



**MBDA UK PAY
GAP REPORT
2024**

Statement from MBDA UK Managing Director

“As part of our commitment to transparency and equality, we are proud to present a singular Pay Gap Report that combines both gender and voluntary ethnicity data. By integrating these insights, we aim to provide a more comprehensive view of the pay gaps within MBDA and more importantly inform the actions being taken to address them.

This approach allows us to better understand the diversity of our workforce, highlighting where targeted action is needed most. It will help us to fulfil our commitment to addressing inequalities, with greater impact, ensuring that our initiatives drive meaningful and measurable change for all.

As with previous years we have continued to reduce our gender pay gap and increased overall female and ethnicity representation. However, the data also tells us that we still have more work to do as we still have relatively low representation of females and ethnic groups; in particular at more senior levels of our grading structure.

We hope this combined report offers valuable insights into our progress and the steps we are taking to create a truly equitable workplace for everyone.

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



Chris Allam
Managing Director UK



30% by
2030



A balanced workforce is good for government and good for business, good for customers and consumers, for profitability and workplace culture, for promoting prosperity and stability, and for showing everyone matters in building stronger and more peaceful communities.

*Women in Defence
Charter Strategy*

INNOVATION



COMMITMENT



INTEGRITY



PASSION



TEAM SPIRIT



Pay gap reporting – methodology

What is pay gap reporting?

Pay Gap reporting measures the percentage difference in average pay and bonuses between groups of employees based on diversity characteristics. It does not account for factors such as grade, skills, or experience. It's important to distinguish this from equal pay, which refers to the legal requirement under the Equality Act 2010 to pay men and women equally for the same or equivalent work.

At MBDA UK, we also follow consistent methodology for ethnicity Pay Gap reporting. However, if ethnicity Pay Gap reporting becomes a legal requirement in the future, this may require adjustments to our approach.

We are committed to ensuring fair pay and providing equal opportunities for all employees to reach their full potential, regardless of gender or ethnicity.

Why do we do it?

The UK Government introduced gender Pay Gap reporting in 2017 to promote greater equality and representation regardless of gender. While ethnicity Pay Gap reporting is not yet a legal requirement, we choose to publish this data because we believe it's the right thing to do. Sharing this information helps us identify and address barriers to both gender and ethnic representation and informs meaningful actions to drive progress.

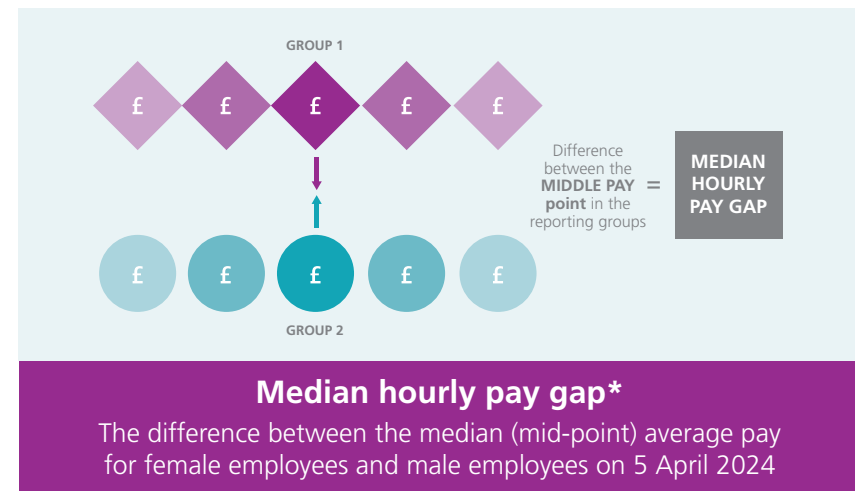
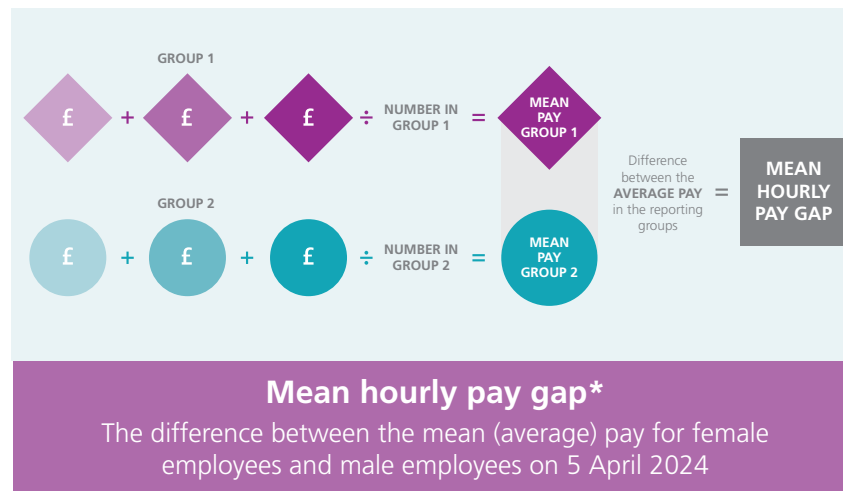


Pay gap reporting – methodology

Our approach for pay gap reporting looks at the percentage difference in average pay and bonuses between female, male and ethnically diverse employees.

Hourly pay gap calculation

When applying this methodology through the lens of ethnicity, we compared employees who identify as White ethnic groups and employees who identify with all other ethnic groups combined. Where possible given the population size, we have also reported the median pay gaps for individual high-level ethnic groups.



* Hourly pay: includes basic salary, allowances, salary sacrifice benefit deductions and any bonus payments in the April 2024 payroll. It excludes employees on leave with reduced pay, such as statutory maternity, paternity, adoption or shared parental leave, unpaid leave, long-term sickness or career breaks.

Pay gap reporting – methodology



Bonus pay gap calculation

We look at bonus payments over a 12-month period up to April 2024. This includes payments for performance, profit sharing and recruitment, such as employee referral.

Additional measures

We also report on bonus proportions and quartile pay bands. We look at the proportion of relevant employees who were paid bonus pay during the reporting period. Whilst all MBDA employees are bonus eligible, due to the timing of new employees joining the business and the reporting requirements, not all employees would have received bonus pay in the relevant time period.

For these measures, we have compared female, male and ethnically diverse employees.

Bonus proportions

The percentage of employees who were paid a bonus

Quartile pay bands

The proportions of employees in each 25% of the pay structure for their hourly pay rate

*** Bonus pay: includes payments for performance, profit-sharing and recruitment, such as employee referral. It does not take into account reduced bonus pay for new starters, part-time employee or career breaks.*

At a glance – pay gap numbers

GENDER PAY GAP

| | Mean | | | Median | | |
|--------|-------|-------|--------|--------|-------|--------|
| | 2023 | 2024 | | 2023 | 2024 | |
| Female | 13.7% | 13.0% | ▼ 0.7% | 13.1% | 12.6% | ▼ 0.5% |

ETHNICITY PAY GAP

| | Mean | | | Median | | |
|--|------|------|----|--------|------|--------|
| | 2023 | 2024 | | 2023 | 2024 | |
| All ethnic groups other than White combined | 8.6% | 8.6% | 0% | 7.2% | 3.8% | ▼ 3.4% |
| Asian or Asian British | | | | 4.1% | 2.7% | ▼ 1.4% |
| Black African, Black Caribbean, or Black British | | | | 13.2% | 9.7% | ▼ 3.5% |
| Mixed or multiple ethnic groups | | | | 10.4% | 6.4% | ▼ 4.0% |

Key points

- In 2024, as with every year since we started reporting gender pay gap has continued to decrease.
- Our overall mean pay gap has improved.

Key points

- Our overall mean pay gap has remained the same.
- Our overall median pay gap has improved.

At a glance – bonus pay gap numbers

GENDER BONUS PAY GAP

| | Mean | | | Median | | |
|--------|-------|-------|--------|--------|------|--------|
| | 2023 | 2024 | | 2023 | 2024 | |
| Female | 32.5% | 33.4% | ▲ 0.9% | 5.5% | 6.9% | ▲ 1.4% |

ETHNICITY BONUS PAY GAP

| | Mean | | | Median | | |
|--|-------|-------|--------|--------|------|--------|
| | 2023 | 2024 | | 2023 | 2024 | |
| All ethnic groups other than White combined | 33.7% | 39.4% | ▲ 5.7% | 1.4% | 2.5% | ▲ 1.1% |
| Asian or Asian British | | | | 0.0% | 1.1% | ▲ 1.1% |
| Black African, Black Caribbean, or Black British | | | | 4.3% | 7.8% | ▲ 3.5% |
| Mixed or Multiple ethnic groups | | | | 2.2% | 1.3% | ▼ 0.9% |

GENDER BONUS PROPORTIONS

| | 2023 | 2024 | |
|--------|-------|-------|--------|
| Female | 95.2% | 98.6% | ▲ 3.4% |
| Male | 96.8% | 97.8% | ▲ 1.0% |

ETHNICITY BONUS PROPORTIONS

| | 2023 | 2024 | |
|---|-------|-------|--------|
| Employees who identify with White ethnic groups | 96.4% | 98.1% | ▲ 1.7% |
| All other ethnic groups other than White combined | 94.3% | 95.9% | ▲ 1.6% |

Key points

- Our mean and median bonus pay gap has increased this year.

Key points

- Our overall mean and median bonus pay gaps have increased.

*** Bonus pay: includes payments for performance, profit-sharing and recruitment, such as employee referral. It does not take into account reduced bonus pay for new starters, part-time employee or career breaks.*

What's influencing the data?

Key influences on our pay gaps

The structure of our organisation has a significant impact on our pay gaps. A higher proportion of white men occupy senior and higher-paid roles, while women and ethnic minority colleagues are underrepresented at these levels. This remains the primary factor contributing to our pay gaps. While we have seen some progress in improving workforce diversity in the lower pay quartiles, changes at the senior level – although positive – have been slower. Since these upper quartiles have the greatest impact on reducing our gender and ethnicity pay gaps, the overall gaps persist. During 2024 we have started to collect more information around diversity data which will support us in truly understanding the diversity of MBDA and create action plans. Having dedicated campaigns may see a positive increase in the number of employees sharing their ethnicity information.

Achieving greater representation at senior levels takes time, which is why we are committed to implementing inclusive career development strategies and fostering diverse recruitment practices to support the career progression of women and ethnic minority employees.

For bonus pay, Spotlight data covers the period of points awarded between 1 January 2024 to 30 April 2024. For Long Service Awards for five-year achievers, we included these via Spotlight from 1 January onwards.

In the 2024 calculations, we also include for the first time awards made through our new Reward and Recognition (R&R) platform, from its launch date in early 2024 to 30 April 2024. Historically, our R&R and long service awards were claimed by employees through our expenses system. The change in delivery of these awards now through Spotlight means these awards now fall under the 'bonus' umbrella for the purpose of pay gap reporting and are included in the calculations on this basis.

External influences

As with many others in defence, external influences, such as industry-wide talent shortages, under-representation in STEM careers, and societal disparities in education and training, impact the diversity of our talent pipeline. These factors highlight the importance of our ongoing efforts to attract, retain, and develop diverse talent across all levels of our organisation.



Analysis of our pay gap

Proportion of males and females in each quartile band

| | Female | | |
|-----------------------|--------|--------------|--------|
| | 2023 | 2024 | |
| Lower quartile | 34.5% | 33.3% | ▼ 1.2% |
| Lower middle quartile | 21.6% | 22.5% | ▲ 0.9% |
| Upper middle quartile | 16.8% | 17.2% | ▲ 0.4% |
| Upper quartile | 15.1% | 16.2% | ▲ 1.1% |

The pay quartiles show where employees are by gender and ethnicity in the hourly pay quartiles, including a comparison to the previous reporting period.

Gender pay gap

Our mean gender pay gap continues to decrease, falling by 0.7% since 2023. There had been a steady increase in the proportion of women represented in the lower middle, upper middle and upper quartiles in the last 12 months. Gender representation at the time of reporting was 22.6% female representation which has continued to increase year-on-year.

Proportion of ethnically diverse colleagues in each quartile band

| | White ethnic groups | | | All other ethnic groups combined | | | No data/prefer not to declare | | |
|-----------------------|---------------------|--------------|--------|----------------------------------|--------------|--------|-------------------------------|-------------|--------|
| | 2023 | 2024 | | 2023 | 2024 | | 2023 | 2024 | |
| Lower quartile | 85.8% | 85.3% | ▼ 0.5% | 9.3% | 10.5% | ▲ 1.2% | 4.9% | 4.2% | ▼ 0.7% |
| Lower middle quartile | 82.9% | 85.0% | ▲ 2.1% | 10.8% | 9.7% | ▼ 1.1% | 6.2% | 5.3% | ▼ 0.9% |
| Upper middle quartile | 84.2% | 83.8% | ▼ 0.4% | 7.4% | 9.7% | ▲ 2.3% | 8.4% | 6.4% | ▼ 2.0% |
| Upper quartile | 83.6% | 85.6% | ▲ 2.0% | 6.1% | 5.7% | ▼ 0.4% | 10.3% | 8.7% | ▼ 1.6% |

Ethnicity pay gap

Our ethnicity pay gap is based on our voluntary ethnicity disclosure of 94.5% (including 0.7% electing to 'prefer not to say'). Of the employees who have declared their ethnicity data, 8.9% identified with ethnic groups other than White, an increase of 0.5% compared to last year.

We have seen a year-on-year improvement of ethnic minorities colleagues represented across the lower and upper middle quartiles since we first started reporting our ethnicity pay gap in 2021. Since 2023, the largest improvement has been seen in the upper middle quartile. Representation has not shown the same level of progressive increase within the upper pay quartile. This has resulted in the ethnicity pay gap remaining the same between 2023 and 2024.

Although we have seen an increase of employees declaring their ethnicity, those that prefer not to still represents a significant proportion of the dataset. This does not give us a complete picture for data reporting purposes and means we can only carry out analysis on the 'declared data'.

Supporting equality through our employee networks

Creating a sense of belonging

We are proud of our internal networks and communities and the value they bring to the business. These networks provide everyone with opportunities for personal development, a platform to share their experiences, and a means to drive a more inclusive culture for the future of MBDA. We also recognise the importance of intersectionality within our networks and encourage collaboration between them to create impactful initiatives and meaningful support for our employees.



Senior sponsorship and support

Senior leader sponsorship is vital to the success of our networks, offering them greater legitimacy within the business. This ensures our Equality, Diversity, and Inclusion (ED&I) ambitions are taken seriously and encourages new members to join, confident that their voices will be heard at the highest levels. Sponsors also play a critical role in aligning network aims with the strategic direction of the business, embedding changes that positively impact our ability to create a workplace that is fair, respectful, and inclusive for all.

“ I am proud to sponsor GEN-EQ and the invaluable work they have undertaken throughout the year, championing our gender equality initiatives and growing their vibrant community.

Once again, I am pleased to see MBDA UK's continued progress in increasing female representation across our workforce and making strides to close the pay gap across all measures.

In 2023, we launched our first International Female Development Programme, which has since been complemented by a UK-specific programme, with firm plans to continue this important work in the future.

I firmly believe it is a business imperative to provide dedicated programmes, communities, and resources that enable women in our organisation to develop, thrive, and achieve their full potential. ”

Matt Beaumont, Director of Mechanical Engineering and Executive Sponsor GEN-EQ



“ The role of Executive sponsor for our ethnicity network, Mosaic, is a responsibility I take very seriously. It provides an opportunity to amplify voices and help shape strategies that support our ambition to create an inclusive environment where creativity and innovation thrive.

Over the past couple of years, I've seen Mosaic grow in both community and action, making a positive impact on the business. Notable achievements include an increase in employees disclosing ethnicity data in our people systems, the co-creation of our internally published ethnicity action plan and the launch of our first Ethnicity Mentoring Programme in late 2024.

I look forward to continuing to work closely with Mosaic to drive even greater progress and positive action. ”

Iain West Finance Director – Group Cost Base and UK and Executive Sponsor Mosaic



Our employee networks

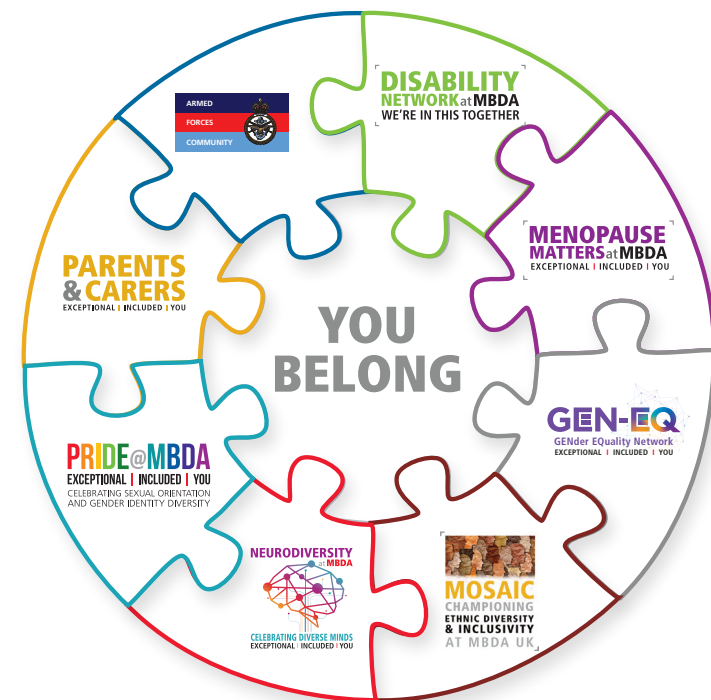
Our employee networks: Collaboration and intersectionality in action

Over the past year, our networks have grown to over 2,000 employee members demonstrating the value they bring to both individuals and the business, by providing safe spaces for employees to connect, develop, and learn by sharing lived experiences, promoting allyship, and raising awareness of key Equality, Diversity, and Inclusion (ED&I) initiatives.

Our networks engage employees through a variety of channels, including coffee catch-ups, network lunches, and collaborative sessions that highlight intersectionality across different groups. This has included Menopause Matters and Parents & Carers coming together to host focused discussion groups, while Mosaic partnered with Neurodiversity to host a talk from Professor Jason Arday, a leading scholar on race, inequality, and education. The Neurodiversity Network also led a session on *The Hidden Strengths of Carers*, the Pride Network supported Bisexual Awareness Week, and our GEN-EQ organised multiple guest speaker events across our sites to celebrate International Women in Engineering Day.

Beyond fostering connection, our networks provide powerful insights into employee sentiment, helping to shape key ED&I initiatives. Together, we have co-created impactful resources, including the Menopause Framework, Ethnicity Action Plan, Disability Action Plan, mentoring programmes, and female development programmes.

We are proud of the continued growth and impact of our networks. In 2024, we launched our disability network and introduced a series of awareness sessions focused on accessibility at MBDA further reinforcing our commitment to an inclusive workplace for all.



Supporting equality – our business priorities

Attraction and recruitment

We continue to proactively seek talented individuals of all genders and backgrounds, actively promote careers in defence and engineering to underrepresented groups. Initiatives such as Code First Girls and target careers events have been key to this effort. In 2024, we partnered with STEM Returners, and looking ahead, we are piloting other focused initiatives across the business, including creating a Women in Engineering community and launching open vacancy campaigns to reach diverse talent.

Development

In 2024, we launched our first international development programme for women at MBDA, focusing on self-development and leadership through structured learning sessions. This was followed by the introduction of our first UK programme – Rise Sprint, which promotes holistic wellbeing and a balanced approach to life and work. Additionally, we introduced two targeted mentoring programmes: one in partnership with Women in Defence and another designed to support ethnically diverse employees with Mission Include. These programmes aim to provide participants with fresh perspectives and exposure to other organisations.

Employee voice

Throughout the year, we have encouraged open dialogue with employees through dedicated listening sessions, helping us better understand their priorities and shape actionable plans together.

Equality in our policies

We offer a comprehensive benefits package to support employees and their families, reflecting our company values. To enable greater flexibility for all employees, we continue to empower our people to work effectively wherever and whenever suits them through our dynamic working model. In 2024, we also refreshed and enhanced several key policies, including paternal leave, flexible working, special leave and family-friendly policies. Later in the year, we updated our Respect at Work guidance to further align with our values.

Keeping the conversation going

We created and launched INBox toolkits for both self reflection and team dialogue, to help navigate what ED&I means to both individuals and the business.

Business commitment

Following the launch of our groupwide Equality, Diversity, and Inclusion (ED&I) commitment, we have developed focused action plans to accelerate our progress. We established an ED&I taskforce with a specific focus on gender balance and inclusion. This taskforce has enabled us to test and pilot initiatives while sharing best practice across the business for greater impact. Additionally, we internally published our Ethnicity Action Plan, which focuses on four key areas: Transparency and Tracking, Power to Make a Change, Awareness and Inclusive Culture, and Equal Opportunity. As part of our commitment, we signed the Business in the Community Race at Work Charter to visibly demonstrate our dedication to racial equity.

Don't just take it from us

Hear from our employees who have participated in programmes designed to enhance gender and ethnicity equality. Their experiences highlight the impact of our initiatives and demonstrate our commitment to fostering an inclusive and diverse workplace.



I love being part of the Women in Defence Mentoring Programme.

Working alongside my mentee has been insightful, challenging, and so rewarding – definitely a two-way learning opportunity. The Women in Defence framework massively supports and guides whilst not being intrusive to the mentor/mentee relationship. Helping to break down barriers that women face in our industry is crucial, and this programme is allowing me, my mentee, and MBDA to make a difference.



Lou Robinson, Head of UK Transformation and Improvement, MBDA Mentor



At first I was a little apprehensive about having a mentor from an outside organisation, and how much they would be able to guide me. However, I have been pleasantly surprised about the support my mentor has been able to provide, without necessarily knowing the details of what I do or how our business operates.

My mentor has challenged me to approach situations with a perspective I would not have normally thought about, and the fact my mentor is from a different cultural and business background, means we have had meaningful discussions about these approaches to decide on the best way forward. My mentoring programming is going well, and I feel the mentor has my best interest in mind, encouraging



me to step outside my comfort zone. This not only allowed me to challenge my normal ways of working, but also having the confidence to do so.

Mehul Patel – UK TTA Capability Lead – Mission Include MBDA Mentee

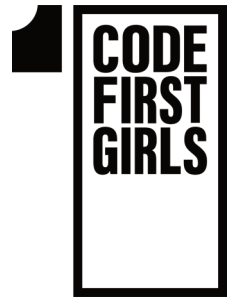
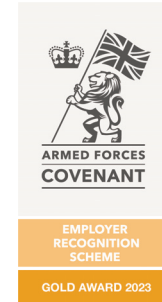




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Contact us

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>

