

UK Gender Pay Report 2023

Rolls-Royce Holdings plc



We are committed to creating an environment where every employee can reach their full potential by encouraging wellbeing and development in an inclusive environment. We recognise that a diverse workforce is crucial to achieving a high-performance culture and is a key enabler of innovation, and an inclusive environment is critical to retaining this diverse talent.

We do not have an equal pay issue between genders on a job-by-job basis and both the pay and bonus gaps have reduced or slightly increased (+0.1%) on both mean and median basis since 2022.

The consistent pay gap is explained primarily by the proportionately increased female representation throughout the pay quartiles, while the bonus gap reflects the fact that proportionately more women are in leadership roles than men (of the female population 27% are in leadership roles while only 19% of men are in leadership roles) which attract a higher on target bonus and a long term incentive plan.

Pay difference between women and men:

All our Rolls-Royce employees in the UK

	2023	2022
Median Gender Pay Gap across all Rolls-Royce employees in the UK	3.7%	3.6%
Mean Gender Pay Gap across all Rolls-Royce employees in the UK	1.2%	1.6%
UK's National Gender Pay Gap <i>Source: Office for National Statistics 2023</i>	14.3%	14.4%

The above snapshot shows the difference between the average (mean and median) hourly pay levels of all women compared to all men, irrespective of their role or level in the organization. This is expressed as a percentage of men's average pay. The median average pay of all our women in the UK is 3.7% lower than all our men whilst the mean average pay is 1.2% lower for women compared to men. For comparison the UK's national median gender pay gap in 2023 was 14.3%. The hourly pay figure includes all items specified in the regulations, such as allowances and shift pay.

The "gender pay gap" is an average figure and is distinct from "Equal pay", which looks at the individual level and is about ensuring that men and women are paid the same for carrying out the same work, or work of equal value. When we look at the salaries between men and women in equivalent roles, we do not have any equal pay issues.

We have a variety of mechanisms to ensure consistency in reward between men and women in equivalent roles or doing the same work. These include spot rates in our manufacturing sites and a structured approach to job sizing and pay determination in other areas of the business.

Bonus difference between women and men

in 12 months preceding 5 April 2023

	Mean	Median
2023	-16.50%	-2.90%
2022	-15.50%	0.30%

Maintaining our focus on diversity and inclusion

Our workforce consists of significantly more men than women. We launched the target of 25% of our global workforce being female by 2025, and we are at 18.2% as of April 2023 (vs 18% in April 2022). This is important context as we reflect on our Gender Pay Gap.

As of April 2023, globally there are:

- 21% women in our enterprise leadership population (vs 22% in 2022)
- 36% women in our graduate population (vs 32% in 2022)

Our strategy has remained focused on four main areas: leadership and governance; attraction and recruitment; engagement and retention; and development. We continue to increase representation of women at all levels to create an inclusive environment. We continued to run our structured mentorship programme for women, Thrive. 88% of respondents confirmed they would recommend the programme to a colleague.

We also continue to invest in community and education outreach programmes to engage young people from diverse backgrounds in STEM subjects at an early age to increase our talent pipeline.

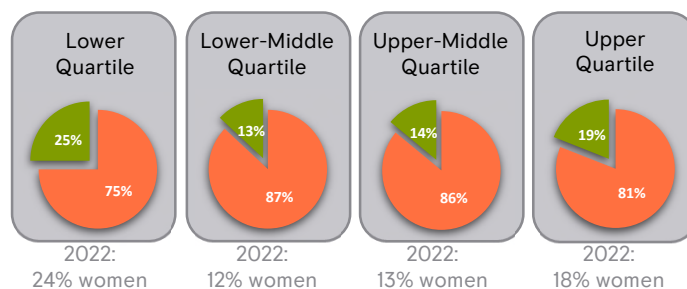
- We aim to have minimum 50% female participants in all our STEM education activities.
- We support specific programmes and events for girls and young women, including with Girlguiding in the UK, our Wings4Her programme in India, and International Women's Day and Women in Engineering Day events globally.
- Our interactive and sustained STEM programmes engaged about 200,000 young people in 2022 and 58% were female.

Pay quartiles across UK employees

at 5 April 2023



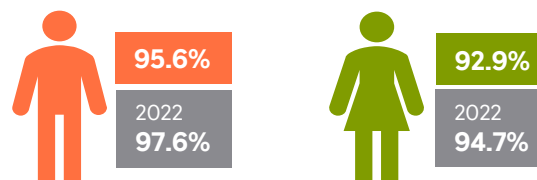
Approx. 5046 employees per quartile



Overall, women currently represent 18.0% of our UK employees. Women are currently less well represented than this figure in the middle two quartiles due to proportionately more men being in professional level roles which are dominated by Engineering, and also the shop floor population which attract a premium for working shifts. Increasing the number of women in our business and moving towards an equal distribution of men and women across all levels is a priority for us. We are continuing to focus on diverse hires at all levels in the organization.

Proportion of all UK employees receiving a bonus

in 12 months preceding 5 April 2023



In the UK we have incentive plans in place for employees at all levels, which accounts for our high percentages of inclusion. Bonus payments for 2022 were made across all of our sub-units.

The negative bonus gap has been driven by the fact that proportionately more of the female population are in management roles, which attracts a higher on target bonus, increasing the mean average figure.

We still have much work to do, and our focus remains on continuing to improve the proportion of women in junior leadership roles. Moving forward we are looking to adopt a more holistic approach to driving systemic change. We are determined to increase the diversity of our workforce and working together to create a company where every person can belong. We have been recognised in our efforts placing 30th in the Top 50 Inclusive Companies Award 2023.

UK Gender Pay Report 2023

Rolls-Royce Holdings plc

Across our legal entities

The regulations ask for data on employing legal entities in the UK which have more than 250 employees.

Rolls-Royce Holdings plc has three such entities. To compare the data to last year's, please see the 2022 UK Gender Pay Report.

Rolls-Royce plc

Rolls-Royce plc has 15,742 employees, 17.4% are women.

Pay and bonus difference between women and men

at 5 April 2023

	Mean	Median
Hourly Pay	-1.4%	2.0%
Bonus	-24.4%	-4.7%

This chart shows the percentage by which women's average hourly pay and bonus pay are lower compared to men's.

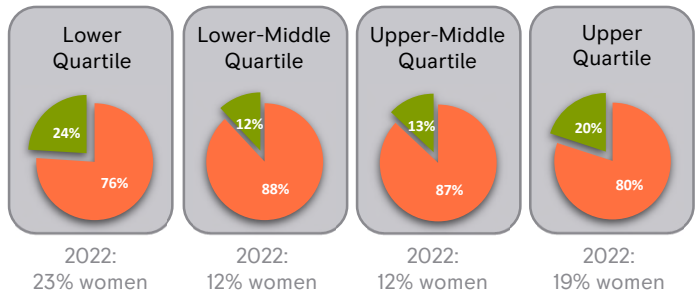
Proportion of all UK employees receiving a bonus

in 12 months preceding 5 April 2023



Pay quartiles across UK employees

at 5 April 2023



Rolls-Royce Submarines Ltd

Rolls-Royce Submarines Ltd has 3,716 employees, 18.4% are women.

Pay and bonus difference between women and men

at 5 April 2023

	Mean	Median
Hourly Pay	5.1%	6.7%
Bonus	17.8%	12.5%

This chart shows the percentage by which women's average hourly pay and bonus pay are lower compared to men's.

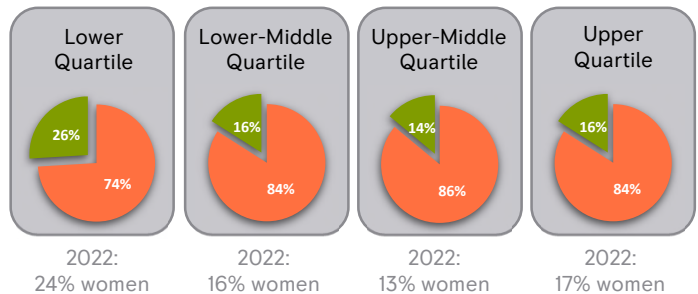
Proportion of all UK employees receiving a bonus

in 12 months preceding 5 April 2023



Pay quartiles across UK employees

at 5 April 2023



Rolls-Royce SMR Ltd

Rolls-Royce SMR Ltd has 594 employees, 21% are women.

[*Click here](#) to access the full Rolls-Royce SMR Gender Pay Report

Pay and bonus difference between women and men

at 5 April 2023

	Mean	Median
Hourly Pay	9.7%	10.2%
Bonus	17.1%	34.5%

This chart shows the percentage by which women's average hourly pay and bonus pay are lower compared to men's.

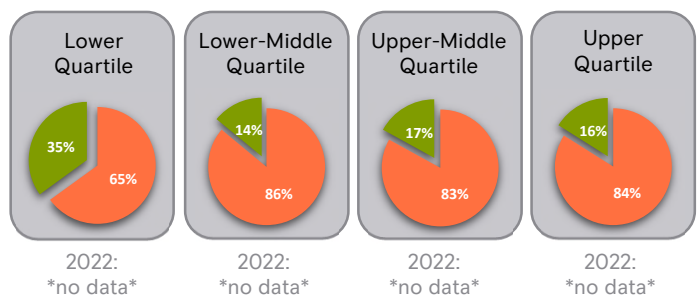
Proportion of all UK employees receiving a bonus

in 12 months preceding 5 April 2023



Pay quartiles across UK employees

at 5 April 2023



*Rolls-Royce SMR employees were only eligible for a bonus if they joined the business before October 2022. 100% of both men and women employees, that were eligible, received a bonus.

We confirm the data reported is accurate

For Rolls-Royce Holding plc
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Steve Carlier
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