young people to study STEM subjects and pursue engineering-related qualifications. We are committed to working with young people, their parents and education providers to promote STEM subjects.

Every employee who joins our STEM network and registers as a McLaren Applied STEM ambassador receives up to four days per year to dedicate to STEM activities. Regardless of their educational background, anyone with a passion for sharing their knowledge in any discipline is encouraged to join and inspire the next generation.

Our aim is to increase the number of events we support and inspire the next generation of engineers.

08: Spotlight on our STEM initiatives

Our STEM ambassadors host sessions for young people at organised events, such as manning a stand at the Brooklands Innovation Academy event. At this event, we challenged students to design, test, and develop the best solution to propel an elastic band-driven 'Lego Dragster' down a 10m course in the fastest time possible. Other sessions supported by our STEM ambassadors have included talks on STEM careers, attending school career fairs, attending sessions at primary school STEM events, sharing their education and career experiences with work experience students and providing teachers with inspirational teaching content.

"The latest research from the Institution of Engineering and Technology (IET) shows that the most prevalent reasons as to why there is such a disparity in science, technology and maths (STEM) is that women are not encouraged to think about STEM careers in school (45%) and women get put off by how male dominated the industry is (32%)".

Source: https://www.theiet.org/media/press-releases/press-releases-2024/press-releases-2024-january-march/8-march-2024-over-one-million-women-now-in-stem-occupations-but-still-account-for-29-of-stem-workforce Published March 2024

"Our company depends upon a core of highly talented engineers to develop our world-leading technology and we recognise our responsibility as a STEM employer to inspire the next generation. I'm delighted that our ambassadors have made a real difference to children and young adults in the local area. We continue to recruit and train for STEM roles at every level and I look forward to the continued growth and success of our outreach initiatives."

Samir Maha, CEO
April 2025

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