

2020 GENDER PAY GAP REPORT

Collins Aerospace



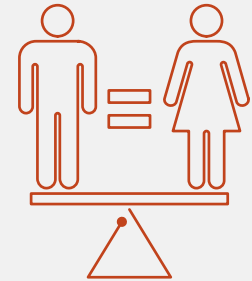
2020 GENDER PAY GAP REPORT



Collins Aerospace

Collins Aerospace, one of four highly specialised businesses of Raytheon Technologies Corporation (NYSE: RTX), is a leader in technologically advanced and intelligent solutions for the global aerospace and defence industry. Collins Aerospace dedicates its capabilities, comprehensive portfolio and expertise to solving customers' toughest challenges and meeting the demands of the global market. With 2019 net sales of approximately \$26 billion, the business has 71,000 employees across more than 300 locations globally.

In the United Kingdom (U.K.), Collins Aerospace designs, develops, manufactures and supports a comprehensive range of solutions for the defence and commercial aviation markets.



ALL WELCOME. ALL EQUAL. ALL IN.

Diversity drives innovation; inclusion drives success.

In order to advance diversity, equity and inclusion (DE&I) we must think strategically. As such, a key element of our DE&I global strategy is to focus our efforts on under representation in specific areas of women and other minority groups of employees.

At Collins Aerospace, we believe a multitude of approaches and ideas enable us to innovate and deliver the best results for our workforce, workplace and customers. We are committed to fostering a culture where all employees can share their passions and ideas so we can tackle the toughest challenges in our industry, tap into the creativity of our employees and pave new paths to limitless possibility, irrespective of gender. One way we champion diversity, equity and inclusion is through our company-wide Employee Resource Groups (ERGs), that promote the engagement and development of their members, support the attraction and retention of a diverse workforce and play an active role in community outreach and relations.

Collins Aerospace is committed to promoting equal opportunity in employment. Employees and any qualified job applicants will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

THE DIFFERENCE BETWEEN GENDER PAY & EQUAL PAY

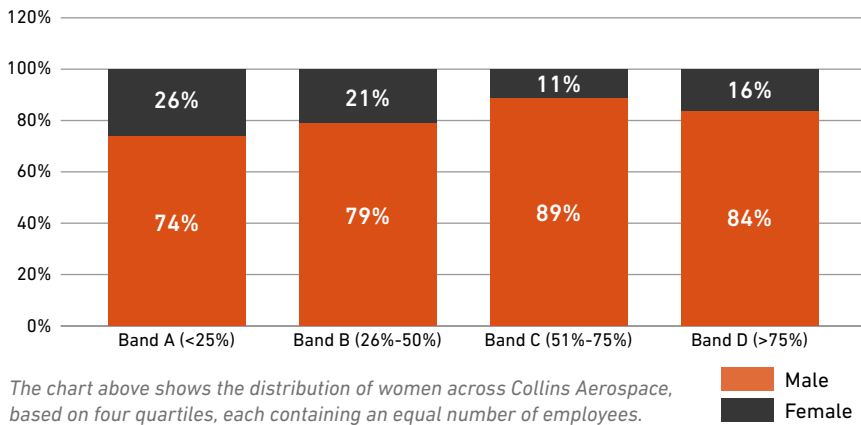
The gender pay gap shows the difference in average pay between men and women, and in many cases reflects the representation of women across all levels in the organisation. Equal pay is a legal requirement such that men and women employed by the same organisation who are performing work of equal value must receive equal pay.

OUR STATISTICS

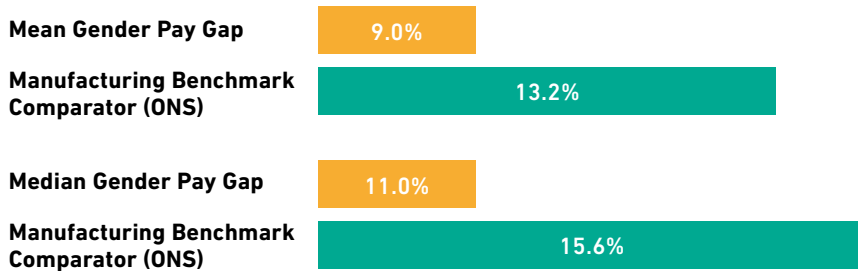
Collins Aerospace is committed to creating a working environment where there are equal opportunities for all employees. We recognise that compensation is important to attract top talent, to reward employees for their work and commitment and to encourage employees to stay with us over the years. We are committed to paying market competitive pay packages that reward our employees fairly for the work that they do. Our compensation philosophy combines market competitive pay and individual performance driven incentives that recognise both individual and collective contributions to the company's success. A solid pay foundation means that our compensation packages are consistent within the labour markets where we compete for talent.

We have a number of mechanisms within our reward policies and processes to promote consistency in pay for men and women performing similar sized roles. These include a consistent approach to job sizing, a pay for performance philosophy and spot rates in our manufacturing facilities.

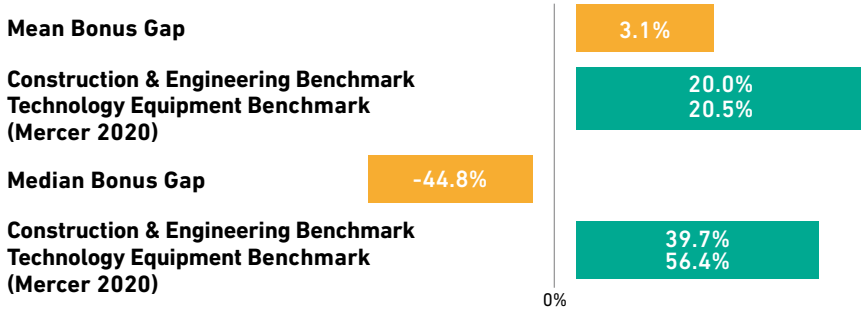
At the snapshot date of 5 April 2020, the combined reportable companies within Collins Aerospace in the U.K. employed 4,179 people of which 3,425 (82%) are male and 772 (18%) are female. Our organisation is committed to attracting and retaining female talent, however, we, like similar organisations, face challenges recruiting female employees with Science, Technology, Engineering & Math (STEM) qualifications and experience. Our employee makeup is reflective of the marketplace in which we sit, and whilst we are committed to promoting gender diversity, the current gender imbalance in these fields contributes to the gender pay gap calculated across the organisation.



The gender pay gap is a snapshot of the difference in the average and median hourly pay of women compared to men, expressed as a percentage of men's average pay, irrespective of the roles that they perform. The hourly pay figure used to calculate the pay gap includes all items specified in the regulations, such as allowances, shift pay and recognition payments.



Proportion of Employees Receiving a Bonus	
Males	59%
Females	55%



How to read the differences: Negative (-) figures show when a man is paid less than a woman. Positive (+) figures show when a man is paid more than a woman

Across Collins Aerospace U.K., the overall mean Gender Pay Gap has reduced from 12.6% in 2019 to 9.0% in 2020 and the median gap has reduced from 12.7% to 11.0%. The mean pay gap reduction reflects an increase in the number of females in the top 10 highest hourly rates. The median pay gap reduction is driven by an increase in the proportion of males in the lowest quartile of pay (Band A) above and a decrease of males in the lower middle quartile of pay (Band D) compared to 2019.

The overall mean Bonus Gap has reduced significantly from 25.3% in 2019 to 3.1% in 2020, and the median gap which continues to favour females has increased from -43.6% to -44.8%.

The reduction in the mean bonus gap and increase in the median bonus gap favourable to females is due to the relatively small level of Star Award bonuses and the increase in females receiving stock options.



Closing the Gap

Collins Aerospace is committed to closing the gender pay gap at all levels within the organisation through efforts including site-led activities and specific initiatives aimed at targeting more women in leadership roles. Through an increased focus on corporate social responsibility, we will look at not only what we are doing here and now, but also the impact we can make on future generations around the world. We call our social responsibility platform Redefining Futures. Engineering is the life-blood of our company and to increase the pipeline of future talent and make progress toward the goal of eliminating the gender pay gap, we continue to expand our efforts to attract and retain female students into STEM fields. By inspiring the next generation of thinkers and leaders to pursue opportunities in STEM, we can close the gender gaps in technology and drive progress toward parity.

Below are the initiatives we have in place at the business unit level across Collins Aerospace and in partnership with our parent company, Raytheon Technologies Corporation.

OUTREACH TO FUTURE GENERATIONS — OUR STEM COMMITMENT

- LIFT (Leading Inspired Females in Technology) is a home-grown, Collins-wide initiative focused on improving the numbers of women in our senior engineering roles and Fellows community, as well as advancing female technical talent. It supplements other RTX initiatives: WILL Rise and Paradigm for Parity, which are needed for the continued success of our business.
- Collins Aerospace and Pratt & Whitney continued their partnership in WILL (Women in Line Leadership) Rise, a bold, grassroots programme with a mission to accelerate the growth and advancement of women in aerospace line leadership positions.
- In coordination with Women in Aviation International's 'Girls in Aviation Day,' Collins Aerospace launched an 'Aviation for Girls' App to reach out to girls aged 8-17. The App provides information about all kinds of aviation careers along with access to digital issues of Aviation for Girls magazine.
- A number of Collins Aerospace teams held nationwide events during 2020 under the 'Introduce a Girl to Engineering Day' initiative.
- Collins Aerospace continues to partner with FIRST UK to support virtual events and mentoring opportunities encouraging youth to pursue careers in STEM. The company is also moving towards a partnership with ENTHUSE, in which the company will partner with a number of West Midlands schools to support STEM learning to improve gender balance. STEM Science kits will also be provided to each of the partner schools.

- We expanded the Collins partnership in the U.S. with FIRST ROBOTICS into the U.K. and held an event at RAF Cosford which involved more than 50 teams from across the region.
- Continued partnership with Women in Science & Engineering (WISE) supporting a series of 5 bi-weekly Actuation Systems webinars launched on International Women in Engineering Day (23 June 2020) to promote gender diversity, mentoring and the WISE #1 of The Million campaign. Marston Green has female engineers trained in the 'People Like Me' philosophy, which is delivered to local schools and aims to meet WISE's commitment to inspire more girls to consider studies and careers in STEM.
- Collins Aerospace is sponsoring the IET's Young Women Engineer Awards ceremony in March 2021 (postponed from December 2020).
- Our RTX collaboration with Girls Who Code (GWC), an organisation dedicated to building the largest pipeline of future female engineers in the United States, is being rolled out across Collins Aerospace in the U.K.

FILLING THE FUNNEL

- Our recruitment strategy is designed to raise our brand profile and increase partnerships with organisations that promote and support women pursuing careers in STEM industries, from early career to senior leadership positions.
 - Collins Aerospace continues to support female Arkwright scholarships with two further female BAME students sponsored in 2020 in its ongoing commitment to encourage females to join the engineering field and to supporting diverse talent.
 - Collins Aerospace Shirley is participating in the U.K. Electronic Skills Foundation (UKESF) and the Engineering Education scheme, targeting females and partnering with a number of schools to encourage females to pursue a career in engineering.
 - Collins Aerospace is a signatory to the 'Women in Aviation and Aerospace Charter' and have a senior leader of RCUK who is Chair of the Royal Aeronautical Society's Women in Aviation and Aerospace Committee.
 - Under a new talent succession planning initiative, quarterly diversity reviews with BU Presidents will be held to examine representation and the talent pipeline. In addition the evaluation of planned moves will also be carried out to ensure diverse representation.
-

DEVELOPMENT, ENGAGEMENT AND PROGRESSION

- Collins Aerospace's UTfleX programme and local Flexible Working Charter are designed to promote flexible work options across the business. The company also recently launched a new enhanced maternity policy across the U.K. in support of the Charter.
- The first Collins Aerospace West Midlands Women in Aerospace Employee Resource Group (ERG) launched in 2020 with over 65 members from across the regional Collins Aerospace businesses.
- New manager training on Gender Diversity has been launched globally with a focus on Gender Bias and Unconscious Bias.
- Raytheon Technologies is a member of the Paradigm for Parity initiative, a coalition of business leaders dedicated to addressing the corporate leadership gender gap. Raytheon Technologies is committed to achieving the ultimate goal of full gender parity by 2030, with a near term goal of 30%.
- Raytheon Technologies will soon launch a new global diversity, equity and inclusion (DE&I) initiative to help drive increased accountability and action and provide transparency across all businesses.
- A new Employee Resource Group (ERG) 'Women in Aviation' was formed in Wolverhampton and Marston Green.
- Collins Aerospace's Winnersh and Burgess Hill sites have active Women's Forums which have held many events including International Women's Day, where employees were encouraged to make a pledge towards achieving gender equality.
- Collins Aerospace Prestwick introduced a Quarterly Talent Council with diversity as a key item on its agenda.
- The Collins Aerospace 'Liftoff' employee communications newsletter incorporates a monthly 'Women's Enterprise Forum' message, highlighting a range of initiatives and events happening worldwide.
- Collins Aerospace continued its 'Global Day of Inclusion' initiative in 2020, in which employees across 35 countries celebrated what it means to be intentionally inclusive.

EXTERNAL RECOGNITION

Raytheon Technologies has been recognised for its gender diversity and wider inclusion initiatives through awards from Forbes for the Best Employer for Women (2018 and 2019), from Fairygodboss for the Best Company for Women to Work (2018 and 2019), from Corporate Equality Index: Best Places to Work for LGBTQ Equality 100 score (2018, 2019 and 2020), Disability Equality Index Best Places to Work (2018, 2019 and 2020) and Diversity Best Practices Inclusion Index 2019 and 2020.



2020 GENDER PAY REPORT

The U.K. gender pay reporting regulations require a legal entity with more than 250 employees to report their gender pay data. Collins Aerospace has seven such entities within the U.K. The gender pay statistics for each entity are detailed below. For a comparison to 2019 statistics, please refer to the 2019 Gender Pay Report for Collins Aerospace.

GOODRICH ACTUATION SYSTEMS

Goodrich Actuation Systems Limited U.K., is a global leader in actuation design and manufacturing and includes CTG, a centre of excellence for advanced composite products.

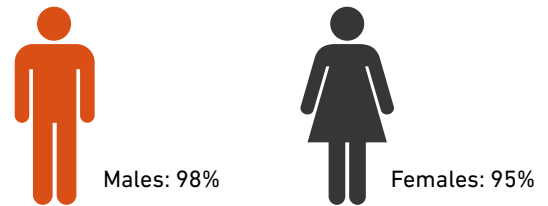
Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020 Goodrich Actuation Systems Limited employed 1,398 people of which 1,199 (86%) are male and 199 (14%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	0.9%	2.8%
Gender Bonus Gap	-20.2%	-279.5%

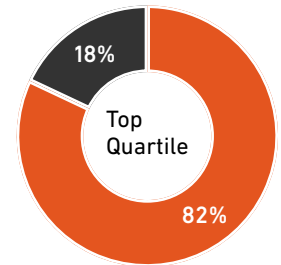
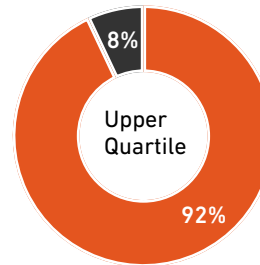
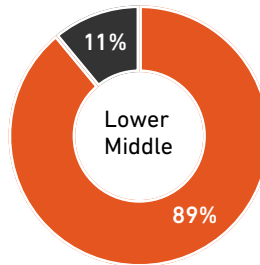
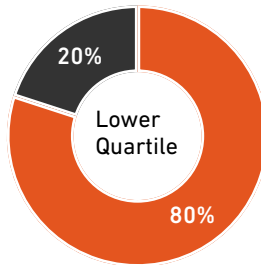
Proportion of men and women receiving a bonus

Based on the 12 months preceeding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.



GOODRICH CONTROL SYSTEMS

Goodrich Control Systems, includes three operating units in the U.K.: The Motor Drive Systems Centre based in Hemel Hempstead and Solihull, which develops and supports high-performance motors and power electronics; a facility in Marston Green, West Midlands, which supports aftermarket activities for hydro-mechanical and electronic units for commercial aircraft; and a U.K. Corporate Office based in Solihull, West Midlands.

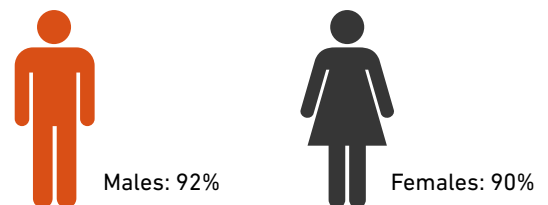
Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020, Goodrich Control Systems employed 588 people of which 455 (77%) are male and 133 (23%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	15.8%	14.8%
Gender Bonus Gap	33.2%	6.0%

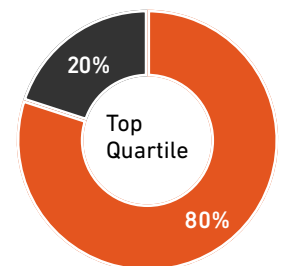
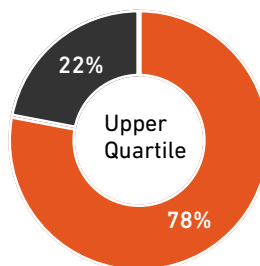
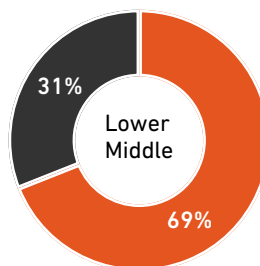
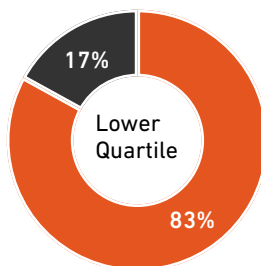
Proportion of men and women receiving a bonus

Based on the 12 months preceeding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.



ATLANTIC INERTIAL SYSTEMS

Atlantic Inertial Systems Limited is a market leader in inertial technology. Products include a broad portfolio of Micro Electro-Mechanical Systems (MEMS) inertial sensors and inertial measurement units used in a range of Precision Guided Munitions, complemented by our TERPROM® Predictive Ground Proximity Warning system which is used on over 5000 military aircraft worldwide.

Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020 Atlantic Inertial Systems employed 349 people of which 251 (72%) are male and 98 (28%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	17.0%	22.7%
Gender Bonus Gap	19.6%	-115.3%

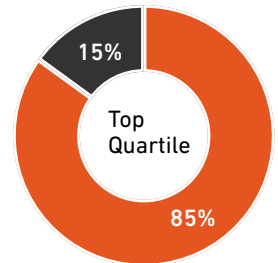
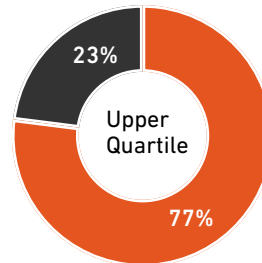
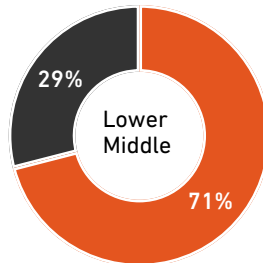
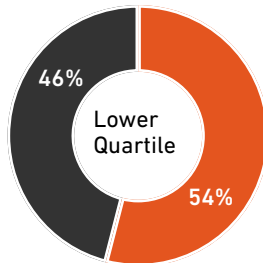
Proportion of men and women receiving a bonus

Based on the 12 months preceeding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.



ROHR AERO SERVICES LIMITED

Rohr Aero Services Limited, based in Prestwick, is a Service Centre specialising in the maintenance, repair and overhaul (MRO) of aircraft engine Nacelle Systems; Thrust Reverser, Inlets and EBU/QEC Components, Multiple Autoclaves & Inventory Management.

Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020 Rohr Aero Services Ltd employed 355 people of which 312 (88%) are male and 43 (12%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	-13.3%	-16.3%
Gender Bonus Gap	16.7%	-8471.4%

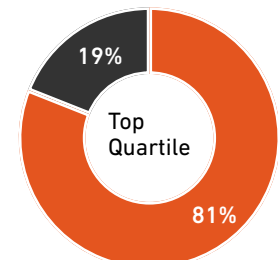
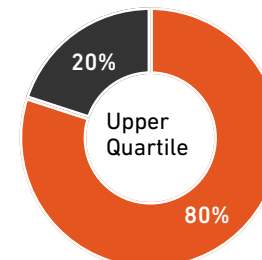
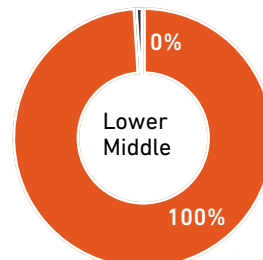
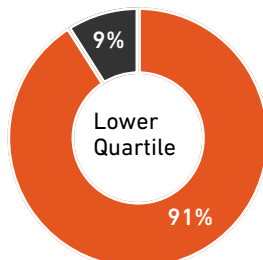
Proportion of men and women receiving a bonus

Based on the 12 months preceeding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.



HS MARSTON AEROSPACE LIMITED

HS Marston Aerospace Limited in Wolverhampton, provides a wide range of heat transfer and fluids management products and services for the military and commercial aerospace markets.

Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020 HS Marston Aerospace Ltd employed 404 people of which 357 (88%) are male and 47 (12%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	9.2%	9.9%
Gender Bonus Gap	-6.9%	0.0%

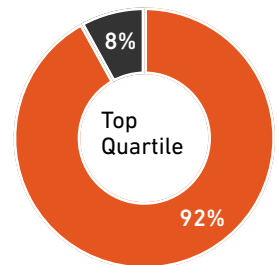
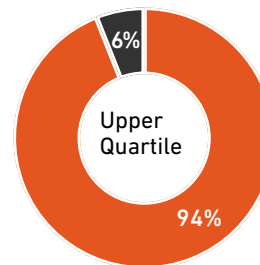
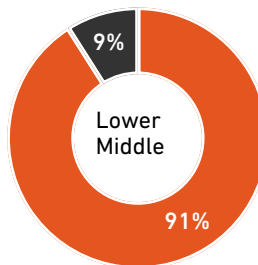
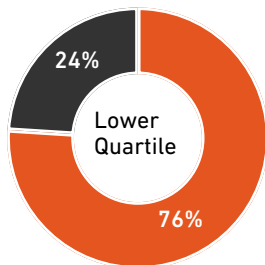
Proportion of men and women receiving a bonus

Based on the 12 months preceding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.



ROCKWELL COLLINS U.K. LIMITED

Since 1955, Rockwell Collins U.K. Limited (a division of Collins Aerospace) has provided a comprehensive range of aviation and mission electronics and communications solutions to ministries of defence, integrators, aircraft manufacturers and airlines. Its portfolio includes: targeting systems, networked communications, global navigation satellite systems, electronic warfare, simulation and training solutions and information management services.

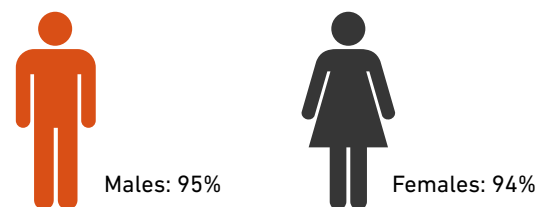
Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020 Rockwell employed 307 people of which 237 (77%) are male and 70 (23%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	27.9%	32.1%
Gender Bonus Gap	65.5%	-9.5%

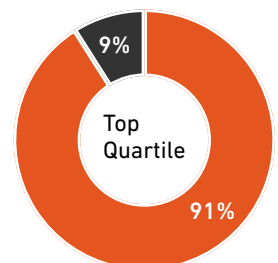
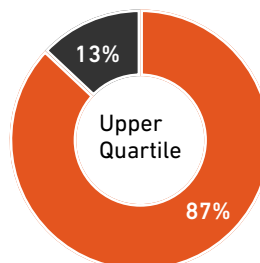
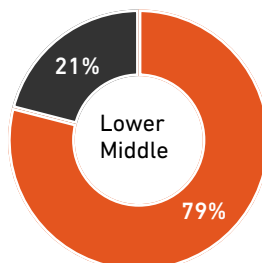
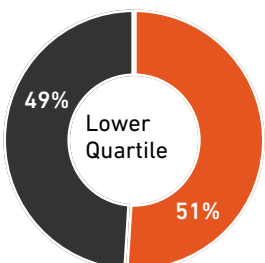
Proportion of men and women receiving a bonus

Based on the 12 months preceding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.



B/E AEROSPACE U.K. LIMITED

B/E Aerospace U.K. Limited (a division of Collins Aerospace) is a market leader in the manufacture of aircraft interior products. In Leighton Buzzard they design and manufacture crew rests and galley structures for the aircraft industry, as well as providing aftermarket support for all of their seating and galley models.

Pay and Bonus Difference between Men and Women

At the snapshot date of 5 April 2020 BE Aerospace UK (Leighton Buzzard) employed 418 people of which 330 (79%) are male and 88 (21%) are female.

	Mean	Median
Gender Pay Gap (hourly pay)	2.8%	9.1%
Gender Bonus Gap	-67.7%	0%

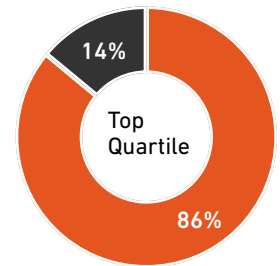
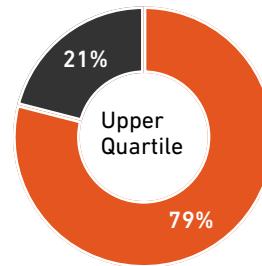
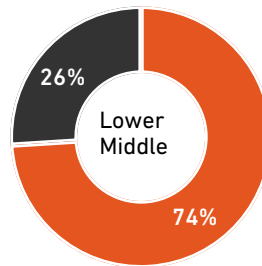
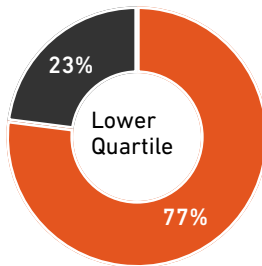
Proportion of Men and women receiving a bonus
Based on the 12 months preceeding 5 April 2020.



Pay Quartiles

At the snapshot date of 5 April 2020.

Female
Male



We confirm that the data set out in this report is accurate as at the snapshot date of 5 April 2020.

Peter Ross
Director
Goodrich Actuation Systems Ltd.

Rakesh Radhakrishnan
Director
Goodrich Control Systems

Kevin Pindard
Director
Atlantic Inertial Systems

Andrew Hodge
Director
Rohr Services Ltd.

Ilyas Asghar
General Manager
HS Marston Aerospace Ltd.

Sarah Minett
Managing Director
Rockwell Collins UK Ltd.

Keith Delderfield
Managing Director
B/E Aerospace UK Ltd.
(Leighton Buzzard)