

GENDER PAY GAP REPORT

2023



DIVERSE WORKPLACE

The gender pay gap is the difference between average male and female pay across an organisation. This is our fourth annual gender pay gap report since the Rheinmetall BAE Systems Land Ltd (RBSL) joint venture was formed in July 2019.

At RBSL, we firmly believe that gender equality is not just a moral imperative, but also a strategic advantage. We recognize that creating a diverse and inclusive workplace is not only the right thing to do, but also essential for driving innovation, fostering creativity, and achieving sustainable growth.

This report serves as a milestone in our commitment to transparency and accountability. It provides a clear understanding of the current state of gender pay gap within our organisation and sets the stage for meaningful action to address the imbalance and 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. In 2023 RBSL continued to recruit in largely male dominated pools of talent across engineering and production, even with these challenges RBSL did achieve a 1% growth in its female population taking the company to a 20% female to male population.

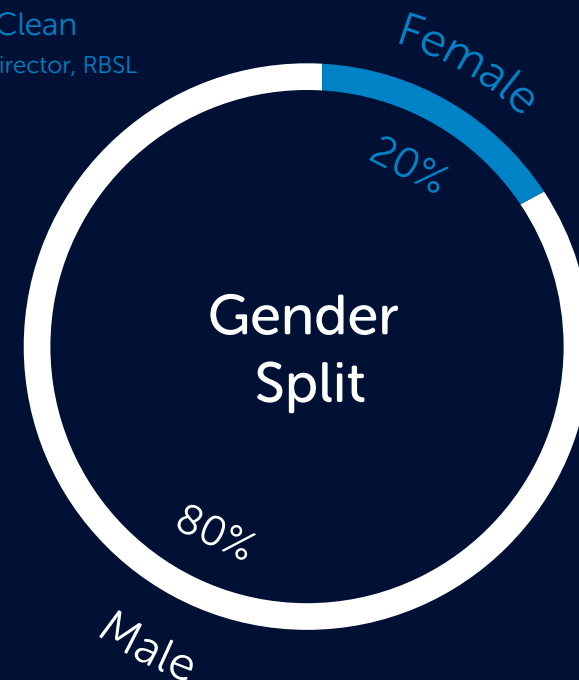
Our workforce has a greater proportion of males to females given a large number of our employees have science, technology, engineering and maths (STEM) qualifications. Like other companies, we face challenges recruiting females with those qualifications because there are significantly fewer females who 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 5th April 2023.



Colin McClean
Managing Director, RBSL



2022 Male 81% Female 19%

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.

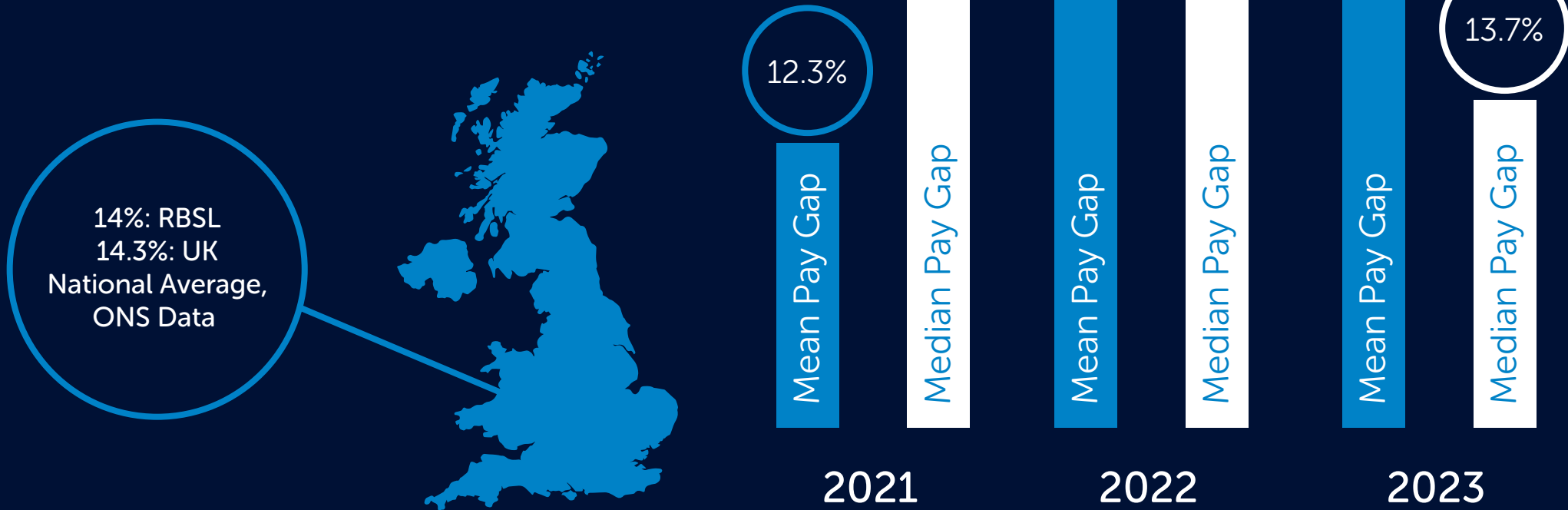
The figures included in this report represent our aggregated results which include all applicable employees in the UK. Our report is aligned to the requirements of the UK regulations on organisations with more than 250 employees to report the mean and median gender pay gap and bonus gender pay gap, the 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 14% 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 13.7%. 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.



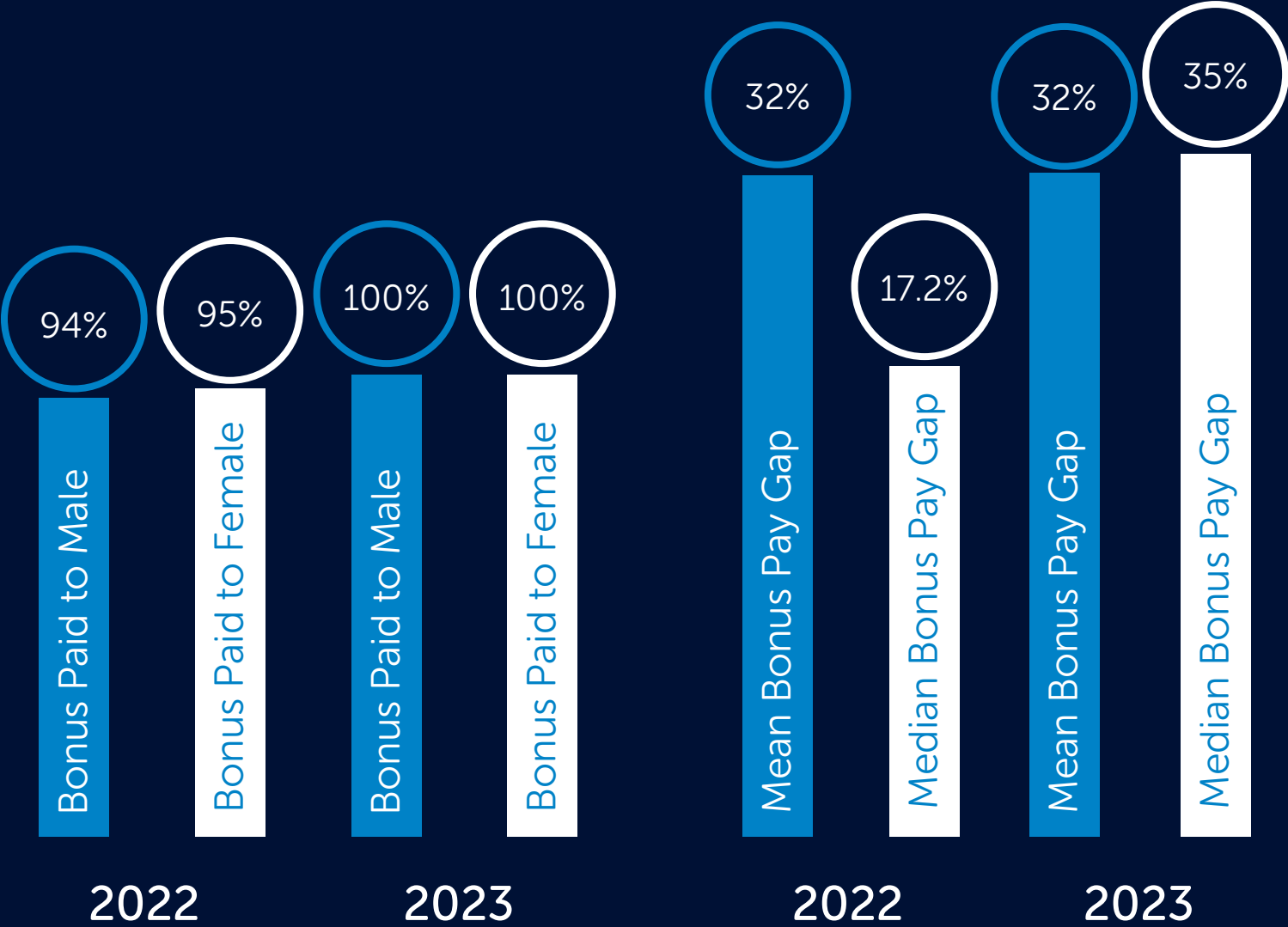
BONUS GENDER PAY GAP

We run an all-employee bonus incentive scheme in RBSL and this year 100% of men and 100% of women received a bonus award.

All of our employees are contractually entitled to a bonus, however the scheme rules set out the qualifying periods and pay dates. This does mean some new hires to the business may not get a bonus till the following year.

There is a mean bonus gap between men and women of 32%, with a median gap of 35%.

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.

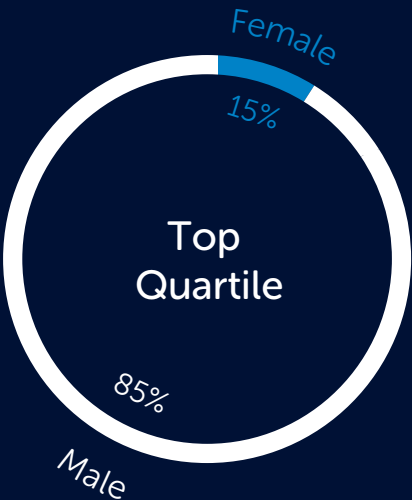


DISTRIBUTION OF GENDER PAY

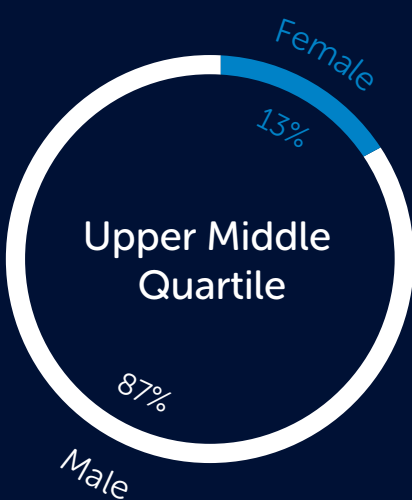
The gender pay gap report also requires us to provide information on the distribution of employees across our business against four pay quartiles. The lowest quartile represents the typically more junior roles in our organisation such as apprentices, while the top quartile represents the most senior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

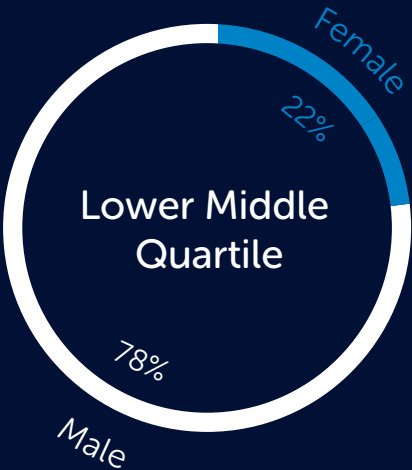
Diversity is a significant challenge for the engineering sector as a whole. Through our community and education outreach programmes, we aim to engage young people from diverse backgrounds in STEM subjects at an early age to increase our pipeline and make RBSL an attractive, inclusive and diverse place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



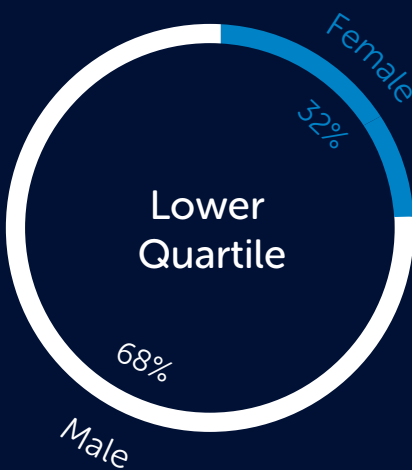
2022 Male 89% Female 11%



2022 Male 87% Female 13%



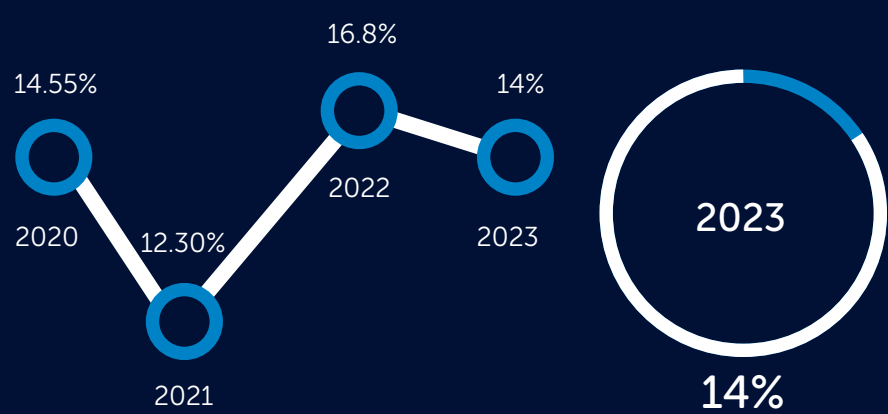
2022 Male 76% Female 24%



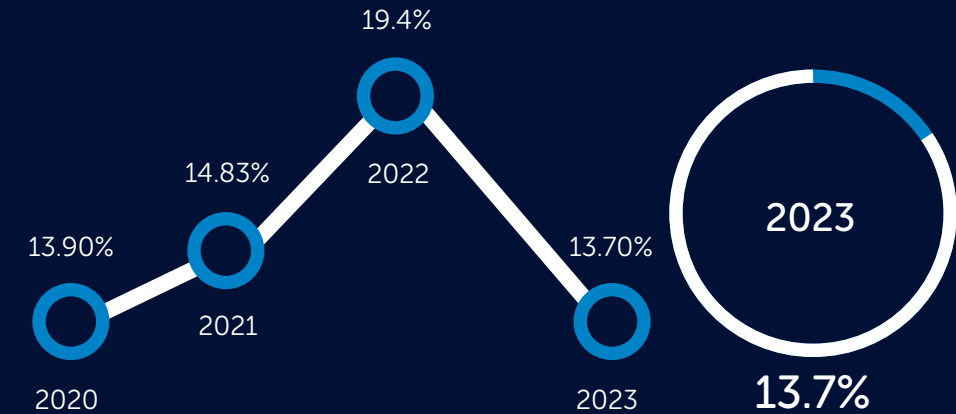
2022 Male 69% Female 31%

OUR PROGRESS

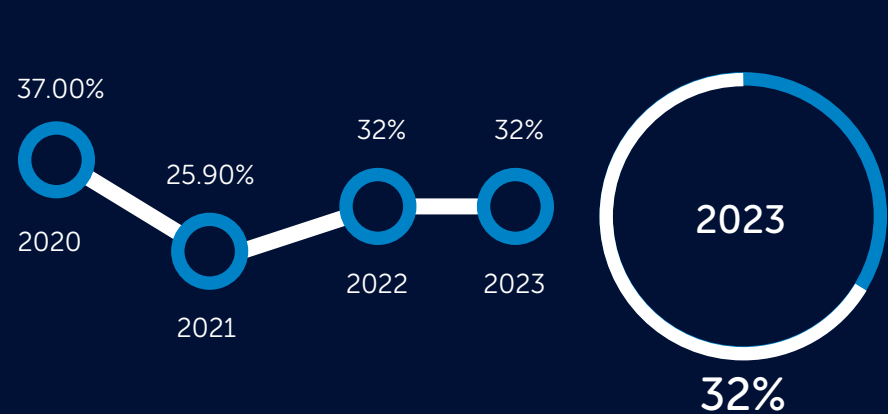
MEAN PAY TREND



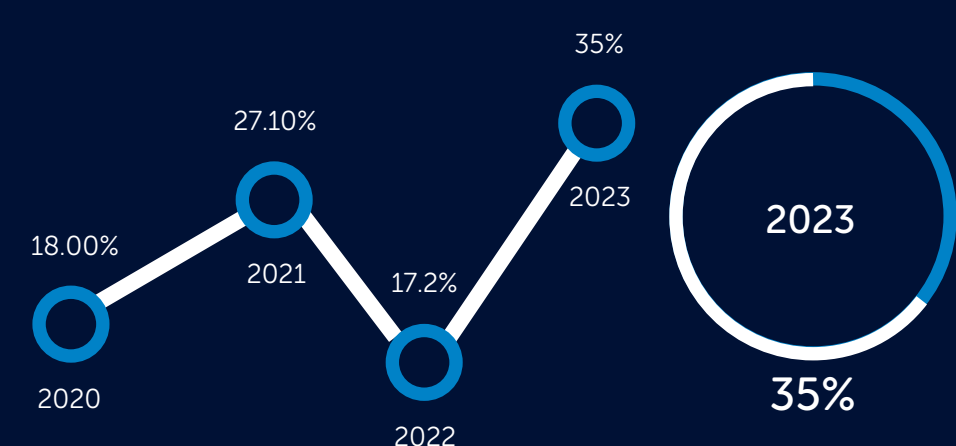
MEDIAN PAY TREND



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 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 achieved the Gold Award in 2023. 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 become Franklin Partners with Women in Defence, and have signed a number of Charters and Pledges - some 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

10%

 OF WORKFORCE
ARE VETERANS

ARMED FORCES
COVENANT

EMPLOYER
RECOGNITION
SCHEME

GOLD AWARD

WOMEN IN
DEFENCE
CHARTER



DRIVING GENDER EQUALITY. WHAT WE'RE DOING AT RBSL

"I have always worked in male-dominated environments and have had a positive experience both in my last role as a British Army officer and with RBSL – ultimately gender becomes irrelevant when you are committed and work hard, and your colleagues will recognise this. After serving 21 years in the British Army, it was incredibly important for me to establish a second career with a company that reflected my values. During the recruitment process I was valued for my key skills, experience and what I could bring to the wider RBSL family.

"Since joining the company I have been empowered as a leader and even had the opportunity to establish our Women's Network which I hope will continue to grow further this year. I also lead with RBSL's Franklin Partnership with Women in Defence and RBSL being a signatory of the Women in Defence Charter through which we are making credible and progressive steps to achieve a critical mass of 30% women, from the current 20%, before 2030.

"There are so many opportunities for women in the Defence Sector and RBSL offers amazing support for women returning to work after career gaps through our STEM Returners programme. It is also really promising to see the number of new female apprentices who have started their careers this year."

Sarah Jackson
Chief of Staff



OUR SUMMARY

In 2023 RBSL has seen a significant increase in its engineering population and as such we have decreased our ratio of females to males and our Gender Pay Gap has also increased. We are committed to build an inclusive and diverse company and will look to address this in the near future years.

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.



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