

Gender Pay Gap Report

2020



Welcome to our gender pay gap Report 2020



At Raytheon UK, we're committed to better representing the true diversity of Britain and building an environment where all colleagues feel enabled to deliver the best work of their lives. I'm proud of the progress that we've made so far in building a more inclusive business.

In this reporting period, whilst we have continued to make progress in reducing our gender pay gap it has not been at the level we had hoped for, and our gap has widened marginally in some areas.

We are clear that the primary driver of our Gender Pay Gap is due to the higher proportion of men than women at senior and specialist roles in the organisation, and we recognise that we have more to do to reduce our gap and increase the pace at which we do so.

As a leadership team, we are reviewing the measures that we have set ourselves as part of our Gender-Balanced Action Plan to ensure that they drive the accountability and progress that we need to improve our representation gap and will publish our refreshed plan within the coming months.

Throughout 2020, we have faced unprecedented challenges with the COVID-19 pandemic, and I'd like to thank all of our colleagues for their commitment and support throughout. Whilst there is a journey for us to go in recovering from the pandemic, this will absolutely not hinder our focus in building a more inclusive Raytheon UK.

I can confirm that the data published within this report is calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap) Information Regulations 2017.

A handwritten signature in black ink, appearing to read 'J Lewis', written in a cursive style.

Jeff Lewis

Chief Executive Officer, Raytheon UK

Introduction to Raytheon UK

Raytheon UK is a technology company focused on aerospace and defence, cyber and intelligence.

A wholly owned subsidiary of Raytheon Technologies in the U.S., Raytheon UK is a technology company specialising in the defence aerospace and cybersecurity sectors.

With sites across England, Wales and Scotland, we are strongly invested in the British workforce and the development of UK technologies. Across the country we employ 1,800 people and are responsible for supporting more than 10,000 jobs within Raytheon Technologies and the UK supply chain.

As a prime contractor and major supplier to the UK Ministry of Defence, our company continues to invest in research and development, supporting technological innovation across the country.

We are committed to significant growth of our UK business over the next five years. To achieve this, we are rapidly developing advanced defence and security systems, and cyber protection technologies.

At the heart of this growth lie our people and our continued investment in skills and training. We believe that everyone, regardless of gender and culture, can contribute to our vision for a safer, more connected world.



Understanding gender pay gap

The Gender Pay Gap is the difference between the gross hourly earnings for all men and gross hourly earnings for all women across the whole organisation, irrespective of their roles or seniority. For instance, a company with a higher proportion of men in senior roles and women in junior roles will have a Gender Pay Gap. The gap is measured as a percentage of men's earnings.

Gender pay gap is different to equal pay, which compares the pay of men and women who perform the same role or roles of equal value. It is unlawful to pay people unequally because of their gender, and Raytheon UK regularly monitors our pay approach to ensure that we remain an equal pay organisation.

There are two ways that we are required to report and calculate our gender pay gap – as a median percentage and a mean percentage. More information on how these calculations are determined can be found on the UK government website.

The Gender Pay Gap reporting regulations for UK organisations are intended to encourage employers to take informed action to close their gender pay gaps where they exist.

Our 2020 Gender Pay Gap Report contains our gender pay data for our UK workforce and for all our UK legal entities comprising 250 or more employees, as required by the regulations.

The report also outlines our actions and commitments to improve gender balance within our UK workforce. We are committed to reducing our current gender pay gap, whilst continuing to ensure that our staff are paid fairly for the work they do, irrespective of their gender or any other element that makes up their identity.



Our gender pay gap

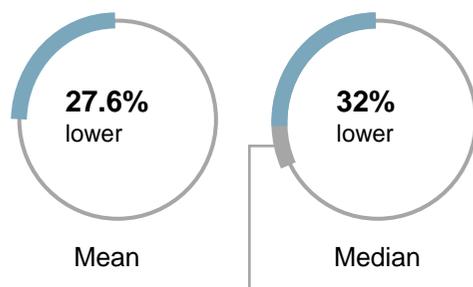
This report shares our gender pay gap data for the 12 months to 5 April 2020 and is calculated using the pay data for our 1,814 Raytheon UK colleagues.

Our internal Gender Pay Gap analysis has shown that our gap is primarily driven by a higher proportion of men in senior, highly skilled and specialist roles which is reflected by the decrease in the proportion of women in our upper pay quartiles.

The gender split of our workforce at our report date was:

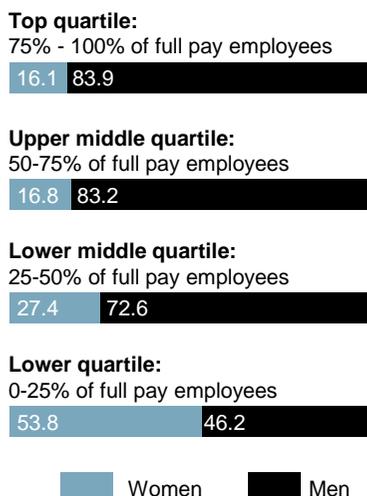
28% Female **72% Male**

Pay Gap: women's hourly rate (2020)



0.9%
Improvement
On 2019 results

Quartile pay bands (2020)



Highlights

Mean and median figures

Raytheon has continued to make progress in reducing our median pay gap, down 0.9% from 2019 and 7% since we started reporting in 2017. Disappointingly, our mean pay gap has slightly increased by 0.8% since 2019 however this still represents a 5% improvement since we began reporting in 2017.

Organisational growth

Raytheon UK has continued to grow its headcount by 5.4% from 2019 to 2020. Our female population has decreased slightly by 1% in the same period, however we have seen some positive movement in the number of women moving into our top quartile pay band.

Decreased bonus pay gap

We have continued to make significant progress in reducing our bonus pay gap with our mean bonus gap having reduced by 6.7% and our median bonus pay gap reducing by 3.4% compared to 2019. Encouragingly, this represents a 15% and 9% reduction in our mean and median bonus gap respectively since we started reporting in 2017.

Our bonus pay gap

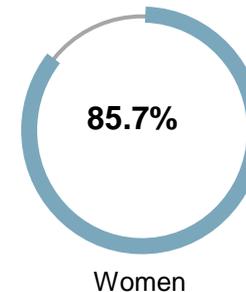
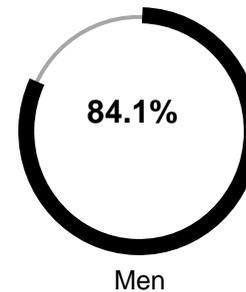
All employees may be eligible to receive a bonus, subject to length of service and performance, and we remain consistent in the proportion of bonuses paid.

In this 2020 report, we have continued to see an increase in the bonus paid to women compared to the previous year.

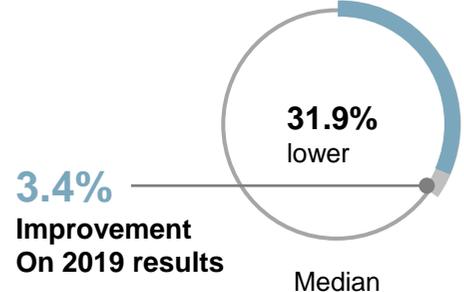
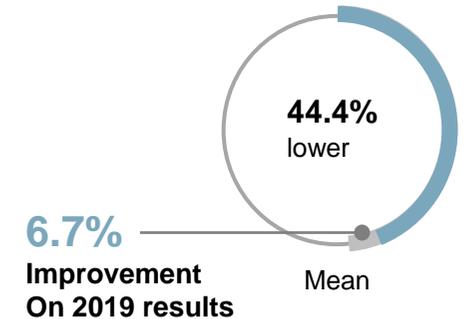


Our analysis of our bonus gap shows that it is driven solely due to the higher proportion of men in senior and specialist roles within Raytheon UK. We continue to challenge recruitment to ensure that we're seeing a greater gender balance and ensuring that all senior hires have a balanced interview panel.

Percentage of men and women who received a bonus for 2020



Women's bonus pay compared to men's



Women Men

How have we improved our gender balance action plan

Our Gender Balance Action Plan

We're continuing to deliver against our Gender Balance Action plan which has supported us improving our under-representation of women at senior and special roles through:

Balanced candidate slates for all senior recruitment.

Diverse interview panels for candidates.

Screening our job adverts and our senior role profiles to ensure that we avoid gender-biased language.

Introducing our menopause policy and training to help ensure that all leaders are better able to support our employees, and to remove any stigma surrounding the menopause.

To help us drive progress against this, by the end of 2021 we will be publishing our wider strategic action plan internally to help us improve the under-representation of diverse groups within Raytheon UK. This will be supported by the work that is already underway in our Building Better Cultural Transformation programme.



How have we improved the representation of women in cyber



Women in Cyber

Women represent only one-in-five employees in the UK cybersecurity field.

We are proactively supporting the Women in Cyber Academy, a retraining course aimed at supporting women, without a cyber background, to pursue careers in this field.

We are proud to have worked in close partnership with the UK's Department for Digital, Media, Culture & Sport and Quality Assurance to deliver this programme.

Our skilled cyber experts helped upskill the programme's second cohort of trainees in January 2020, making them employable within the cyber industry from entry-level roles to senior hires.

We helped develop a comprehensive 12-week course that enabled students to prepare for a role within our cyber and intelligence teams in Manchester and Gloucester. Here they are paired with mentors to ensure their continual development.

We're proud that all the candidates who came through this programme are still actively employed with Raytheon UK today.

A more inclusive company

Building Better

Building Better

We recognise that in order to increase diversity we must ensure that we have an inclusive culture that realises the true value of diversity and creates an environment where every colleague can thrive.

Since late 2019, we've been on a journey to build a truly inclusive, high-performance culture in Raytheon UK.

As part of this journey and in response to learnings from the COVID-19 global pandemic, we're introducing new ways of working at Raytheon UK.

This will enable greater flexibility to help us attract and retain a more diverse workforce, allowing us to provide more innovative solutions for our customers. At the same time, it will create an environment where our employees can strike an effective work-life balance that supports their total wellbeing.

Ultimately, we wish to create an environment where all colleagues feel enabled to deliver the best work of their lives.



A more inclusive company

Inclusive Leadership

Inclusive Leadership

To support our cultural transformation and build a more inclusive company, we're working with our leaders, starting at the very top with our senior leadership team. We help them understand how their life experiences have shaped their present leadership behaviours, to identify their blind spots and understand the actions they can all take to become more consciously inclusive.

Inclusive leadership will be fundamental to our leadership style at Raytheon UK. We will be upskilling all of our leaders across the business to foster an environment where all colleagues can thrive. And where we truly value and make the most of the diversity of our colleagues.

The roll out of our inclusive leadership, commencing 2021, is integrated into our leadership and behavioural framework that supports all of our colleagues across Raytheon UK.



Our Employee Resource Groups

We continue to support and invest in Employee Resource Groups across Raytheon UK. These groups act as conduit into the diverse communities that they represent.

Raytheon Women's Network, one of our eight ERGs, has a strategic role within the business helping us to:

- Understand and respond to the common development needs of our female talent
- Advocate and ultimately drive change to improve the workplace experience for our female colleagues across Raytheon UK.
- Educate and raise awareness on issues impacting women across the business and help all our colleagues understand their role in driving a more inclusive business and society.
- Provide role models for colleagues at all levels in our business, inspiring our colleagues to achieve their full potential and provide mentoring relationships to help colleagues drive their own career.

Our ERGs form part of the global family of ERGs across Raytheon Technologies which together exchange experiences, insights and resources from around the world.



BAME
Black, Asian and Minority Ethnic



RSN
Raytheon Sustainability Network



RWN
Raytheon Women's Network



RAYPRIDE
Gay, Lesbian, Bisexual & Transgender



YESNET
Young Employee Success Network



RADA
Raytheon Alliance for Diverse Abilities

Inspiring women into engineering and defence

Our Raytheon UK Science Technology Engineering and Maths, or STEM, ambassadors have been working with UK schools, colleagues, universities and youth groups to help young people to consider a future career in a STEM discipline, the defence sector and Raytheon UK.

This year, our Raytheon UK STEM Programme has engaged with students from all ages and backgrounds, particularly female students to help break down gender-based perceptions within the industry. We've also targeted more girls to engage with our flagship STEM event, the Quadcopter Challenge.

In 2020, our STEM programme partnered with the Royal Navy and Marines Charity, and Royal Airforce Association. We have also worked with the female Aerospace Society of Queen Mary University, London, to help break down gender-based perceptions of the industry. And we continue to share inspirational stories from our female leaders about their careers within the sector.

We're extremely proud to have been named 2019 STEM Inspirational Employer of the Year and are committed to expanding our programme into the future.



241 registered STEM Ambassadors:
33% of which are female



8 Raytheon UK Site Leads



Partnerships with STEM Learning, the Royal Air Force, the Royal Navy

Thank you.

