

Rolls-Royce Motor Cars Limited
Gender Pay Gap Report 2019



Introduction

Diversity is the engine of our success because a diverse workforce is an important force for innovation.

Rolls-Royce Motor Cars believes that diversity and inclusion are crucial to our ability to perform effectively and will ensure the long-term success of our Company.

As a wholly-owned subsidiary of the BMW Group, we have established a commitment to diversity and inclusion as part of the Group Company's human resources and sustainability strategy.

We support a corporate culture that promotes tolerance, mutual respect and equal opportunity. In this report we provide our gender pay gap information, identify the reasons behind the gap and our plans to close it.

We support the UK Government's drive for companies to be more transparent on gender pay issues and confirm that the data reported is accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



A handwritten signature in black ink, appearing to read 'Torsten Müller-Ötvös'.

Torsten Müller-Ötvös
CEO



A handwritten signature in black ink, appearing to read 'Mark Adams'.

Mark Adams
Human Resources Director



Our Measurement

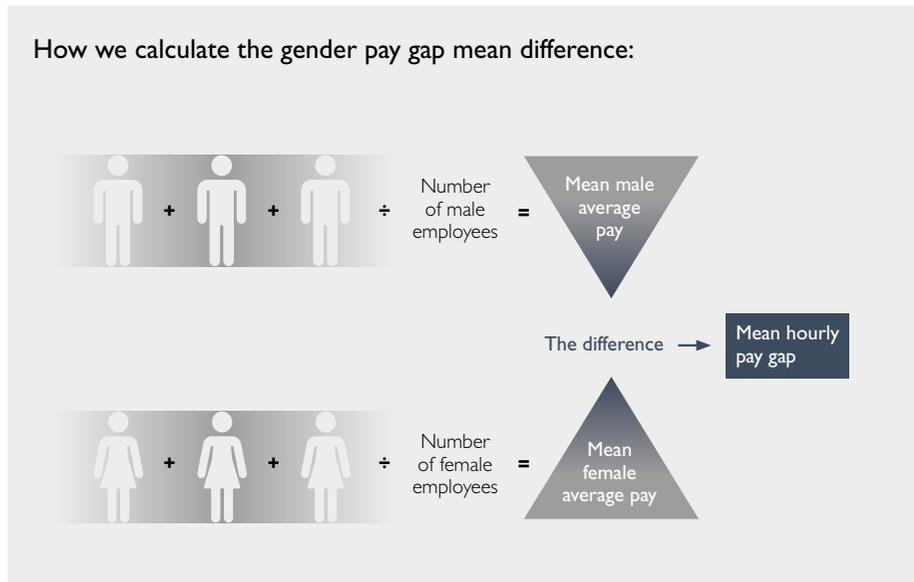
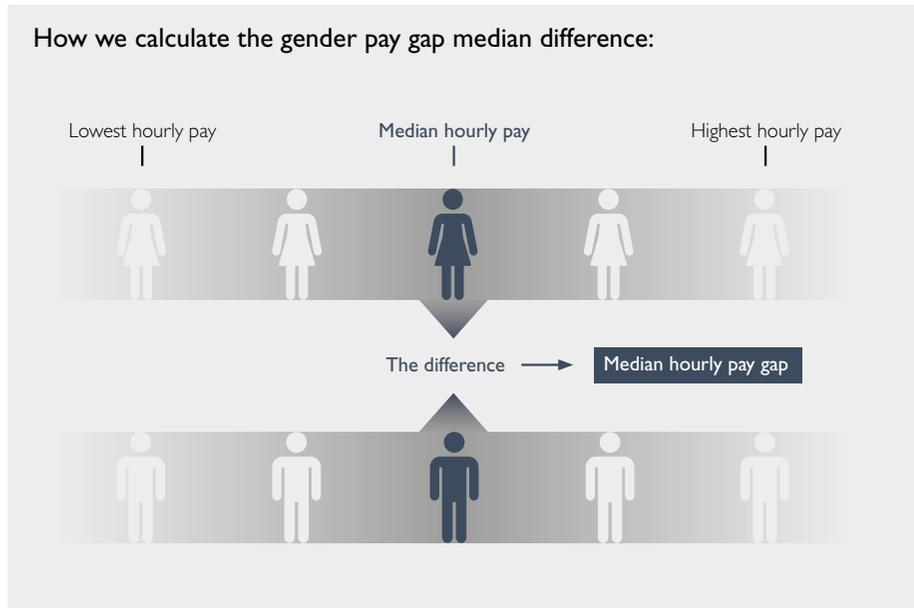
On 5 April 2019, Rolls-Royce Motor Cars employed 1306 people and the overall employee population is made up of 82% men and 18% women.

The Gender Pay Gap Reporting Regulations require all employers with 250 or more employees in the UK to report their gender pay gap.

The figures reported are based on calculations set out in the Regulations and must be reported every year.

The gender pay gap does not measure equal pay, which relates to what women and men are paid for performing equal work.

The principle of equal pay is enshrined in law and we are committed to ensuring equal pay for men and women performing equal work, in line with legal requirements.



Definitions

The Principle of Equal pay is:

The right for men and women to receive equal pay for equal work.

The Gender Pay Gap is:

The difference in the average pay and bonuses of all men and women across an organisation, irrespective of their role or level in the organisation.

Our Findings

Our workforce is made up of a variety of roles in disciplines from Manufacturing, Sales, Marketing and Communications to Finance, IT and Human Resources.

We have seen some changes in our figures since the 2018 reporting period. These changes have been small on the majority of the reporting areas and demonstrate that the overriding impact on our figures is because we have more men than women in senior roles, and across the business as a whole. The changes were not unexpected as the long-term actions we have committed to will require time to realise.

Our flexible working policy continues to have an impact on our gender pay gap as there is a higher proportion of women in part-time roles.

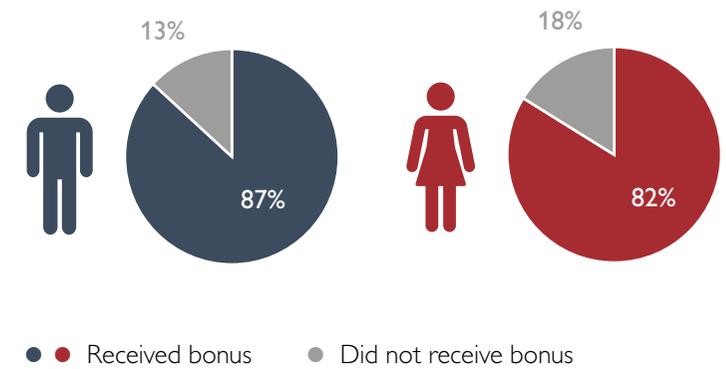
We have seen a percentage increase to the number of women in the lower quartile. This is a significant percentage increase compared to last year and is a positive reflection of the work being done to increase the number of women on our future talent programmes. We recognise that sustaining the same year on year significant increase will be challenging, however we remain committed to the defined actions.

The impact of a pro rata bonus payment for those on maternity leave and part of a future talent programme has impacted the mean bonus pay gap.

The Gender Pay Gap data for Rolls-Royce Motor Cars in 2018/19 is as follows:

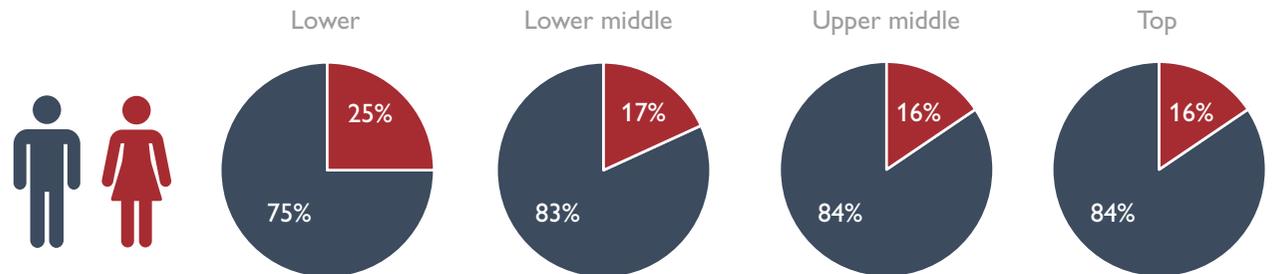
| Mean and median pay and bonus gap | | |
|-----------------------------------|-------------------|--------------------|
| | MEAN (average) | MEDIAN (middle) |
| Gender Pay Gap | 7.5% | 7.1% |
| Gender Bonus Gap | 13.8% | 7.0% |

Proportion of employees who received a bonus:



Salary Quartiles

The proportion of males/females in each quartile pay band is as follows:



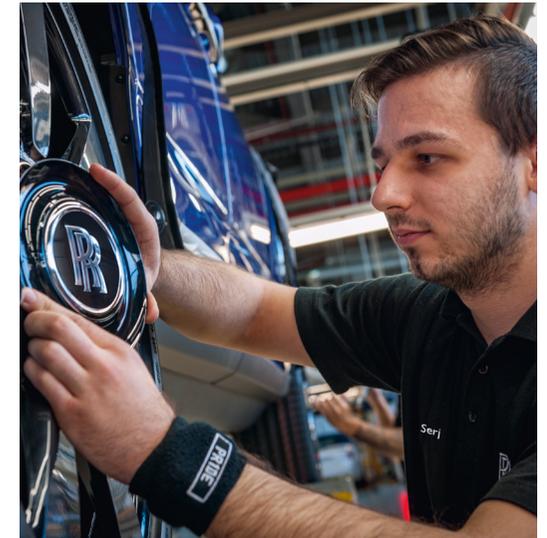
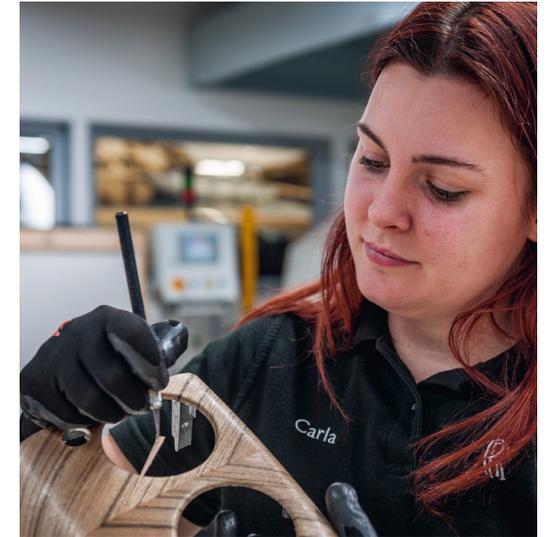
The Year in Review

In our last Gender Pay Gap we committed to three key actions to reduce the Gender Pay Gap: recruitment training with a dedicated module on unconscious bias training, diversity and inclusion training and educational partnerships with a Science, Technology, Engineering and Mathematics (STEM) focus. Our progress against these actions has been positive throughout 2019 and will continue to evolve during 2020. Already we have seen an overall increase of 5% women joining one of our future talent programmes.

We know that it is not just policies and practices that make up an inclusive and diverse workforce. It is our culture and how people behave when they come to work that bring these policies and practices to life. Our Values – ‘Responsibility, Openness, Trust, Transparency and Appreciation’ – define how we behave at Rolls-Royce and during 2019 we ran face-to-face workshops with all our employees to embed these values.

Looking to the Future

1. We will continue to deliver focused recruitment training for hiring managers which includes an unconscious bias module.
2. We will utilise newly created marketing material using gender balanced imagery and gender neutral language to encourage diverse applications at the point of recruitment.
3. We are investing in leadership training which embeds diversity and inclusion behaviours and encourages a collaborative work environment.
4. To continue to build upon the partnerships formed with local educational institutions to promote interest in STEM subjects.



Looking to the Future

Simona started an internship with Rolls-Royce Motor Cars in July 2016 in the Sales Operations department. She then returned to the Company in 2018 and joined the Graduate Scheme.

“I thoroughly enjoyed my internship. It was a big learning curve in my life, not only in regards to the business and the industry but also learning about myself and what I wanted to do early in my career.

After graduating from the University of Bath, I returned to Rolls-Royce and joined the Graduate Scheme because of the incredible opportunities it has to offer. I am passionate about travel and my placements were within our European Regional Sales office and BMW Group in Munich. I learnt a lot about different parts of the business, from vehicle production to sales planning, covering the whole spectrum of daily operations to long term strategy development. And there is still so much more to experience!

I am now moving into a new role where I get to work with a diverse group of people who value my skills and abilities and through them I am encouraged and able to implement my ideas. Most importantly, I am a part of a great team that makes my work enjoyable”.

