



Raytheon UK:
Gender Pay Gap Report 2018



As a company we are invested in the UK

Raytheon UK works across the defence, aerospace and cyber security sector. With facilities in Broughton, Waddington, Glenrothes, Harlow, Gloucester and Manchester, Raytheon UK is invested in the British workforce and the development of UK technology.

Across the country the company employs 1,700 people and supports 8,000 jobs. As a prime contractor and major supplier to the U.K. Ministry of Defence, Raytheon continues to invest in research & development, supporting innovation and technological advances across the country.

We are investing to grow in the UK, our commitment to develop advanced defence and security systems, cyber protection and skilled training in the UK will keep the UK economy protected at home and the country secure as a global power.

Our commitment to diversity and inclusion

Diversity and inclusion are at the centre of who we are and how we deliver the innovative solutions our global customers depend on. It comes to life in our efforts to foster an inclusive and vibrant culture, nurture diverse suppliers and deliver programmes that provide opportunity in our global communities.

Diversity at Raytheon UK is about inclusivity; this means creating a working environment where everyone feels valued and empowered, regardless of people's background. At Raytheon UK, diversity of talent and thought are what drive innovation and creativity.

In 2018 we engaged with our Employee Resource Groups (ERG's) to carry out a programme of activities to enhance our organisational knowledge and solicit feedback relating to our Gender Pay Gap notably through our Gender Pay Gap panel events.

In addition, we carried out a flexible working campaign showcasing our employees experiences of alternative working options which are open to all employees, we set up two new ERG's to broaden our diversity in representing all groups, and we have shone a spotlight on senior females in our organisation and their experiences. Our work to promote the STEM subjects has continued, increasing our female to male balance on to our Graduate and Apprentice programmes significantly.

Raytheon UK is committed to taking ongoing action to address our Gender Pay Gap and will be monitoring our performance in this area on an ongoing basis.

What is the gender pay gap?

Equal Pay and the Gender Pay Gap are not the same. At Raytheon we ensure, through our reward policies and processes, there is no gender bias in our approach to pay.

The term gender pay gap is the difference between the average earnings of males and females across the whole organisation.

Our gender pay gap is due to the average number of gender representation within our workforce population.

Our Results

The regulations for gender pay gap reporting for UK organisations are intended to encourage employers to take informed action to close their gender pay gaps where one exists.

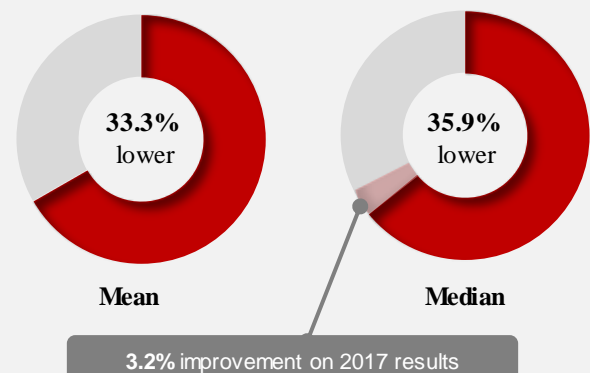
In our 2018 report we have published our gender pay data for our UK workforce and for our UK legal entities with 250 or more employees, as required by the regulations. The report also outlines our actions and commitments to improve the gender balance of our UK workforce.

Like most UK companies, we currently have a gender pay gap. We are steadfastly committed to reducing this gap whilst continuing to ensure that our staff are paid fairly for the work that they do, irrespective of their gender or other protected characteristic.

Male and Female split (2018)



Pay gap - Women's hourly rate (2018)



Contributing Factors

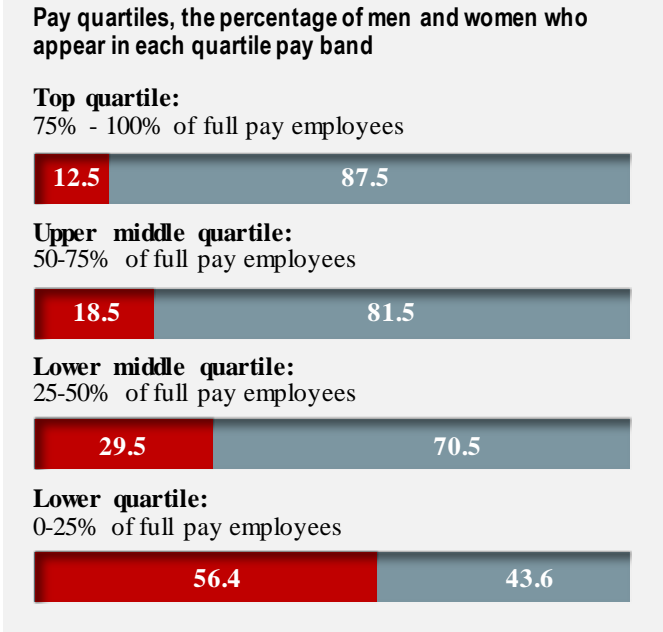
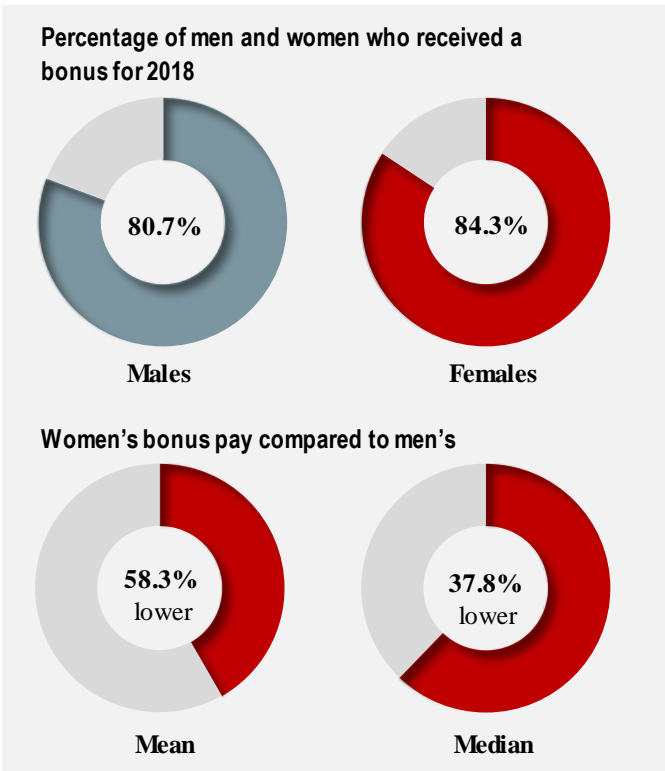
As expected the male to female workforce ratio and the gap between the average earnings of males and females at Raytheon UK as highlighted in this 2018 report, has not changed significantly from our 2017 report. This is due to all of the great work we have done throughout 2018 will not show until our report published by April 2020. However, our median pay gap has reduced which demonstrates the positive journey we have embarked upon as the spread between our lowest and highest salary has reduced. One of the biggest contributors to the gender pay gap at Raytheon is due a greater proportion of our senior leadership team being male.

Our business relies on employing large numbers of employees with qualifications in science, technology, engineering and mathematics (STEM) related fields. We, like others in similar industries, face challenges recruiting female employees with STEM qualifications and experience because there are significantly fewer women who study and work in these fields.

Bonus gender pay gap

We have also refreshed our recruitment process to ensure we have gender neutral advertising and have increased our advertising platforms.

All employees may be eligible to receive a bonus and we remain consistent in the proportion of bonuses paid. In this report we can see a reduction in the average bonus paid to males and females showing a decrease in the gap.



Commitment to Progress

As established in our 2017 report, Raytheon UK has recognised that the gender pay gap will only be closed by taking proactive steps. Raytheon UK has a strong culture of ethics, diversity and inclusion which is supported by the existence of a Diversity and Inclusion Council and a number of Employee Resource Groups (ERGs). In 2017 the Raytheon UK leadership team engaged with the ERGs to identify root causes which may have contributed to the gender pay gap and to seek suggestions from the ERGs as to how to close it.

Diversity Strategies and Tactics

- We're nurturing an inclusive environment that honours our differences, encourages the exchange of information and new ideas and makes it possible everyone to thrive and succeed.**
 - Updating our policies and programmes
 - Engaging our leaders and holding them accountable
 - Renewing our focus on D&I: Diversity 2020
- We're developing our ability to use our differences, as individuals and teams, to drive growth today and tomorrow.**
 - Developing new learning
 - Strengthen leadership pipeline
 - Transforming ERGs into strategic change agents
- We're ensuring our workforce reflects the customers and communities we serve.**
 - Committing Senior Leadership Team Resources
 - Evolving Human Resource Processes
 - Leveraging ERGs as talent advocates

Raising Awareness

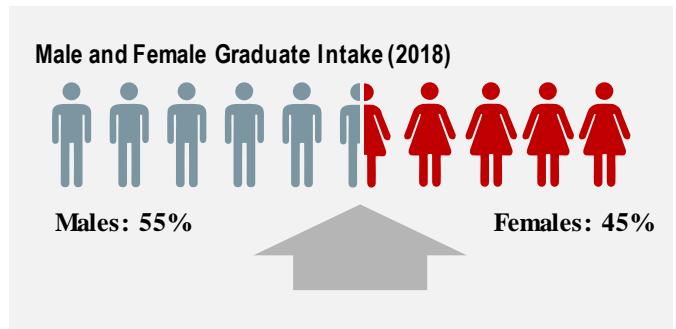
The focus of 2018 was to raise awareness and engage with employees to discuss the implications of the Gender Pay Gap Report, why diversity matters and to welcome feedback.

The nine actions for change:

1. Women's Future Month in March with the theme "Press for Progress" was a highlight feature on our Raytheon intranet page profiling senior female leaders and holding a number of events across our sites including talks from external inspirational women and a Junior Cyber Day where female pupils from local schools were invited to our Manchester office to participate in a number of cyber related activities to encourage more women into the profession.
2. Flexible Working Campaign which consisted of internal and external communications promoting the number of different flexible working available to all employees by profiling male and female colleagues across the sites who work flexibly including part time, job shares, parental leave and reservist leave.
3. Gender Pay Gap and Diversity Dialogue Panel Events held by our CEO and supported by members of our leadership team held across 6 of our sites which gave an opportunity for employees to raise questions and suggestions with our functional and business leads.
4. Set up interview focus groups with key employee groups to understand and address issues which may cause women to leave before they make the decision to do so.
5. Lunch and Learn events across our sites featuring our senior female leaders sharing their career stories.
6. Set up of two new ERGs, RADA (Raytheon Alliance for Diverse Abilities) and GLBTA (Gay, lesbian, bisexual, transgender and allies). Each of our ERGs has an executive sponsor who sits on the leadership team and all activity is overseen by our overall Diversity and Inclusion Champion who regularly raises issues of diversity and inclusion as part of leadership reviews. These networks will also address gender balance in their activity.
7. Formation of a cross-functional strategy group consisting of members of HR, ERGs and Transformation considering how to implement a 5-year plan to enable success in meeting our diversity and inclusion goals.

8. Natural succession plan taking effect in 2018 at the Raytheon UK Leadership Team level. Representation of both females and males in senior leadership roles. For example, Non-Executive Director, HR & Security Director, Communications Director, Cyber & Intelligence Managing Director and BD & Strategy Director.
9. It is company policy to recruit, hire, train and promote for all job classifications without regard to race, colour, creed, genetic information, religion, national origin, sex, sexual orientation, gender identity and expression, age, disability, or veteran status, and to base all such employment decisions upon the individual's qualifications and ability to perform the work assigned.

Our collaboration with STEM continues, working with communities to promote the STEM subjects and careers, to support this we continue our work to extend our Apprenticeship programme. We have increased the number of graduates we have within the business on our graduate programme, achieving a 55%/45% male to female split for our 2018 intake versus 71%/29% in 2017.



The Raytheon UK Leadership Team is committed to paying males and females equally in similar roles and to increase the number of females in our workplace. Throughout 2018 we focussed on a number of activities, as part of our ongoing commitment we have developed a five-year strategy which will help us to increase our female representation in the workplace and reduce our Gender Pay Gap. Through a number of initiatives, we will continue to track and monitor our progress and report all of employees.

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Richard Daniel
 Chief Executive and Managing Director, Raytheon UK