



**MBDA UK
GENDER PAY
GAP REPORT
2019**

Introduction



“ In the third year of reporting on our gender pay gap, we are pleased to see that our hard work and commitment to improving gender balance is having a positive impact, as we show further improvement in our results.

The uneven distribution of male and female employees across our grading structure continues to be the key reason for our current gender pay gap. We’re tackling this with a range initiatives, including new approaches to recruitment and improving our flexible working offering. We are also increasing awareness and understanding of why improving gender balance across the business is important through our networks and formal learning.

It’s our aim that all MBDA employees have equal opportunity to reach their full potential, and we remain dedicated in our efforts to attract, develop, motivate and inspire diverse talent, with a specific focus on vital engineering capability.

This is why we were proud to be among the initial signatories of the Women in Defence Charter in 2019, and we continue to work closely with WISE (Women in Science and Engineering) and the Royal Academy of Engineering.

More details of our initiatives, networks and partnerships can be found within this report.

I confirm the data published in this report is correct, in accordance with the Equality Act 2010 (Gender Pay Gap information) Regulations 2017.”

Chris Allam
Executive Group Director Engineering
and Managing Director UK





GENDER PAY GAP LOOKS AT THE AVERAGE PAY FOR ALL EMPLOYEES



What Gender Pay Gap reporting means

The Gender Pay Gap shows on average the percentage difference between pay and bonuses for all male and female employees. The calculations look at the average pay for all employees irrespective of level, skills or experience.

It is different to Equal Pay, which looks at individual employees in the same or similar roles, or work of equal value. We remain committed to paying all employees equally and complete equal pay reviews regularly.

How is the Gender Pay Gap calculated?

The Government requires companies with more than 250 employees to analyse the average male and female pay using the mean and median hourly and bonus pay gaps, the distribution of male and female employees across pay quartiles and the proportion of male and female employees receiving bonus pay.

Mean hourly pay gap:
the difference between the mean (average) pay for all male and female employees on 5th April 2019

Median hourly pay gap:
the difference between the median (mid-point) average pay for male and female employees on 5th April 2019

Hourly pay quartiles:
the percentage of male and females in each quartile (25%) of an employer's pay structure

Mean bonus pay gap:
the difference between the mean (average) pay for all male and female employees in the 12 months to 5th April 2019

Median bonus pay gap:
the difference between the median (mid-point) pay for all male and female employees in the 12 months to 5th April 2019

Bonus proportions:
the percentage of male and female employees in receipt of bonus pay in the 12 months to 5th April 2019

The hourly pay calculations include basic salary, allowances, salary sacrifice benefit deductions and any bonus payments paid in April 2019. It excludes employees on reduced pay for family leave, unpaid leave, sickness absence or career breaks.

The bonus pay calculations include payments for performance, profit-sharing and recruitment payments, such as employee referral payments. It does not take account of pro rata bonus pay for new starters, part-time employees or career breaks.

Our Gender Pay Gap results

When we review the causes of our Gender Pay Gap, we have identified this is largely driven by having proportionately more male employees in executive roles compared to female employees, this results in higher average salaries and bonus payments. Since our first Gender Pay Gap report, we have made positive progress to start reducing our gender pay gap and improving our gender and overall diversity.

Hourly Pay Gap: This progress is shown in the reduction of our mean hourly pay gap to 18.4%, from 21.3% in our 2017 report. This has resulted from changes in our employee population, including an increase in the percentage of female new starters across our grading structure.

Bonus Pay Gap: Similarly, our mean bonus pay gap has reduced to 43.1% this year, from 47.8% in 2017. Like the hourly pay gap, our bonus pay gap is influenced by where male and female employees are in the grading structure.

This is reflected more strongly in the bonus pay gap as we have different bonus schemes for executive and non-executive employees, and there is a higher proportion of male employees in the executive population. The bonus pay gap is also influenced by pro rata bonus pay for part-time employees and new starters, which are not taken into account in the calculations.

Bonus Pay proportions: The bonus pay proportions reflect that all employees are eligible for bonus payments at MBDA. The bonus payments reflect employees who received a bonus for the scheme year, January to December 2018. The small percentages of male and female employees who didn't receive a bonus joined in early 2019 and weren't eligible for a 2018 bonus.

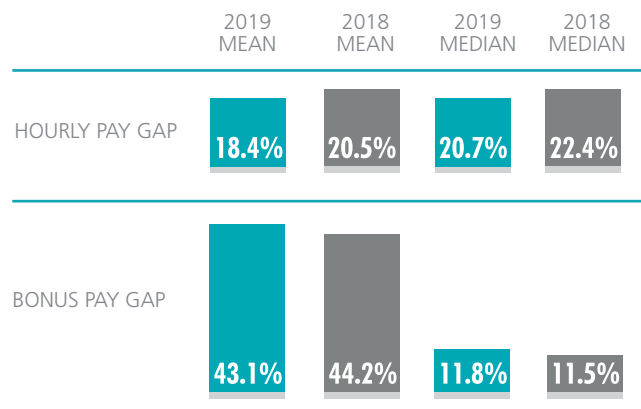
Hourly Pay quartiles: Progress can also be seen in our hourly pay quartiles, where the % of female employees in the lowest paid quartile has decreased and the female representation in the other pay quartiles has increased.

PERCENTAGE OF MALE AND FEMALE EMPLOYEES IN RECEIPT OF BONUS PAY

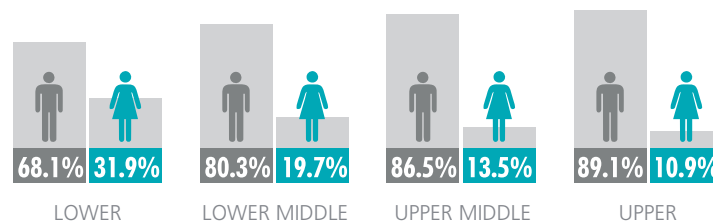


Bonus pay proportions: 98% of male employees and 97% of female employees received bonus pay in 2019.

2019 AND 2018 HOURLY & BONUS PAY GAPS



HOURLY PAY QUARTILES

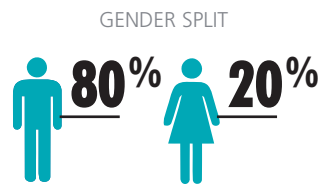


How are we addressing our Gender Pay Gap?

We're focused on recruiting diverse talent

A key challenge experienced by many engineering organisations is attracting a diversity of applicants. We are working hard to broaden our appeal and communicate the many benefits of working at MBDA to a wider audience. In 2019 we commissioned a report from diversity and inclusion experts Pearn Kandola to understand how we can improve, and we have fed this insight into our WISE ten steps action plan.

- **Attracting diverse talent:** Our recent recruitment campaigns focus on our Company Values and the opportunities for career development at MBDA.



We continue to develop our employer brand and to communicate this widely, for example exhibiting at the IET's Young Woman Engineer of the Year Awards.

- **Inclusive hiring:** To minimise unconscious bias in our hiring process, we've refreshed our interview training and our Resourcing team endeavours to remove gender bias from our job adverts.
- **Early Careers recruitment:** In our Early Careers Recruitment, we are now using strengths-based assessment, which is proven to reduce bias and achieve better hiring results.

We're committed to development

- **WISE Career Development course:** We recently hosted the WISE career development course in partnership with Skills 4 UK. Several MBDA employees took part and we hosted external delegates from a variety of industries. The programme equips individuals with tools and confidence to showcase their abilities and achieve their potential.
- **Mentoring:** A refreshed mentoring plan was rolled out in 2019 and further focus on female mentees is planned during 2020.
- In 2020 we will also focus on aligning our talent and development processes more closely to ensure we identify and support the next generation of leaders to reach their potential.



WISE campaign

We are proud to be members of the WISE Campaign (Women in Science and Engineering), and we have worked on several initiatives with WISE to support improving gender balance within MBDA and the wider industry.

According to WISE, in 2019 10.3% of UK engineering professionals were women, this represents 50,475 women and compares to 5.8% of engineering professionals in 2009.

We're raising awareness and educating our employees

- **Developing employee and manager understanding:** In 2019, we developed a refreshed suite of Equality, Diversity and Inclusion learning resources. This includes interactive workshops for managers on how to build and inclusive culture, and the role they play in making inclusive people management decisions.
- **Practical advice:** We have released videos for employees and managers explaining unconscious bias, with simple and practical tips on how we can challenge our own biases.
- In 2020 we will also be launching new mandatory digital learning for all our new starters, introducing our commitment to an inclusive workplace and positive behaviour at the very start of their career at MBDA.

Increasing flexibility and a positive place to work

- **Flexibility:** We understand that flexibility is increasingly important for employees and in 2020 we will further embed flexible and part-time working with a revised policy, as well as workshops for managers and guides to support both employees and managers.
- **Supporting working parents:** We offer generous family-friendly pay and leave benefits and are reviewing the wider support we offer to new and existing parents in 2020. To help us further develop family friendly values and flexibility across MBDA, we became a member of Working Families, a work life balance organisation.
- **Pay and promotion transparency.** To develop employee understanding of pay and promotion processes and principles, we have published a My Reward guide that increases transparency for employees.





External partnerships to improve gender diversity

We work collaboratively on improving gender diversity with our customer community, the Armed Forces, our shareholders and the wider industry.

- **Women in Defence charter:** We were proud to become a signatory of the Women in Defence Charter. The Charter is a commitment to improve gender balance in the Defence industry.
- **Contributing to external research:** MBDA is proud to be a member of WISE (Women in Science and Engineering), and has recently contributed to its study into the Gender Pay Gap in the engineering sector, commissioned by the Royal Academy of Engineering. The **Closing the Engineering Gender Pay Gap Study** focuses on understanding the causes of the engineering gender pay gap and identifies potential actions to respond to this.
- **WISE Ten Steps:** MBDA became a signatory to the **WISE Ten Steps** in 2020, a framework of practical measures specifically designed to help science, technology and engineering employers improve the recruitment, retention and progression of women. We will be working closely with WISE over the coming years to deliver on our action plan.



BRYONY SMITH

Head of UK Partnerships

Bryony Smith is Head of UK Partnerships for MBDA UK, and has long been a champion of greater gender balance in Defence. In 2012, Bryony played a key role in launching SPACE2B, MBDA's network for women. In 2019, SPACE2B relaunched as a gender balance network, open to members of all genders.

“ I was delighted to be involved in the launch of the Women in Defence Charter. I'm a passionate supporter of diversity and inclusion in STEM, and an active advocate of skills development. I'm proud that our industry has made this commitment to greater balance in our community, which is not only fairer for women, but ultimately improves and enriches the Defence sector, driving innovation and productivity. ”

In support of developing skills and capabilities across the Defence sector, Bryony is a member of the Defence Growth Partnership Skills Group. From 2016 to 2018, Bryony led the development of the DGP Defence Export Enterprise Programme (DEEP), working with representatives from across Industry, Government and Academia to bring the insights and expertise of the group together to design and deliver an innovative suite of learning opportunities designed to support the development of our future Export leaders. She has over 35 years' experience working in a broad spectrum of roles for MBDA across Customer, Supply Chain and General Management disciplines, and has been able to draw on this experience to help drive both skills development and diversity forward.

We support women at MBDA

- **Gender balance:** Our gender balance network, SPACE2B, continues to thrive, and now has a balanced membership made up of approximately 50:50 male and female employees. We held several SPACE2B events in 2019 on the power of role models, positioning yourself to achieve your potential and for the first time we organised market stall events for all employee networks and groups to celebrated National Inclusion Week at MBDA.
- **Menopause Matters at MBDA:** We have launched a new community, Menopause Matters at MBDA. It's important that menopause is acknowledged and understood within MBDA, and those affected feel supported and empowered to thrive at work and beyond.



SOPHIE CLAUS

Business Support Officer

“ Personal experience led me to set up Menopause Matters at MBDA in 2019. Navigating surgical menopause in my thirties has been a challenge and when a search for a local support group returned zero results I decided to create The Menopause Club, a free, accessible to all, monthly support group in Hertfordshire and Bedfordshire. After discovering that many women find managing menopause symptoms in the workplace a challenge, I decided to set up Menopause Matters at MBDA.

Along with support from all levels across the business, I thought it would be great to champion an open environment where conversation can about menopause is normalised and does not carry stigma or embarrassment. MBDA are committed to ensuring Menopause is acknowledged and understood at work and those experiencing it feel supported so they're able to thrive inside and outside of the workplace. Through our corporate social network, 'Menopause Matters at MBDA', we share factual evidence based information which is accessible to all employees. We also have monthly meet ups to share our knowledge and experiences.

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SPACE2B
EXCEPTIONAL | INCLUDED | YOU
CHAMPIONING GENDER BALANCE AT MBDA

**MENOPAUSE
MATTERS**at**MBDA**
EXCEPTIONAL | INCLUDED | YOU



BECKY HARRISON-PITT

Software Engineering Graduate

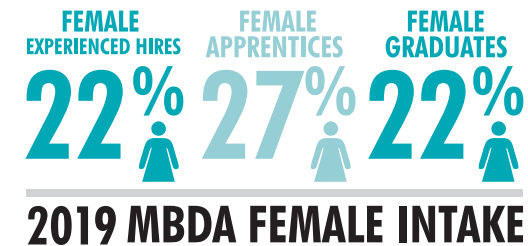
“ I joined MBDA 18 months ago on the Software Engineering Graduate Scheme and enjoy the day-to-day challenges as well as having so many opportunities to develop technically and personally through the scheme. I am involved in many MBDA STEM Outreach events including mentoring an all-girls school for Robot Rumble, running the Front of House team for Glider Challenge and organising the Aircraft Reconnaissance Challenge. I am currently organising Engineer for a Day, an event aimed at increasing engagement from Year 8 girls and showing them that not all engineers wear a hard hat with paint all over their dungarees! Coming straight out of University and into the world of work was quite a daunting leap, and so having constant engagement through STEM Outreach and representing MBDA at career fairs has offered a great network of support as well as giving me a platform to represent Women in Engineering. The Software Engineering Graduate/Apprenticeship Scheme is also a great talking point at STEM and careers events, as many young women aren't aware these types of scheme exist. ”



We want to inspire more young women and girls to consider engineering as a career

- **Early Careers Programmes and STEM outreach:** We continue to identify opportunities where we can engage and inspire the next generation across our many STEM outreach programmes and to demonstrate the ever increasing and varied career paths within MBDA across both engineering and business. We remain committed in working in partnership with schools, colleges and universities and to continue expand these engagement opportunities across these events including Engineer for a Day (girls only), Aircraft Reconnaissance Challenge, Robot Rumble, Primary Engineer, Flying Start and Glider Challenge.

**INSPIRING
MORE YOUNG
WOMEN
& GIRLS
TO CONSIDER
ENGINEERING
AS A CAREER**



Further pay gap reporting

The Government is likely to introduce Ethnicity Pay Gap Reporting in the near future. We are supportive of further reporting to understand the causes of particular pay gaps and take action to further increase diversity. We are reviewing the feasibility of this type of reporting and to support this activity we encourage employees to disclose their ethnicity via their employee profile.

Contact us

MBDA UK careers: <https://www.mbdacareers.co.uk>

MBDA Group: <http://www.mbda-systems.com>

Government gender pay gap service:

<https://gender-pay-gap.service.gov.uk>

We are a member of various organisations and take part in campaigns to achieve greater gender balance and inspire a broad range of people to consider a career in engineering.

