



Raytheon Technologies Economic Impact in the UK

Executive Summary

In April 2020, Raytheon Company merged with United Technologies Corporation, to form Raytheon Technologies Corporation (RTX) - a global company, providing advanced systems and services for commercial, military and government customers worldwide in avionics, cybersecurity, directed energy, electric propulsion, hypersonics, and quantum physics.

Raytheon Technologies' businesses have been investing in the UK for more than 100 years. Its UK operations include Collins Aerospace, Pratt & Whitney and Raytheon UK. The company supports hundreds of jobs in every region of the UK and has a strong presence across England, Scotland, Wales and Northern Ireland.

This is an executive summary of a study conducted by Oxford economics, which focused on Raytheon Technologies' operations in the UK and its social and economic contributions to the economy in 2019. It does so by undertaking an economic impact assessment, which focusses on the contribution the firm made through its own activities, through the procurement from its UK supply chain, and on the supply side of the economy, and through its R&D and support for education.

The summary is a selection of key findings from the research, highlighting the role Raytheon Technologies plays in supporting the UK Government's Global Britain ambitions, while also helping to distribute prosperity across Britain and develop a high wage, highly skilled workforce.

A message from Jeff Lewis, Chief Executive Officer, Raytheon UK and Chris Hazeel, Vice President U.K. & Europe, Customer & Account Management, Collins Aerospace



The role of the aerospace and defence industries in supporting the UK economy and driving prosperity across the four nations cannot be underestimated.

This new report helps to evidence how Raytheon Technologies is contributing to growing the UK economy, and supporting some of the Government's core objectives, such as developing sovereign capabilities and levelling up the country.

With 30 sites across the UK, it's easy to see that businesses like Raytheon Technologies have a key role to play in helping rebuild Britain's manufacturing fit for a new future and new technologies. The opportunity is there for the aerospace and defence industries and Government to deliver on its vision of a Global Britain through innovation and technological advancements in areas such as aviation, space, cybersecurity, mechanical and mission systems, which reinforce Britain's position on the world stage.

While emphasising the value of the international ties between Raytheon Technologies and the United Kingdom, the report shows that Raytheon Technologies contributes over £2.7bn to the UK economy while offering a wealth of opportunities to our 3,800 suppliers across England, Scotland, Wales, and Northern Ireland. For every £1 million of gross value added the company generated itself in 2019, its expenditure supported another £2 million elsewhere around the UK - testament to the prosperity Raytheon Technologies propagates the country over.

And so, while the UK has seen economic output fall in key sectors such as manufacturing in the past two years, business like Raytheon Technologies have the expertise and the experience necessary to help rebuild. By working together we can ensure that with the right investments, the aerospace and defence manufacturing sectors can bring a wealth of opportunities for highly skilled jobs and access to new markets for long term work.

As we look to the future, Raytheon Technologies will continue to invest in our UK business through further spending on research and development, investing £44 million into R&D as well as in our people and our communities. This has not only helped to create new high-skilled jobs and support 35,580 employees across the UK, it also helps us to promote the UK economy to a global audience.

2022 will see us grow even more as a business, developing our offer of supporting training for the armed forces with the Naval Training Unit via Project Selbourne. Through Collins Aerospace and Pratt & Whitney, Raytheon Technologies continues also to invest for a more sustainable aviation and was pleased to participate in the JetZero consultation. As one of the first companies to commit to improve the sustainability of aviation, Collins and Pratt & Withney signed the ATAG Net Zero Declaration in 2021.

We look forward to working with the aerospace industry, UK government, Ministry of Defence and the Armed Forces to deliver the highest quality service solutions that will support the UK on the global stage for years to come.

Levelling up

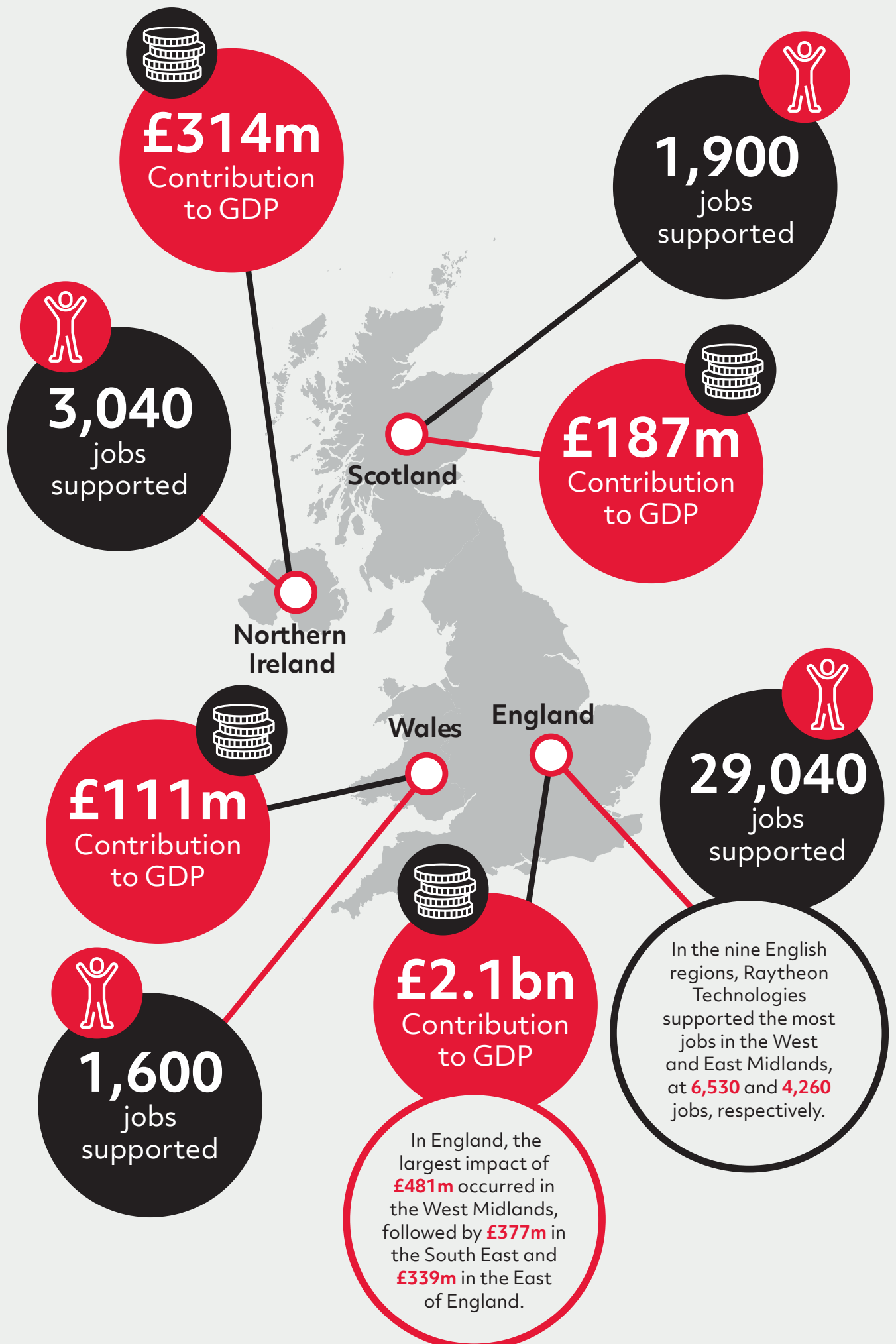
One of the cornerstones of the Government's policy agenda has been a commitment to increase investments in areas outside of London and the South East – prioritising regions and parts of the country that have been left behind.

In line with this objective, Raytheon Technologies is investing in all corners of the country, supporting 29,040 jobs in England, 3,040 in Northern Ireland, 1,900 in Scotland and 1,600 in Wales.

By spreading jobs and prosperity to all corners of the UK, Raytheon Technologies is contributing to left-behind communities across the country. Of Raytheon Technologies' 30 major sites across the UK, eight are situated in areas listed in Level 1 of the Government's Levelling Up Funding rankings – indicating those most in need of economic recovery and regeneration. Another 10 sites sit in Level 2 areas.

Levelling up, however, does not just rely on creating jobs, it also depends on businesses partnering with Government to maximise the benefits to our local economies and to the social fabric of our communities. To this end, over recent years Raytheon Technologies has worked closely with Government and UK businesses - mostly SMEs - to support regional growth. Overall, this has supported a total of £2.1 billion in gross value added contribution to England's GDP, £314 million to Northern Ireland, £187 million to Scotland, and £111 million to Wales. It has also helped to improve the strength and resilience of domestic supply chains, supporting a core priority for the UK Government.

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Skills

Raytheon Technologies has been investing in the UK's workforce for decades, creating new opportunities for everyone from graduates and apprentices to veterans transitioning into civilian careers.

Education is a core priority for Raytheon Technologies, with a particular focus on science, technology, engineering, and mathematics (STEM) subjects. Aside from sponsoring students up to PhD level at educational institutions across the UK – including the universities of Lancaster, Gloucester, Strathclyde, Heriot Watt, Cranfield, and Fife College – Raytheon Technologies has a number of flagship programmes designed to inspire the younger generations to pursue STEM-related careers in engineering, cybersecurity and aviation.

This includes challenge events, such as the Raytheon UK's flagship programme Quadcopter Challenge in which teams of pupils from schools, youth groups and air cadets design and build a four-blade, remotely piloted quadcopter drone. Each team, under the mentorship of Raytheon Technologies STEM ambassadors, competes regionally to earn a place in the national final. Ultimately, around 500 students learn skills required for STEM careers, including

project management, team-building, piloting, innovation, finance and problem-solving through the programme. Additionally, in the form of Introduce a Girl to Engineering and the FIRST Tech Challenge programmes, Collins Aerospace also runs initiatives that give young students the opportunity to learn about coding, engineering, design principles, as well as soft skills, whilst being supported by a mentor. As a result of this, and other contributions, Raytheon was named by the Government as the 2019 Inspirational STEM Employer of the Year in the large organisation category.

But it is not just students and employees that Raytheon Technologies supports, for it is also dedicated to the growth of high-value skills across the Armed Forces. For instance, alongside its consortium partners, Raytheon UK is transforming and modernising Royal Navy's training initiatives, helping to make the Armed Forces more agile and adaptable than ever to tackle future challenges. Meanwhile, through partnerships with charities such as RNRMC, the White Ensign Association and RAFA, the company is also providing support for veterans across the country.

Whether it's helping to support veterans in their next steps, or inspiring the next generation of engineers, Raytheon Technologies is committed to facilitating access to high skilled roles that can offer higher salaries, better working conditions, and more challenging and interesting careers.

35,580 jobs

Raytheon Technologies supports a total of 35,580 jobs in the UK, which means that one in every 1,000 jobs in the UK depends on Raytheon Technologies' activities.

Raytheon Technologies and Global Britain

Aerospace and defence remain at the heart of Government's plans for a reimagined 'Global Britain', and Raytheon Technologies is playing a key role in supporting that vision.

Central to this ambition is the pursuit of new and advanced technologies. In 2019 Raytheon Technologies spent approx £44million on R&D in the UK on areas such as cyber, sustainable aviation, future electric power and complex weapons and GPS technology. Through investment in these critical areas, Raytheon Technologies is delivering innovation and technological advancements that help to build new capabilities in the UK and reinforce Britain's position on the world stage.

One example of recent research carried out by Raytheon UK engineers and scientists focussed on strengthening the navigational systems used by aircraft, UAVs, ships, and land-based vehicles, to guarantee greater resilience in adverse circumstances. The resulting solutions ranged from designing and building devices that prevent rogue actors from jamming Global Positioning Systems (GPS), to inventing new back-up navigation systems to protect against GPS satellites being shot down or suffering a failure.

Raytheon Technologies is also focussing on developing new advanced technologies in areas such as space and cybersecurity, helping to better prepare the armed forces for conflicts of the future and serving to give Britain the edge versus their adversaries. With decades of experience developing space-grade products, Raytheon Technologies is able to share its

capabilities and experience on both sides of the Atlantic. The company's US roots have helped to bring new skills to the UK's manufacturing sector, as well as new and proven space technologies from the USA. Not only does this allow Raytheon Technologies to develop some unique and innovative space technology in the UK, but also reap the benefits from R&D investment from across the Atlantic.

Collins Aerospace's primacy in aviation has led to many R&D projects in the UK to advance the future of sustainable aviation. In partnership with Hybrid Air Vehicles and the University of Nottingham, Collins Aerospace is designing and testing the motor for Airlander, at its Electronic Controls and Motor Systems Center of Excellence in Solihull, UK, where it recently invested \$18 million to expand the campus and add world-class power electronics and motor development capabilities. Moreover, Collins Aerospace is also helping to deliver complex-shaped composite components for the next generation of aircraft, which will help drive down overall manufacturing costs, support global green initiatives to reduce aircraft weight and carbon emissions, and ultimately increase the competitiveness of the UK's aerospace industry.

Over the coming years, Raytheon Technologies' international ties will continue to help drive UK prosperity, contributing over £2.7bn to the UK economy and offering a wealth of opportunities to over 3,800 suppliers across England, Scotland, Wales, and Northern Ireland. And with an emphasis on developing sovereign UK capabilities and products and services that can be exported around the world, Raytheon Technologies' operations bring considerable benefits not only to the UK prosperity domestically, but to its ambitions abroad.

A satellite is shown in space, oriented diagonally. It has two large, rectangular solar panel arrays extended from its central body. The panels are dark with a grid of gold-colored cells. The central body is black with some white and silver components. The background is a dark, starry space.

£44m in R&D

In 2019, Raytheon Technologies spent approximately £44 million on R&D in the UK spread across its airborne, cyber, sensors and weapons divisions.



Raytheon
UK



Collins
Aerospace



Pratt & Whitney

