Raytheon UK
gender pay gap

2019 REPORT
Introduction to Raytheon UK

A fully-owned subsidiary of Raytheon Technologies in the United States, 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 United Kingdom technologies. Across the country we employ 1,700 people and are responsible for supporting more than 10,000 jobs within Raytheon Technologies and the U.K. supply chain.

As a prime contractor and major supplier to the U.K. 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 U.K. business over the next five years. To achieve this we are rapidly developing advanced defence and security systems, and cyberprotection 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.
What is the gender pay gap?

Equal pay and the gender pay gap are often confused but are not the same.

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.

The gender pay gap is different from equal pay. Equal pay ensures that men and women who carry out the same or similar jobs or work of equal value are paid the same. It is unlawful to pay people unequally because of their gender. Raytheon UK is an equal pay organisation.

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

Diversity & Inclusion is at the centre of who we are and what we stand for, and we are an Equal Opportunities Employer.

Men/women split (2019)

71%  29%
Men  Women
Our results

The regulations for gender pay gap reporting for U.K. organisations are intended to encourage employers to take informed action to close their gender pay gaps where they exist.

Our 2019 report contains gender pay data for our U.K. workforce and for our U.K. legal entities comprising 250 or more employees, as is required by the regulations.

The report also outlines our actions and commitments to improve gender balance within our U.K. workforce. We are steadfastly committed to reducing our current gender pay 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.

Pay gap: women’s hourly rate (2019)

- Mean: 26.8% lower
- Median: 32.9% lower
- 6.5% improvement on 2018 results

Quartile pay bands (2019)

- Top quartile: 75–100% of full pay employees
  - Women: 15.5
  - Men: 84.5
- Upper middle quartile: 50–75% of full pay employees
  - Women: 18.4
  - Men: 81.6
- Lower middle quartile: 25–50% of full pay employees
  - Women: 26.2
  - Men: 73.8
- Lower quartile: 0–25% of full pay employees
  - Women: 53.3
  - Men: 46.7

Highlights:

MEAN AND MEDIAN FIGURES

- Raytheon UK has made significant progress with both mean and median measures reducing in 2019 by 6.5% and 3% respectively.

ORGANISATIONAL GROWTH

- Raytheon UK grew as an organisation in terms of headcount from 2018 to 2019 and has maintained the gender split of 29% women and 71% men. The organisation has grown by 8.64% in line with our strategy and growth plans.

INCREASED FEMALE REPRESENTATION

- Other significant progress has been made in our female representation in our upper quartiles, where our upper pay quartile showed an increase in female representation of 3%.
- There has been an increase in female representation in the upper pay quartiles while reducing female representation in lower pay quartiles.

DECREASED BONUS PAY GAP

- Our bonus pay gap has reduced in this reporting year. We have seen a significant reduction of 7.2% on the mean bonus pay gap and a 2.5% reduction on the median bonus pay gap.
Bonus gender pay gap

Recruitment and retention processes and initiatives are imperative to shaping our workforce of the future. As such, we have introduced checks to ensure that our job descriptions are gender neutral and have broadened our recruitment advertising platforms to ensure they are inclusive.

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 an increase in the average bonus paid to women compared to the previous year.

<table>
<thead>
<tr>
<th>Percentage of men and women who received a bonus for 2019</th>
<th>Women’s bonus pay compared to men’s</th>
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<tbody>
<tr>
<td><strong>Men</strong></td>
<td><strong>Women</strong></td>
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<tr>
<td><strong>Women</strong></td>
<td><strong>Mean</strong></td>
</tr>
<tr>
<td>82.3%</td>
<td>51.1% lower</td>
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<tr>
<td><strong>Women</strong></td>
<td><strong>Median</strong></td>
</tr>
<tr>
<td>84.4%</td>
<td>35.3% lower</td>
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7.2% improvement on 2018 results

2.5% improvement on 2018 results
What have we done to achieve results?

Implementation of our gender balance action plan

As part of our Gender Balance Action Plan, we have widened our flexible working and remote working opportunities to support existing and potential employees in balancing their personal and professional needs.

Following our successful flexible working campaigns, there has been a marked increase in the number of both existing employees and new hires working on flexible contracts.

We continue to offer enhanced adoption, maternity, paternity and shared parental leave policies to attract and retain our talent.

To broaden our candidate pool we are using gender neutral job descriptions and have broadened our recruitment advertising platforms. For leadership recruitment we have a gender balance check before moving forward with interviews.

Championing women in cyber

A leader in the cyber domain, the company is involved in several initiatives aimed at increasing female representation in this area and developing U.K. cyber talent. We are heavily involved with the National Cyber Security Centre’s CyberFirst programme from a STEM perspective and have hosted several demos and activities specifically aimed at young women.

We are also a main sponsor of the Women in Cyber Academy, an initiative supported by the Department for Digital, Culture, Media and Sport and aimed at providing women with a route to market into cyber-based jobs. The intake is a mix of Ph.D. students, mid-career change and return to work candidates. The 12-week training course ran from June to August 2019 and nine participants from that initiative joined our programme in September 2019 to continue their training and upskilling: 80% have remained with us and half are already working on customer projects.
Diversity strategies and tactics

Building better

In the fourth quarter of 2019, we launched our Building Better Campaign: the campaign is threefold, it focuses on infrastructure, technology, efficient processes and culture. The culture strand is specifically focused on supporting employees to realise their ambitions and career advancement.

Having set clear growth ambitions over the next five years, we know this is only possible if we have the right culture, technology and tools in place. For that reason, we are committed to investing and creating an environment where people are supported to grow personally and realise their potential — regardless of gender — as part of a successful, high-performing and inclusive culture.

Inclusive culture

We are invested in an inclusive culture because we believe that having diversity in our workforce helps us reach our goals and objectives, and enables us to be an employer of choice. We believe a truly inclusive culture helps to create the right environment to build a high-performing culture and successful organisation.

In the third quarter of 2019, we drove High Performance Culture (HPC) training across our entire organisation, with 90% of our employees trained to date. A percentage of employees have been trained and certified as, and 10% of employees have volunteered to act as, HPC champions. These champions will help drive forward and continually implement initiatives that will lead to an inclusive and diverse culture in the U.K. across our sites.
Diversity strategies and tactics

Championing women in our industry

We were one of the first major defence companies to sign the U.K. government’s Women in Defence Charter in 2019 pledging gender balance across the industry and fair opportunities for women at all levels to succeed. We are taking an active leading role in the implementation of the Women in Defence Charter with colleagues from across our industry and look to spearhead the initiatives in our company.

Raytheon UK has partnered with several intuitions and organisations, including Women in Science and Engineering, for assistance in addressing the industrywide issue of gender balance.

Employee Resource Groups (ERGs)

To maintain a rich and diverse talent base, we have invested in a number of ERGs to foster support and celebrate success. Our ERGs are indispensable to the long-term vitality of our workforce and business. They support us in promoting an inclusive, engaged culture; drive business growth and innovation; help attract, retain and develop employees; and engage meaningfully with their local communities.

We have expanded the role of our ERGs to become our strategic business partner in building and maintaining a diverse, inclusive workforce. One of our five ERGs, Raytheon Women’s Network UK, provides a network to champion, celebrate and advocate for women’s success and exposure. As a strategic business partner it also provides a voice for improving gender diversity across Raytheon UK and ensuring equal opportunity, regardless of gender.
Commitment to progress

Diversity & 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.

At Raytheon UK, diversity of talent and thought is what drives innovation and creativity. By utilising our diverse teams to solve problems our aim is to create an inclusive, empowering environment that encourages people to do the best work of their lives.

Working together, myself and each member of my leadership team has pledged their support to promoting Diversity & Inclusion, with gender pay being one area of progress.

Raytheon UK is an Equal Opportunities Employer and the U.K. leadership team is committed to both paying men and women equally in similar roles and to increasing the number of women in our workplace. As part of our five-year growth strategy we have incorporated a number of ongoing actions which will help us to increase our female representation in the workplace and reduce our gender pay gap. We will continue to track and monitor our progress in this area.

Richard Daniel
Chief Executive and Managing Director, Raytheon UK