



Introduction

Since 1955, Rockwell Collins in the United Kingdom (Rockwell Collins UK) has been providing a comprehensive range of aviation electronics and communications solutions to ministries of defence, integrators, aircraft manufacturers and airlines.

Rockwell Collins UK portfolio includes: targeting systems, networked communications, global navigation satellite systems, electronic warfare, simulation and training solutions, and information management services. Rockwell Collins UK has a workforce of more than 450 employees located in Winnersh, Berkshire, and Burgess Hill and Crawley, West Sussex.

Rockwell Collins is committed to treating all employees fairly and with respect. We will provide equal opportunities to all employees and applicants. Discrimination based on gender, marital status, family responsibilities, sexual orientation, race, nationality, religious belief or similar philosophical belief, ethnicity, disability, age or other protected class is prohibited.

Our Value Proposition for People includes the following initiatives:

- › Diversity – Values and respects differences in our workplace. We strive to recruit, retain and develop talent to create an environment that fuels innovation and builds a stronger company.
- › Talent Management – Integrates how we acquire, evaluate, reward and develop our people.
- › Leadership Development – Encourages and supports the development of more and more capable leaders. The programs and tools are tailored to meet the needs of individual contributors as well as entry-, mid- and executive-level leaders.

We believe that the success of Rockwell Collins rests largely on the talent and motivation of our people. How we reward is critical to our continued success. How Rockwell Collins pays our people affects all stages of Talent Management. We offer competitive rewards to:

- › Attract the right employees
- › Reward our employees for their performance
- › Support them in their development so they can grow in their current role and into future roles

The gender pay gap shows the difference in average pay between men and women. It is not a measurement of equal pay between men and women for carrying out the same or similar work. We are confident that males and females are paid equally for doing the same job at Rockwell Collins.

Mean and median gender pay gaps

On the snapshot date of 5th April 2017:

Female hourly rate

27% Mean less than male

Rockwell Collins' base pay is the annual salary paid for the completion of agreed-upon job duties, and our compensation philosophy is to offer employees base pay that is competitive in the marketplace and equitable internally. A solid base pay foundation means cash compensation is consistent with the labour markets where we compete for talent.

33% Median less than male

Rockwell Collins UK Ltd. currently suffers from a lack of female representation, especially within those roles that require science, technology, engineering and maths (STEM) disciplines. Our employee makeup is reflective of the marketplace within which it sits.

Our employee base on 5th April 2017 was 74% male and 26% female. This gender imbalance contributes to the gender pay gap calculated across the organisation.

Further to this, the high concentration of females present in the lower graded positions such as administrative roles, and the underrepresentation of females in the more senior and higher earning specialist technical roles, are significant contributing factors to the current gender pay gap.

Despite this, it is worth noting that the position of managing director is currently held by a female.

Mean and median gender bonus gaps

The proportion of males and females receiving a bonus payment:

93% male

96% female

Female bonus

58% Mean less than male

38% Median less than male

Our compensation philosophy includes performance-driven incentives that recognise contributions to the company's success. Our incentives include Incentive Pay Plan (IPP) awards, alternative awards and instant compensation. The IPP is based on enterprise achievement of key financial and business goals. Incentives also recognise both individual and team performance.

The annual IPP is designed to provide competitive annual incentive payments if target goals are achieved, to provide above-target payments if goals are exceeded and to provide below-target payments or no payments if goals are not achieved.

Whilst practically all employees receive bonus payments, the gender bonus gaps tend to mirror that of the mean and median pay gaps because lower-level positions have less pay at risk (IPP) while higher-level roles have more pay at risk (IPP), consistent with market practices.

Pay quartiles

The 458 people employed on 5th April 2017 were split into four equal pay quartiles as shown below. The lowest quartile has a substantially higher concentration of females compared with other quartiles, which correlates to females being predominantly employed in the lower-graded, less technically specialised positions.

female 14% male 86%

17% 83%

19% 81%

54% 46%

- A Includes all employees whose standard hourly rate places them above the upper quartile
- B Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
- C Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
- D Includes all employees whose standard hourly rate places them at or below the lower quartile



Closing the gap

Our external reach

Managing Director Sarah Minett chairs the Royal Aeronautical Society's Women in Aviation & Aerospace Committee, which was established to encourage more young women to consider aviation and aerospace as a worthwhile and exciting career. It also exists to celebrate, inspire and support women already working in all sectors of our industry.

We are continuing to build upon the Inclusion & Diversity strategies already in place within Rockwell Collins UK in relation to our external connections which include our "School-child into Engineering" annual event, school visits and recruitment fairs across the UK.

We have just announced our partnership with the Berkshire-based World of Opportunity Project (WOOP) in order to increase our participation in local science, technology, engineering and maths (STEM) initiatives. The WOOP project links Berkshire-based employers with students to inspire them to pursue STEM as a career, with the aim to close the skills shortage gap across Berkshire.

We continue to sponsor the Brighton Science Festival, which aims to attract children into science.

We are continuing to develop our recruitment activities including developing our external recruitment website to reach the widest possible talent pool across EuMEA and are continuing to build relationships with universities, in UK and Europe, especially those specialising in STEM subjects.

Flexible working

We continue to review and build upon our initiatives to improve our flexible working practices, with more and more employees availing of our flexi-time and leave accrual processes. We are proactively facilitating employee requests to work part-time, job-share and work from home.

Development

We are continuing to provide Leadership Development programmes and mentoring and have recently focused our Step-Up programme on new leaders. We will continue to develop and build upon our newly introduced Performance Excellence programme, which encourages more frequent check-ins with employees to discuss levels of contribution and satisfaction. Talent management reviews will take place in order to ensure all employees are receiving development opportunities.

Our Succession Planning programme has recently been reviewed and updated to encourage a wider network of potential management successors.

We have concentrated our efforts to highlight and develop our emerging talent from all levels of the workforce.

Our Women's forum, which was established three years ago, continues to support professional growth through networking events, informal mentoring and career development resources.



Inclusion and diversity

We have recently carried out a gender bias survey and will be following up on any suggested actions.

We are planning training on unconscious bias.

Pay

We continue to work closely with our Global Compensation team to ensure consistency and equity across all salary bands with market evaluations of salaries being reviewed annually.

Employee representative groups

We will work with our employee representative groups for feedback and suggestions on reducing the gender pay gap.

We confirm that the data set out in this report has been prepared in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and is accurate as at the relevant 5th April 2017 pay period.

Sarah Minett, Managing Director, Rockwell Collins UK

Alex Mason, Head of Human Resources, Rockwell Collins UK

Building trust every day.

Rockwell Collins delivers innovative aviation and high-integrity solutions that transform commercial and government customers' futures worldwide. Backed by a global network of service and support, we are deeply committed to putting our solutions to work for you, whenever and wherever you need us. In this way, working together, we build trust. Every day.