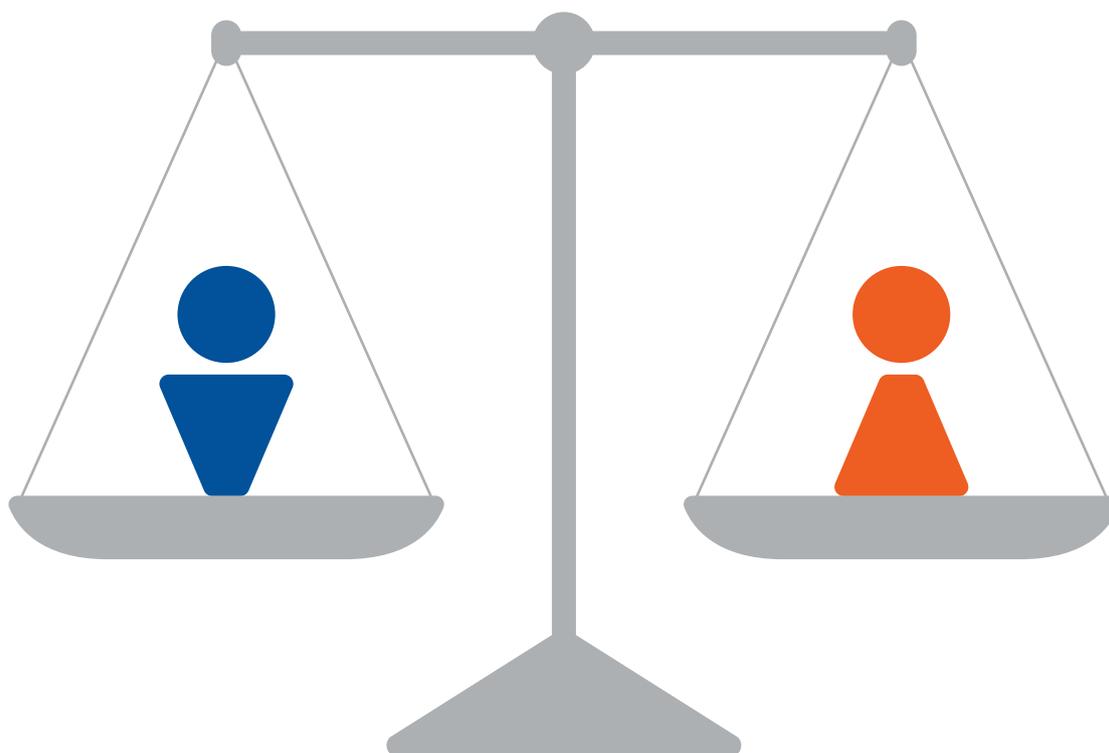


GENDER

PAY GAP RESULTS 2017/2018



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 2018.

The bonus pay gap data is calculated using the bonuses paid to relevant employees during the period 6 April 2017 to 5 April 2018 inclusive.

The national median gender pay gap for all employees in 2018 was

17.9%*

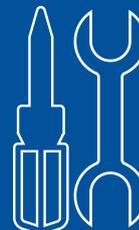
Our 'gender pay gap' is shown overleaf. This is a snapshot of the difference between the hourly pay levels of women compared to men, irrespective of their role or level in the organisation, expressed as a percentage of male earnings.

Our figures show that the median pay of our women in the UK is 21.7 per cent lower than that for our men.

For comparison, the UK's national median gender pay gap is 17.9 per cent.

* Office for National Statistics,
Gender Pay Gap in the UK 2018

THE GENDER PAY GAP IS WIDEST IN THE SKILLED TRADE OCCUPATIONS **23.9%** in 2018



GENERAL DYNAMICS UK **21.7%** in 2018

2018 GDUK RESULTS

NO. OF MEN AND WOMEN IN 2018

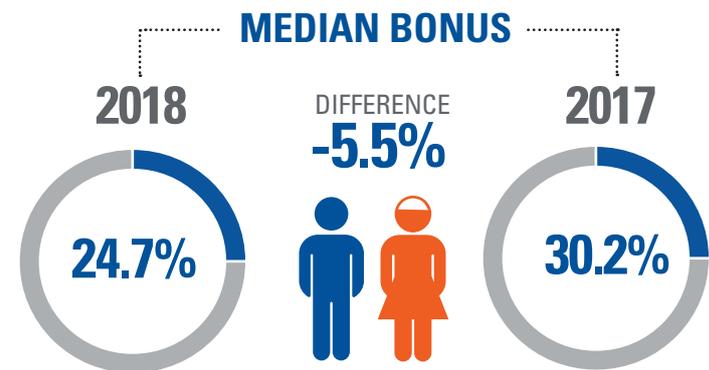
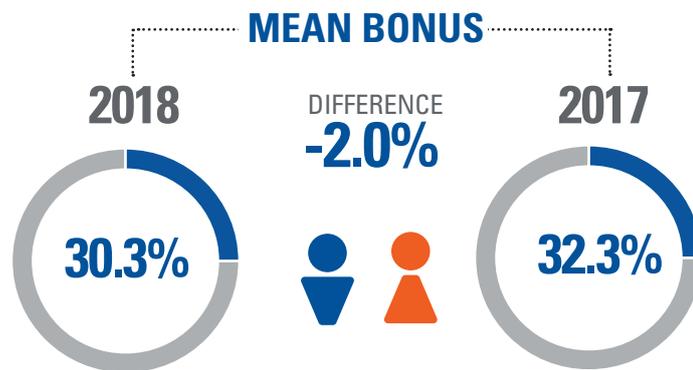
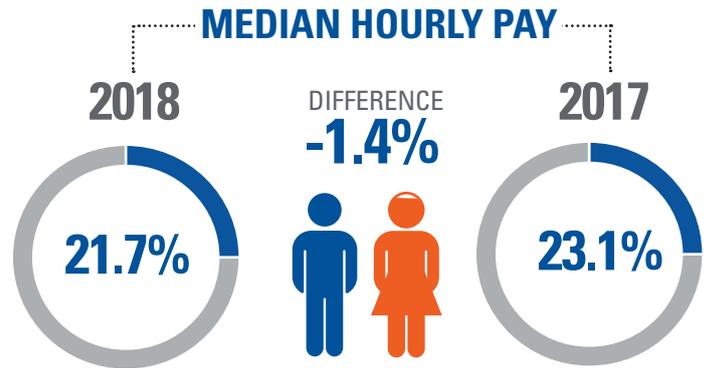
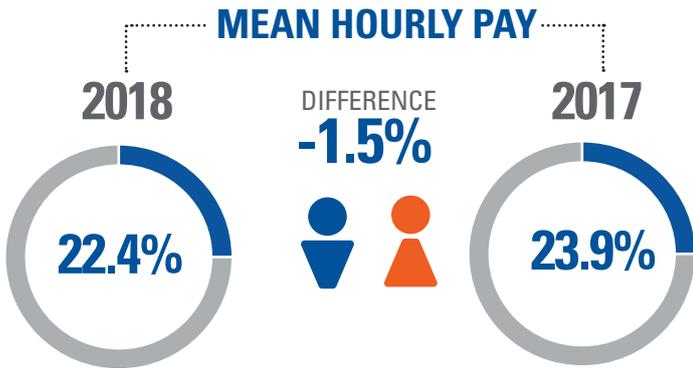
874

249

NO. OF MEN AND WOMEN IN 2017

763

209



2018 QUARTILES

MEN WOMEN

TOP QUARTILE



UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



% OF MEN AND WOMEN RECEIVING A BONUS

88%

89%



OF MEN

2018

2017



OF WOMEN

88%

86%

WE ARE MAKING PROGRESS...

IMPROVED REPORTABLE METRICS ACROSS THE BOARD

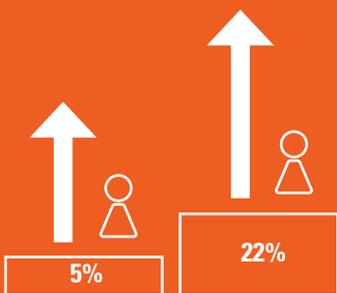


% OF WOMEN EMPLOYED IN NON-TECHNICAL ROLES INCREASED BY **7%**



ACROSS OUR GRADUATE SCHEME & APPRENTICESHIP PROGRAMME WE HAVE INCREASED THE INTAKE OF WOMEN FROM

5% TO 22%



SINCE APRIL 2017

WOMEN MAKE UP **22.2%** OF OUR WORKFORCE COMPARED WITH **21.5%** IN 2017



35% OF ALL DELEGATES ON OUR LEADERSHIP PROGRAMME WERE **WOMEN**

10% INCREASE

IN THE PROPORTION OF **WOMEN IN LEADERSHIP ROLES** SINCE APRIL 2017



ALL OF OUR EMPLOYEES COMPLETED **UNBIAS TRAINING**

IN 2018



40% OF ALL EMPLOYEES WHO WORK REDUCED HOURS ARE **MEN**



1 STEM AMBASSADOR OUTREACH PROGRAMME

We have a comprehensive plan to support local schools, colleges and nationwide universities, to help young people understand more about courses in STEM and to promote our female role models.

2 RECRUITMENT & ATTRACTION

We intend to maintain our focus of using our branding and media to appeal to as diverse an audience as possible. Our business is focused on hiring the best people for the job and we will always ensure our recruitment processes are fair and free from bias by taking steps to safeguard gender equality throughout recruitment at all grades. Our objective is to ensure that our interview shortlists are gender balanced.

3 CAREER PROGRESSION & SKILLS DEVELOPMENT

We encourage all of our employees to develop, learn and grow through a range of training and other learning opportunities. We provide a range of leadership development opportunities for all our managers through our “new leader passport” programme. In 2017 / 2018, 11 women (35 per cent of delegates) went through elements of this programme. For 2018/19, we are working with a Wales-based gender equality charity, Chwarae Tag, on the Fairplay employer programme and women’s development programme, with the aim of becoming a recognised ‘Fairplay employer’.

4 EMBRACING AND PROMOTING FLEXIBLE WORKING

Recent research has shown that flexible working has not increased in the UK since 2010*. Whilst all of our employees have the opportunity to work a compressed fortnight (compressing hours over a nine-day period, taking every second Friday off), the take up of other options remains low. Just under seven per cent of our employees work reduced hours and 40 per cent of these are men. We want to be able to address the challenges of the changing world in which we operate and believe that flexible working can help us achieve this in all its forms. As part of our overall inclusion and diversity plan, through our various communication channels, we intend to use employee stories to highlight and promote flexible working, in particular those options that remain less popular.



* CIPD Megatrends: Flexible working report January 2019

I confirm that General Dynamic UK Limited's pay gap data has been collected and presented within this report in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Steven Rowbotham, Chief Operating Officer, General Dynamics UK.

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