



UK pay gap report  
Gender and ethnicity  
2025

**BAE SYSTEMS**

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# Foreword by Tania Gandamihardja

Group Human Resources Director



At BAE Systems our purpose is to protect those who protect us. That mission starts with creating a working environment where every colleague feels valued, respected and empowered to thrive. Inclusion is a principle we uphold as a driver of innovation, collaboration and our business' long-term success.

Over the past year, in the UK we have continued to invest in initiatives that support inclusion, including seeking opportunities to bring in talent from all backgrounds, as well as developing and harnessing talent through leadership development and mentoring schemes.

This year's UK pay gap report, covering both gender and ethnicity, reflects both our progress and our work ahead. The report highlights the representation of different groups across our business. We are proud of the steps we have taken to improve inclusion at all levels, but we recognise that gaps remain and that closing them requires sustained effort.

Transparency is essential to accountability. By sharing this report, we reaffirm our commitment to measurable progress and to creating opportunities for all. We will continue to challenge ourselves, listen to our people and take meaningful action to ensure that BAE Systems is a place where everyone can reach their full potential.

Thank you to all our colleagues who contribute to making inclusion a reality every day. Together, we are building a stronger, more inclusive BAE Systems.

A handwritten signature in black ink, appearing to read 'Tania Gandamihardja'.

**Tania Gandamihardja**  
Group Human Resources Director, BAE Systems plc

# Building an inclusive culture at BAE Systems

**Building an inclusive culture requires commitment and effort. That's why we're focusing on priorities that reflect the needs of our people and our communities.**

## **Creating a respectful and inclusive culture for everyone**

We know that people need to feel respected, valued and a genuine sense of belonging to reach their full potential. We're building this culture through committed leadership driving inclusive behaviours, as well as practical actions in our people processes, systems and practices.

## **Attracting and retaining employees from all backgrounds**

Our people are critical to our ability to meet our customers' challenges. We want to attract and retain the very best talent. We have invested in our recruitment practices to ensure that our roles appeal to people from a wide range of backgrounds and that when they join their experience meets their expectations.

## **Collaborating to enhance our impact**

Our work on inclusion is strengthened through partnerships with our employees and our external stakeholders, as well as our support for several UK-based charters.

We encourage employee-led groups, initiatives and networks which are open to all employees, and we value the role they play in building inclusive workplaces.



# Creating opportunity

Like other engineering and manufacturing-based sectors, building a more diverse defence workforce requires commitment over many years. Creating greater access to opportunity is at the heart of our approach. Since 2020 in the UK, we have invested £1bn in education, skills and training, supporting our people and those in the communities where we work to develop skills and access long-term, fulfilling careers.

This is vital to help develop and maintain critical defence capabilities, whilst contributing to prosperity and growth. Below are some examples of this commitment in action in the UK.

- > In 2025, we recruited almost 2,300 new apprentices and graduates. 27.6% of our new apprentice starters were women and 24.7% of our new graduates were from a non-white ethnic group.
- > 2025 marked the 11th year of our partnership with Movement for Work. In that time almost 1,000 young people facing barriers to employment or education have begun a Movement to Work programme with us. One third now have permanent roles at BAE Systems.
- > Working with the Royal Navy and Royal Air Force, our schools roadshow aims to inspire young people to choose careers in STEM by showcasing real engineering roles. The roadshow is now in its twentieth year and during this time has engaged more than 1.4m young people.
- > We have made a series of improvements to our HR processes, systems and policies including significant enhancements to our UK family leave provisions. For example, we have increased paid maternity, shared parental leave, adoption and surrogacy leave to 26 weeks.
- > We are proud to have been re-accredited as a Menopause Friendly Employer and recognised as an exemplar organisation.



# Gender pay gap

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# About our gender pay gap reporting

We calculate our gender pay gap by comparing the earnings of men and women across BAE Systems' UK workforce. Our report sets out both the mean and median differences.

**Mean pay gap:** this is the difference between the average hourly earnings (including both pay and bonus) of all men and all women.

**Median pay gap:** this is the difference between the middle values in the hourly earnings distribution for men and women, when all pay and bonus figures are ordered from lowest to highest.

Each year, a range of factors can influence our gender pay gap, such as changes in the size of our workforce and the number of people joining the company at various career stages, including early careers and senior roles.

It's important to note that the gender pay gap is not the same as equal pay. Equal pay requires that men and women doing the same or similar roles are paid equally. Our pay and reward approach is designed to reward merit. Through strong governance and transparent reporting of our policies and processes we work to ensure our approach to pay is free from bias.

This report has been prepared in line with the UK government's mandatory gender pay gap reporting regulations and guidance. It includes consolidated data for employees working for our UK legal entities with more than 250 employees as of 5 April 2025 (our "in-scope legal entities"), with detailed data for each of those entities shown separately.

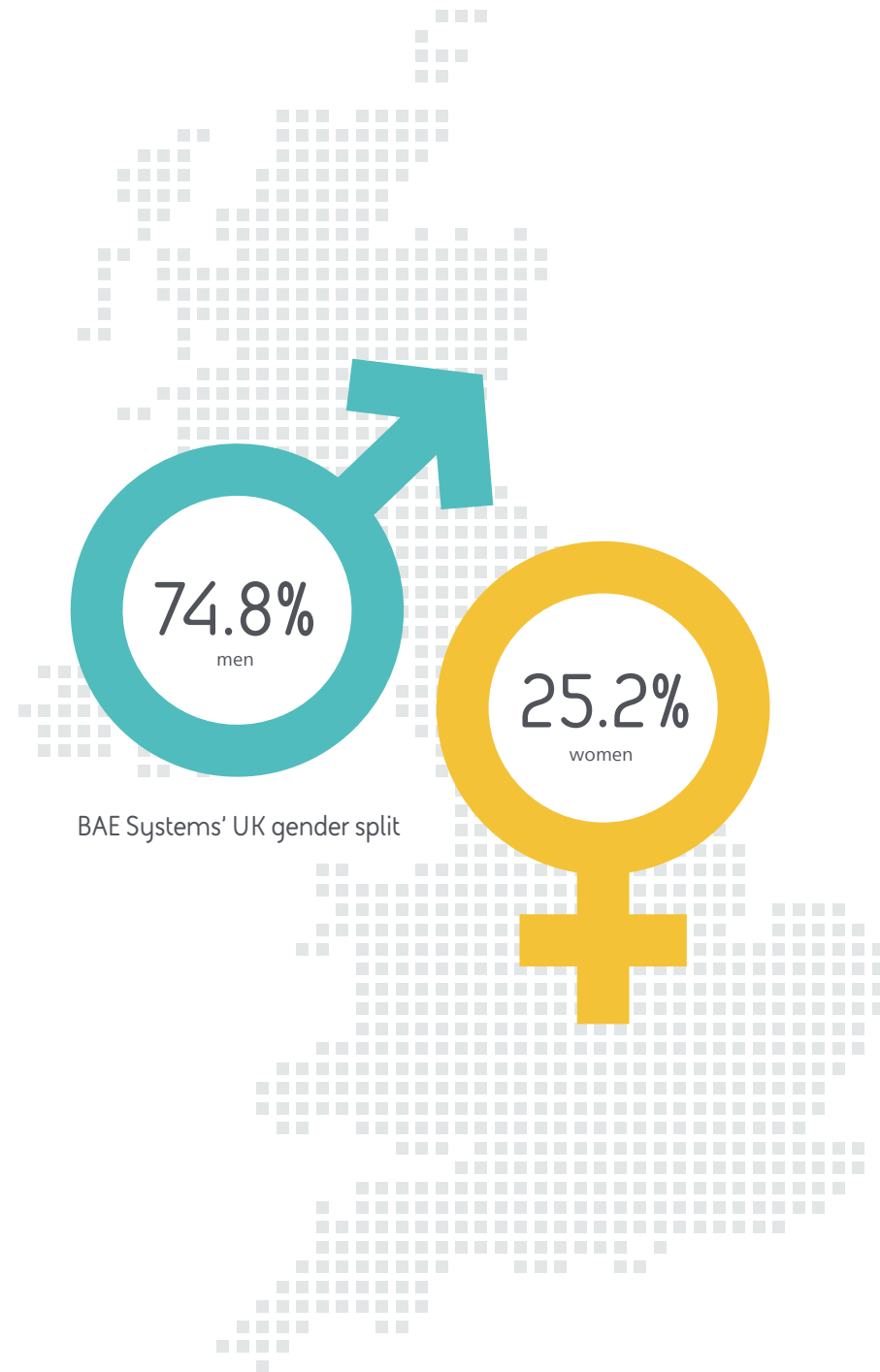


# Our people: gender

We are reporting:

- > gender balance in our organisation;
- > mean gender pay gap;
- > median gender pay gap;
- > the proportion of men and women who receive a bonus;
- > mean gender bonus gap;
- > median gender bonus gap; and
- > gender distribution across pay quartiles.

On 5 April 2025 for the in-scope population in the UK, 74.8% of our employees were men and 25.2% were women.



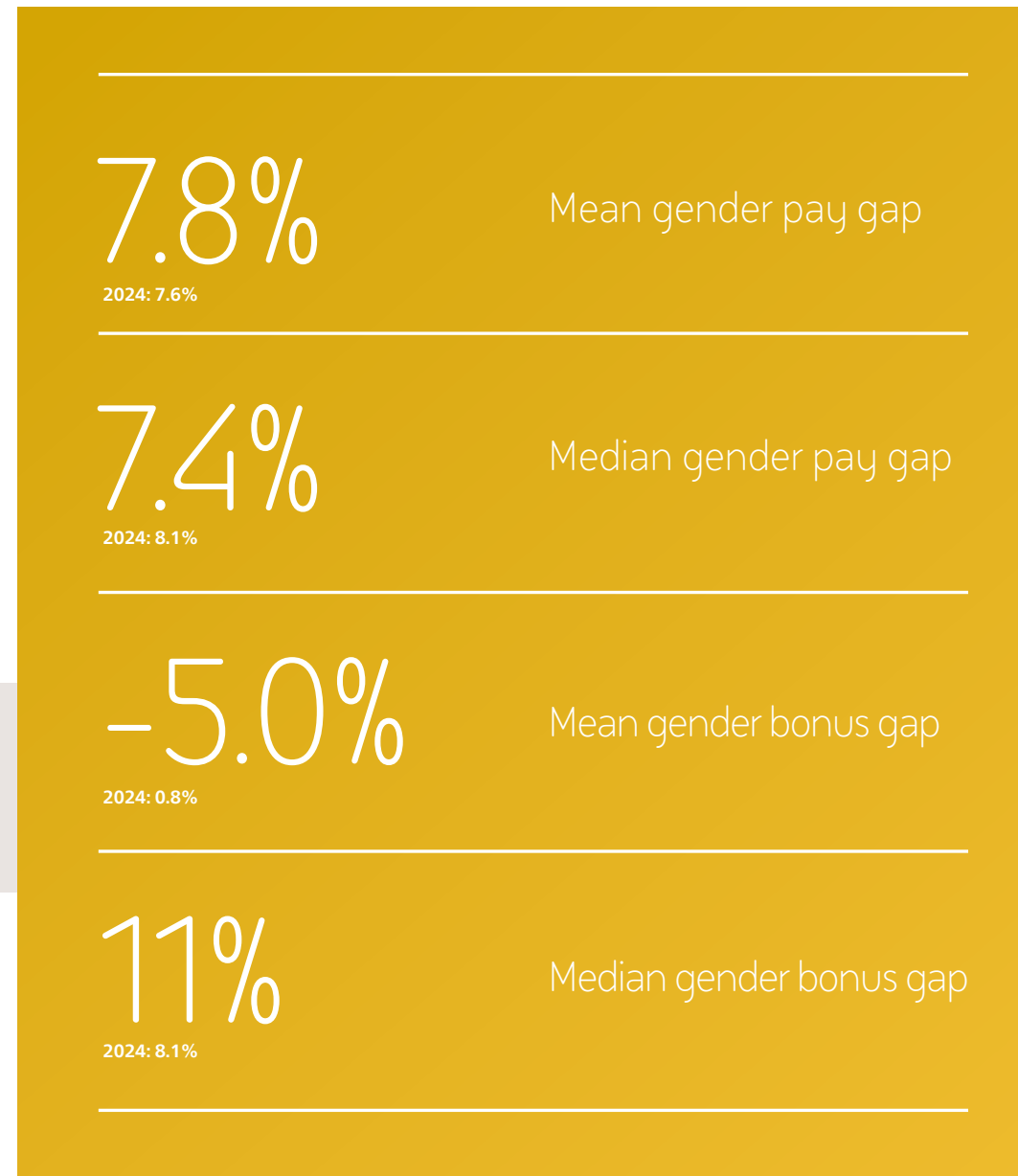
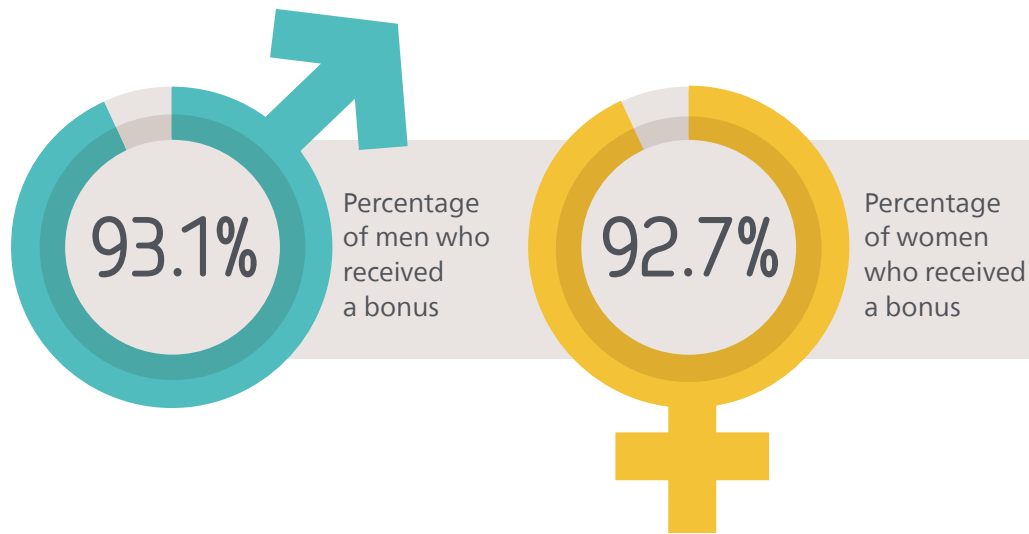
# Our gender pay gap

Looking at all our in-scope UK legal entities, we have a mean gender pay gap of 7.8% and a median gender pay gap of 7.4%.

The latest figures from the Office of National Statistics (ONS) dating from 2025 found that the median UK gender pay gap is 12.8%\*.

Looking at the bonuses that our employees in all our in-scope UK legal entities received, we have a mean gender bonus gap of -5.0% and a median gender bonus gap of 11%. A positive percentage shows that women have lower pay or bonuses than men in the organisation. A negative percentage shows that men have lower pay or bonuses than women in the organisation.

93.1% of men received a bonus compared to 92.7% of women.

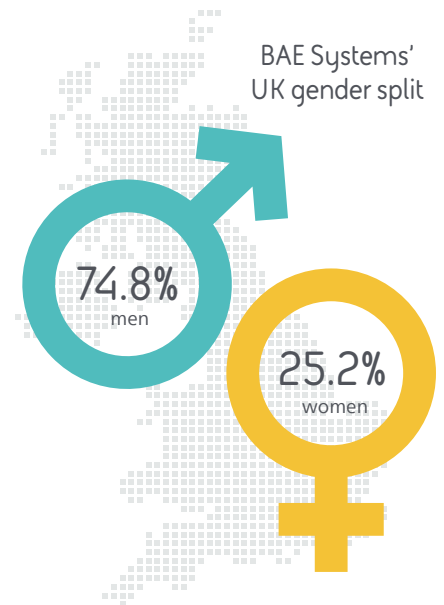
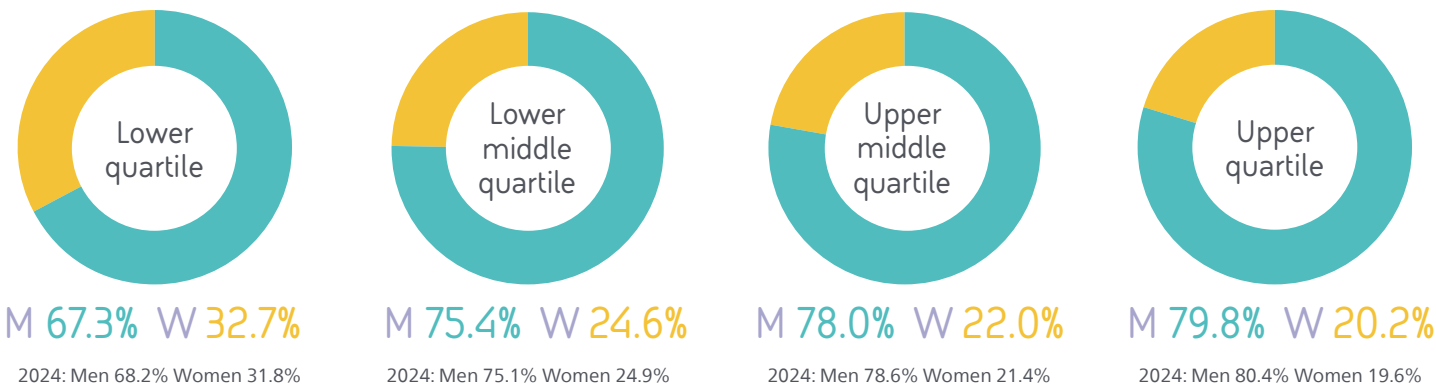


\* ONS data is based on salary data only (excluding overtime) as referenced in ASHE (Annual Survey of Hours and Earnings)

# Gender pay quartiles



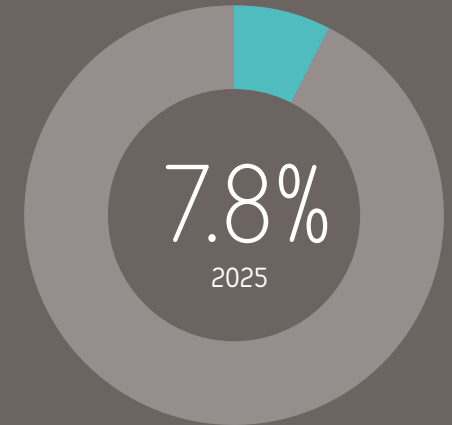
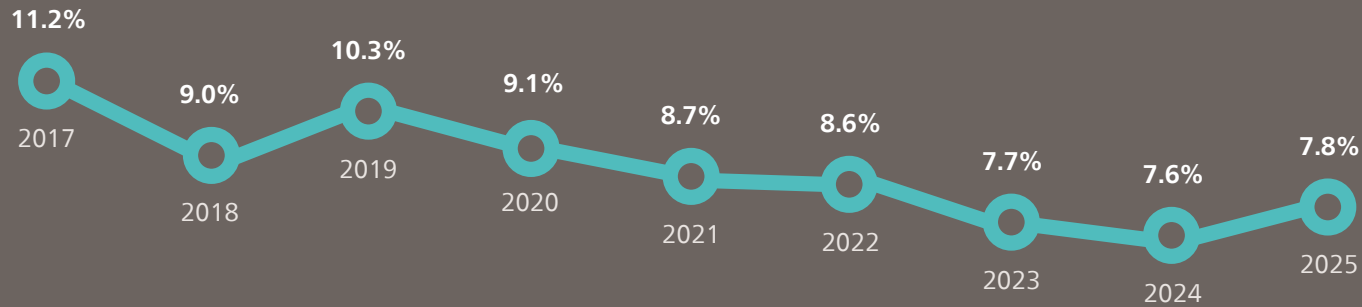
Distribution of all in-scope UK employees across pay quartiles (as of 5 April 2025)



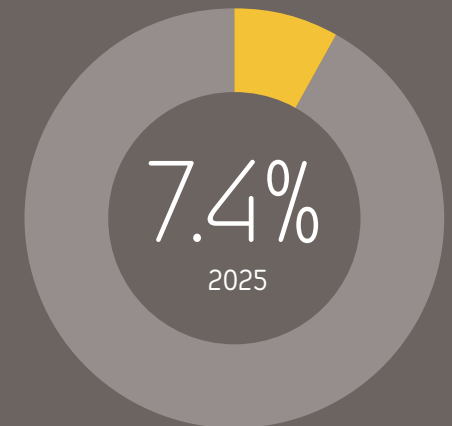
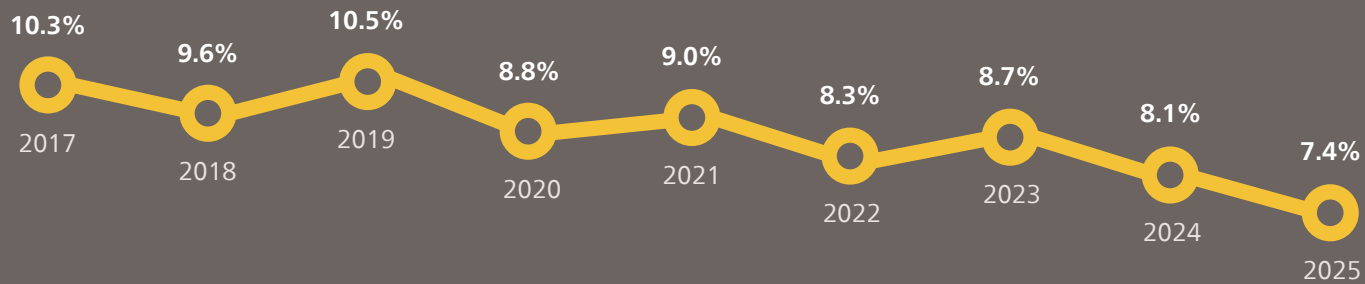
The chart shows the distribution of men and women in our UK business within four pay quartiles. The upper quartile is the highest paid quarter of our workforce and the lower quartile is the lowest paid quarter of our workforce. The upper middle quartile and lower middle quartile divide the remaining employees accordingly.

# Gender pay gap over time

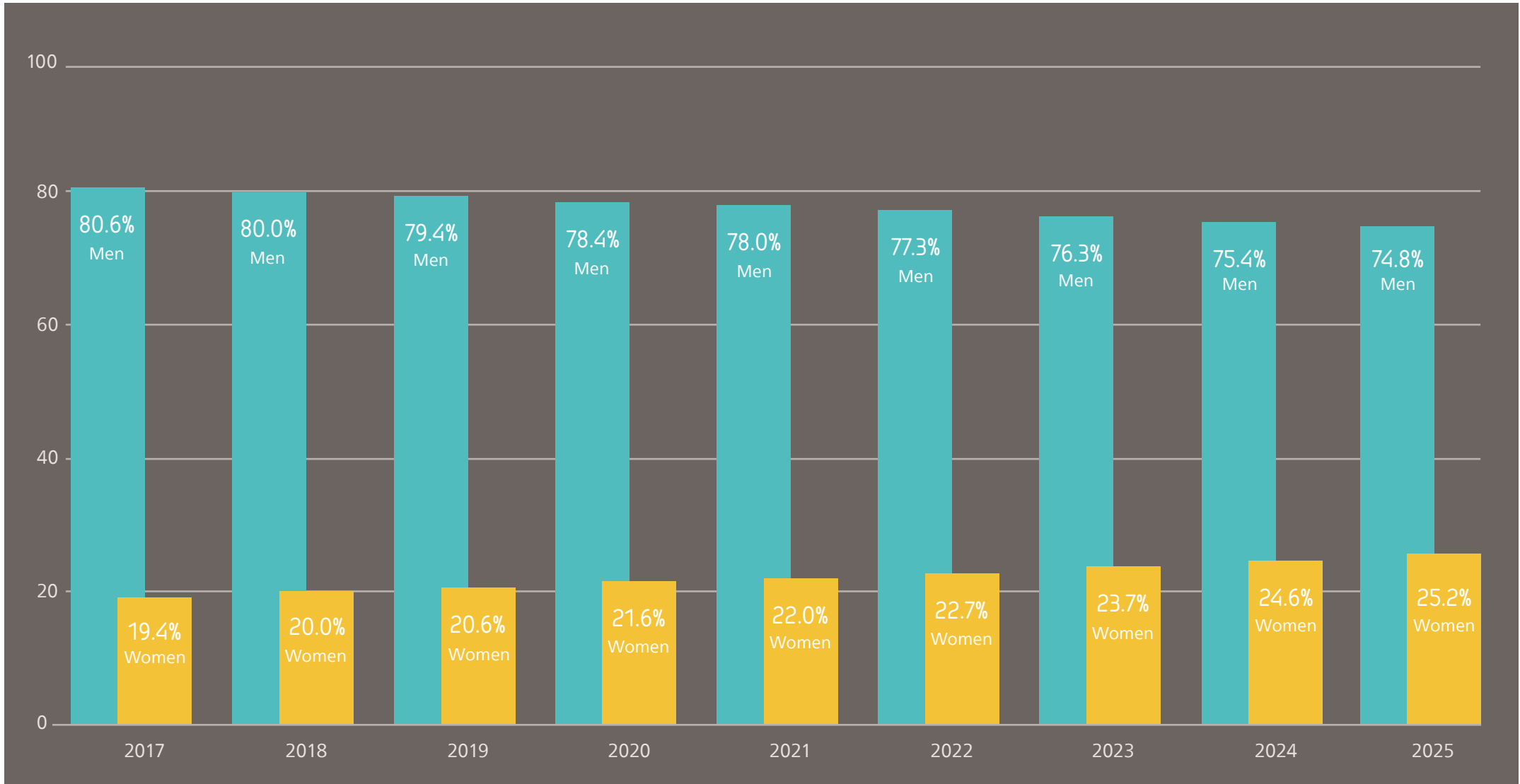
BAE Systems mean pay gap over time



BAE Systems median pay gap over time



# Gender balance over time



# Gender pay gap data table

Legal Entity	Gender pay gap		Gender bonus gap		Percentage of population receiving a bonus		Percentage of men and women in pay quartiles							
	Mean	Median	Mean	Median	Men	Women	Lower quartile		Lower middle quartile		Upper middle quartile		Upper quartile	
							Men	Women	Men	Women	Men	Women	Men	Women
<b>All in-scope legal entities*</b>	<b>7.8%</b>	<b>7.4%</b>	<b>-5.0%</b>	<b>11.0%</b>	<b>93.1%</b>	<b>92.7%</b>	<b>67.3%</b>	<b>32.7%</b>	<b>75.4%</b>	<b>24.6%</b>	<b>78.0%</b>	<b>22.0%</b>	<b>79.8%</b>	<b>20.2%</b>
BAE Systems plc	8.4%	6.7%	-3.5%	12.0%	96.2%	96.7%	66.1%	33.9%	74.5%	25.5%	76.3%	23.7%	76.0%	24.0%
BAE Systems (Operations) Limited	6.1%	4.5%	8.6%	7.5%	96.2%	96.1%	71.9%	28.1%	78.1%	21.9%	78.5%	21.5%	82.2%	17.8%
BAE Systems Applied Intelligence Limited	12.5%	17.0%	27.9%	31.3%	94.4%	97.1%	68.4%	31.6%	71.2%	28.8%	82.1%	17.9%	86.1%	13.9%
BAE Systems Global Combat Systems Munitions Limited	8.3%	7.5%	1.0%	3.2%	95.9%	96.1%	76.8%	23.2%	80.2%	19.8%	92.6%	7.4%	87.3%	12.7%
BAE Systems Marine Limited	11.4%	12.2%	11.4%	0.0%	85.9%	84.6%	62.5%	37.5%	64.4%	35.6%	76.8%	23.2%	84.9%	15.1%
BAE Systems Surface Ships Limited	2.3%	2.1%	1.9%	2.0%	94.1%	93.8%	75.3%	24.7%	85.9%	14.1%	83.0%	17.0%	82.0%	18.0%
BAE Systems Services Limited	20.1%	24.2%	39.7%	28.8%	92.8%	94.8%	27.9%	72.1%	44.8%	55.2%	57.0%	43.0%	66.7%	33.3%

\* All in-scope legal entities provides combined results of the seven listed legal entities which are reportable under the Gender Pay Gap legislation as they each employ 250 or more people. A positive percentage shows that women have lower pay or bonuses than men in the organisation. A negative percentage shows that men have lower pay or bonuses than women in the organisation.

# Ethnicity pay gap

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# About our ethnicity pay gap reporting

Ethnicity pay gap reporting shows the percentage difference in pay and bonuses between white employees and employees from all other ethnic groups.

We calculate our ethnicity pay gap by comparing the earnings of white employees with those of employees from all other ethnic groups across BAE Systems' in-scope UK businesses (UK legal entities with more than 250 employees as of 5 April 2025). Our report presents both the mean and median differences.

**Mean pay gap:** this reflects the difference between the average hourly earnings of all white employees and all employees from other ethnic groups, including both pay and bonuses.

**Median pay gap:** this represents the difference between the middle values of hourly earnings for white employees and employees from all other ethnic groups when all pay and bonus figures are ordered from lowest to highest.

Several factors can influence our ethnicity pay gap each year. These include changes in the number of employees who choose to share their ethnicity, fluctuations in overall workforce size, and the number of people joining the organisation at different career stages, including senior roles.

It's important to recognise that a pay gap is not the same as paying someone less because of their ethnicity.

Our pay and reward approach is designed to reward merit. Through strong governance and transparent reporting of our policies and processes we work to ensure our approach to pay is free from bias.

For example, a mean ethnicity pay gap of 7% means that, on average, employees from all other ethnic groups have lower pay or bonuses than white employees.

A negative percentage shows that white employees have lower pay or bonuses than employees from all other ethnic groups in the organisation.

2023 was the first year we reported our ethnicity pay gap. As we continue reporting in future years, this data will help us track progress and identify further actions to reduce the gap.



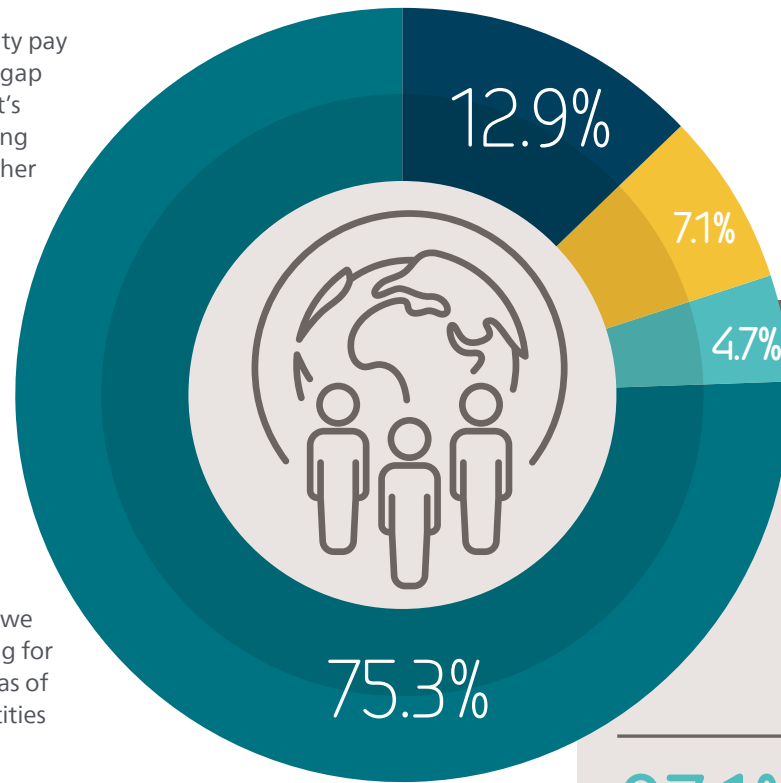
# Our people: ethnicity

In the UK at the time of writing, reporting on ethnicity pay gaps is not mandatory. To compile this ethnicity pay gap report, we have closely mirrored the UK Government's Gender Pay Gap Reporting requirements. We are using two categories to group employees, white and all other ethnic groups, to ensure anonymity.

We are reporting:

- > ethnicity disclosure rates;
- > mean ethnicity pay gap;
- > median ethnicity pay gap;
- > mean ethnicity bonus gap;
- > median ethnicity bonus gap;
- > the percentage of white and all other ethnic groups receiving a bonus; and
- > ethnicity distribution across pay quartiles.

To mirror our approach to gender pay gap reporting we have shown consolidated data for employees working for our UK legal entities with more than 250 employees as of 5 April 2025, with detailed data for each of those entities shown separately.



## Disclosure rates

We ask our employees to voluntarily disclose their ethnicity. This helps us understand the demographic makeup of our organisation. In the UK 87.1% of our in-scope employees have provided an ethnicity disclosure.

- White
- No data
- Not disclosed / prefer not to say
- All other ethnic groups

87.1%

of our UK in-scope employees have disclosed their ethnicity.



75.3%

of our UK in-scope employees identify their ethnicity as white and 4.7% identify as being in all other ethnic groups.

# Our ethnicity pay gap

Looking at all our UK in-scope legal entities, we have a mean ethnicity pay gap of 7.5% and a median ethnicity pay gap of 7.7%.

Looking at the bonuses that our employees in all our 'in-scope' UK legal entities received, we have a mean ethnicity bonus gap of 18.9% and a median ethnicity bonus gap of -4.2%.

93.3% of our white employees received a bonus compared to 91.7% of employees from all other ethnic groups.

7.5%

2024: 5.9%

Mean ethnicity pay gap

7.7%

2024: 6.0%

Median ethnicity pay gap

18.9%

2024: 30.4%

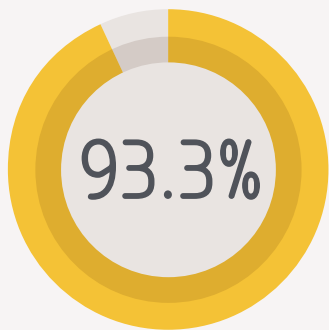
Mean ethnicity bonus gap

-4.2%

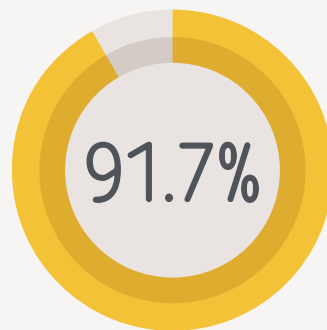
2024: -3.0%

Median ethnicity bonus gap

Percentage of white UK in-scope employees received a bonus



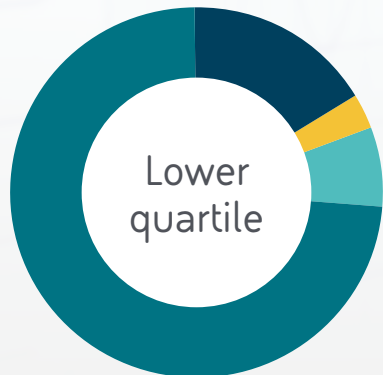
Percentage of UK in-scope employees from all other ethnic groups received a bonus



# Ethnicity pay quartiles



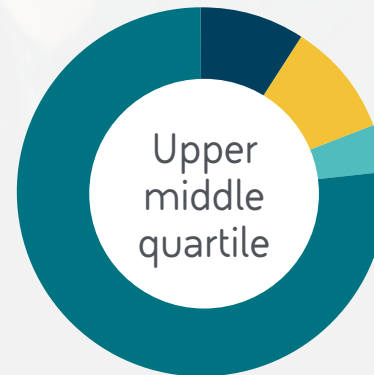
Distribution of all in-scope UK employees across pay quartiles



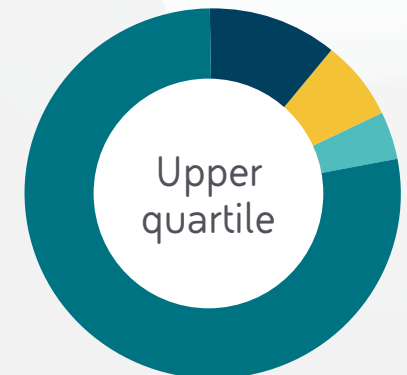
73.7% 16.4% 3.1% 6.8%



73.0% 14.5% 8.1% 4.4%



76.9% 9.1% 10.0% 4.0%



78.0% 10.9% 7.2% 3.9%

We divided all our employees into quartiles by pay. The upper quartile is the highest paid quarter of our workforce and the lower quartile is the lowest paid quarter of our workforce. The upper middle quartile and lower middle quartile divide the remaining employees accordingly.

- White
- No data
- Not disclosed / prefer not to say
- All other ethnic groups

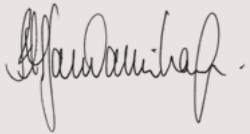
# Ethnicity pay gap data table

Legal Entity	Ethnicity pay gap		Ethnicity bonus gap		Percentage of ethnic groups in pay quartiles															
	Mean	Median	Mean	Median	Lower quartile				Lower middle quartile				Upper middle quartile				Upper quartile			
					White	All other ethnic groups	Prefer not to say	No data	White	All other ethnic groups	Prefer not to say	No data	White	All other ethnic groups	Prefer not to say	No data	White	All other ethnic groups	Prefer not to say	No data
<b>All in-scope legal entities*</b>	<b>7.5%</b>	<b>7.7%</b>	<b>18.9%</b>	<b>-4.2%</b>	<b>73.7%</b>	<b>6.8%</b>	<b>3.1%</b>	<b>16.4%</b>	<b>73.0%</b>	<b>4.4%</b>	<b>8.1%</b>	<b>14.5%</b>	<b>76.9%</b>	<b>4.0%</b>	<b>10.0%</b>	<b>9.1%</b>	<b>78.0%</b>	<b>3.9%</b>	<b>7.2%</b>	<b>10.9%</b>
BAE Systems plc	0.0%	6.4%	-6.7%	8.9%	82.8%	4.8%	5.5%	6.9%	84.6%	2.6%	6.6%	6.2%	85.4%	3.0%	6.3%	5.3%	82.5%	3.1%	5.4%	9.0%
BAE Systems (Operations) Limited	10.5%	11.1%	13.4%	11.3%	70.3%	10.3%	3.8%	15.6%	70.2%	5.6%	9.5%	14.7%	76.9%	4.4%	10.2%	8.5%	78.4%	3.4%	11.9%	6.3%
BAE Systems Applied Intelligence Limited	14.8%	14.9%	35.1%	34.3%	38.2%	12.3%	1.9%	47.6%	42.6%	9.9%	3.5%	44.0%	48.4%	9.0%	3.5%	39.1%	56.8%	6.7%	3.5%	33.0%
BAE Systems Global Combat Systems Munitions Limited	4.8%	5.2%	7.3%	0.5%	71.8%	4.0%	5.0%	19.2%	66.3%	4.3%	6.8%	22.6%	74.6%	0.9%	7.1%	17.4%	79.8%	3.4%	8.4%	8.4%
BAE Systems Marine Limited	7.7%	12.6%	-4.8%	0.0%	80.3%	5.0%	1.8%	12.9%	76.5%	3.0%	5.3%	15.2%	74.5%	2.5%	10.7%	12.3%	80.3%	1.9%	10.8%	7.0%
BAE Systems Surface Ships Limited	5.3%	2.1%	48.7%	2.7%	77.8%	5.5%	3.7%	13.0%	72.8%	2.7%	5.9%	18.6%	76.6%	3.2%	10.7%	9.5%	78.9%	4.3%	9.7%	7.1%
BAE Systems Services Limited	8.4%	6.3%	17.8%	18.8%	68.1%	11.3%	0.6%	20.0%	77.4%	10.1%	2.4%	10.1%	74.5%	9.9%	4.7%	10.9%	78.2%	7.1%	3.8%	10.9%

\* This ethnicity pay gap data mirrors our approach to gender pay gap reporting and therefore all in-scope legal entities provides combined results of the seven listed legal entities which are reportable under the Gender Pay Gap legislation as they each employ 250 or more people. A positive percentage shows that employees from all other ethnic groups have lower pay or bonuses than white employees in the organisation. A negative percentage shows that white employees have lower pay or bonuses than employees from all other ethnic groups in the organisation.

We confirm the information and data reported is accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

For BAE Systems plc



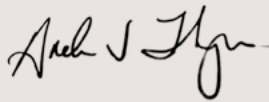
Tania Gandamihardja

For BAE Systems  
(Operations) Limited



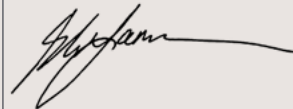
Simon Barnes

For BAE Systems  
Applied Intelligence  
Limited



Andrea Thompson

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Global Combat  
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Scott Jamieson

For BAE Systems  
Marine Limited



Steve Timms

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Surface Ships  
Limited



Simon Lister

BAE Systems  
Services Limited



Chloe Chambers



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