



**MBDA UK PAY
GAP REPORT
2025**

STATEMENT FROM MBDA UK MANAGING DIRECTOR



30% by
2030

“ As in previous years, we have continued to make steady progress in increasing diverse representation at MBDA UK, focusing on building a culture of belonging and inclusion, and listening to employee experiences; shaping action plans together.

We continue to see a reduction in our Gender Pay and Bonus Gaps, and have been focusing on development opportunities at both a UK and International level. For Ethnicity, we can see an increase in our Pay Gaps, despite growth in ethnic representation across all of our pay quartiles. We have made significant progress in building a diverse pipeline of future engineering talent from a wide range of backgrounds, especially in our Early Careers team. Although this is good for our longer-term talent pipeline, this does highlight that still have low representation at more senior levels of our grading structure, so will continue to challenge ourselves to accelerate the pace at which we drive towards a more diverse, more inclusive and ultimately more productive workforce at MBDA.

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



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 is 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.

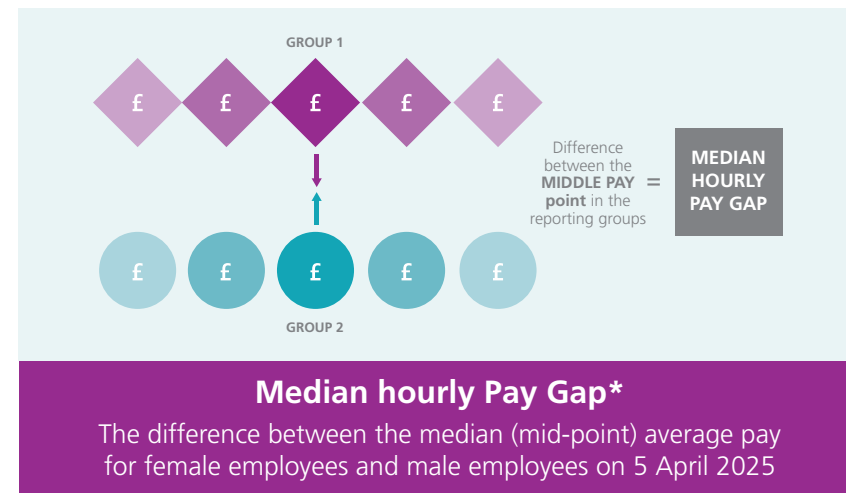
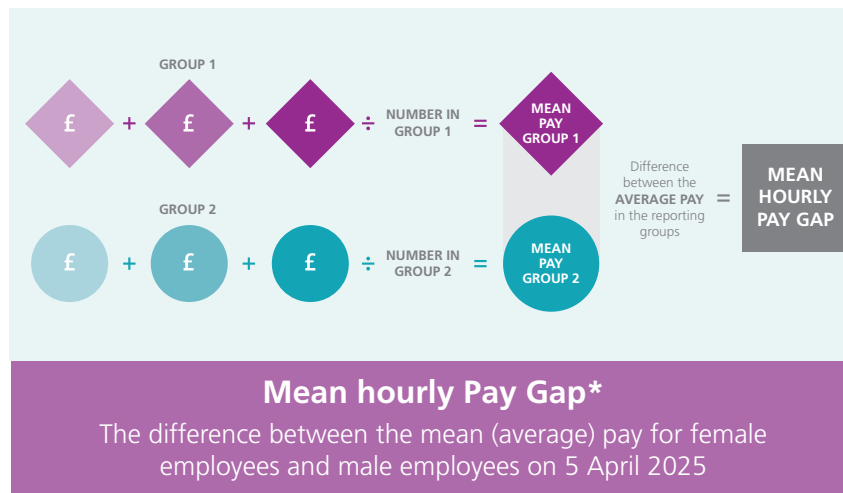


Pay Gap reporting – methodology

Our approach for Pay Gap reporting looks at the percentage difference in average pay and bonuses between male and female employees, and between white employees and those of other ethnic identities.

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 2025 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 2025. This includes payments for performance, profit sharing and recruitment, such as employee referral.

Mean bonus Pay Gap refers to the percentage difference between average bonus paid to Group 1 and average bonus paid to Group 2.

Median bonus Pay Gap refers to the percentage difference between the middle bonus paid to Group 1 and the middle bonus paid to Group 2.

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 between female and male employees, and between white employees and those of other ethnic identities.

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 employees or career breaks.*

At a glance – Pay Gap numbers

GENDER PAY GAP

	Mean				Median			
	2023	2024	2025		2023	2024	2025	
Female	13.7%	13.0%	12.6%	-0.4% ▼	13.1%	12.6%	11.0%	-1.6% ▼

Key points

- In 2025, our Gender Pay Gap has continued to decrease, an ongoing trend since we started reporting.
- Our Gender Pay Gap is a result of the higher proportion of male employees in comparison to female employees, particularly in senior positions, though we have seen progress in this area, as demonstrated by our pay quartiles (see page 9).

ETHNICITY PAY GAP

	Mean				Median			
	2023	2024	2025		2023	2024	2025	
All ethnic groups other than White combined	8.6%	8.6%	10.0%	1.4% ▲	7.2%	3.8%	5.0%	1.2% ▲
Asian or Asian British					4.1%	2.7%	4.3%	1.6% ▲
Black African, Black Caribbean, or Black British					13.2%	9.7%	10.4%	0.7% ▲
Mixed or multiple ethnic groups					10.4%	6.4%	8.1%	1.7% ▲

Key points

- The mean and median hourly Pay Gap have increased.
- The ethnic diversity of our employees who identify with an ethnic group other than white has continued to grow at every quartile of our pay structure. However, this is predominantly from recruitment at the lower levels, resulting in fluctuations in the Pay Gap when compared.

At a glance – Bonus Pay Gap numbers

GENDER BONUS PAY GAP

	Mean				Median			
	2023	2024	2025		2023	2024	2025	
Female	32.5%	33.4%	32.1%	-1.3% ▼	5.5%	6.9%	6.6%	-0.3% ▼

GENDER BONUS PROPORTIONS

	2023	2024	2025	
Female	95.2%	98.6%	97.9%	-0.7% ▼
Male	96.8%	97.8%	98.3%	0.5% ▲

Key points

- The difference in all bonus pay over a 12-month period between male and female employees, with a comparison to the previous year. The mean Bonus Pay Gap has improved by -1.3% and median has improved by -0.3%.

ETHNICITY BONUS PAY GAP

	Mean				Median			
	2023	2024	2025		2023	2024	2025	
All ethnic groups other than white combined	33.7%	39.4%	38.7%	-0.7% ▼	1.4%	2.5%	3.1%	0.6% ▲
Asian or Asian British					0.0%	1.1%	2.8%	1.7% ▲
Black African, black Caribbean, or black British					4.3%	7.8%	5.8%	-2.0% ▼
Mixed or multiple ethnic groups					2.2%	1.3%	1.9%	0.6% ▲

ETHNICITY BONUS PROPORTIONS

	2023	2024	2025	
Employees who identify with white ethnic groups	96.4%	98.1%	98.2%	0.1% ▲
All other ethnic groups other than white combined	94.3%	95.9%	98.8%	2.9% ▲

Key points

- The difference in all bonus pay over a 12-month period between white employees and those of other identities, with a comparison to the previous year. The overall mean Bonus Pay Gap improved, however the median Bonus Pay Gap did not improve.

** 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 employees or career breaks.

What's influencing the data?

Key influences on our Pay Gaps

The composition of our workforce continues to have a significant influence on our Pay Gap report. Senior and higher-paid positions are still disproportionately held by white male colleagues, whilst women and ethnic minority employees remain underrepresented. It is encouraging to see the progression of diversity across all levels of our business, however improvements are predominantly observed within the lower pay quartiles. Representation in the upper quartiles have the greatest impact on reducing pay gaps, therefore this structural imbalance continues to be the primary driver of our current Pay Gap figures.

This year, we saw a significant increase in ethnic minority representation within our Early Careers Programme (ECP). Whilst this initially increases representation in the lower pay quartile, it will strengthen our future talent pipeline. However, the ECP population may also temporarily widen the Ethnicity Pay Gap, as individuals in this group typically receive lower bonus payments at this stage in their careers.

Although we are making progress, we recognise that increasing representation at senior levels is a long-term effort. To support this, we remain focused on embedding inclusive practices and development strategies to enhance career opportunities for women and ethnic minority employees.

Over the past year, we have continued to collect more diversity data to help us gain a better understanding of our workforce. This includes campaigns that encourages colleagues to share more personal characteristics, such as 'Count Me In'.

In our 2025 bonus calculations, we included all bonus related payments that link to performance, productivity and incentivising employees. This involved awards through our Remuneration and Benefits platform: Spotlight. This is the first time we have been able to use a full year of Spotlight included in the reporting period calculations.

External influences

The defence industry still continues to navigate external challenges which can impact the diversity of our talent pipeline. These include skill gaps and under-representation in Science, Technology, Engineering and Mathematics (STEM) fields.

Alongside our own actions, we are working with ADS and industry partners to support a more coordinated approach to building a diverse and sustainable future workforce. This reinforces our values of recruiting, supporting, developing and retaining our diverse talent across every level of our business.



Analysis of our Pay Gap

Proportion of males and females in each quartile band

	Female			
	2023	2024	2025	
Lower quartile	34.5%	33.3%	34.6%	1.4% ▲
Lower middle quartile	21.6%	22.5%	23.7%	1.2% ▲
Upper middle quartile	16.8%	17.2%	17.6%	0.4% ▲
Upper quartile	15.1%	16.2%	17.0%	0.9% ▲

The pay quartiles show where employees are by gender and ethnicity in the hourly pay quartiles, including a comparison to the previous reporting period. Figures shown to 1 decimal place.

Gender Pay Gap

This table shows continued progress with increasing female representation, particularly in the lower and lower middle quartiles. At the time of reporting, overall female representation was 23.5% female. This has increased year-on-year.

Female representation has risen across all pay quartiles over the last 12 months, notably in the lower two quartiles. Since 2023, female representation in the upper quartile has significantly increased by 1.9%, and now stands at 17%.

Proportion of employees broken down by ethnicity in each quartile band

	White ethnic groups				All other ethnic groups combined				No data/prefer not to declare			
	2023	2024	2025		2023	2024	2025		2023	2024	2025	
Lower quartile	85.8%	85.3%	84.7%	-0.6% ▼	9.3%	10.5%	12.2%	1.7% ▲	4.9%	4.2%	3.2%	-1.0% ▼
Lower middle quartile	82.9%	85.0%	85.5%	0.5% ▲	10.8%	9.7%	10.0%	0.3% ▲	6.2%	5.3%	4.5%	-0.8% ▼
Upper middle quartile	84.2%	83.8%	83.9%	0.1% ▲	7.4%	9.7%	10.0%	0.3% ▲	8.4%	6.4%	6.2%	-0.2% ▼
Upper quartile	83.6%	85.6%	86.0%	0.4% ▲	6.1%	5.7%	6.1%	0.4% ▲	10.3%	8.7%	7.9%	-0.8% ▼

Ethnicity Pay Gap

As with gender, we have also seen an increase of ethnicity representation at all pay quartiles, with the most significant improvement in the lower quartile. While representation has increased overall, growth has been slower in the middle and upper quartiles, which contributes to the Ethnicity Pay Gap remaining wider in these areas.

At the time of reporting, overall ethnicity representation was 9.6%, which has also increased year-on-year. We conduct our Ethnicity Pay Gap analysis on a voluntary disclosure rate of 94.6% (including 5.4% selecting 'prefer not to say'). We have seen more employees declaring their ethnicity in every quartile. However, a notable number still choose not to disclose, meaning our analysis is limited to 'declared data'.

Supporting equality through our employee networks

Creating a sense of belonging

We take great pride in our internal networks and communities, which continue to grow and foster an environment where employees can be their authentic selves.

Over the last 12 months, they have expanded to over 2,800 members. This largely reflects the value they provide to our employees.

Through these networks, we actively raise awareness with events and webinars, and provide supportive spaces for employees to engage in conversations and share resources. Every individual plays a key role in building an inclusive culture.

We are grateful to our allies who champion inclusivity, and actively encourage collaboration with other networks to help deliver impactful initiatives and enhanced support for all colleagues.

Senior sponsorship and support

Senior leader sponsorship plays a crucial role in enabling our networks to flourish, providing them with visibility and credibility across the organisation. Their support reinforces the seriousness of our Equality, Diversity, and Inclusion (ED&I) commitments, and helps attract new members who feel assured that their perspectives are valued at the highest levels. Sponsors also help ensure that network priorities align with broader strategic business objectives; driving sustainable change that strengthens our ability to maintain a respectful and inclusive workplace for everyone.



“ I am delighted to sponsor GEN-EQ, and to recognise the hard work of our network. Through advocacy and promotion of gender equality, we have made strides towards building a stronger and more inclusive community.

Over the past year, we can see a positive upward trend in female representation across all levels of our workforce, alongside a continued reduction in our Pay Gap. We remain committed to making consistent progress and narrowing this Pay Gap year-on-year.

I am excited to continue this journey as we work towards 30% female representation by 2030. It is important that we each play an active role in demonstrating allyship; creating an inclusive workplace that empowers women through internal networks and development opportunities. ”

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



“ Mosaic has grown to over 370 members over the last 4 years, reflecting both the strength of its community and the growing confidence in colleagues building awareness of ethnicity and allyship. This community has become a vital source of insight, helping us understand lived experience, and shape meaningful action.

Mosaic's partnership with the business has been fundamental in guiding our approach to improve attraction, recruitment, development and retention of colleagues from all backgrounds.

I am proud to be the sponsor of Mosaic, and appreciate the progress that this community has enabled us to make. As we look ahead, our commitment remains clear: to continue building an inclusive workplace, a true meritocracy, where everyone can thrive and see themselves represented at every level of the organisation. ”

Iain West, SVP Cost Base Controlling & FD UK and Executive Sponsor of Mosaic



Creating an inclusive culture

Strengthening our culture

Throughout 2024, we have continued to grow and develop our commitments to create an environment where creativity and innovation thrive; where thoughts, opinions and ideas are shared openly and every voice is heard.

A key part of this has been our focus on listening to colleagues across the business. Through dedicated listening sessions, ED&I awareness sessions and network-led insights, we have created a safe space for employees to share their experience and help shape meaningful actions.

The insights we gain through these conversations are conveyed through various channels such as ED&I, Accessibility Steering Committees and Task-forces, ensuring that employee voice informs decision making. Over the past year, we have increased awareness on a range of important topics including menopause and disability, and continue to work with our networks to celebrate notable dates that raise awareness and understanding.

A deeper understanding of our workforce has also been supported through the ongoing focus of our 'Count Me In' data declaration campaign. This work enables us to develop a more accurate picture of the diversity within MBDA and take meaningful action.

We are proud to work with external companies, such as contributing to the Buckland Review, as well as engage with Trade Union on inclusion related matters with other defence companies. Our Women in Engineering UK Forum also delivered a workshop with the Institute of Explosive Engineers' group for women working in the field on the topic of 'generational difference'.

Together, these actions represent sustained progress in building a culture where everyone feels valued, supported and able to thrive.

Looking ahead

Looking ahead, we will continue to strengthen our focus on creating an inclusive working environment where everyone can thrive. This will include a strong focus on accessibility as we mature our action plans and work with external experts to guide and support us. We will also continue building awareness of disability by growing our Disability network and hosting targeted learning sessions.

We recognise that sometimes colleagues need time away from the typical workplace environment. To support this we plan to launch our first Reflection room, offering a calming space with sensory elements to help individuals relax, recharge, and reset. This forms part of our wider commitment to supporting mental health and wellbeing.

We also intend to review our benefits offering to explore childcare and caring benefits to those who need it.

Additionally, we will continue to prioritise a respectful working environment where everyone feels able to learn from one another in a safe and supportive way. This work is already underway through the development of our dignity and respect toolkits which include thought provoking interactive learning.

Our GEN-EQ network also created an allyship workshop which will be promoted alongside the toolkit to encourage everyone to play a part.

In parallel, we will continue to play an active role in the wider defence sector's efforts to address long-term skill shortages with industry partners. Through this collective approach, we aim to strengthen early career pathways, improve access to opportunities, and support the development of a more diverse talent pipeline. This will remain a key focus for us through the year ahead and beyond.

Supporting equality – our business priorities

Attraction and recruitment

MBDA is an equal opportunity employer, and we recognise the value that diverse teams create in driving innovation and maintaining a competitive advantage. We aim to attract skilful individuals from different backgrounds to foster an inclusive environment where our employees bring varying talents and knowledge to their roles. We aim to display fair and equitable treatment for all candidates, and ensure managers are suitably trained. We have various initiatives to help drive positive inclusive change including interactive STEM Outreach Programmes, career days for local schools and colleges, work placements, partnerships with Code First Girls and a Women in Engineering Community designed to attract more female candidates.

Development

In 2025, our pilots of Women's development programmes concluded with positive feedback. These programmes are now being scoped to transition into formal offerings and we look forward to launching the new cohorts. We also continue to offer an international women's only development programme.

We remain active participants in the Women in Defence Mentoring programme and have concluded our Ethnicity Mentoring Programme pilot. In addition we have built mentorship capabilities into our people systems, making it easier for colleagues to manage and select mentors across the business.

Balancing life and work

We continue to offer a comprehensive benefits package to support employees and their families, including family friendly policies. 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.

We also maintain a strong focus on well being, with monthly campaigns, lifestyle screening self assessments, mental health first aiders and an employee assistance programme. We are proud to have been awarded the Investors in People Platinum award for 'We invest in wellbeing'.

Refreshed ED&I narrative

This year, we refreshed the way we talk about ED&I to better reflect the culture we want to create. Through business wide consultations, we explored what engagement, inclusion and belonging and how these support our long term success.

Our refreshed narrative aims to inspire colleagues to share their stories about why ED&I matters to them, and encourage everyone to play a part in turning the words into action.

We believe that inclusion, engagement and belonging are at the heart of unleashing the potential of our people. When people feel included, connected, empowered and encouraged, performance follows.

Don't just take it from us

Hear from our employees across the business who have been actively involved in ED&I initiatives.

“ I was surprised to be allocated a mentee working in a completely different discipline and initially unsure how much I would be able to help – myself in engineering and Leonie in commercial. However, it's been a great experience and I've enjoyed getting to know Leonie and her understanding more about her role within MoD. Many of the topics we've discussed are common to both our disciplines, and where I found I didn't have the knowledge myself to help, I've helped Leonie expand her network by putting her in contact with other people from MBDA and other industry companies. ”

Julia Warren – Women in Defence Mentor



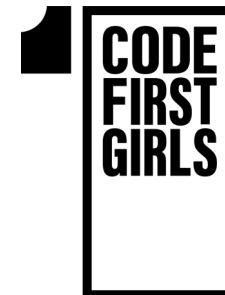
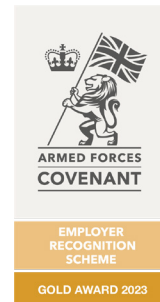
“ When choosing a company to begin my career, the values and culture were incredibly important to me. In MBDA, I have found a organisation that shares those key values I consider essential, and the community aspect that I get through the Mosaic network allows me to continue advocating for them. Through this, I recently presented at the ED&I steering committee, which was a really good opportunity to share my thoughts and experience with senior colleagues to help shape future priorities at MBDA. ”

Aaron Regan – Project Manager





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MBDA UK Careers: www.mbdacareers.co.uk MBDA Group: www.mbda-systems.com

Government gender pay gap service: gender-pay-gap.service.gov.uk

