

# Gender Pay Gap Report 2021

**3M United Kingdom PLC** 

# Introduction

As a company committed to <u>diversity, equity and inclusion</u>, 3M recognises the importance of closing the gender pay gap to ensure that all our employees are valued equally.

Not only does this strengthen the position of women within the workplace and society, it has a proven impact on financial performance, development of diverse skills and perspectives, and fostering a culture of collaboration which is integral to the innovation process.

We know that a diverse workforce helps us better understand the needs of 3M customers, suppliers, and community partners around the world, and that equity and inclusion are the key to unlocking the true power of that diversity. We aspire to be an enterprise where people are respected for who they are, and everyone feels a sense of belonging — both within and outside of our walls.



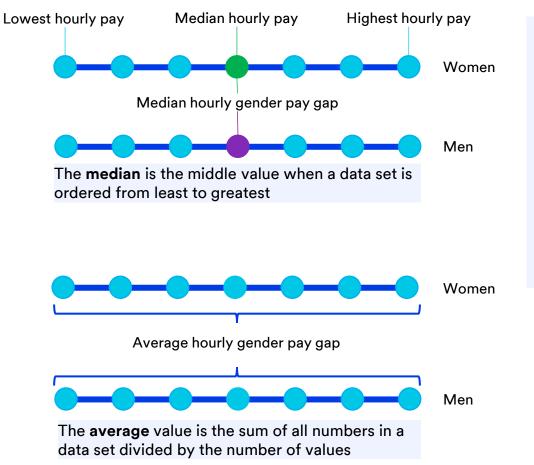
# What is Gender Pay Gap reporting?

From 2017, if you are an employer who has a headcount of 250 or more on a specific date set by the government, you must comply with regulations on gender pay gap reporting. Gender pay gap calculations are based on employer payroll data drawn from a specific date each year. This specific date is called the 'snapshot date' and is 5 April for private employers.

3M United Kingdom PLC employed 1,813 people across 14 locations at this snapshot date in 2021.

Any legal entities with less than 250 employees are not required to be reported, which means that KCI, Scott Safety and Meguiars entities are excluded from this report.

The gender pay gap does not measure equal pay, instead it measures the difference between men and women's average and median hourly pay. Equal pay, on the other hand, is the legal obligation under the Equality Act 2010 that requires employers to give men and women equal pay if they are employed to do equal work.



#### Average vs Median values

While an average has traditionally been a popular measure of a mid-point in a sample, it has the disadvantage of being affected by any single value being too high or too low compared to the rest of the sample. Therefore, a median value is sometimes taken as a better measure of a mid point.

### **Our 2021 results**

The numbers presented include bonuses and stock options exercised by eligible employees. Stock options can be exercised any time over a period of 10 years. The company has no control over when employees decide to exercise as it is highly driven by the stock price – but if they did so during the reporting period, those numbers are included in the above calculations.

We have a larger proportion of men in the company, especially in higher positions that are eligible for larger variable pay, which drives the average pay gap in favour of men.

We have explored average pay by gender across all job groups and, with exercised stock options excluded, found no material difference between women and men's hourly rates.

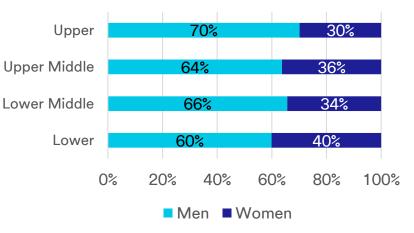
In addition, we have compared average hourly pay rate by 3M internal job grade between male and female employees, including and excluding bonuses, and found no material differences in either direction that indicates unequal pay.



Proportion of male and female employees<br/>receiving a bonusMaleFemale<br/>employees40.6%36.9%

Measurement	2018 -19	2019 - 20	2021 - 22
Mean Gender Pay Gap	10%	<b>9</b> %	<b>9</b> %
Median Gender Pay Gap	8%	7%	<b>5</b> %
Mean Bonus Gender Pay Gap	<b>18</b> %	<b>20</b> %	<b>34</b> %
Median Bonus Gender Pay Gap	<b>28</b> %	27%	<b>26</b> %

Proportion of male and female employees in each pay quartile





### **Our current and future plans**

3M is working on several initiatives to achieve greater gender balance in more senior positions and across our functions. This will take time, but we are actively planning for the future. From a recruitment perspective, we strive to ensure our jobs are visible and attractive to everyone, particularly underrepresented groups such as women, and we monitor gender balance alongside other key diversity metrics during and beyond the hiring process.

As a science-based technology company, we have an ambitious global goal of creating <u>five million STEM (Science</u> <u>Technology, Engineering and Maths) and skilled trade learning experiences</u> for under-represented individuals by 2025. In the UK, we support this by encouraging more students – particularly girls – into STEM careers through our <u>strategic</u> <u>partnership with the British Science Association</u>, annual sponsorship of <u>British Science Week</u>, and the <u>#SmashingStereotypes</u> campaign, which showcases the diverse and inspiring teams and individuals working in STEM fields.

Our regional STEM champion, Sarah Chapman, is a regular speaker at external events focused on increasing female participation in science and technology roles, and we have partnered with The STEM Hub to profile 3M employees in jobs using STEM skills through our <u>Career Capers Cards</u>. 3M is also a sponsor of the Science and Engineering category of WeAreTheCity's <u>Rising Stars Awards</u>, which recognise the female talent pipeline and the next generation of future leaders. As a corporate member of WISE (Women in Science and Engineering), which works to achieve gender equality in STEM by driving diversity in sectors across the UK, 3M is able to advertise its vacancies on the WISE job board.





#### Declaration

We confirm that the information and data reported is accurate and in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

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