

GENDER PAY GAP REPORT

2021



RBSL

DIVERSE WORKPLACE

This is the second annual gender pay gap report since the Rheinmetall BAE Systems Land Ltd (RBSL) joint venture was formed in July 2019.

This annual report will continue to help us as an organisation to understand our pay differentials and explore ways in which we can close the gender pay gap.

RBSL has some way to go to address its gender pay gap and we continue to work hard to improve our gender balance, but recognise changes take time. We have grown our headcount by 27% in the last 12 months and are pleased to say our ratio of females to males has grown by 2% in that period.

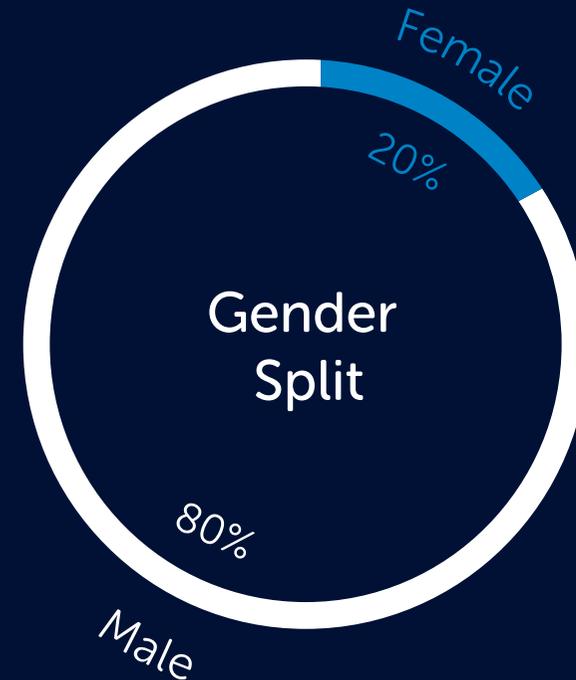
RBSL prides itself on being an inclusive employer and welcomes employees from all backgrounds and experiences. Our aim is to have a truly diverse and inclusive workplace. We recognise that a diverse workforce is crucial to achieving inclusive culture, and an inclusive environment is critical to retaining diverse talent.

Our workforce has a greater proportion of males to females given a large number of our employees have science, technology, engineering and maths (STEM) qualifications. Like other companies, we face challenges recruiting females with those qualifications because there are significantly fewer females who study and work in these fields.

In 2020, we became a signatory of the Women in Defence Charter, showing our commitment to work with our partners in industry to secure balanced and rewarding opportunities for women.

I am proud to lead an organisation that continues to mature its approach to diversity and inclusion and invest in the infrastructure necessary to deliver an ambitious programme of activity across the UK. I can confirm that all the data contained in this report is accurate and calculated in accordance with legislative requirements for the snapshot date of the 5th April 2021.

Dr. Marco Noeding
Managing Director, RBSL



2020 Male 82% Female 18%

OUR RESULTS

What is the Gender Pay Gap?

Every year employers with more than 250 staff have to report the following data:

- Gender pay gap
- Gender bonus gap
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation's pay structure

The gender pay gap is not the same as equal pay. The gender pay gap is the difference between average male and female pay across the organisation and across all roles. Equal pay means that men and women receive the same pay for carrying out the same work or equivalent work. Having a gender pay gap does not mean that men and women at RBSL are not receiving equal pay.

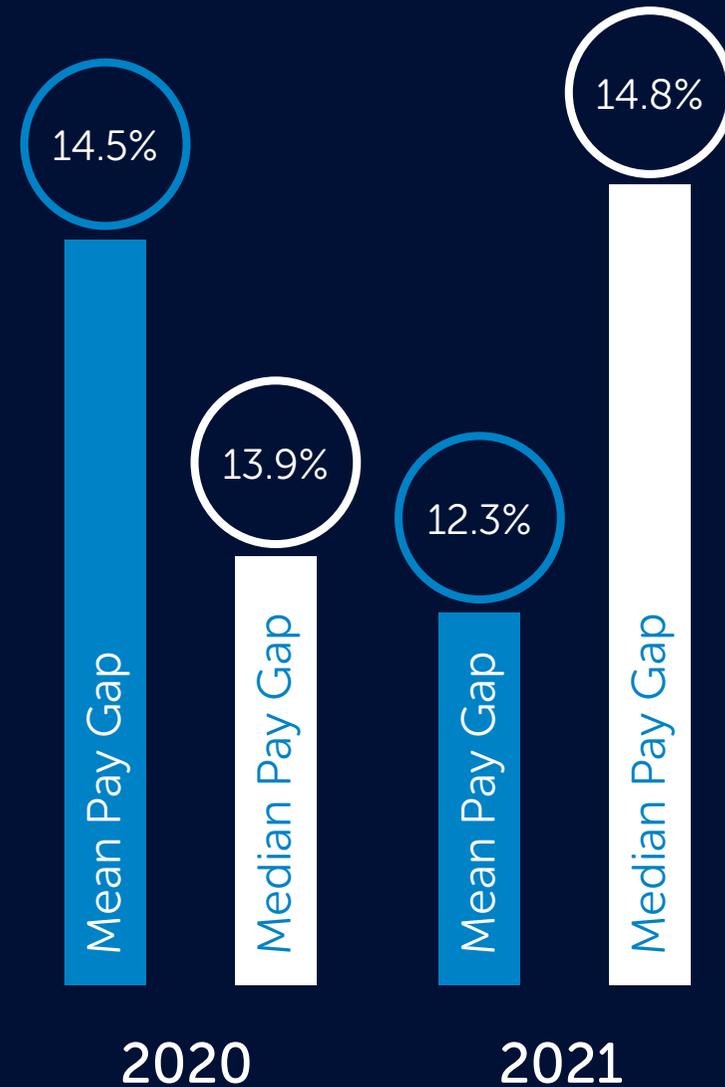
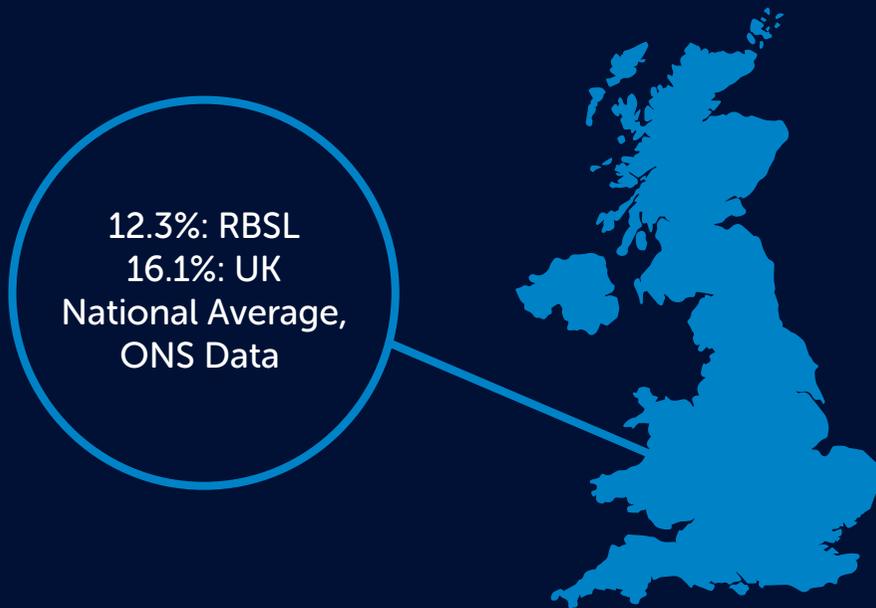
The figures included in this report represent our aggregated results which include all applicable employees in the UK. Our report is aligned to the requirements of the UK regulations on organisations with more than 250 employees to report the mean and median gender pay gap and bonus gender pay gap, the proportion of men and women who receive a bonus and the distribution between genders across pay quartiles.



GENDER PAY GAP IN HOURLY PAY

Our mean pay difference between men and women is 12.3% in favour of men. This is calculated by taking the average hourly earnings, including pay and bonus, and comparing the difference between men and women.

Our median pay difference is 14.8%. This is the figure that falls in the middle of the range when employee pay and bonus are organised from smallest to largest and shows the difference between male and female mid-point pay.

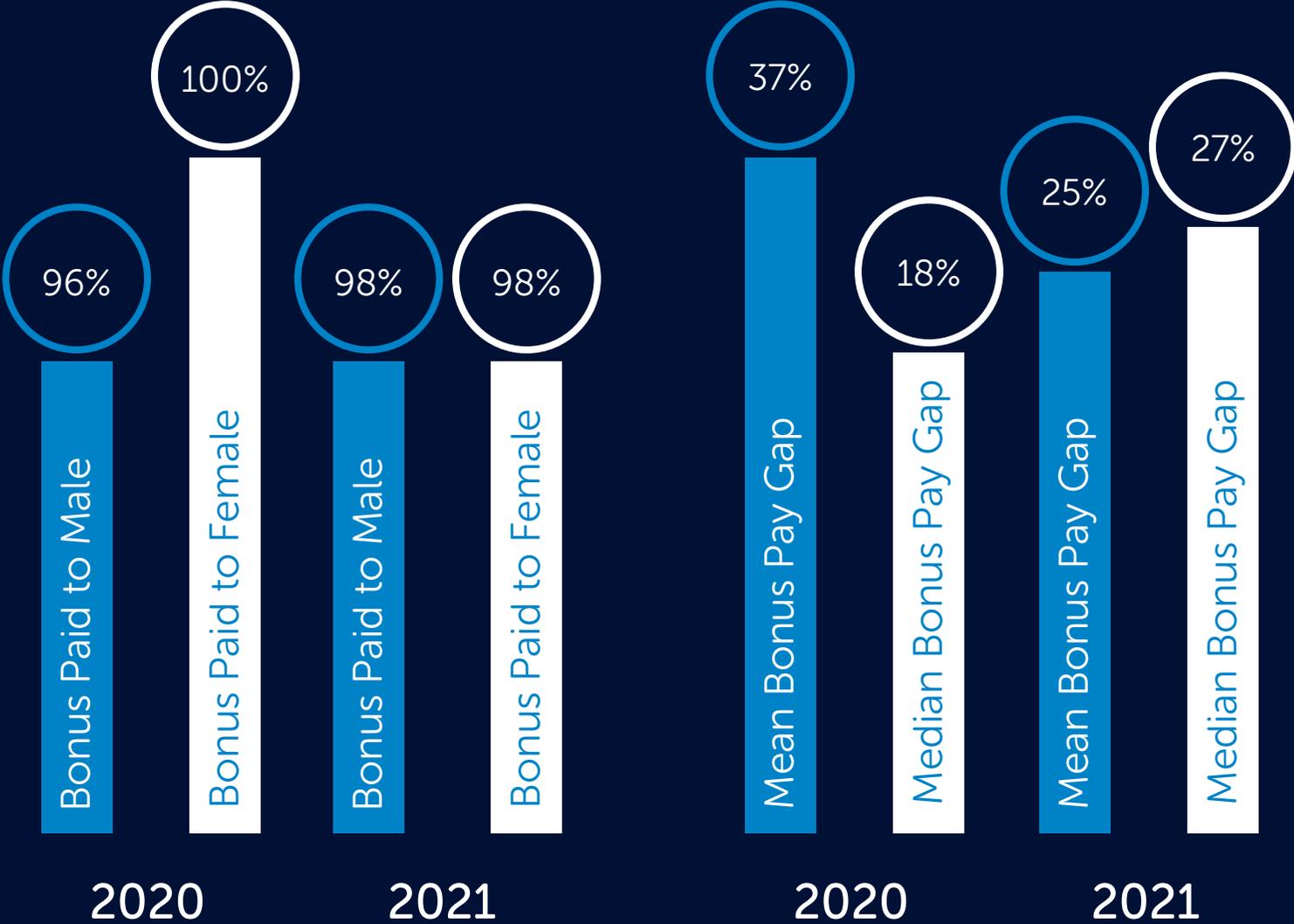


BONUS GENDER PAY GAP

We run an all-employee bonus incentive scheme in RBSL and this year 98% of men and 98% of women received a bonus award.

There is a mean bonus gap between men and women of 25%, with a median gap of 27%.

Bonuses are made up of 'one-off' payments such as incentive and financial recognition awards, with monetary values for each element variable year-on-year.



DISTRIBUTION OF GENDER PAY

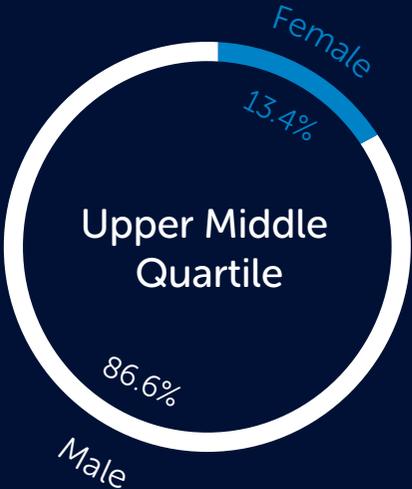
The gender pay gap report also requires us to provide information on the distribution of employees across our business against four pay quartiles. The lowest quartile represents the typically more junior roles in our organisation such as apprentices, while the top quartile represents the most senior roles and therefore the highest paid roles.

Overall, women currently represent 20% of our employees. Women are currently less well represented than this figure in our top two pay quartiles due to proportionally more men being in professional level roles which are dominated by Engineering.

Diversity is a significant challenge for the engineering sector as a whole. Through our community and education outreach programmes, we aim to engage young people from diverse backgrounds in STEM subjects at an early age to increase our pipeline and make RBSL an attractive, inclusive and diverse place to work.



2020 Male 91% Female 9%



2020 Male 85% Female 15%



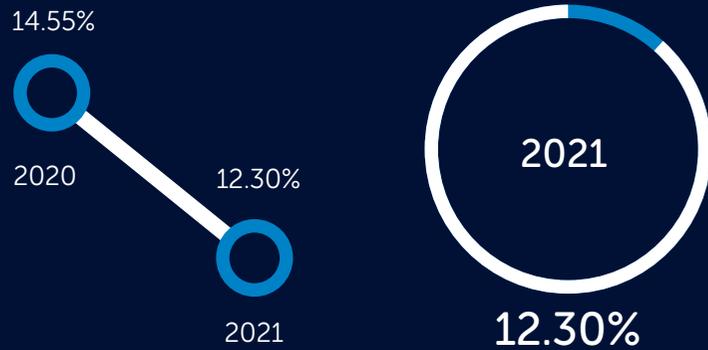
2020 Male 77% Female 23%



2020 Male 73% Female 27%

OUR PROGRESS

MEAN PAY TREND



MEDIAN PAY TREND



MEAN BONUS TREND



MEDIAN BONUS TREND



DRIVING GENDER EQUALITY. WHAT WE'RE DOING AT RBSL

Collaboration across our industry

RBSL continues to support our local community and schools through our STEM programmes.

We have recently joined the STEM Returners programme which helps those who have taken a career break, or an extended period of time off, return to the workplace. We launched the scheme in 2021 and have already been able to successfully recruit through this channel.

We continue our support and work with the Armed Forces Covenant and are aiming to achieve the Gold Award in 2022. We have increased our efforts in working with our local reservists, cadets and our veterans.

Learning from other organisations is an important factor in increasing diversity and inclusion throughout the sectors we work in. To underline our commitment, we have signed a number of Charters and Pledges. Some are specific to women in the workplace, such as the Women in Defence Charter.

STEM RETURNERS PROGRAMME

61%

STEM PROFESSIONALS

finding difficulty returning to work after career break



RBSL PROGRAMME LAUNCHED NOV 21

First STEM returner successfully appointed



ARMED FORCES
COVENANT

EMPLOYER
RECOGNITION
SCHEME

SILVER AWARD

WOMEN IN
DEFENCE
CHARTER

STEM
RETURNERS

DRIVING GENDER EQUALITY. WHAT WE'RE DOING AT RBSL

We mark the annual International Women's Day by celebrating the value and contribution women make worldwide, and by reflecting on what more we can do to break the bias.

Emilie, RBSL Survivability Engineer, shared what International Women's Day means to her:

"Today is all about taking time to celebrate women, but also to reflect where we are on the journey to breaking bias.

"As a child, I was always supported in pursuing whatever career I wanted, which has allowed me to have job roles from motorcycle mechanic to survivability engineer, but I'm conscious not all women and girls get that support.

"That's why I'm proud to be involved in outreach programmes for women in STEM and why, today of all days, we should actively discuss the future we're working towards."

Emilie
RBSL Survivability Engineer



OUR SUMMARY

We're pleased that our first Gender Pay Gap Report shows we are lower than the national average and proud that we are building an inclusive and diverse company.

We do however have a gender pay gap because we employ fewer women than men, and we currently have fewer women than men in senior and professional roles.

We are a business heavily reliant on highly skilled people with a science, technology, engineering and maths (STEM) education. STEM subjects, in school, further education and higher education settings, are studied in greater numbers by males rather than females, therefore we have fewer women applying for these roles. We must therefore look at innovative ways to promote our company and continue our work in the community and our education outreach partners.

We continue to focus on STEM activities with teams of employee ambassadors working with schools, universities and youth organisations to encourage young women to see STEM as a future career.

We aim to increase the number of female entrants onto our early career programmes in future years and are looking at our employee messaging and routes to market to support this initiative.

We have joined a significant initiative designed to support women to reach their potential within RBSL: Women in Defence Charter. We will be looking to build on this network and learn from other organisations.



Rheinmetall BAE Systems Land Limited (trading as RBSL)

Registered Office:
Hadley Castle Works,
PO Box 106, Telford,
TF1 6QW

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