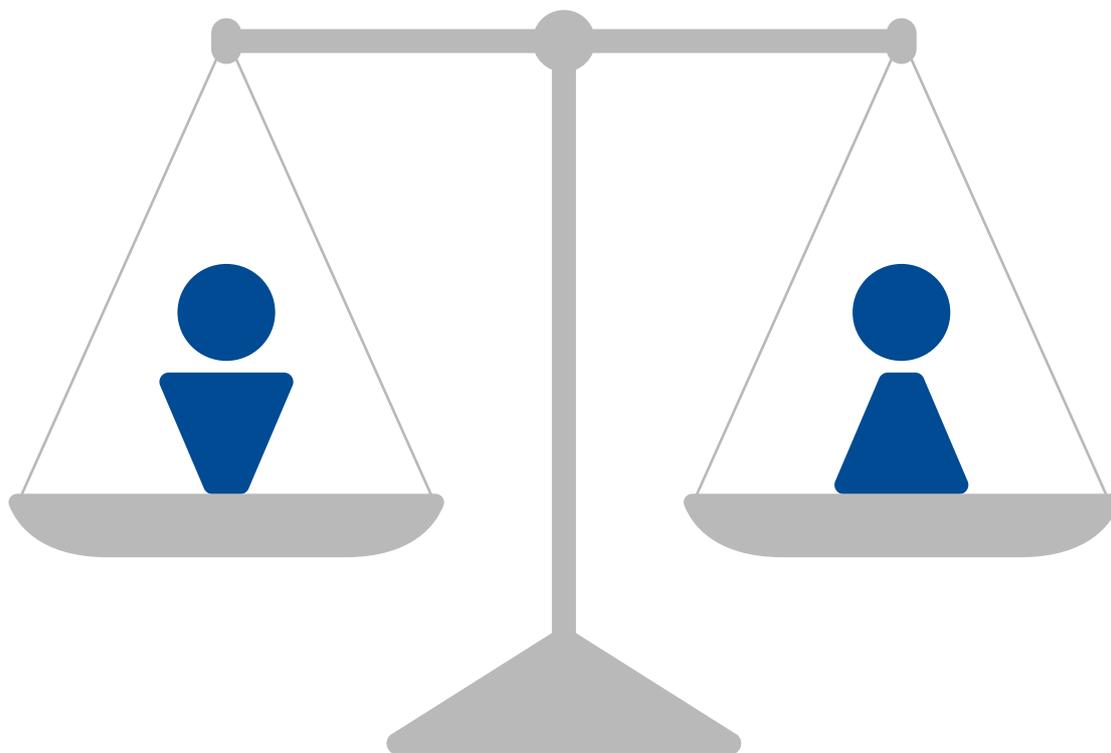


# GENDER

PAY GAP RESULTS 2018



General Dynamics UK is proud to be a responsible business that believes in the economic empowerment of women to help drive our growth agenda. Our ambition is to be the defence sector employer of choice, where irrespective of gender every employee can realise their potential.

# WHAT IS IT?

The gender pay gap gives a snapshot of the gender balance within an organisation. It measures the difference between the earnings of male and female employees, irrespective of their role or seniority.

It is distinct from equal pay, which is about ensuring that men and women are paid the same for carrying out equal work.

The gender pay gap data is a valuable tool to help understand why our own business and our industry are missing out on female talent. Gender pay gap reporting is a critical step in our plans to attract, retain and develop a diverse talent population.

Six calculations are required:

- **Mean gender pay gap**
- **Median gender pay gap**
- **Mean bonus gender pay gap**
- **Median bonus gender pay gap**
- **Proportion of males and proportion of females paid a bonus payment**
- **Proportion of males and females in each pay quartile**

The gender pay gap data is calculated using the hourly rates of pay, earned by each relevant employee during their relevant pay period, that includes the snapshot date of 5 April 2017.

The bonus pay gap data is calculated using the bonuses paid to relevant employees during the period 6 April 2016 to 5 April 2017 inclusive.

**The national median gender pay gap for all employees in 2017 was**

**18.4%**

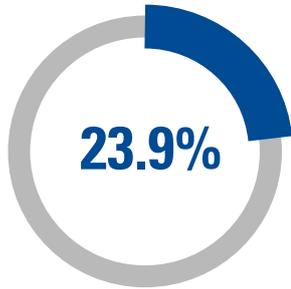
Our 'gender pay gap' is shown overleaf. This is a snapshot of the difference between the hourly pay levels of women compared to men, irrespective of their role or level in the organisation, expressed as a percentage of male earnings.

Our figures show that the median pay of our women in the UK is 23.1 per cent lower than that for our men.

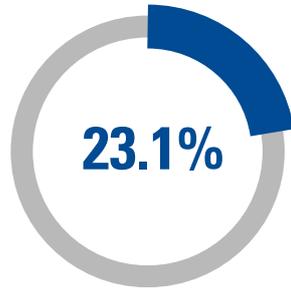
For comparison, the UK's national median gender pay gap is 18.4 per cent.

## ORDINARY PAY GAP

FOR RELEVANT EMPLOYEES



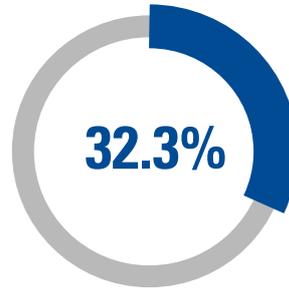
MEAN



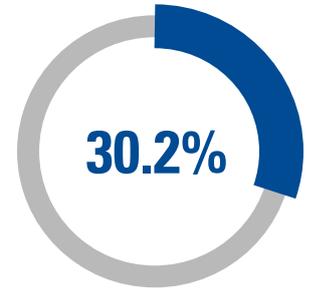
MEDIAN

## BONUS PAY GAP

FOR RELEVANT EMPLOYEES  
In the 12 month bonus period (April 2016 to April 2017)



MEAN



MEDIAN



## PROPORTION OF EMPLOYEES PAID A BONUS

**89%**  
OF MEN



**86%**  
OF WOMEN



*Note: Without new hires that were not eligible for a 2016 bonus payout, ratio paid is 98.1 per cent for men and 98.4 per cent for women. In order to be eligible to receive a bonus, employees must have joined prior to 1 October in the relevant year. Bonus payments are pro-rated for employees working part-time.*

## SALARY QUANTILES



*Using hourly rates of males and females ranked from lowest to highest.*

# THE POSITIVE ACTIONS WE'RE TAKING...

We are keenly aware that there is much effort and energy from many areas of government and education to encourage young women of school age and other women into the STEM sector, as a key enabler of closing the gap<sup>1</sup>. The defence sector in particular has traditionally been male dominated. There must be a collective effort across all STEM sector companies to encourage more women into STEM careers and in particular into engineering roles, where they can enjoy rewarding, creative and flexible careers. As a whole, the UK needs to significantly increase the number of people with engineering skills and we see taking action to increase the number of women entering engineering as a profession as a positive step to address this shortfall. Currently, only nine per cent of engineering roles in the UK are held by women.

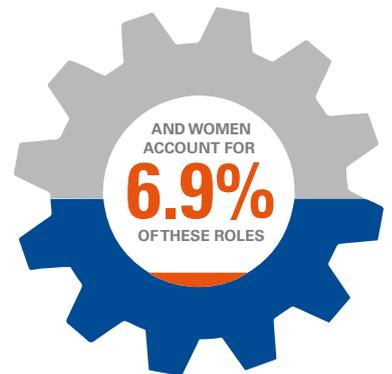
Our results show we have more work to do and we are committed to making positive change through a number of different actions:

- Women make up 21.5 per cent of our organisation
- Overall, engineering roles account for 47.6 per cent of our population
- Our gender pay gap is driven by two key things:
  - Women are less well represented in the top and middle pay quartiles and this is a result of us having fewer women in senior leadership roles which sit in these quartiles
  - Almost half of our organisation consists of engineering roles. Engineering UK's 2017<sup>2</sup> report stated that only 15 per cent of students entering a first degree in engineering and technology were female. This means we have a relatively small pool of female talent from which to recruit
- Overall, 22 per cent of our female employees work reduced hours compared to five per cent of our male employees. Since 2015, we have offered all our employees the ability to compress their hours over nine working days, giving them a day off at the end of that fortnight. This has proved hugely popular amongst our employees. In addition, we also provide a range of flexible working options including part-time working, term-time working, working from home and annualised hours
- We offer enhanced family leave policies, including shared parental leave, which are designed to support both male and female employees to help them balance work and home life
- We have already set in motion an inclusion and diversity action plan, the gender specific actions of which are designed to close the gender pay gap, and form a key pillar of our wider People Plan activity which includes a more broad focus on engagement and culture



OVERALL  
WOMEN MAKE UP  
OF OUR **21.5%**  
ORGANISATION

OUR ENGINEERING  
ROLES ACCOUNT FOR  
**47.6%**  
OF OUR COMPANY  
POPULATION



<sup>1</sup>Women in STEM: Technology, career pathways and the gender pay gap – Deloitte 2016

<sup>2</sup>Engineering UK 2017 report, figures are from 2014/2015

**The key elements of the positive actions we are taking are set out below:**

- Engagement has been convincingly linked with productivity, profitability, employee commitment and retention. Diversity can help the bottom line, and diversity is sustainable only in an inclusive culture. We will work to ensure our recruitment; training, development and career progression plans are free from gender bias.
- We are thoughtful about our branding and media to ensure that we appeal to as diverse an audience as possible
- We have already taken steps to ensure that our recruitment and promotions processes are free from gender bias
- We are committed to increasing year on year, the number of women recruited for our graduate and apprenticeship programmes
- We are undertaking to play a key role in the STEM Ambassador outreach Programme, working with local schools in the South Wales and Hastings areas to help local school children understand more about careers in STEM and promote female role models
- Improve the development and support of entry level and junior female engineers
- We have introduced a requirement that for all leadership roles in non-engineering functions across the organisation we will have gender-balanced shortlists as a prerequisite to moving forward to interview stage
- By the end of 2018, all our employees will have undertaken unconscious bias training
- We will continue to promote our current culture of embracing flexible working

**WE WILL TARGET SUPPORT TO  
THOSE WHO SHOW THE  
POTENTIAL FOR SENIOR ROLES**

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