



**MBDA UK
GENDER PAY
GAP REPORT
2018**

Introduction



“ Since publishing our first Gender Pay Gap report in 2018 we have seen an improvement in our results and we remain committed to improving gender balance within our workforce and our gender pay gap. We anticipate that the steps we have taken and continue to take may not be reflected in our results for some time.

The uneven distribution of male and female employees across our grading structure is the key reason for our current gender pay gap and this report includes details of the initiatives we have in place to attract, motivate and retain diverse talent and in particular address gender balance and pay.

We remain proactive in ensuring that MBDA UK provides an inclusive environment in which a diverse workforce has the opportunity to achieve their full potential. We strive to ensure that all employees have equal opportunities and are paid equally with processes and policies that are free from bias.

We are delighted to have been recognised externally as 11th in the Sunday Times Top 25 Best Big Employer to Work For, after achieving 12th position previously. We have also been recredited with the Investors in People Gold standard, including achievement of the Health and Wellbeing standard.

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

A handwritten signature in blue ink, appearing to read 'C. Allam'.

Chris Allam

Executive Group Director Engineering
and Managing Director UK



What is Gender Pay Gap Reporting?

In 2017, the Government introduced legislation for companies with more than 250 employees to report on their Gender Pay Gap by 4th April each year.

Gender Pay Gap Reporting measures the percentage difference in average pay and bonuses for all male and all female employees. The specific calculations do not take into account whether employees are doing the same or equal work, level, skills or experience.



How does this differ to equal pay?

Equal pay is a legal requirement to pay male and female employees equally for the same or similar roles, or work of equal value. We pay employees equally and undertake equal pay reviews on a regular basis with robust processes in place to review and correct any anomalies.

It is entirely possible to have an employer delivering equal pay for equal work but to have a Gender Pay Gap, which shows a difference in the average earnings for male and female employees.

How is the Gender Pay Gap measured?

There are six measures for companies to report on the difference between the average hourly pay* and bonuses** for male and female employees and specific calculations:

Mean Hourly Pay Gap:
the difference between the mean (average) pay for all male and female employees on 5th April 2018

Median Hourly Pay Gap:
the difference between the median (midpoint) average pay for male and female employees on 5th April 2018

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 2018

Median Bonus Pay Gap:
the difference between the median (midpoint) average pay for male and female employees in the 12 months to 5th April 2018

Bonus Proportions:
the percentage of male and female employees in receipt of bonus pay in the 12 months to 5th April 2018

* *Hourly Pay: includes basic salary, allowances, salary sacrifice benefit deductions and any bonus payments in the April 2018 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.*

** *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.*

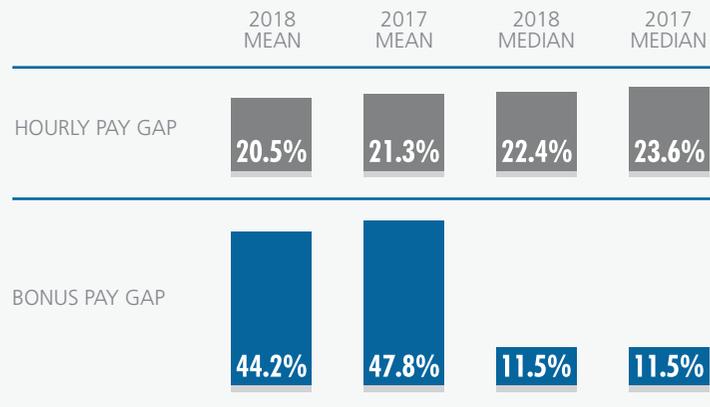
Our results and why we have a Gender Pay Gap

We have seen a positive change in our gender pay gap results since our 2017 report. This primarily results from changes in our grading structure and the proportion of males and females at each level. Whilst we recognise this is an encouraging result for 2018, we are mindful that further change is needed and this will be over the longer-term.

The primary reason for our gender pay gap is due to the uneven distribution of male and female employees in our grading structure. Proportionally we have more male employees in executive roles compared to female employees, resulting in higher average salaries and bonuses.

In October 2018 the Office for National Statistics reported the UK Gender Pay Gap as 17.9%. Whilst MBDA's hourly pay gap is slightly above the ONS UK gender pay gap, our pay gap is similar to that of our comparators in the engineering and defence industries.

2018 AND 2017 GENDER PAY GAP RESULTS



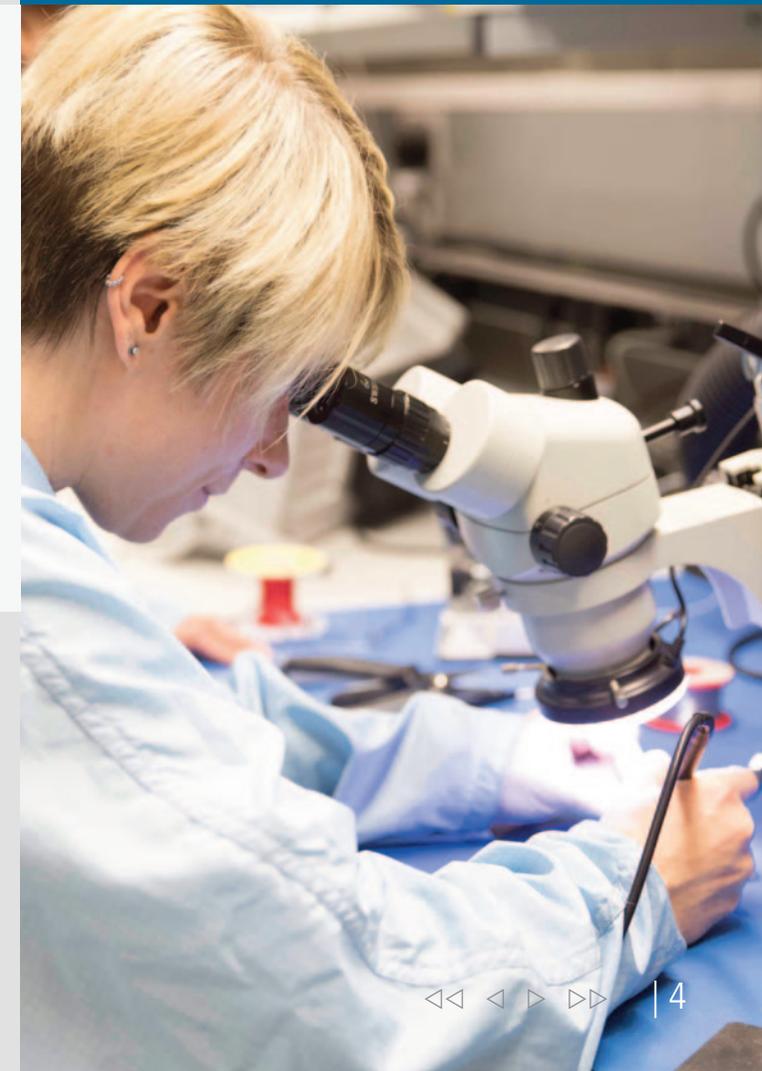
PERCENTAGE OF MALE AND FEMALE EMPLOYEES IN RECEIPT OF BONUS PAY



Bonus proportions: As in 2017, we paid 98% of all male and female employees a bonus in 2018. The employees who didn't receive a bonus were new starters who joined in the current year.

Hourly Pay and Bonus Pay: The diagram above shows our mean and median hourly and bonus pay gaps, comparing the difference in average pay and bonus for all males and females, regardless of their role, skills or level. The positive changes result from small changes in where male and female employees are proportionally in our grading structure, resulting from recruitment and promotions at various levels.

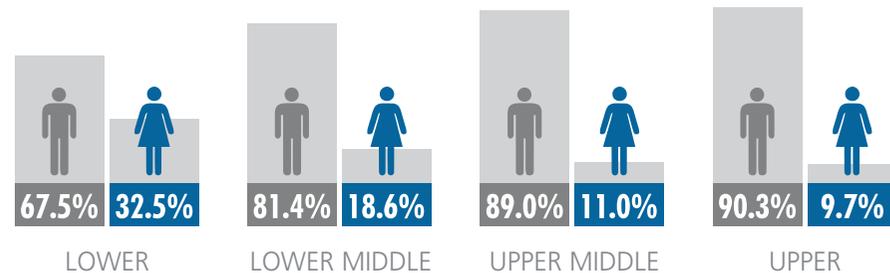
The bonus pay calculations do not take into account that 20% of employees received pro-rata bonus pay in 2018, due to part-time hours, mid-year new starters and promotions, and career breaks. This continues to have a significant impact on our gender pay gap results and does not demonstrate any form of gender discrimination.





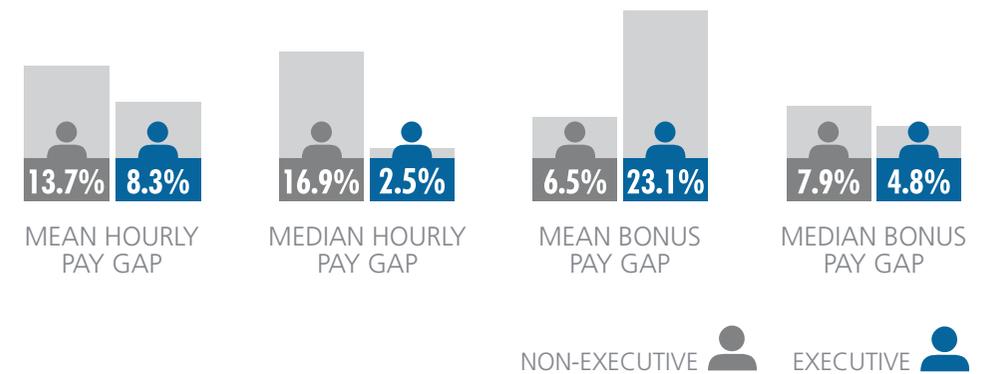
Hourly pay quartiles

The quartiles show the distribution of males and females across each 25% of our pay structure. The positive change to our hourly pay gap is also reflected in the hourly pay quartiles. These show that more female employees have moved from the lower quartile into the lower middle pay quartile. This is linked to the changes in the distribution of males and females in our grading structure.



Voluntary reporting

As in 2017, we have provided voluntary reporting for our non-executive and executive populations. When employees with comparable salary structures, benefit entitlements and bonus schemes are grouped together, the gender pay and bonus pay gaps reduce significantly. The gender pay gap by level reduces even further with an average pay gap of 2.5% across the levels. Across some grades the gap is in favour of female employees or reduced to nil.



Our investment and commitments

MBDA UK's commitment to addressing our gender pay gap remains firm and we continue to strive to attract a diverse workforce. We endeavour to offer an inclusive workplace, enabling all employees to flourish in rewarding careers. We are confident that our current and future actions to recruit an even more diverse workforce will further improve gender balance within our employee community. We are mindful that actions taken now and previously may not be evidenced in our gender pay gap results for some time, however we shall continue to make a difference through the initiatives outlined here.



How are we addressing our gender pay gap?

RECRUITMENT

Recruitment practices

- Continuing to review recruitment and assessment processes; implementation of unconscious bias training.
- Review and refresh of job advert language to ensure gender neutrality.
- Improved and increased MBDA UK brand awareness and social media presence; focusing on new approaches to advertising.

Early Careers recruitment

- Continuing to identify opportunities to inspire the next generation to join MBDA UK and the industry.
- Increasing engagement with schools, including our first girls-only STEM programme, Engineer for a Day, at all three of our sites. Other STEM programmes include: Aircraft Reconnaissance Challenge, Robot Rumble, Flying Start and Glider Challenge.

ENGAGEMENT AND DEVELOPMENT

Employee networks

- Our gender network, Space2B, champions gender balance. The People Management Community (PMC) is an employee-led initiative for passionate people managers to be supported and achieve their potential.
- We also have a STEM Outreach Network to encourage students to consider a career in STEM and an Armed Forces Community for employees who have served in the Armed Forces or military.

Employee development

- We invest in our employees in a variety of learning and development programmes at all levels to enable everyone, regardless of gender to reach their potential.
- On average we provided 3.6 days of learning per employee in 2018 and introduced a new digital learning channel.
- A refreshed Mentoring Scheme will be implemented to pair employees together across the business.

REWARD AND BENEFITS

Pay and benefits

- External salary and benefit benchmarking undertaken annually to ensure we remain competitive.
- Rewarding employees equally, regardless of gender, through promotions, job evaluations and equal pay reviews regularly.

Flexible working

- All employees are able to work flexibly and for some that means up to 15 additional days of leave per year, a benefit highly valued by many.
- Part-time and home-working provisions are enjoyed by those seeking flexibility and our career break policy allows for up to 12 months leave.
- We continue to provide generous parental leave benefits, including up to 18 weeks enhanced maternity, adoption and shared parental leave pay.

INNOVATION



COMMITMENT



INTEGRITY



PASSION



TEAM SPIRIT



Engineer for a day

MBDA UK has a strong history of hosting and running STEM educational outreach events for local school children and in 2017 we launched our first Stevenage event aimed exclusively at girls, which was so successful it was held in Stevenage, Bolton and Bristol in 2018.

Research by WISE found that between the age of 10 and 14 girls form ideas of what type of careers are an option for them, and it is at this crucial stage that they often disregard engineering.

This event was aimed at promoting engineering as an option to Year 8 girls (aged 12) encouraging them to enjoy and to continue studying STEM subjects at school. The day included an engineering challenge called 'Squashed Tomato', networking with our female engineers to understand how they started their engineering careers and a personality-based careers quiz from WISE, 'People Like Me' that suggests potential STEM careers.



ANNE ROBINSON

Senior Engineer

“ I started at MBDA UK on the Graduate scheme and after my placements I found my current role as a Functional Integration and Trials Engineer that balanced the elements I enjoyed and succeeded at whilst on the scheme.

MBDA's involvement in promoting STEM and engineering to younger generations is one of the opportunities I have been involved in throughout my time at the company. In 2018 I was involved in organising and facilitating our 2018 Aircraft Reconnaissance Challenge event, held at the RAF Museum Hendon. The event allowed teams of students to come and discover how they could 'Be Engineers', through designing and building a reconnaissance aircraft. We arranged the day's activities to follow MBDA's basic engineering development cycle and concluded by flying the final aircraft in a mission planning based challenge, whilst surrounded by history's most famous Aircraft. As a result of MBDA's efforts the students left the event feeling that engineering was something they could 'Do' and pursue in the future.



MBDA is proud to be a member of WISE (Women in Science and Engineering), an organisation that campaigns for gender balance in science, technology and engineering, from the classroom to the boardroom. In 2018 we sponsored the WISE Apprentice Programme Award.

WISE reported in 2018 that women make up 12% of engineering professionals and 22% of core STEM occupations. We therefore have a smaller group of female candidates to recruit from.

>3500
UK EMPLOYEES

506
NEW EMPLOYEES
RECRUITED IN 2018
21%
WOMEN

81%
19%
EMPLOYEES

2018
£2.7m
INVESTED IN L&D

APPRENTICES
21%
GRADUATES
20%
2018 MBDA FEMALE INTAKE

ENGINEERING
APPRENTICES
16%
ENG. & TECH.
UNDERGRADUATES
8%

2018 NATIONAL AVERAGE INTAKE*
OUR RECRUITMENT IS SIGNIFICANTLY ABOVE THIS

EQUAL PROPORTIONS
OF FEMALES & MALES
PROMOTED IN 2018

ELIN FUSSEY

UK General Manager

“ I joined MBDA UK as a graduate straight from university. The graduate scheme offered me the opportunity to move round the business experiencing different areas as well as do a secondment outside MBDA. Over the following 15 years I have had the opportunity to work in five different areas of the business across multiple programmes. My experiences have varied from UK focused roles to truly international roles, including one where I spent a couple of years embedded as part of a six nation customer team.

I now have two young children, initially choosing to return to work three days a week. I am now the UK General Manager, a senior role I manage working four days per week. The flexibility and support the company has offered me as home life circumstances have changed has been invaluable and in return it has strengthened my commitment and flexibility to the business. ”

CHRISTINE THOMAS

Head of Engineering Functional Capability & Skills

“ Over my career, I have had a variety of roles which have allowed me to experience different engineering skill areas and activities. Initially working on our weapon system projects (including a feasibility study involving 8 countries and 14 companies); I have also undertaken research into software technologies (including presenting at international conferences), had a six month secondment to Paris to run a bid and then moved into our engineering management team as head of our Systems

Design department. I worked part-time when my daughter was young.

In my current role, I have international responsibility for changing the way that we do engineering inside MBDA. I love the variety of my role – I have to understand our technology, processes, ways of working and skills and it gives me a great balance of project, technical and people management as well as an opportunity to work with all of the skill areas in the company. ”



Equality, Diversity & Inclusion

We're committed to creating a culture where everyone's opinions and views are heard, where all employees are able to bring their unique skills and perspectives to work, and have the opportunity to reach their full potential. In 2018 we nominated an Equality, Diversity and Inclusion sponsor and developed a strategic framework to ensure that we remain attractive as a diverse and inclusive employer.

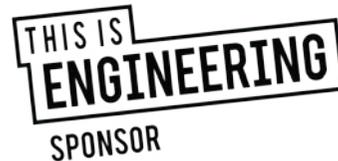
Space2B Gender Network

Space2B was launched as a women's network in 2012. Over the years it has hosted events with internal and external speakers to engage and represent the interests of women both in engineering and non-engineering disciplines. The network continues to evolve to meet the needs of the business and in 2018, members voted to broaden the scope of the network to promote gender balance, and to advocate equality, mutual respect and understanding across genders.

People Management Community (PMC)

The PMC is an employee led initiative within MBDA UK that provides passionate people managers the opportunity to meet and share their knowledge, experience and ideas for improving the way we manage and lead our people. Various PMC events take place each year with the common aim of supporting and inspiring attendees to achieve their potential as managers within MBDA.

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



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>

