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## LETTER FROM THE CHAIRMAN AND CEO

I write this letter with pride for Raytheon Technologies and with enthusiasm for the once-in-a-generation innovations emerging from the aerospace and defense industry. With more than 100 years of history and a continued spirit of innovation and collaboration, we are solving some of the world's most complex problems. And with equal measure, our global team of 182,000 are committed to honoring each other, our communities and our planet.

Our vision for a safer, more connected world – one where inclusion is paramount, where we collectively respect sustainability and where we all operate with integrity and respect – continues to guide us. We honor the global responsibilities inherent to our industry by helping people and the environment, and by embodying our core principles. In practice, our Environmental, Social and Governance (ESG) strategy is inextricably linked to business strategy, helping drive momentum toward our goals.

Our collaborative sustainability efforts in 2022 built on that momentum and continue today. With an engineering approach that relies on rigor, discipline and outcomes, we invested \$7.1 billion in customer- and company-funded research and development that includes support for the industry's goal of achieving net-zero carbon emissions by 2050. We also invested \$17.3 million in energy reduction-related projects.

Highlighted in this report are examples of tangible progress toward goals, including the release of a hybrid-electric propulsion system that combines an electric motor with a highly efficient engine to reduce fuel burn and CO<sub>2</sub> emissions by up to 30%, compared to today's most advanced regional turboprop aircraft.

In addition, you will see how we are collaborating with the Clean Aviation Consortium to demonstrate hybrid-electric and water-enhanced turbofan technologies to improve fuel burn and reduce emissions by an anticipated 25%.

While we continue to focus on building technology solutions for a better world, we are grounded by the fact that none of it is possible without a vibrant workforce. To that end, we put significant 2022 focus into developing and advancing the people who drive these innovations. We continued our commitment to diversity, equity and inclusion (DE&I) outcomes, as well as invested significantly in building a strong future pipeline of talent and continue to reinforce that lifelong learning is essential to individual growth and opportunity.

As we move forward, we recognize our responsibility to continue to do what's right for our customers, our employees, our partners and our communities.

We have a clear line of sight into the enormous challenges of the day – from climate change to economic uncertainty to global conflict. Our ESG strategy and progress, as detailed in this report, positions Raytheon Technologies to do our part. I am confident that together we can indeed create a safer, more connected world, and protect it for generations to come.

### **Gregory J. Hayes**

Chairman and Chief Executive Officer



# About Raytheon Technologies







Raytheon Technologies is a global company dedicated to redefining the future of aerospace and defense industries. We have been solving our customers' most complex problems and making breakthroughs that help protect and connect our world for more than 100 years.


Our company comprises four business units – Collins Aerospace, Pratt & Whitney, Raytheon Intelligence & Space and Raytheon Missiles & Defense – each developing innovative products in its area of specialty. By combining their technological developments and expertise, we are developing groundbreaking advances for our customers and our world.

## OUR VALUES

- Trust
- Respect
- Accountability
- Collaboration
- Innovation

## OUR BREAKTHROUGH TECHNOLOGIES PUSH THE BOUNDARIES OF KNOWN SCIENCE, SPANNING:

 <p>Artificial intelligence (AI)</p>	 <p>Advanced propulsion</p>	 <p>Integrated systems</p>
 <p>Advanced materials and manufacturing</p>	 <p>Advanced sensing</p>	 <p>Electrification</p>

 [Click here to learn more about our breakthrough technologies.](#)

### RAYTHEON TECHNOLOGIES AT-A-GLANCE

**182K**  
employees

**55K**  
engineering professionals<sup>1</sup>

**229**  
manufacturing, production and overhaul facilities

**\$67.1B**  
net sales


**\$7.1B**  
in research and development (R&D)<sup>2</sup>

**66%**  
of our world's airspace is managed using Raytheon Technologies systems


<sup>1</sup> Total includes those employees within the function of "engineering" who are classified as executives, directors, fellows, managers or professionals.

<sup>2</sup> Total includes company- and customer-funded R&D.



 **SUSTAINABLE, CONNECTED AVIATION**  
Connecting people and places faster and more efficiently



 **SMARTER DEFENSE SYSTEMS**  
Providing operational advantages against new and emerging threats



 **INTELLIGENT SPACE TECHNOLOGIES**  
Bringing us closer to new worlds – and a better one here on Earth

# Our ESG strategy

In 2021, we formalized our ESG strategy, which sets forward-looking aspirations aligned with our impact areas and business strategy while supporting the advancement of people, lifting up underserved communities and addressing the global challenges of climate change. In 2022, we continued to build on and integrate this strategy throughout our businesses.

## ASPIRATIONS

### BY 2030 WE ASPIRE TO...

Decarbonize our operations by reducing our greenhouse gas (GHG) emissions by 46% from 2019 levels, which are in line with the Paris Climate Agreement's stretch goal of limiting the global temperature increase to 1.5 degree Celsius.

Achieve our Workforce 2030 goals, inclusive of our DE&I aspirations, with focused talent and community investments, ensuring all current and future employees have an equitable opportunity to work, grow and belong.

### BY 2050 WE ASPIRE TO...

Partner to achieve industrywide net-zero carbon emissions in civil aviation. To support the industry's goals, we aim to directly address 30% of air transport carbon dioxide (CO<sub>2</sub>) emissions through the engines, aircraft systems and services in our 2050 civil fleet, relative to 2015 technology levels and the associated emissions baseline.

## 2022 PROGRESS

 **21%**

reduction in GHG emissions in operations from 2019 baseline<sup>3</sup>

**\$17.3M**

invested in energy reduction-related projects in our operations

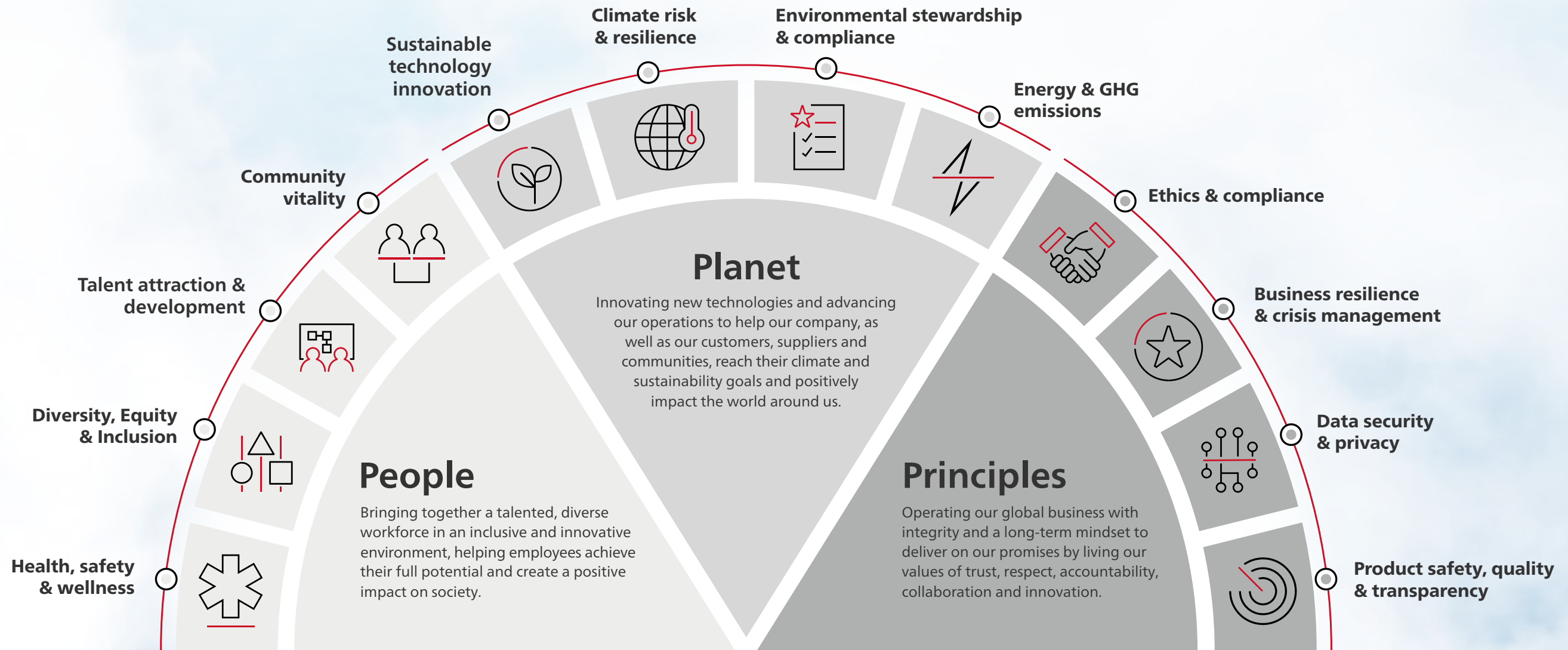
**45.4%**

of new employees hired were women and/or U.S. people of color (POC)

<sup>3</sup> Raytheon Technologies selected a 2019 baseline for its GHG goal rather than 2020 because 2020 levels were impacted by COVID-19.

# Our ESG priorities

Our commitment to innovation and collaboration drives our vision for a safer, more connected world, and underpins our ESG approach. Our ESG pillars – People, Planet and Principles – are essential components of the mission-critical work that we perform. The report that follows outlines our progress in 2022 against each of our prioritized ESG topics.<sup>4,5</sup>



<sup>4</sup> We identified our ESG priorities in 2021 based on a comprehensive assessment. More information can be found on page 8 of our 2021 ESG report.

<sup>5</sup> The metrics in this report have been rounded to three significant figures. Percentages have been rounded to two significant figures.

# Stakeholder engagement

We regularly engage with stakeholders on topics across our ESG priorities. Through this engagement, we learn about and discuss ways to address issues important to our stakeholders and our business, collaborate to accelerate climate action within the aerospace industry, seek to amplify our positive impact on communities and work with partners to create shared value. Below are examples of how we engaged with stakeholders – from our employees and customers to government partners, peers and community organizations – around the world in 2022. Information on our investor ESG outreach can be found in our [2023 Proxy Statement](#). See [Appendix](#) for additional information on stakeholders and engagement methods.

## MULTI-NATIONAL

Partnered with [Girls Who Code](#) to inspire girls to pursue their STEM dreams.

## NORTH AMERICA

### Canada

Shared best practices in sustainable aviation at the [Canadian Aerospace Summit](#).

Worked with French-Canadian air freight company [Flying Whales](#) to solve the need for cost-effective and sustainable transport to areas that lack or have damaged ground transportation infrastructure.

### United States

Partnered with [Feeding America](#) to support food banks.

Worked with the [National Oceanic and Atmospheric Administration](#) to support the Geostationary Extended Observations program.

Partnered with [Kimberly Clark](#) through its RightCycle program to divert used personal protective equipment from landfills.

Partnered with [NAF](#) to establish engineering career preparation academies for high school students.

Collaborated with the U.S. Department of Defense to help members transition out of the U.S. military through the [SkillBridge](#) program.

Partnered with the [Thurgood Marshall College Fund](#) to offer internships to college students studying engineering and business.

Worked with the [Federal Aviation Administration \(FAA\)](#) and sector peers to address the impact of 5G technology on aviation safety.

## SOUTH AMERICA

### Brazil

Partnered with [Project Estrella](#) to support disadvantaged families in Sao Jose dos Campos.

## AFRICA & MIDDLE EAST

### Middle East/North Africa region

Launched Women’s Inspiring Success and Empowerment (WISE), our first Employee Resource Group (ERG) in the Middle East/North Africa region.

### United Arab Emirates

Worked with [Aviation X Lab](#) to support start-ups working to advance sustainability in aviation.

## OCEANIA

### Australia

Participated in a national forum on Australian Indigenous People and their relationship with the environment.

## ASIA

### India

Worked with the [NICE Foundation](#) and the United Way of Bengaluru to support the needs of people in low-income, rural villages.

## EUROPE

### European Union

Became a founding member of the [Society of Women Engineers European Corporate Council](#).

Supported the [European Union’s Clean Aviation Joint Undertaking](#).

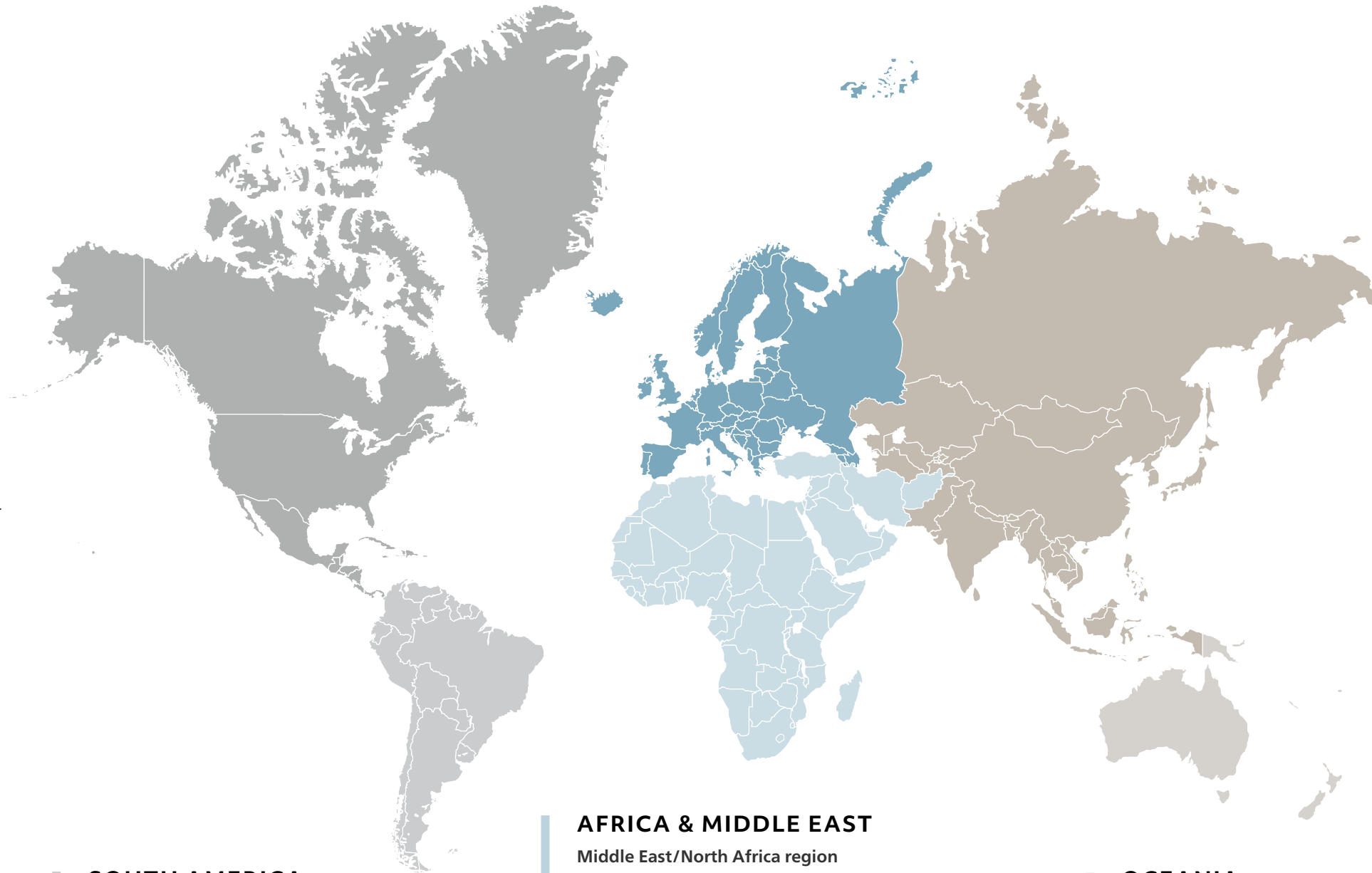
Joined the [European Commission’s Alliance for Zero Emission Aviation](#).

### France

Supported the [French Civil Aviation Authority](#) in developing next-generation actuation systems.

### Italy

Partnered with the [Fondazione Casa di Carità Arti e Mestieri](#) to support vocational students.



# ESG accountability

Our commitment to ESG starts at the top of our organization. Our Board of Directors and its committees provide oversight in the development and execution of our ESG strategy, and our CEO has ultimate accountability for our strategy and performance. Like the complex challenges our businesses solve, our ESG focus areas are interconnected and require collaboration across our business units, functions and geographies. Our ESG governance structure works to accelerate and integrate our strategy throughout the company.

## OVERVIEW OF ESG GOVERNANCE STRUCTURE

### BOARD OF DIRECTORS

Oversees ESG strategy, initiatives, opportunities and risks.

### ESG STEERING COMMITTEE

#### Accountable

Reports to the CEO and is led by the president, chief financial officer, general counsel, chief human resources officer, chief communications officer and senior vice president of Operations & Supply Chain.

**Role:** Approves ESG strategy, monitors ESG performance and removes roadblocks for ESG progress.

### BOARD COMMITTEES

#### Audit Committee

Ethics, Compliance, Data Privacy, Enterprise Risk Management (ERM) Program

#### Governance & Public Policy Committee (GPPC)

Product Safety, Community/Charitable Giving, Climate, Environmental Sustainability, Health and Safety, Human Rights, Supplier Diversity and Public Policy related to DE&I

#### Human Capital & Compensation Committee (HCCC)

Human Capital Management, Workforce Diversity

#### Special Activities Committee

Data Security, Classified Product Safety

### ESG PROGRAM MANAGEMENT OFFICE<sup>6</sup>

#### Responsible

Led by the senior director of ESG, reporting to the corporate secretary.

**Role:** Advances ESG workstreams and our ESG program by maturing ESG data processes and controls; monitors the evolving ESG environment; provides support to internal stakeholders, including monitoring performance against objectives; coordinates updates to the Board and ESG Steering Committee; and engages stakeholders on reporting.

### ESG COUNCIL

#### Responsible, consulted and informed

Includes chief sustainability officers and sustainability representatives for each business unit, Communications, Legal, Environmental, Health & Safety, Operations & Supply Chain, Investor Relations, Government Relations, Controllership, Internal Audit, Data Security, Human Resources, Talent, DE&I, Corporate Social Responsibility and Technology and Global Engineering.

**Role:** Develops ESG strategy, coordinates with working groups, establishes aspirations and goals, monitors performance and consults across our businesses on ESG performance.

### ESG WORKING GROUPS<sup>5</sup>

#### Responsible

Includes cross-business and functional working groups focused on key ESG areas such as the Sustainable Technology and Innovation Working Group and the Workforce 2030 Working Group.

**Role:** Chartered by ESG Council to develop programs, initiatives and metrics to meet strategy and report objectives; data is subject to metrics integrity reviews by controllership and internal audit.



<sup>6</sup> 2022 additions and enhancements to ESG governance approach.



## Board oversight

The Board has aligned the oversight of specific ESG topics under its committees, consistent with its overall approach to committee roles, expertise and focus, and similar to its oversight of risk management.

In 2022, we clarified the responsibilities of the Governance & Public Policy Committee (GPPC) with respect to product safety. Our product safety oversight program includes an annual product safety program review, periodic business unit president and product safety officer updates, as well as a regular dashboard of product safety metrics shared with the GPPC. The GPPC also provides input to the HCCC on the performance evaluation of the Sustainability & Safety category of our Corporate Responsibility Scorecard (CRS) for our annual incentive plans. More broadly, we continued to expand the depth and breadth of ESG-related briefings to the relevant committees. More information on the role of each committee can be found in our [2023 Proxy Statement](#).


To help ensure the Board has the appropriate attributes, experiences and perspectives to guide the company and provide effective oversight of our strategy and business plans, the GPPC periodically considers and identifies key skills and expertise that should be represented on the Board. Given the importance of ESG to the company, the GPPC recently added ESG as one of those skills. The Board also factors ESG risks, emerging requirements and other considerations into the guidance it offers management, as it relates to the company's long-range strategic planning and annual operating plan, which includes decisions on investments, expenses and R&D.

## ESG risk oversight

We have a robust ERM program designed to identify, understand, prioritize and appropriately manage the full range of significant risks to our businesses. ERM is led by Finance, with an annual cycle for structured reviews, discussions and mitigation planning. The top risks are identified and evaluated through both a "bottom-up" and a "top-down" process. Given the significance of ESG and how it is increasingly embedded into our business and strategy, our ERM process regularly identifies ESG-related risks. Examples include risks related to our ability to:

- Deliver safe, high-quality products.
- Source materials efficiently from suppliers.
- Develop advanced sustainable aviation solutions.
- Attract, retain and manage key talent.
- Mitigate the impacts of climate change on our operations.
- Defend against and manage cybersecurity threats.
- Comply with legal and regulatory requirements.

The top ERM risks are compiled annually and shared with the Board's Audit Committee and with the full Board. The Board allocates oversight responsibilities for these top risks among itself and its committees similarly to how it allocates oversight for ESG topics. Our approach to managing individual ESG risks is discussed throughout this report.

 More information on our ERM program and key risks can be found in our [2023 Proxy Statement](#) and our [2022 Form 10-K](#).



## Executive Annual Incentive Plan and Corporate Responsibility Scorecard

We hold our leaders accountable for advancing our ESG priorities by linking our Executive Annual Incentive Plan to our ESG performance based on the CRS. The scorecard is comprised of two categories – People & Culture and Sustainability & Safety. People & Culture measures our progress toward our long-term DE&I aspirations and talent objectives, while Sustainability & Safety measures our progress in environmental sustainability (including our public 2025 GHG emissions goal) and employee health and safety. We also reinforce our commitment and promote employee engagement in ESG by using the same CRS objectives for our Broad-Based Annual Incentive Plan, which covers approximately 65,000 employees.



More information on our 2022 CRS performance can be found in our [2023 Proxy Statement](#).

# People.

Tackling the world’s biggest challenges and finding answers to them hinges on the human spirit of exploration – the spirit to experiment, to create, to fail and to try again.

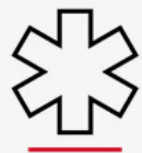
TO FOSTER HUMAN POTENTIAL AND BUILD A BETTER FUTURE TOGETHER, WE ARE FOCUSED ON:



Attracting, developing and retaining world-class talent



Prioritizing DE&I



Ensuring employee safety and well-being



Supporting our communities



## 2022 PROGRESS HIGHLIGHTS

**\$51.2M**

donated in corporate giving to community groups<sup>7</sup>

**9**

fully integrated ERGs with senior leadership sponsorship

**88%**

reduction in high and elevated ergonomic risks since 2015

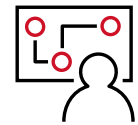
**31,900**

new employees hired and onboarded

<sup>7</sup> The \$51.2 million in 2022 corporate giving is comprised of \$40.4 million in corporate grants and \$10.8 million in corporate gifts that match employee donations made in cash or as in-kind contributions.

# Workforce 2030

Our Work, Grow and Belong framework guides all people-related initiatives at Raytheon Technologies, with a focus on creating equitable opportunities for all team members – current and future. We continue to make progress toward our [Workforce 2030](#) goals and [DE&I aspirations](#), as detailed throughout this section.



## WORK

- **Continue to adjust our hiring strategy** to address critical talent needs, further diversify our workplace and ensure we have the right talent with the right skills at the right time.
- **Build on the success of proven early career development programs**, fielding summer interns across our business units and functions and developing hundreds of college hires through our seven [Rotational Leadership Development Programs](#) across key disciplines – one of which launched over 60 years ago.
- **Drive an engaged and diverse talent pool** through successful conversion of high-performing interns into full-time employment.



## GROW

- **Embed DE&I learning into our corporate leadership programs at all levels** and assess our programs for new and enhanced content on an annual basis.
- **Increase the internal mobility of talent** by capitalizing on skills-based and lifelong learning programs.
- **Systematically ensure all new people leaders** are certified in leader effectiveness within 90 days of hire.



## BELONG

- **Achieve executive gender parity** with an aspiration of 50% global women executives.
- **Double the representation of U.S. POC in executive roles** from 2020 baseline.<sup>8</sup>
- **Elevate our ERGs** to continue driving momentum toward business goals and DE&I aspirations.
- **Develop a comprehensive strategy** to actively measure and manage employees' experience across how they work, grow and belong.

<sup>8</sup> Following the merger in 2020, we harmonized executive roles and used the data as of December 31, 2020, as the baseline on which we set our aspiration to double people of color representation in executive roles by 2030.

### 2022 PROGRESS

2,480

employees moved to a different business unit or to the corporate office to evolve their careers through internal mobility

32.7%

of our executives are women, up from 30.1% in 2021

17.4%

of our U.S. executives are POC, up from 16.6% in 2021

### Employee feedback informs our actions

We engage with our employees on an ongoing basis and use their feedback to inform our workforce strategy. Through various listening channels, including onboarding surveys, engagement surveys, Pulse surveys, exit surveys and focus groups, and in close partnership with our ERGs, we identify common themes and use employee input to shape our programs, policies and benefits.



# World-class talent

Our global team of engineers and scientists develop critical solutions for advancing sustainable aviation, building smarter defense systems and creating innovations to take us deeper into space. By taking both a short- and long-term approach toward building our talent pipeline, we bring together the people with the right skills in the right roles at the right time, aligned to the same vision – a safer, more connected world.

Our chief human resources officer (CHRO) is ultimately responsible for our efforts to build a robust pipeline and support our people once on board, while our [senior leadership team](#) and the Board of Directors conduct quarterly reviews of workforce-related data.



## EMPLOYEE DEMOGRAPHICS

Employees by age <sup>9</sup>	2021	2022
Over 50 years of age	33.7%	33.9%
30-50 years of age	50.1%	48.5%
Under 30 years of age	16.2%	17.3%

Gender diversity <sup>10</sup>	2021	2022
Women	25.2%	25.5%
Men	74.8%	74.5%


Executive diversity	2021	2022
Global women executives	30.1%	32.7%
Global men executives	69.9%	67.3%
U.S. POC executives <sup>11</sup>	16.6%	17.4%
U.S. non-POC executives <sup>11</sup>	83.4%	82.6%

Board diversity	2021	2022
Women	30.8%	30.8%
Men	69.2%	69.2%
POC	15.4%	15.4%

Total employees	2021	2022	Women	2021	2022
	174,000		43,800		
	182,000		46,300		

Total engineering professionals <sup>12</sup>	2021	2022
	54,000	55,000

U.S. workforce diversity <sup>9</sup>	2021	2022
American Indian/Alaskan Native	0.6%	0.6%
Asian	9.8%	10.1%
Black/African American	7.9%	8.1%
Hawaiian/Pacific Islander	0.2%	0.3%
Hispanic or Latinx	10.4%	11.0%
Two or more races	2.0%	2.1%
White	69.1%	67.6%

 Comprehensive information on our workforce demographics can be found in our [EEO-1 report](#).

<sup>9</sup> A small group of approximately 500 employees do not have race/ethnicity or age listed in the human resources management tool.

<sup>10</sup> Self-identification, including gender identity, launched in the United States, Canada and the United Kingdom in 2022 and is in early stages of collection.

<sup>11</sup> U.S. employees only, excluding employees in Puerto Rico.

<sup>12</sup> Total includes those employees within the function of “engineering” who are classified as executives, directors, fellows, managers or professionals.

## Recruiting and hiring our future workforce

As an industry, we face systemic challenges to recruiting and hiring the highly skilled talent required for the technical innovation and complex development we do, particularly for engineers. In 2022, the challenges intensified due to a quicker-than-anticipated recovery in commercial aerospace from the COVID-19 pandemic combined with substantial increases in defense spending. Recruiting demand also intensified by continued higher rates of attrition. At the same time, the growth of engineering graduates remained relatively flat at only 2%.<sup>13</sup>

The result is unprecedented demand for talent that far outpaces supply, leading to increased competition with other high-tech sectors. As we enter 2023, research

suggests the sector will face a shortage of roughly 30,000 engineers required to meet current demand, with that number increasing through 2030.<sup>13</sup> In addition, women comprise only 17% of engineering roles within the sector and people of color only 31%.<sup>14</sup>

We are responding to this urgent need with bold action and new ways to recruit talent. We're increasing investment in programs that will help build a long-term pipeline, starting with pre-collegiate partnerships, programs with underserved communities and focused college recruitment.

In the United States, we focus our early career hiring efforts on 86 colleges and universities chosen based on

quality and diversity across both the student body and within the majors from which Raytheon Technologies most often recruits.

For example, we have partnered with Virginia Tech on a five-year, \$2.4 million fellows program to develop a pipeline of talent that has already received appropriate security clearance from the U.S. government to work on critical defense projects. Fellows attend bi-weekly lectures, participate in seminars and complete a project-based curriculum on topics related to cybersecurity and machine learning.

### 2022 HIRING HIGHLIGHTS

10,500

new hires in early career roles

394

participants in our early career Rotational Leadership Development Programs, through which 109 participants were hired into new roles

45.4%


of our new hires were women and/or U.S. POC

45.2%

of our intern hires were women and/or U.S. POC

### Equitable opportunity and compensation

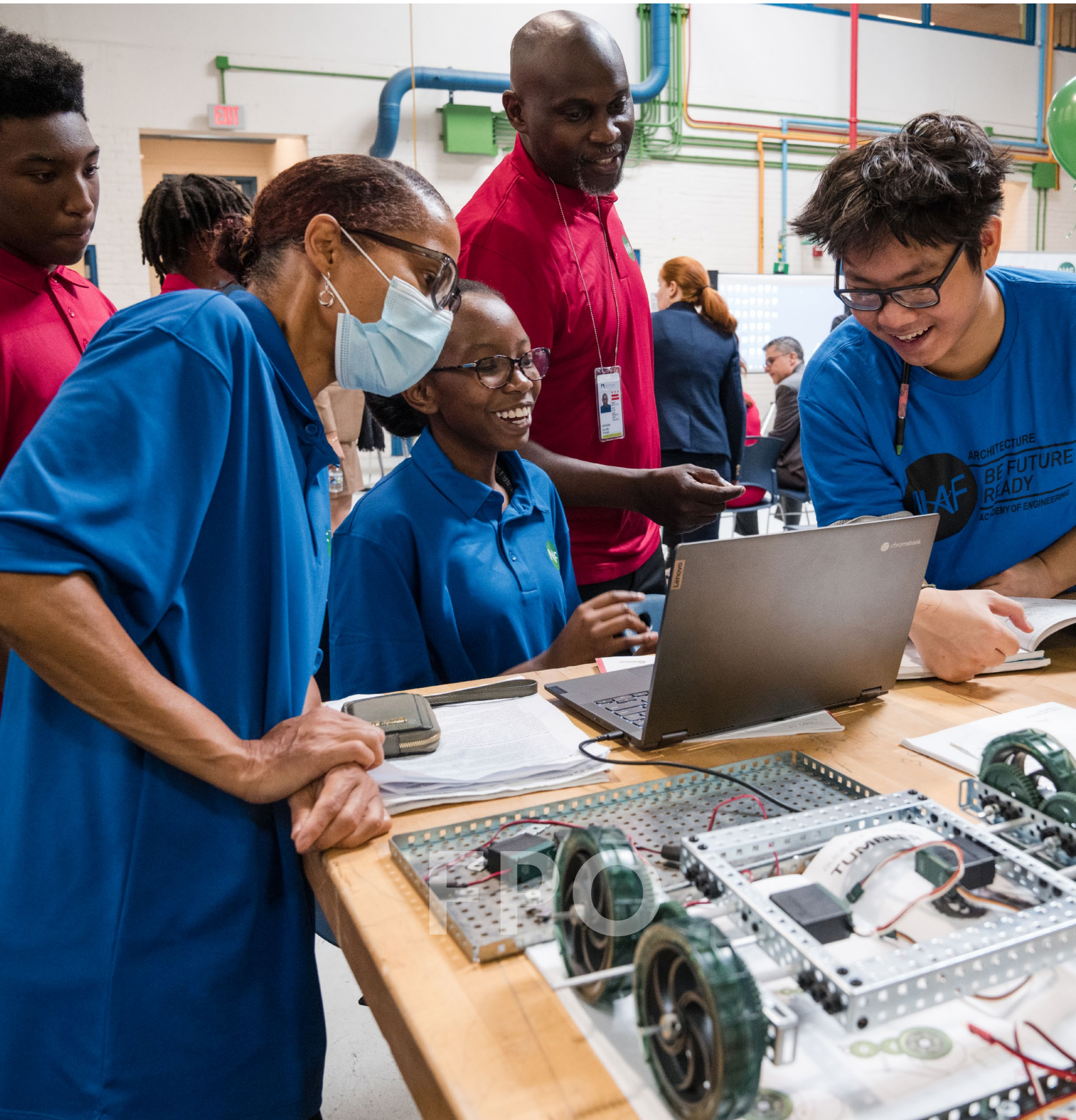
We are committed to fair treatment and equal opportunity as part of working to ensure all of our employees experience Raytheon Technologies as a great place to work, grow and belong. We annually review employee compensation and benefit practices to help ensure employees of comparable responsibility and performance who perform similar work are paid similarly, regardless of background and prior work experiences. We also use third-party industry benchmarking tools and surveys to assess the positioning of our rewards program, as well as the impact of any potential changes.

 More information on our compensation and benefits can be found on our [Careers website](#).



<sup>13</sup> Analysis based on information obtained from US BLS, MacroTrends, IBISWorld and Aviation Week.

<sup>14</sup> Source: AIA Survey.



### Working with partners

In addition to our focus schools, we work with military veterans and a variety of partners, such as the [Society of Women Engineers](#) and the [Society of Hispanic Professional Engineers](#), to help accelerate our efforts to attract and hire a diverse range of employees. We also work with Historically Black Colleges and Universities (HBCUs) to build our pipeline of diverse talent. In 2022, Raytheon Technologies worked with [Advancing Minorities' Interest in Engineering](#) on an [HBCU cybersecurity pilot](#), with a goal of positioning these schools as premier academic institutions for cybersecurity and to prepare students for careers in a field critical to our national security. We also continued to expand our partnerships, such as with [Career Communications Group](#), to attract, develop and retain a pipeline of Black professionals in science, technology, engineering and math (STEM) within the aerospace and defense industry.

We also work with nonprofit partners to support the educational and career aspirations of promising high school and college students through [Connect Up](#), our corporate social responsibility (CSR) initiative.

For example, in the summer of 2022, we hosted our first-ever CSR Early Career Fair to introduce participants from our strategic impact partners [SMASH](#), [Girls Who Code](#) and [NAF](#) to careers at Raytheon Technologies.

### Helping active military prepare for civilian employment

Each year, more than [200,000 service members](#) transition out of the U.S. military, bringing with them unique skills and expertise that in many instances align to our business needs. To help them prepare for the transition, Raytheon Technologies participates in the [SkillBridge program](#), which helps active-duty service members gain civilian work experience during their last 180 days of service. In 2022, we hosted more than 87 SkillBridge interns in areas including cybersecurity, engineering and operations. Of the 2022 SkillBridge interns that were eligible, 63% have transitioned to full-time Raytheon Technologies roles.

We also introduced veteran-specific hiring teams in 2022, helping place transitioning service members, veterans and military spouses in roles across the enterprise. As of 2022, we have 15,100 employees who are U.S. veterans.

### Re-Empower: Helping restart careers

People choose to pause their careers for many reasons – to care for children or elderly parents, to volunteer, return to school or travel. [Research](#) shows this is particularly true for women in STEM.

The Raytheon Technologies [Re-Empower Program](#) seeks to help experienced professionals in the U.S. and India relaunch their careers after taking a break of one or more years. The 14-week opportunity provides professional development, training, mentoring and networking with the goal of transitioning participants into full-time or part-time roles within the company.

### Thurgood Marshall College Fund: Connecting the classroom to the real world

In 2022, Raytheon Technologies hosted 13 student interns through the company's new partnership with the [Thurgood Marshall College Fund](#). The program offers remote and onsite internships to college students studying engineering and business, as well as scholarship opportunities.

## Developing and retaining top talent

We support the ongoing advancement of our employees after they join the workforce. Whether it is building leadership skills or gaining expertise on new technological advances, a dedication to lifelong learning is essential to our mission.

### Career development for all employees

In 2022, we harmonized our career development process into STRIDE, a unified framework across the company that helps employees manage their career growth over time through a structured approach to career planning. Once employees have defined a plan, they have access to in-depth libraries of self-paced, on-demand trainings and resources, as well as live learning experiences to help them build their skills and capabilities. Additionally, we introduced TalentMatch, an innovative application to notify employees of new internal job postings that match their resume and career aspirations.

We also launched Performance Impact, a new performance management process through which managers are encouraged to provide employees ongoing informal coaching and feedback, and hold focused performance discussions at least twice a year.

### Preparing leaders for the future

In 2022, we synchronized our approach to identify, notify and develop high-potential employees as part of our annual succession planning process. Once identified, these individuals have access to nomination-based development, networking opportunities with senior leaders, leadership assessments and executive coaching services.

At Raytheon Technologies, leadership is about demonstrating our values and behaviors to do what is best for our colleagues, customers, team members and the organization.

We also continued to update our portfolio of leadership accelerator programs and leadership development curricula focused on leading oneself, leading teams and leading other leaders. One of our seven leadership accelerator programs, the [Rotational Leadership Development Program](#), offers early-in career candidates business and leadership experiences across multiple disciplines. Employees then have the opportunity to partake in other nomination-based leadership accelerator programs for those demonstrating high-growth potential.

In 2022, we introduced the Leading RTX into the Future accelerator program, which welcomed 140 of our top executives in its first year. Through the program, executives build critical leadership skills with an emphasis on a one-company mindset, meaningful connections, retaining top talent and inclusive leadership.

Our leadership accelerator programs also continue to focus on DE&I leadership at all levels. For example, our WILLRise (Women in Line Leadership) program prepares mid-career women from all functions for profit-and-loss management roles. Between 2019 and 2022, 192 high-potential women were selected for WILLRise in three separate cohorts. Of cohort one, 64% have been promoted since the cohort began in January 2019, including 39% who have been promoted to an executive role.

### Employee Scholar Program

Open to all Raytheon Technologies employees upon hire, the [Employee Scholar Program](#) supports participants as they pursue professional interests, certification and degrees – including Ph.Ds. – in any field related to the company’s business operations. Employees may study at any of 4,000 universities and schools around the world, either in person or virtually, with Raytheon Technologies paying up front for tuition, books and some academic fees.

Since 1996, 51,000 employees across 65 countries have taken advantage of the program.

# 13,300

employees across 15 countries participated in the Employee Scholar Program in 2022 – many earning more than one degree or certification

# \$72M

invested in the Employee Scholar Program in 2022

# 50.2%

of participants have pursued advanced degrees

### 2022 DEVELOPMENT HIGHLIGHTS

# 3,270

employees participated in leadership development programs

# 1,580

employees participated across seven of our leadership accelerator programs<sup>15</sup>

# 72

employee engagement survey success score<sup>16</sup>

<sup>15</sup> Leadership accelerator programs, a subset of our leadership development programs, focus on our high-potential employees.

<sup>16</sup> Semi-annual surveys were conducted in April and September of 2022. This score is calculated by computing the average score for the success question, which has proven to have the highest correlation with the drivers of engagement, along with outcomes such as productivity and retention that can help managers understand, at the highest level, how happy their team is at work.

## Strengthening inclusivity

A culture of inclusion is one in which all employees – irrespective of gender, race, ethnicity, nationality, language, age, cognitive or physical ability, sexual orientation, gender identity, education, religion, socioeconomic situation or background – feel:

- Welcomed, trusted, respected and valued as people and business partners.
- Safe to express aspects of themselves and perspectives that may be different from their peers.
- Supported by their peers and leaders in pursuing their career goals and that they can take action if someone else is not being treated equitably or respectfully.

To create and maintain an inclusive and equitable environment, we have introduced a common set of DE&I definitions across the enterprise, with a focus on ensuring our approach and values are regularly and consistently communicated.

### Employee Resource Groups (ERGs)

Our nine global ERGs are a vital component in how we build an inclusive workplace at Raytheon Technologies.

In 2022, following external benchmarking research and a survey of existing ERG participants, we transitioned to a new global ERG model. The new model adopts best practices to build more effective ERG communities, with a dedicated board, which includes chairs for each of our nine ERGs, including representation from all parts of the company. We also designated members of our executive team as ERG sponsors.

We kicked off the new model with our first-ever ERG Leadership Summit in September 2022, where we brought together ERG leaders and executive sponsors from across the company for planning and development sessions. The new model provides a collaborative, coordinated and consistent approach to governance and strategy across our ERGs and serves as a vehicle to elevate their voice to senior leaders. In 2022, membership across our ERGs grew to 16,500 employees.

ERG teams, leaders and executive sponsors are in the process of mapping out priorities, identifying opportunities to partner and collaborate with fellow ERGs and cultivating new membership.





# Prioritizing DE&I

Our commitment to DE&I comes from the top: our CEO, CHRO, chief diversity officer (CDO) and Board of Directors set the organization's DE&I priorities and place DE&I among their top focus areas. Our CEO and CHRO lead our Global DE&I Advisory Board and our CDO partners with our senior leadership team and the Board of Directors on the implementation of our [DE&I strategy](#), with efforts across our four DE&I pillars for action.

## OUR DE&I PILLARS FOR ACTION



### WORKFORCE DIVERSITY

Cultivating an environment of inclusion and innovation.



### SUPPLIER DIVERSITY

Driving economic empowerment and opportunity through increased spending with diverse suppliers.



### PUBLIC POLICY ADVOCACY

Championing equality for all to advance equity, social justice reform and economic policy.



### COMMUNITY ENGAGEMENT

Investing strategically in our global communities to drive tangible outcomes.

## Workforce diversity

The pioneering spirit that drives innovation in our technologies is reliant on our ability to recruit, hire, develop and retain a highly skilled diverse workforce. Our greatest differentiator is the collective skills and the talent of our people – diversity of thought, backgrounds and experiences.

Given current global labor trends, our 2030 DE&I aspirations will be challenging to achieve. To create meaningful, multi-generational change, we must be able to measure our improvements annually, hold ourselves accountable and acknowledge external factors while also pushing ourselves beyond our limits. We continue to make investments to enhance our strategies, programs and actions, including:

- Implementing a more focused hiring strategy to identify, engage with and attract the most diverse pool of candidates.
- Expanding our talent reach by offering onsite, hybrid and remote opportunities.
- Strengthening workplace practices so that all employees feel that Raytheon Technologies listens and acts on what they hear, understands and is focused on meeting their evolving needs, respects them for who they are and supports them in realizing their full potential.
- Launching a training for professional employees worldwide to raise awareness and understanding of our DE&I strategy and pillars.
- Optimizing data to form predictive analytics that allow us to adjust our strategy and make incremental, meaningful progress over time.
- Building the future STEM talent pipeline for aerospace and defense.



More information on our workforce representation can be found in our [EEO-1 report](#).

## 2022 PROGRESS

# 32.7%

global women executives  
up from 30.1% in 2021

# 17.4%

U.S. POC executives  
up from 16.6% in 2021



## Supplier diversity

Our spend with small and diverse suppliers has a ripple effect that generates economic activity within our suppliers' communities. In 2021, our spend of \$6.7 billion with small and diverse U.S. suppliers helped create approximately 59,700 jobs and support approximately \$3.8 billion in wages earned.<sup>17</sup> We anticipate that our increased spend of \$7.0 billion in 2022 has driven an increased impact. We also published a new [external supplier policy statement](#), analyzed our spend with small and diverse suppliers by commodity to identify opportunities for growth and attended 35 events to expand our network of diverse suppliers. This was also the first full year of our Tier 2 reporting program, which enables our Tier 1 suppliers to report their supplier diversity spend to us. Suppliers representing over \$1.5 billion of spend with us participated in the program. More information on our supplier diversity initiatives, including our supplier mentoring program, where we saw over a 20% year-over-year increase in spend collectively in our mentor suppliers, can be found on our [website](#).

<sup>17</sup> Impact measurements are calculated by third-party [supplier.io](#).

## Public policy advocacy

We continued our partnership with the [Congressional Black Caucus](#) and expanded our efforts through partnerships with the [Asian Pacific American Institute for Congressional Studies](#) and the [Congressional Hispanic Caucus Institute](#) to further invest in diversifying the pipeline of policy professionals. We also expanded our partnership with the [Faith & Politics Institute \(FPI\)](#), a non-partisan group that works to bridge racial, religious and political divisions among elected officials. In support of FPI's [John Robert Lewis Rising Leaders program](#), we are partnering to build a nationwide network of leaders to organize, with discipline and unity, to create positive societal change. Additionally, our ERGs are supporting policy advocacy initiatives, such as ensuring equitable food access in diverse communities and relieving food insecurity across the veteran community.

## Community engagement

Through transformative investments in our communities, we enable multi-generational impact and change, with a focus on empowering lifelong learning, honoring those who serve and making an impact in local communities around the globe. Civic 50, a Points of Light initiative, ranked Raytheon Technologies in the top 10% of companies that leveraged its community initiatives to promote a more diverse, equitable and inclusive company culture. More information on our community strategy and initiatives can be found in the [Community Vitality](#) section of this report.

### 2022 PROGRESS

# \$7.0B

spent with small and diverse U.S. suppliers in 2022 up from \$6.7B in 2021<sup>18</sup>

# 28%

of our U.S. spend was with small and diverse suppliers consistent with the total spend with small and diverse suppliers in 2021<sup>19</sup>

# 749

high school and college students from historically underrepresented groups participated in our summer work experience programs supported by more than **440 employee volunteers**

# \$26.2M

invested in community programs focused on underrepresented communities<sup>19</sup>

<sup>18</sup> Includes product and non-product suppliers. Excludes Intertrade and unaddressable spend.

<sup>19</sup> Data based on grants to nonprofit partners that serve beneficiaries meeting the following criteria: 50% or greater POC representation; 50% or greater women or gender diverse; or if the primary population served includes disabilities (mental/physical), LGBTQIA+ or military/veterans. Information is provided by nonprofit partners within grant applications on the Versaic (Benevity) platform.



# Supporting employee safety and well-being

## Proactively driving a culture of safety

We prioritize our employees' safety and well-being. Our efforts start with our proactive safety culture. All employees, from workers on the manufacturing floor to senior leaders, share a responsibility for our collective health and safety.

Our vice president of Environment, Health & Safety (EH&S) is responsible for developing programs that enhance employee safety and for leading our EH&S Council, which is made up of EH&S leads from each of our four business units. The Council meets monthly to discuss key initiatives, progress toward goals, and root cause and corrective actions for any significant events. The vice president of EH&S provides monthly updates to our senior vice president of Operations & Supply Chain, who briefs the GPPC of the Board of Directors at least once a year.

Our [EH&S Management System](#) guides our efforts and drives us toward an injury-free workplace. It starts with understanding how to mitigate health and safety risks present in our organization and requires knowledge of the EH&S laws and regulations governing our operations. It documents a standard to which we hold ourselves accountable for key EH&S practices, including emergency preparedness, working safely at heights and wearing appropriate personal protective equipment (PPE). Our EH&S Management System also drives us to continually improve, and was developed using key elements from established external management system standards, with a focus on improving incident prevention and, if incidents do occur, identifying root causes and implementing appropriate remedial actions.

<sup>20</sup> We use the 2015 baseline for high ergonomic risk, as both of our heritage organizations, Raytheon Company and United Technologies, had 2020 goals to reduce risk from that baseline. Our 2025 goal is a continuation of their original goals. Any new high or elevated risks identified from 2022 through 2024 through industrial ergonomic assessments will be incorporated into the baseline metrics and prioritized for risk reduction. Operations are expected to include ergonomic design considerations for all new processes to prevent the introduction of new high risks. As we head into the 2030 goal cycle, any high or elevated risks that were reduced to medium in the 2025 goal cycle will again be considered for additional risk reduction. Note that ergonomic risks related to the Rockwell Collins acquisition were added to the baseline in 2022; however, the 2025 goals were unchanged.

<sup>21</sup> The baseline for medium risk was set in 2020 after the merger when the 2025 goals were established. Any high or elevated risk reduced to a medium risk is excluded from the medium risk reduction goal. Note that ergonomic risks related to the Rockwell Collins acquisition were added to the baseline in 2022; however, the 2025 goals were unchanged.

<sup>22</sup> We conducted a complete analysis of chemical and noise risks in 2021 to establish this baseline. Any new high chemical/noise risk identified between 2021 and 2024 will be included in the baseline.

### 2025 WORKPLACE SAFETY GOALS



# 100%/50%

reduction in high and elevated<sup>20</sup> /medium ergonomic risks<sup>21</sup>



# 50%

reduction in high chemical and noise exposure risks<sup>22</sup>



# 100%

implementation of near-miss reporting best management practices

### 2022 PROGRESS



# 88%

decrease in high and elevated ergonomic risks since 2015



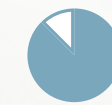
# 25%

decrease in medium ergonomic risks since 2020



# 14%

decrease in high chemical and noise risks since 2021



# 80%

of applicable sites have met requirements to ensure robust near-miss reporting





**Ergonomics**

In 2022, we continued to focus on ergonomics, our leading cause of injuries, to help support employee health. Ergonomic-related injuries account for approximately 36% of all significant injuries at Raytheon Technologies. We proactively work to identify and mitigate potential ergonomic risks to prevent injuries from occurring. We evaluate each task performed by Raytheon Technologies employees using a standard set of assessment tools. Based on the assessment results, tasks are categorized as high/elevated, medium or low risk. We then work to identify alternative ways of performing tasks to eliminate high/elevated risks as well as to reduce the risk of 50% of our medium-rated tasks by 2025.

**High-chemical and high-noise reduction**

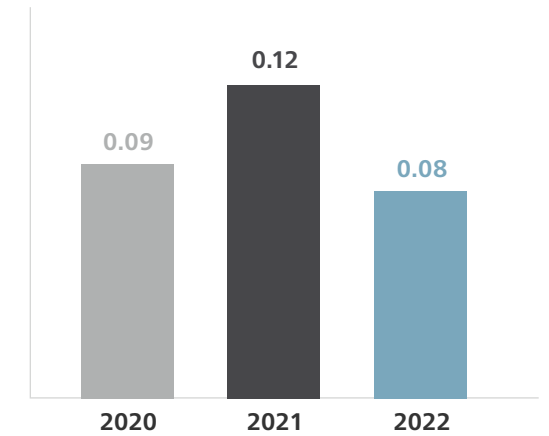
We are focused on eliminating potential exposure to chemicals that are required in our operations and enabling a quieter environment by minimizing excessive noise, with an aim to reduce reliance on PPE. To do this, we are investing in higher-level control measures such as material substitution, engineering controls that prevent employee exposure and eliminating hazards altogether.

For example, in 2022, a Collins Aerospace site implemented noise isolation controls on air blowers, implemented an automated process to remove flashing and changed a cutter tip machining process, which resulted in the reduction of three high-noise exposures. The introduction of these higher-level control measures ultimately eliminated the need for employees to wear hearing protection devices while performing these operations. Our other business units implemented similar risk reduction activities in 2022.

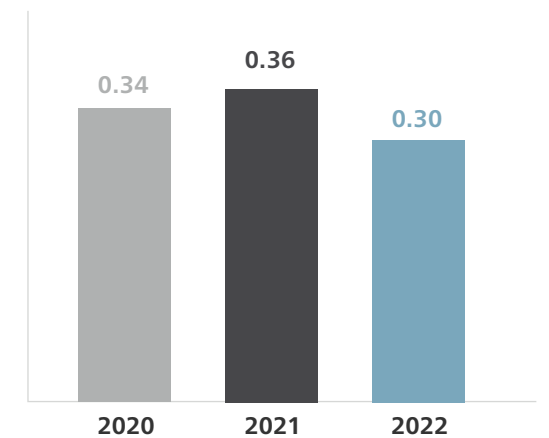
**Near-miss reporting**

Our Near-Miss Reporting program is a critical part of our proactive safety culture. Near-misses include potential hazards identified by employees that, if not addressed, could result in potential injury. Our program includes employee training, an electronic data reporting system, tracking corrective actions to closure, monitoring trends and providing employee feedback. In 2022, we continued to roll out near-miss reporting requirements globally, resulting in over 21,400 submissions. By providing our employees with a mechanism to report and address potential hazards that might otherwise go unnoticed until an incident occurs, we are continuing to make our workplaces as safe as possible.

**ANNUAL LOST DAY INCIDENT RATE (LDIR)**



**ANNUAL TOTAL RECORDABLE INCIDENT RATE (TRIR)**



Our actions have led to a 27% reduction in our TRIR<sup>23</sup> since 2019 baseline.

<sup>23</sup> Excludes non-work-related injuries and non-supervised contractors.



### Keeping employees safe

We strive to go beyond regulatory requirements and establish global standards to help ensure that all employees are as safe as possible, regardless of where they live or work. This is accomplished through aggressive workplace safety goals, proactive risk reduction activities and employee involvement.

In 2022, we completed the first year of a three-year program to update and streamline employee health and safety training materials across the company, including translating materials into multiple languages. The first training course covered our seven cardinal rules, which address our most significant health and safety risks. All employees were required to complete training on the rules and their responsibilities in 2022.

The Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program recognizes organizations that maintain injury and illness rates lower than national Bureau of Labor Statistics averages for their industry, and that have implemented effective health and safety management systems.

# 54

OSHA VPP  
Star-certified sites

Raytheon Technologies continues its strong partnership with the Liberty Mutual Risk Control Services group, which in 2022 conducted 38 Enhanced Slip, Trip and Fall Assessments across our company to help reduce risk factors related to one of our leading injury drivers. These assessments include an employee perception survey, which allows employees to identify specific areas in our facilities where slip, trip and fall incidents are most likely to occur. Liberty Mutual uses this information to focus the onsite portion of their assessment where slip-resistance testing is conducted and other recommendations for risk reduction. In addition, we collaborated with Liberty Mutual to develop targeted risk reduction programs for lacerations and machine guarding to further reduce potential risk in our operations.

The Liberty Mutual Safety Award recognizes innovative evidence-based technologies, work practices and programs designed to reduce or eliminate hazards that lead to injuries in the workplace.

# 124

Raytheon Technologies sites received  
Liberty Mutual Safety Awards in 2022,  
an increase from 75 in 2021.





## Fostering employee well-being

We strive to support our employees' overall well-being – mind, body, financial and community. Each of these components plays a role in engagement, retention and, ultimately, performance.

Our CHRO leads our comprehensive efforts to support employee well-being, aided by our HR leadership team, vice president of global benefits and senior vice president of total rewards. In addition, our Well-being Champion Network includes EH&S, HR and other representatives from our corporate office and four business units.

Every year, we conduct a strategic review of our well-being programs, assessing costs, participation and engagement to improve our offerings. We also use periodic surveys to understand employee satisfaction with our programs and tools.

Feedback in 2021 showed that our employees' perception of the company's support of well-being was lower than the benchmark comparison. To respond, we have evolved our communications around well-being, including launching a global version of RTX Healthy You in May 2022, with new resources available each month in six languages. We also introduced training for people managers on empathy and resources on managing in a hybrid era; 10 new podcasts to our collection on mind, body, wallet and family topics; and globally accessible content from meQuilibrium, our AI-driven, program-based digital coaching tool to help employees address burnout, stress and other barriers to holistic well-being.

At the end of 2022, we measured employee perception of company support of well-being again and saw an increase of three points. We will continue to expand our focus on well-being and plan to implement a new digital musculoskeletal solution, pilot solutions to better serve the needs of underserved populations, increase the number of globally recognized health days and expand the family Healthy You pillar to reach the community.

# 136,000

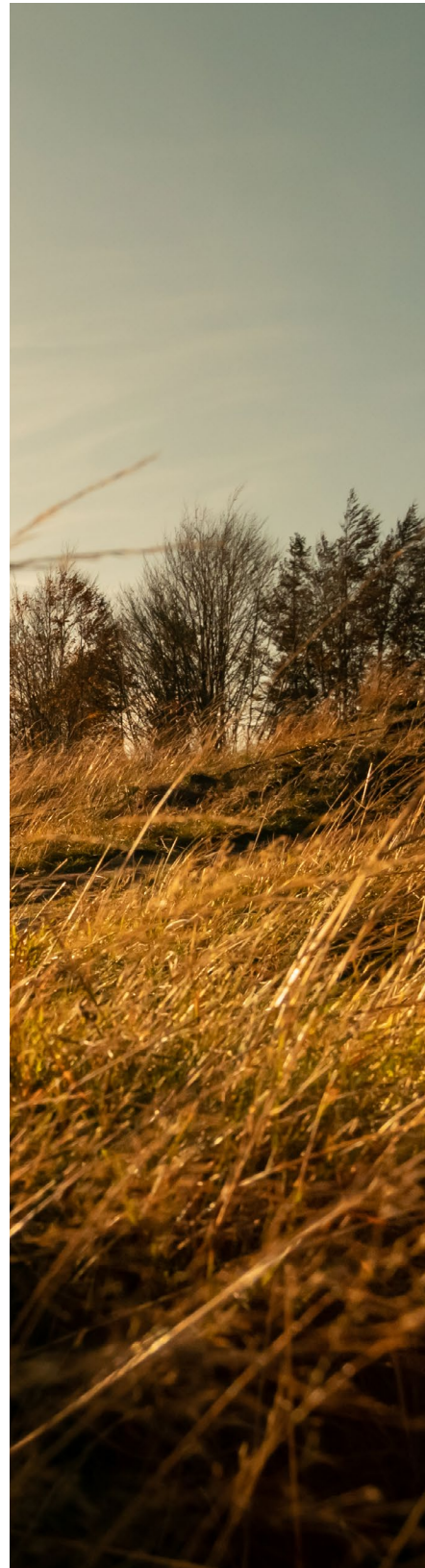
unique visitors to the U.S.-focused RTX Healthy You site in 2022 and more than 50,900 page views to our global RTX Healthy You site since launch in May 2022

# 14.5%

of employees enrolled in meQuilibrium, which was rolled out in the U.S. in 2022

# 59,200

downloads of the 10 new podcasts added to the RTX Healthy You site in 2022



# Community vitality

As a global industry leader, we continue to dedicate our resources and talent to investing in and helping meet the needs of our communities to build a better future together.

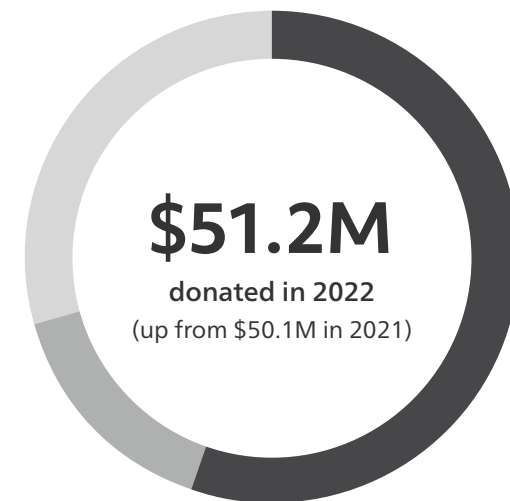
We are intentional about the interconnection of our community investment approach with our talent acquisition, employee engagement and DE&I objectives. Our community efforts are led by our chief communications officer (CCO), vice president of global CSR and subject matter professionals from across the company. Our CCO briefs the Board of Directors on our CSR efforts at least annually. Additionally, our CSR team advises and works closely with employees from each function, providing expertise that drives impactful programs and partnerships.

We work to achieve tangible outcomes in underserved communities through our Connect Up initiative, a 10-year, \$500 million commitment that combines investments in nonprofit organizations with the skills and talents of our global employee volunteer network. We are on track to meet our commitment and are already seeing transformative impact across our three critical focus areas: lifelong learning, honoring service and supporting communities.

 A list of our signature partners can be found on our [website](#).

## COMMITMENT

Invest \$500 million in nonprofit community organizations through our Connect Up initiative by 2031.



Lifelong learning	55.4%
Honoring service	15.4%
Local community	29.2%

## DISTRIBUTION OF 2022 CORPORATE CONTRIBUTIONS

The \$51.2 million in 2022 corporate giving is comprised of \$40.4 million in corporate grants and \$10.8 million in corporate gifts that match employee donations.<sup>24</sup>

## OUR 2022 IMPACT

**11.1M**

people around the world reached by Raytheon Technologies programs

**8,270**

causes supported through volunteering and charitable grants

**98%**

of grant recipients agreed the grant helped them increase their impact

**142,000**

volunteer hours logged by employees

**202,000**

students progressed along the STEM talent pipeline through Raytheon Technologies-funded programs

**93%**

of employees felt more connected to the company after volunteering for the summer work experience program

**386,000**

beneficiaries achieved verified social outcomes<sup>25</sup>

**2,660**

employees volunteered during the Global Month of Service

<sup>24</sup> The corporate matching gifts program is primarily available to U.S. employees.

<sup>25</sup> Beneficiaries are defined by Impact Genome as individuals that a particular program directly serves. Outcomes are defined by Impact Genome as measurable changes in beneficiary status, behavior or condition. Both beneficiaries and outcomes are measured over a 12-month period.



### Supporting our nonprofit partners

Raytheon Technologies works to be a strong partner to nonprofit organizations by providing grant funding, mentorship, volunteer support and programmatic advisory support, along with impact measurement capacity building. In 2022, we helped 17 of our key nonprofit partners improve the rigor and quality of their impact reporting and build more effective programming.

## Supporting communities

We seek to connect with the places where we live and work to prioritize basic social welfare issues, improve equity and security for future generations and enable local community institutions to thrive.

In 2022, we expanded our commitment to Feeding America's Equitable Food Access and Military Hunger Advocacy initiatives. Our \$3.3 million contribution will allow food banks across the country to secure and distribute food to the communities most in need, including military families. Our ongoing support will also enable Feeding America to start or expand local programs that identify and tackle racial and geographical barriers to food security, and to build relationships with Congressional offices that champion causes benefiting service members.

Our 2022 funding helped

# 18,600

individuals to receive access to food and emergency disaster relief.

### Working to measure impact

We have developed, and continue to revise, a robust framework and methodology that moves beyond measuring reach and outputs to measuring third-party verified impact through the Impact Genome Project. To do so, we adopted a set of standardized outcomes, both direct and systems-based, that we aim to achieve in each of our Connect Up focus areas. All Impact Genome Project outcomes are designed to be verifiable, practical, measurable, universal, evidence-based and curated to evolve based on rolling feedback and internal reviews.

In 2022, 79% of our nonprofit partners who were invited to report participated in the measurement program. We found that 86% of Raytheon Technologies-funded grant programs meet or exceed their Impact Genome Project efficacy benchmark (high efficiency in achieving impact), up from 76% in 2021.

## Lifelong learning

We support leading STEM education organizations to build skills, inspire innovation, promote belonging and grow diverse thinking. By connecting with students to expand their view of what's possible, Raytheon Technologies is helping to build a career-ready, diverse talent pipeline for the workforce of the future.

In addition to our longstanding support of Girls Who Code (GWC) tech pipeline programs for students in grades K-12, we launched the inaugural GWC Leadership Academy in 2022. This semester-long program brought together nearly 100 U.S. college students with GWC advisors and Raytheon Technologies mentors to build leadership, technical and professional skills while growing their network of peers pursuing STEM careers. Students in the Leadership Academy came from more than 80 colleges across the United States and 100% identified as Black, Latina, Indigenous and/or first-generation college students.

We also work with NAF in its efforts to establish engineering career preparation academies for high school students in key communities in which we operate. In 2022, we launched the latest NAF Academy of Engineering in the Dallas-Fort Worth area where more than 300 students are studying software development, cybersecurity, engineering and advanced manufacturing. They join students in other Raytheon Technologies-supported NAF academies in Hartford, Connecticut; Puerto Rico; Palm Beach County, Florida; and Washington, D.C.



## Honoring service

We invest in programs that help veterans identify career opportunities as they transition to the civilian workforce, keep military families connected and inspire their children to become the innovators of the future.

In collaboration with [The Mission Continues](#), we support [service projects](#) in local communities to help military veterans transition to civilian life, build their professional networks and continue working toward a common good. We also partner with the organization in support of its [Women Veterans Leadership Program](#), which helps participants build their professional networks and leadership skills while reducing social isolation as women veterans.

Our funding helped

# 4,600

veterans and military families to achieve positive outcomes such as improving mental health, gaining job skills and attaining employment as well as increasing advocacy and issue awareness through partner organizations.



Jill Johnston is a 22-year U.S. Air Force veteran and now an intelligence analyst at Raytheon Technologies. The Women Veterans Leadership Program “really lets me be myself,” she says. “We have our certain language. It’s a little more direct, but with these people, I don’t have to filter myself. ... I’m excited that I have this opportunity through this group. These women are empowering me to be an authentic leader.”

## Employee volunteering and support

Our employees and ERGs play a crucial role in bringing our Connect Up commitments to life. In 2022, each ERG appointed a community leader to help identify and lead local volunteering opportunities. Many included school-based volunteerism via partnerships with leading nonprofit organizations that support under-resourced populations. Employees served as role models and mentors to students interested in pursuing STEM careers. In addition, our employees used their engineering skills to build infrastructure systems that help communities in the U.S. and abroad meet their basic needs.

To aid our efforts and track the impact of employee volunteering, we extended our new Connect Up platform to international (non-U.S.) employees. Following volunteer events, employees are asked to complete a survey to identify the skills and leadership behaviors they demonstrated through their participation. Volunteers for the summer work experience program averaged a 10% change in leadership behavior post participation.

### Giving Tuesday

For Giving Tuesday 2022, we put the power in the hands of our employees. For every employee donation on Giving Tuesday, an organization received one “vote.” We granted \$10,000 to each of the 12 organizations that received the most “votes,” in addition to matching employee donations. In total, more than 3,800 employees donated raising more than \$5.2 million for 3,650 nonprofits.



## 2022 EMPLOYEE VOLUNTEERISM<sup>26</sup>

# 142,000

employee volunteer hours

# 5,450

employees who volunteered through initiatives offered through our global platform

# 96%

of our summer volunteers agreed that volunteering made them proud to work for Raytheon Technologies

<sup>26</sup> Metrics are limited to employees who logged their volunteer hours and include Raytheon Technologies' Global Month of Service initiatives.

In April 2022, we hosted our second annual Global Month of Service, with 2,660 employees contributing 31,100 volunteer hours serving more than 53,300 beneficiaries across 164 cities and 13 countries.

# Planet.

We are innovating new technologies that reduce the environmental impact of our offerings and advance our operations.

TO COMBAT CLIMATE CHANGE AND PRESERVE NATURAL RESOURCES, WE ARE FOCUSED ON:



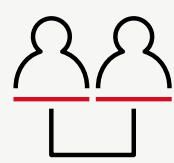
**Advancing sustainable technology and innovation**



**Reducing energy and GHG emissions from our operations**



**Minimizing resource usage**



**Collaborating with suppliers**



## 2022 PROGRESS HIGHLIGHTS

**\$7.1B**

invested in customer- and company-funded R&D

**First**

successful engine run of our hybrid-electric propulsion technology demonstrator completed

**\$17.3M**

invested in energy reduction-related projects in our operations

**21%**

reduction in GHG emissions in operations against 2030 goal since 2019 baseline<sup>27</sup>

<sup>27</sup> Raytheon Technologies selected a 2019 baseline for its GHG goal rather than 2020 because 2020 levels were impacted by COVID-19.

# Our approach to sustainable **technology and innovation**

The commercial aviation industry has a long history of producing more efficient aircraft with each successive generation, achieving 80% improvement since the first-generation commercial jet engines. Today, we are increasing the use of Sustainable Aviation Fuel (SAF) throughout our product portfolio, developing sustainable technology and innovating greener products to help reduce GHG emissions at a faster pace than ever before while supporting air traffic growth for a more connected future.

In October 2021, Raytheon Technologies, along with the commercial aviation industry, set an ambitious goal to achieve net-zero carbon emissions for commercial aviation by 2050, aligning global civil aviation with the Paris Agreement to pursue efforts to limit global temperature increase to 1.5°C above pre-industrial levels. Following this commitment, in October 2022, the International Civil Aviation Organization (ICAO) member states adopted a collective long-term global aspirational goal (LTAG) of net-zero carbon emissions by 2050 for international aviation.

Aviation is currently the only industry that has established a global resolution to address climate change. Achieving these aggressive goals will require strong collaboration from multiple stakeholders, including public-private partnerships, working with our suppliers, customers and energy companies, and continued investment in new technologies.

Leading our efforts is our chief technology officer (CTO), who works closely with the chief sustainability officers (CSOs) in our business units. These leaders work with engineering and advanced technology teams at our business units and the Raytheon Technologies Research Center. Together, they drive R&D to develop products with world-class sustainability performance. In 2022, we spent a total of \$7.1B in customer- and company-funded R&D.

We also established the Sustainable Technology & Innovation ESG working group to drive sustainable technology projects across the organization, develop and implement an environmental sustainability technology roadmap and support climate-related disclosures.

In addition to our R&D efforts, we invest in startups through our venture capital group, RTX Ventures, to accelerate the development of new technologies. In 2022, we announced agreements with VerdeGo Aero and H55 to accelerate hybrid-electric propulsion and battery technologies for advanced air mobility applications.



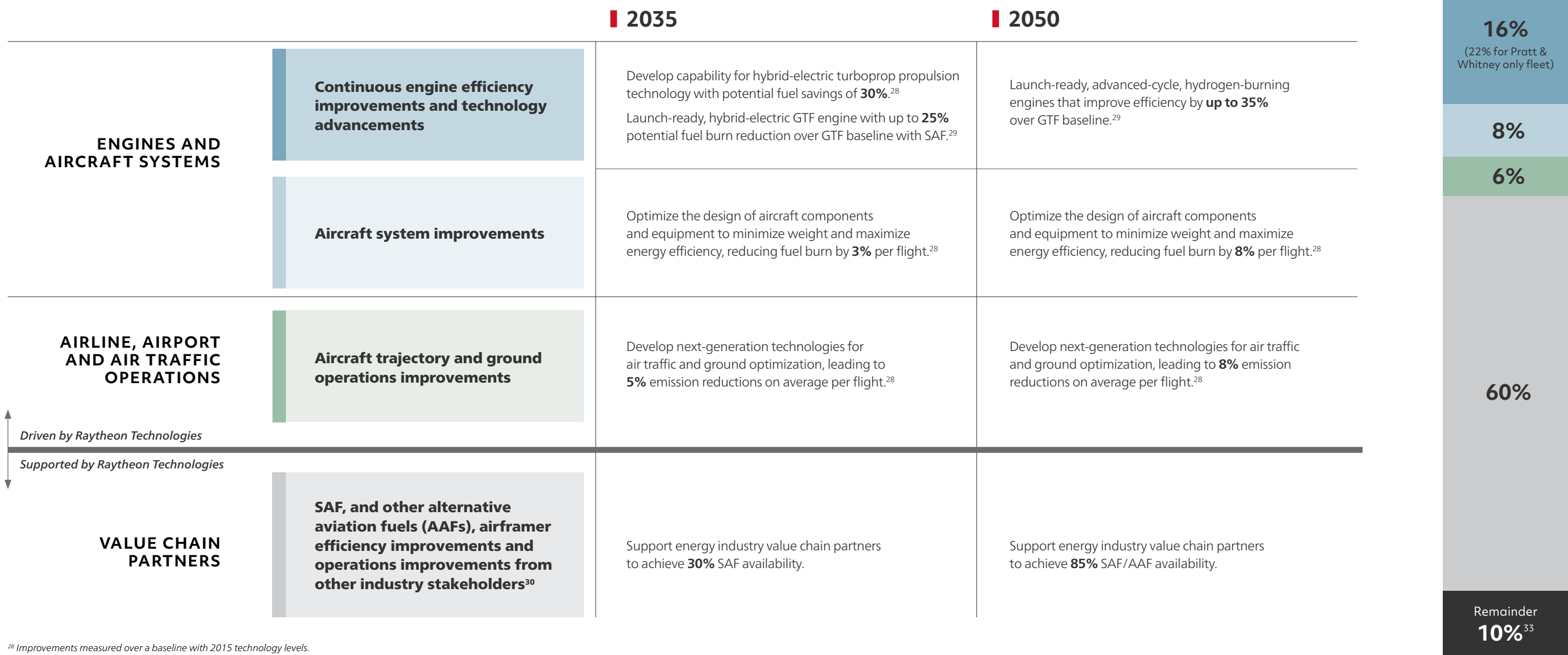
## Our environmental sustainability technology roadmap

In 2021, we developed and launched our environmental sustainability technology roadmap, which outlines our path to supporting the civil aviation industry’s 2050 net-zero commitment across our products and services. In 2022, we made strong progress in technology and innovation, leveraging the advantages of our scale, expertise and industry partnerships. Our roadmap to 2050 allows for the long-term nature of technology and infrastructure advancements in our sector. It also recognizes that actual changes in emissions only result once the technologies are matured, deployed into products, certified and delivered to customers. Our roadmap progress will be paced by the respective timelines for these activities. We plan to provide quantitative performance updates relative to these sustainability goals as we continue to progress.

As timelines for advancements vary, we are focused on improving engine efficiency, fielding 100% SAF-compatible, hybrid-electric propulsion systems in the near- to mid-term and supporting green hydrogen-powered propulsion systems in the long term.

### Estimated fleet impact

Aggregate emissions reductions from the 2050 civil fleet with Raytheon Technologies aviation products, relative to an inventory baseline with 2015 technology levels<sup>31,32</sup>



<sup>28</sup> Improvements measured over a baseline with 2015 technology levels.

<sup>29</sup> Improvements measured over a baseline with 2016 GTF technology levels.

<sup>30</sup> Airframers and other value chain partners enhance aircraft design to reduce drag and weight and improve overall vehicle fuel economy. This also includes technologies for air traffic optimization and infrastructure improvements from other value chain partners.

<sup>31</sup> Values represent Raytheon Technologies’ forecasted estimates for civil fleet net CO<sub>2</sub> emissions, relative to a 2015 technology baseline, using GHG Protocol for Project Accounting methods for our fleet of engines and systems. We adopted a 2015 technology baseline consistent with ATAG Waypoint 2050, which is a vision of net-zero aviation widely adopted by the industry. Several new, significantly fuel-efficient aircraft, including Airbus A320neo and Boeing 737 MAX, were introduced after 2015 and have been, and continue to be, adopted by airlines to replace older aircraft and to grow their fleet to serve traffic demand.

<sup>32</sup> This forecasting method adds direct emissions from aircraft engines to indirect emissions from non-engine related equipment mass, aerodynamic drag and secondary power extraction. As detailed guidelines for fully analyzing emissions for the aviation industry do not yet exist, the methodology used in the future may evolve with industry standards.

<sup>33</sup> Potential solutions for reducing the remainder include enhancing the advancements noted above to further reduce emissions or employing market-based mechanisms.

## Accelerating the trajectory of aviation emissions reductions

In 2022, we made strong progress in multiple areas of our roadmap, including the entry into service of our latest advanced regional turboprop engine model PW127 XTM. We also initiated certification testing of the latest turbofan engine, GTF Advantage™, where we continue to build upon the GTF engine's capabilities and reduce fuel consumption and emissions. Other ways we are working to bend the aviation emissions curve:

- We are developing **advanced-cycle engines** that recover water and waste heat to improve engine efficiency in the near term – Sustainable Water Injecting Turbofan Comprising Hybrid Electrics (SWITCH), and hydrogen-powered engines in the longer-term – Hydrogen Steam-Injected Inter-Cooled Turbine Engine (HySIITE). Hydrogen has an important role to play in enabling the aviation industry's pathway to net-zero emissions. While the development, distribution and use of these fuels present immense challenges, we are well positioned to make them compatible with future engines, ranging from regional turboprops to single-aisle class engines and beyond.
- We continue to innovate and mature **new aircraft systems**. These solutions span various technology threads, including hybrid-electric power distribution, hydrogen-compatible aircraft components and system design, thermal management, eco-friendly fire suppression systems, adaptive environmental control systems and advanced, lightweight materials.
- We are partnering with NASA to develop technologies that will continue to **reduce fuel consumption**, including advanced high-pressure turbine technologies, next-generation ceramic matrix composite materials (CMC), and demonstrating the compatibility of SAF with advanced combustors for small core engines.
- We are developing **aircraft avionics** to enable navigation systems to harness information for optimal aircraft trajectory planning, flight path optimization, flight planning, use of enhanced flight vision systems and weather radar for more efficient operations.
- We continue to improve the fuel economy of aircraft by optimizing **air traffic and flight operations**. This allows for flight trajectories to follow near-optimal routes at near-optimal altitudes and speeds during all phases of flight, which reduces delays, fuel consumption and emissions. We are also working to reduce fuel consumption at airports through improved taxi and ramp operations.
- We are fielding and upgrading state-of-the-art **air traffic management systems** as well as satellite-based precision navigation infrastructure as part of the FAA Next Generation Air Transportation System portfolio. This aims to deliver trajectory-based operations capabilities and more efficiency in the way controllers manage air traffic.
- We are providing and modernizing **datalink and enterprise network solutions** to support airlines and the FAA. This includes weather information, weather sensors and integrated weather processing systems. Depending on the specific airspace environment, traffic conditions and the capabilities of the aircraft fleet, these operational improvements could reduce aircraft CO<sub>2</sub> emissions by up to 10%.



Under the EU's Clean Sky 2 research program, we developed a seven-meter-long cable raceway made of thermoplastics, the largest of its kind. The new generation of thermoplastic materials enables a more holistic and modular approach to aircraft design, resulting in a much lighter aircraft, which burns less fuel and has lower carbon emissions. Thermoplastic parts have the potential to provide up to a:

# 50%

weight reduction compared to metallic structures and 20% less than thermoset structures.<sup>34</sup>

# 80%

reduction in manufacturing cycle time compared to thermoset composites.<sup>34</sup>

# 100%

recyclability at the end of the part's life cycle.<sup>34</sup>



<sup>34</sup> [Click here for more information](#)



**2022 PROGRESS**

**Continuous engine efficiency improvements and additional advancements**

- **Engine efficiency:** Received more than 1,100 PW GTF engine orders in 2022, which will reduce fuel consumption and carbon emissions by 16% to 20% over the previous generation of engines.
- **Engine efficiency:** Received certification for PW127XT-M turboprop engine, which offers 40% extended time on wing, 20% lower maintenance costs and 3% improvement in fuel efficiency.
- **Hybrid-electric:** Completed first successful engine run of our hybrid-electric propulsion technology demonstrator, a key milestone on the journey toward eventual installation and flight testing on a modified De Havilland Canada Dash 8-100 aircraft, targeted to begin in 2024.
- **Hybrid-electric:** Selected by the European Union’s Clean Aviation Joint Undertaking, which includes a consortium of aerospace technology companies to develop SWITCH technologies for integration into the GTF engine architecture. As the first single-aisle class engine demonstration to incorporate both hybrid-electric propulsion and Water Enhanced Turbofan (WET) technologies, it has a target to provide up to 25% improvement in fuel burn over current GTF and associated emissions.
- **Advanced cycles:** Launched our HySIITE project to achieve zero in-flight CO<sub>2</sub> emissions, while reducing nitrogen-oxide (NOx) emissions by up to 80% and reducing fuel consumption by 35% over the current GTF.

**Aircraft system improvements**

- Selected to participate in six additional projects under the European Union’s Clean Aviation Joint Undertaking, collaborating with European airframers, engine makers, suppliers and academia to develop disruptive sustainable aviation technologies, including demonstrators for hybrid-electric powered aircraft and ultra-efficient short- and medium-range aircraft, thermal management and systems for novel wing designs.
- Clean Sky 2 Partnership: Achieved Technical Readiness Level (TRL) 5 on a high-performance gas expansion approach to develop the next-generation fire suppression system. It will use nitrogen, which is environmentally friendly and widely available as an alternative to halon. Under this partnership, we also achieved TRL 5 on an adaptive environmental control system that reduces the amount of fresh air required in cabin ventilation while maintaining cabin air quality and passenger comfort. This innovative technology is expected to save approximately 2% in aircraft fuel.
- We received a four-year grant from the French Civil Aviation Authority to develop next-generation actuation systems, which will offer a lighter and more compact advanced motorized gearbox and better thermal management compared to existing systems, resulting in improved engine efficiency.


**Aircraft trajectory and ground operations improvements**

- Selected by the FAA to provide technical refresh and dual-frequency operation upgrades to its Wide Area Augmentation System (WAAS), a space-based precision navigation system that is fundamental to efficient aircraft trajectory operations.
- Launched FlightHub™, which provides pilots with real-time route recommendations that enable a more efficient flight path and reduce fuel consumption and emissions.
- Achieved a technical standard order for our combined vision system for business aviation aircraft, providing clarity to pilots in all types of weather to confidently and securely navigate through low-visibility situations, saving fuel and reducing CO<sub>2</sub>.

**Value chain partners**

- Completed four of the first Pratt & Whitney flight tests using 100% hydroprocessed esters and fatty acids synthetic paraffinic kerosene (HEFA-SPK) SAF without aromatics on Pratt & Whitney engines, including GTF™ engines in addition to other engines.

Driven by Raytheon Technologies  
Supported by Raytheon Technologies

 More information on our approach to sustainable aviation, including the technologies we are using to support the aviation industry’s goal of net-zero emissions, can be found on our website.

### Policy shaping partners

Sustainable aviation and net-zero emissions require multiple measures and can only be successful with cross-sector industry actions and support from policy makers. We collaborate with multiple stakeholders, including airframers, energy companies, customers, research institutions, standards development organizations and government agencies to jointly overcome challenges in achieving industry alignment on technologies, effective measurement processes, interoperability, infrastructure limitations and regulatory policies.

On a net-fuel life-cycle emissions basis, SAFs have the potential to reduce CO<sub>2</sub> emissions by an estimated 40-60%, with a maximum forecast of 80%<sup>35</sup> direct carbon capture, making them a key element of the roadmap to net-zero CO<sub>2</sub> emissions by 2050.

<sup>35</sup> *Air Transport Action Group (ATAG): Alternative fuels, particularly SAF, have been identified as excellent candidates for helping achieve the industry's climate targets. SAF-derived sources such as algae, jatropha or waste byproducts have been shown to reduce the carbon footprint of aviation fuel by up to 80% over their full life cycle.*



#### INDUSTRY ASSOCIATIONS

##### PARTNER ORGANIZATION

##### OUR ROLE

##### OUR ACTIONS

<b>Aerospace Industries Association (AIA)</b>	Executive Committee member; Chair of the Environment and Sustainability Committee	Lead the Environment and Sustainability Committee and support the Sustainability Subcommittee to drive progress toward efficient aviation technology and operations.
<b>Air Transport Action Group (ATAG)</b>	Board member	Support advancement of civil aviation sustainability and committed goals of flying net-zero CO <sub>2</sub> emissions by 2050.
<b>Airlines for Europe (A4E)</b>	Member; member of Airspace & Sustainability Working Groups	Advocate for European policies supporting sustainability in the aerospace sector in alignment with other industry alliances.
<b>Commercial Aviation Alternative Fuels Initiative (CAAFI)</b>	Founding member	Support advocacy for the acceleration of SAF development and uptake across all segments of the aviation industry.
<b>International Air Transport Association (IATA)</b>	Strategic partner	Promote sustainable solutions that are critical to the future of the global aviation industry.
<b>European-American Chamber of Commerce</b>	Member of Technology Committee; member and co-chair of the Transport Energy and Climate Committee	Support the roadmap of the European Commission toward carbon neutrality.
<b>International Aerospace Environmental Group (IAEG)</b>	Founding member; Executive Committee; Board members	Collaborate on environmental solutions and policies revolving around a diverse range of topics including technologies, GHG management and supply chains for the aerospace industry. Develop industry guidance and best practices.

#### STANDARDS

<b>ASTM International</b>	Committee member	Work with ASTM partners on testing and qualification of new SAF feedstocks, pathways and blends, and developing SAF standards.
<b>SAE International</b>	Contributors	Establishing standards for certification of hybrid-electric flight.

#### GOVERNMENT

<b>European Commission's Alliance for Zero-Emission Aviation (AZEIA)</b>	Member	Support advocacy for European policies that will accelerate decarbonization of the aviation industry.
<b>FAA NextGen Advisory Committee</b>	Member	Collaborate with airlines and industry partners to recommend air traffic management modernization programs and priorities to improve aircraft efficiencies in all phases of operations.
<b>International Civil Aviation Organization (ICAO) Committee on Aviation Environmental Protection (CAEP)</b>	Working group member	Participate in the development of new environmental standards, including the development of ICAO LTAG goals of net-zero CO <sub>2</sub> emissions for international aviation by 2050.
<b>National Academies' Aeronautics Research and Technology Roundtable (ARTR)</b>	Board member	Collaborate to explore critical issues related to the U.S. aeronautics research agenda and options for public private partnerships that could support rapid, reliable knowledge transfer.

## Innovating for the defense sector

Our defense customers are increasingly focused on minimizing potential impacts from climate change. In 2021, the U.S. committed to achieve net-zero emissions from federal procurement and across federal operations by 2050. We are [supporting these efforts](#) and are positioned to meet the critical mission capability needs of our defense customers related to range, payload and speed while addressing environmental impact through energy efficiency gains and reduced emissions.

### Preparing for the future of electric combat vehicles

Our decades of experience in providing electric power generation and management solutions to the aerospace industry is helping the U.S. Department of Defense (DOD) power the [electrical components in its military ground vehicles](#). A modernized Collins Aerospace 28VDC 1000-amp main electrical power generator is supporting the U.S. Army's Abrams main battle tank. The generator provides 60% more power and fits in the same space as the legacy system without requiring major changes to the vehicle or its electric systems architecture. With improved efficiency, it enables tanks to operate longer while also increasing their mobility and survivability.

### Reducing size, weight and power requirements for radars with gallium nitride technology

Gallium nitride (GaN) is a semiconductor material that efficiently amplifies radio frequency (RF) signals to higher power levels. When used in defense products like radars, it greatly reduces the size, weight, power consumption and cost while enhancing performance. Our [GaN material](#) is used in a broad spectrum of military radars and defense systems from Patriot® to the GhostEye® and SPY-6 family of radars. An upgraded version of GaN, made at our semiconductor foundry in Andover, Massachusetts, has recently earned a Manufacturing Readiness Level (MRL) 9 assessment and is ready for full rate production. Our GaN process improvements have also received a 2022 Defense Manufacturing Technology Achievement Award from the DOD.

### Modernizing electric systems for the B-52 Stratofortress bomber fleet

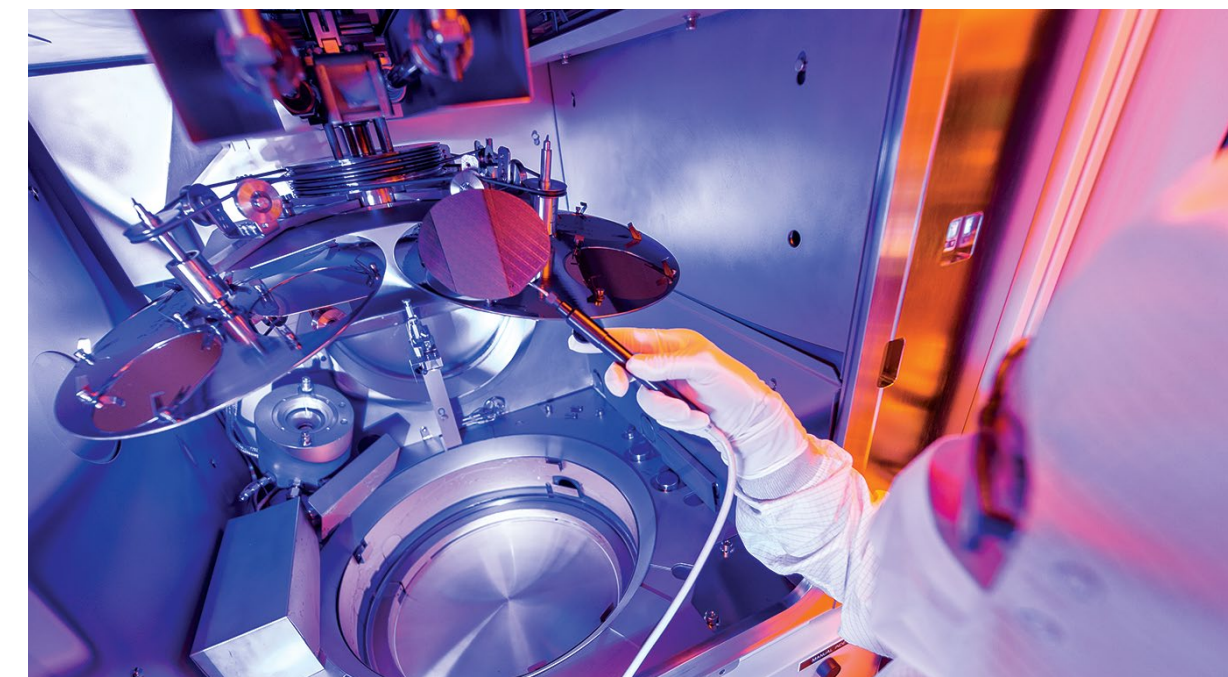
In January 2022, we were selected to modernize the B-52 bomber systems by integrating a new electric power generation system. By replacing the B-52's 70-year-old system, we will contribute to the U.S. Air Force's goal of improving fuel efficiency by 30% and decreasing CO<sub>2</sub> emissions while improving operational longevity.

### High-efficiency engines for military aircraft

To achieve military customer requirements, Raytheon Technologies takes a full system approach to designing and building powerful and efficient jet engines. Whether transporting troops, assisting in humanitarian missions or deterring and engaging enemies, it is crucial that operational capability continues to be at the forefront of the technologies we deliver.

Our engineers have demonstrated capabilities to develop advanced fifth-generation fighter engines, such as the F135, which powers all variants of the F-35 Lightning II. They are also working to upgrade current engine systems to increase efficiency and add capabilities.

In 2022, Pratt & Whitney was awarded a \$115 million contract for all variants of the [F-35 engine enhancement effort](#), also referred to as an [Engine Core Upgrade](#). This has the potential to accelerate fuel efficiency benefits for the global F-35 fleet of more than one thousand aircraft, as compared to a full re-engine program, saving taxpayers an estimated [\\$40 billion](#) in life-cycle costs and improving the operational capability of this combat-tested engine architecture.





# Energy and GHG emissions in our operations

We are working to reduce GHG emissions from our operations worldwide.

Our corporate senior vice president of Operations & Supply Chain is responsible for overseeing our efforts to reduce our climate impacts and direct our operations toward more sustainable solutions. Our vice president of EH&S is responsible for working with teams across the company to identify opportunities to reduce energy consumption and GHG emissions. At the Board level, the GPPC provides oversight on climate-related issues, and the full Board of Directors is periodically briefed on climate-related initiatives.

Our combined Scope 1 and Scope 2 market-based GHG emissions in 2022 were 1,433,300 metrics tons of CO<sub>2</sub>e – 21% lower than our 2019 emissions. This includes a 12% reduction in energy consumption from our 2019 baseline, exceeding our reduction goal of 2.5% by 2025. Key activities driving our GHG emissions reductions include implementation of best management practices (BMPs) and allowing for the accounting of offsite renewable electricity.

We continue to expand the number of Scope 3 GHG emission categories that we quantify. More information can be found in the [performance data table](#).

We provide details of our climate governance, strategy, risk management, metrics and goals in our [2022 CDP disclosure](#). The CDP questionnaire is aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and we are committed to continue to align our disclosures with the TCFD recommendations. Our [TCFD Index](#) can be found in the [Appendix](#) of this report.

## ENERGY AND GHG EMISSIONS GOALS (SCOPE 1 AND 2)

## 2022 PROGRESS



**46%**  
reduction in GHGs by 2030<sup>36</sup> from 2019 baseline<sup>37,38</sup>



**21%**  
reduction from 2019 baseline<sup>37,40</sup>



**15%**  
reduction in GHGs by 2025<sup>39</sup> from 2019 baseline<sup>37,38</sup>



**10%**  
renewable electricity usage by 2025



**4.2%**  
renewable electricity



**100%**  
implementation of 11 [energy/GHG BMPs](#) by 2025



**64%**  
implementation of [energy/GHG BMPs](#)

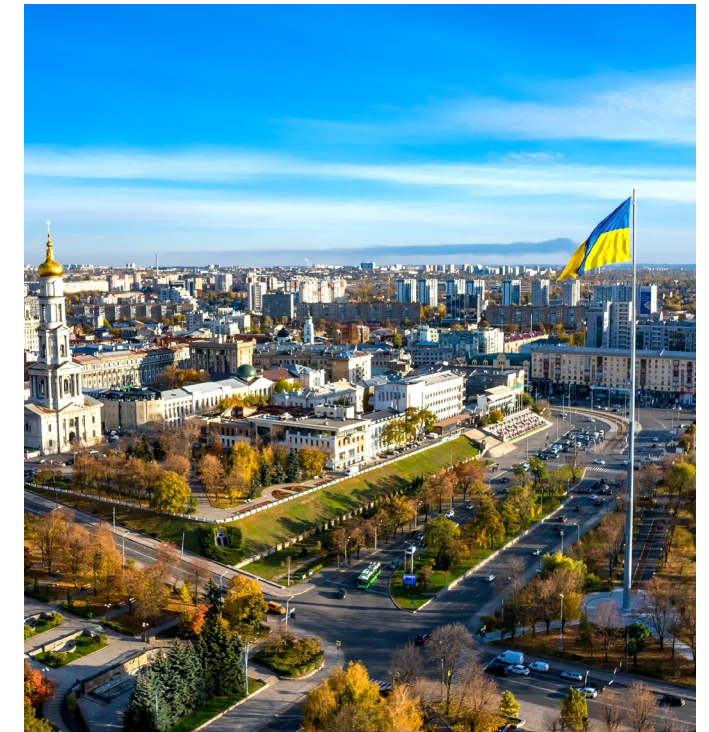
<sup>36</sup> Aligned with a 1.5 degree Celsius science-based reduction pathway, which is the stretch goal in the Paris climate agreement, and consistent with the Science-Based Target Initiative guidance.

<sup>37</sup> In 2022, we updated our GHG emission reduction goal and progress against the goal to account for scope 2 market-based emissions. This is updated from previously disclosing scope 2 location-based emissions on our 2021 ESG Report. We continue to calculate scope 1 and 2 emissions following the principles and guidance from the [GHG Protocol](#).

<sup>38</sup> Raytheon Technologies selected a 2019 baseline for its GHG goal rather than 2020 because 2020 levels were impacted by COVID-19.

<sup>39</sup> Aligned with a well-below 2 degrees Celsius science-based reduction pathway as identified in the Paris climate agreement, and consistent with the Science-Based Target Initiative guidance.

<sup>40</sup> Our GHG and energy reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases, and will continue to monitor our progress against our 2025 goal.



In March 2022, when prices in [energy markets escalated](#) due to the crisis in Ukraine, we quickly reassessed our global energy consumption. As energy costs rose and the need to conserve energy to help ensure that Europe could make it through the winter became evident, the value of our past energy efficiency improvements became even more salient. We worked with our sites in Europe to make sure they had the tools necessary to implement further energy efficiency reductions to meet government requests and help ensure they could avoid significant disruption.

## Reducing energy consumption

Within our operations, energy consumption accounts for approximately 90% of our GHG emissions. To help reduce our energy consumption and improve energy efficiency in our operations, in 2022, we invested \$17.3 million in energy reduction-related projects.

Our energy efficiency efforts are guided by our 11 energy and GHG emission BMPs, which include evaluating building automation systems, reviewing our HVAC systems, improving equipment maintenance programs, implementing lighting updates and executing effective shut-it-off initiatives to power down energy consuming equipment when not in use.

Sites conduct energy and GHG assessments, surveys and “treasure hunts” to identify potential energy reduction projects. They also perform “Green Gemba” walks on an ongoing basis to observe operational processes and engage with the process owners about ways to improve energy efficiencies. Common conservation opportunities that come out of these walks include identification of manufacturing and general infrastructure equipment that can be safely turned off to maximize energy savings during off hours, weekends and holidays. In 2022, we implemented more than 70 energy-reduction projects, driving energy savings of 34.1 GWh (gigawatt-hours).

The Conserving Raytheon Technologies Energy and Water team assists sites with their energy reduction programs. The cross-functional team contributes to the standardization of policies and processes and assists in program implementation and sharing of best practices.

We are focused on sustainable design and construction practices as demonstrated in our recently opened Collins India Operations Center in Bengaluru, India, and our Pratt & Whitney’s Global Engineering and Technology Center (GETC) in Asheville, North Carolina. The GETC has been certified with the U.S. Green Building Council (USGBC) Platinum Rating for integrating solar power capabilities, zero-water discharge and other features. The Collins India Operations Center received the USGBC Silver certification and Indian Green Building Council (IGBC) Silver rating with optimized energy performance and water efficiency features. The Asheville factory is on track to receive LEED certification and will be a zero-liquid waste discharge facility with several energy, water and waste BMPs incorporated.



*Our strong energy programs earned Raytheon Technologies the 2022 ENERGY STAR Partner of the Year – Sustained Excellence Award from the U.S. Environmental Protection Agency.*

## Increasing renewable electricity usage

In 2022, we launched our renewable energy roadmap, which focuses regionally on offsite procurement opportunities such as physical power purchase agreements, utility green options and community solar programs. Such efforts will allow us to scale up our renewable electricity use more quickly than onsite renewable electricity generation and help reduce our exposure to energy price volatility.

In 2022

**4.2%**

of our electricity, including all global sites, was from renewable energy resources (up from 3.5% in 2021).

Based on an assessment of our electricity consumption and the state of the renewable electricity markets globally, we are evaluating key opportunities for renewable electricity projects. Led by our Enterprise Services team and vice president of EH&S, the effort is supported by a cross-functional renewables working group that includes Facilities, Legal, Finance and Operations & Supply Chain. During the past year and a half, the team participated in numerous renewable workshops and meetings to better understand procurement options and how renewables can accelerate our climate risk mitigation efforts. The team is working to explore regional renewable energy opportunities that can be leveraged by multiple sites. We also updated our EH&S data management tool to better track our onsite and offsite renewable energy projects.

In 2022, we had 44 renewable electricity projects and contracts around the globe (including 13 that started in the past two years), generating 111,100 megawatt-hours.

This includes several sites that are buying 100% renewable electricity, including seven sites in the United Kingdom, three sites in Italy, two sites in Germany and one site in the U.S.



## Offsetting our carbon footprint

Raytheon Technologies buys carbon offsets for all of our corporate aircraft emissions, as well as Pratt & Whitney’s commuter aircraft emissions. We source our carbon offset credits from South Pole, a globally recognized carbon offset provider. Raytheon Technologies bought 11,180 metric tons of carbon offsets for 2022. Although we do not include the offset reductions in our goal progress, they help reduce global emissions.

## Driving energy reductions locally

Our sites are taking important actions to drive continuous energy reductions. For example, after analyzing its monthly energy consumption data, our State College, Pennsylvania, site’s Facilities- and EH&S-led Green Team identified and implemented several reduction opportunities that cut energy use by 35% and GHG emissions by 54% between 2019 and 2022. Their work throughout the 88,200-square-foot facility included installing LED lighting, more efficient boiler pumps and dry coolers, which take advantage of the state’s cold winter when the chillers do not need to run. The site also shifted data to the cloud, allowing it to eliminate unused computer racks.

# Environmental **stewardship**

As stewards of the environment, we seek to engineer a sustainable future. We take this role seriously, with a steadfast focus on conserving natural resources and mitigating the environmental impact and risks related to the design, manufacture, use and disposal of our products, and the delivery of our services. For decades, we have operated with the goal of driving pollutants in our manufacturing processes to the lowest achievable levels and conserving natural resources across our value chain. These efforts are guided by our [EH&S policy](#) and organized by our [EH&S Management System](#). Our EH&S vice president is responsible for tracking progress and ensuring sites have the tools they need to identify and address opportunities. At each Raytheon Technologies site, local EH&S committees develop an annual plan and activities to support their goals, including those around reducing our water consumption and reducing waste sent to landfills and incineration, the two most environmentally harmful disposal methods.

## Water conservation

We are constantly working to preserve one of nature's most precious resources – water. For example, in 2022, we conducted a water balance exercise at one of our Indonesia sites to map water sources and understand how water is used and discharged throughout the site. During the evaluation, the team identified multiple opportunities for improvement, which helped to reduce water use by more than 266,000 gallons per year and eliminate approximately 450 metric tons of CO<sub>2</sub>e. In July 2022, we also implemented low-flow restroom fixtures in our Westminster, California, site, which is estimated to conserve an estimated 327,000 gallons of water annually.

## Water Best Management Practices

We work to conserve water at the site level through the implementation of our nine water BMPs.

- Establishing a water team.
- Conducting water Gemba walks.
- Developing a water balance by identifying sources, uses and discharges.
- Maintaining a leak management program.
- Implementing a cooling tower management plan.
- Installing internal flow meters.
- Installing low-flow fixtures.
- Implementing xeriscaping and landscape irrigation.
- Analyzing potential process wastewater recycling and closed looping.

<sup>41</sup> Raytheon Technologies selected a 2019 baseline for its water goal rather than 2020 because 2020 levels were impacted by COVID-19.

<sup>42</sup> Our water consumption reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases, and will continue to monitor our progress against our 2025 goal.

<sup>43</sup> All nine water BMPs apply to sites consuming a minimum of five million gallons or more of potable water per year.

## 2025 WATER GOALS



# 10%

reduction in water consumption from 2019 baseline<sup>41</sup>



# 100%

implementation of nine water BMPs<sup>43</sup>

## 2022 PROGRESS



# 15%

reduction from 2019<sup>41,42</sup>



# 72%

implementation of water BMPs



## Waste management

We are committed to limiting our material use and responsibly managing waste produced in our direct operations. We use strategies such as increased diversion from landfills and incineration and overall waste minimization while adhering to federal, state, local and provincial waste laws and regulations.

Based on our Corporate Waste Management policy, each of our business units develop annual site-level processes for evaluating opportunities to reduce, reuse and recycle waste where possible, prioritizing source reduction as the preferred control.

In 2022, only 15% of our waste was disposed of in landfills and 13% was incinerated. Since 2019, we have reduced the amount sent to landfill and incineration by 22%. In 2022, the amount was 7,710 tons less than in 2019.



**14**

facilities are zero-waste certified

In the U.S., 14 of our facilities are zero-waste certified under the Green Business Certification Inc.'s Total Resource Use and Efficiency (TRUE) zero-waste certification program.

### 2025 WASTE GOALS



**10%**

reduction in waste sent to landfill and incineration from 2019 baseline<sup>44</sup>

### 2022 PROGRESS



**22%**

reduction in landfill/incineration waste from 2019 baseline<sup>44,45</sup>



**100%**

implementation of 11 waste BMPs<sup>46</sup>



**74%**

implementation of BMPs

### Waste Best Management Practices

We work to reduce waste and increase diversion actions at the site level through the implementation of our 11 waste BMPs.

- Establishing a waste management team.
- Conducting a waste generation assessment.
- Conducting waste Gemba walks.
- Right-sizing onsite waste containers.
- Developing a waste recycling plan and conducting container audits.
- Characterizing types of hazardous waste.
- Developing a metal waste recycling plan and maximizing recycling.
- Documenting a machine coolant management plan and pursuing recycling.
- Developing an acids/alkalis waste management plan and pursuing recycling.
- Assessing reuse practices and adopting where feasible.
- Evaluating feasibility of solid waste composting.

<sup>44</sup> Raytheon Technologies selected a 2019 baseline for its waste goal rather than 2020 because 2020 levels were impacted by COVID-19.

<sup>45</sup> Our landfill/incineration waste reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases, and will continue to monitor our progress against our 2025 goal.

<sup>46</sup> All 11 waste BMPs apply to sites that generate 150 tons or more of waste per year.

## Moving toward a circular economy

Our waste management policy supports the principles of a circular economy, such as eliminating waste and recirculating products and materials. We are implementing these principles by reducing materials of concern and increasing recyclable materials within our designs while also working to ensure that aspects of maintenance and repair are considered when applicable.

For example, many of our aviation products require multiple maintenance intervals throughout their useful in-service life to operate safely. Our maintenance, repair and overhaul shops work to restore these products back into service through the development and implementation of lifetime expansion solutions and repair thousands of parts.

We also actively work to reclaim and reuse parts from end-of-life engines and have established programs to obtain and tear down engines from the market for this purpose. Since 2018, we have obtained and torn down 52 end-of-life engines from customers and reclaimed, on average, 28% of parts, which can be reinstalled in other engines for continued use.<sup>47</sup>

In 2022, in support of the circular economy, we:

- Developed more than 2,000 new repair processes to reclaim greater than 3,500 parts for reuse, extending their useful life.
- Recycled high-purity carbon dust that is a byproduct of the manufacturing process of carbon brake disks at our facility in Pueblo, Colorado. Each year, the site diverts approximately 200 metric tons of this material from landfills by repurposing it into useful products, including lubricants, coatings, engineered shapes and other products.
- Reverted over 2.5 million pounds of high-value powder-metal turbine disk alloys through our revert recycling program.<sup>48</sup> This program identifies and collects scrap parts and machining chips from internal manufacturing sites and returns them to raw material manufacturers. The manufacturers clean and remelt the materials to produce new metal, reducing the amount of virgin raw materials.
- Refurbished more than 170 metric tons of aerospace components in our Memphis, Tennessee, facility and repurposed them into the supply chain. This is just one of our facilities dedicated to ensuring aerospace parts remain in use.<sup>49</sup>

**A circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible.**

<sup>47</sup> Specific to Pratt & Whitney's Serviceable Military Assets (SMA) program.

<sup>48</sup> Limited to data from Pratt & Whitney.

<sup>49</sup> Limited to the Collins Intertrade program.



Learn about how we are making our process more sustainable through 3D printing and additive manufacturing.

## Reducing risk of chemical usage

We use a variety of chemicals, chemical formulations and materials to manufacture complex parts and components, and assemble, maintain and service our products. Our integrated Global Chemical Substances (GCS) program guides our chemical substance compliance and efforts to reduce adverse impacts on human health and the environment, as well as business disruption risk. If chemical risks are identified, we define risk mitigation options and implement as appropriate.

In 2022, our enterprisewide GCS program continued to use our CORE operating system and cross-functional integration to monitor, identify and mitigate risks related to chemical usage. The GCS program is a collaboration between our Engineering and Operations & Supply Chain teams that report monthly to our senior vice president of Operations & Supply Chain. The GCS Executive Committee, co-chaired by the corporate vice presidents of EH&S and Engineering, provides oversight of the program and receives periodic updates on key initiatives, risks and activities. Committee members include vice presidents from Operations & Supply Chain, Operations, Quality, Legal and R&D.

In 2022, we:

- Launched a cross-functional project examining hydrofluorocarbon dependencies and risks, including activities to identify and act on viable alternatives.
- Continued to implement chromate-free conversion coatings at multiple E.U. sites.
- Developed a mechanism to prevent and react to customer delivery disruptions due to GCS regulatory bans or restrictions.
- Introduced our next-generation product material content tool to help our teams more efficiently determine what materials are present in products and conduct compliance reviews against global requirements.

Collaboration is key to reducing the risk associated with the use of some chemicals and developing less hazardous alternatives, across our company and with industry groups, academia, regulators and customers. We share ideas and support innovation through groups such as the Advanced Research in Electronics Assembly Consortium, the Pb-Free Electronics Risk Management Council and the IAEG. Through the Rapid Response Network of the U.S. Aerospace Industries Association, we are leading efforts to assess industry dependencies on targeted chemicals. In the context of E.U. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), we participate in multiple authorization consortia. We also use internal, supply chain, trade association and other sources of chemical substance dependency information to identify global risks associated with chemical substances deemed to be of concern.



[Read more about how we are eliminating the use of harmful substances, such as chromates.](#)



## Environmental compliance

We are committed to complying with all environmental laws and regulations where we operate.

The Raytheon Technologies [EH&S Policy](#) establishes the core tenets of our EH&S program and identifies key oversight, compliance and procedural responsibilities for senior management, including our CEO. Our [EH&S Management System](#) organizes the elements of the EH&S program into an efficient mechanism for compliance with EH&S laws and regulations, as well as company requirements. The system was [developed using key elements from the ISO 14001 and other related environmental management system standards](#).

We communicate with and provide annual training for our employees to help ensure they are aware of environmental and safety issues and requirements. We conduct root-cause analyses to help ensure appropriate corrective and preventive actions are taken in response to any incidents or deficiencies we identify. We hold ourselves accountable to close out those corrective actions on time. In 2022, we closed 92% of corrective actions associated with the Compliance Assurance Audit Program on time. We share lessons learned from compliance event corrective actions across the organization.

Additional information on our health and safety oversight can be found in the [Supporting Employee Safety & Well-being](#) section of this report.

### EH&S Compliance Assurance Audit Program

In 2022, we implemented our harmonized EH&S Compliance Assurance Audit Program across the organization. Through the program, independent audits are conducted for sites that meet the auditable entity criteria every three or four years, depending on operational risk.

The program includes a common set of audit protocols covering our EH&S Management System, company policies and compliance requirements. Business units can add business-specific questions to their audits. Audit results and corrective action plans are captured and tracked to closure in the EH&S data management system.



# Ensuring compliance across our supply chain

We engage across all areas of our [supply chain](#) to help ensure we use quality, responsibly sourced and, where possible, sustainable materials in our products.

Supply chain compliance is led by the senior vice president of Operations & Supply Chain, who briefs the Board of Directors on supply chain matters annually. Members of the Raytheon Technologies Supply Chain Council and Quality Council, as well as the Legal, Contracts and Compliance organization, provide additional supply chain oversight. Decisions and processes are flowed down to each business unit and every supplier through our [Supplier Code of Conduct](#) and Supplier Quality Policy.

Our suppliers are required to have management systems, tools and processes to help ensure compliance with applicable laws and regulations and with our Supplier Code of Conduct. The Supplier Code of Conduct requires all suppliers to conduct operations in a manner that:

- Complies with all applicable EH&S laws, regulations and directives.
- Actively manages risk.
- Conserves natural resources.
- Prevents pollution.
- Safeguards the environment.
- Minimizes waste, emissions and energy consumption.

In 2022, we added questions about environmental management to our supplier health assessments, including questions about sustainability programs, water and waste management, and GHG and energy reduction programs.

We have processes in place to educate and recognize suppliers, including through our new [Performance+ supplier performance program](#) and our internal mentoring program for small and diverse suppliers. We also provide onboarding training to new strategic suppliers and communicate with existing suppliers as needed.

We participate in industry and non-governmental organizations focused on reducing supply chain risks and environmental impacts, including the IAEG and the Responsible Minerals Initiative. More information on how we address employee safety within our supply chain can be found in our [Supplier Resource Portal](#).

## Helping our partners save energy

In addition to delivering on our own commitments, we work with our partners and suppliers to help them achieve their energy saving goals. In 2022, we made our Energy BMP Guidebook available to suppliers, in [English](#), [German](#) and [French](#), on our external website and through our [Supplier Resource Portal](#).

## 2022 supplier awards program

Raytheon Technologies suppliers are eligible to participate in our Performance+ recognition process. Our Platinum Award, which is awarded on an ongoing basis, recognizes suppliers that perform in the top percentile of our supply base, with resource management and corporate responsibility being consideration factors. Our annual Premier Award recognizes suppliers that demonstrate excellence in one of four categories:



Cost competitiveness



Technical innovation



Business management



Collaboration

## Standardizing an ESG risk approach for aerospace supply chains

As part of our supply chain sustainability program, we are collaborating with IAEG to implement a voluntary standard for assessing, managing and reporting ESG risk in aerospace supply chains. In 2022, we aligned with a third-party provider to support this effort and we anticipate rolling out the three-year plan starting in 2023.

## Reducing data storage energy use

We are working to transform and consolidate our data centers. Where possible, we have consolidated and are moving from onsite server farms, which require significant amounts of energy to operate, to a cloud-based environment, which we require by contract to operate with 100% renewable energy. In 2022, our efforts resulted in a 20% improvement in power usage effectiveness and energy savings of more than 117,800 kWh.



# Principles.

Acting with integrity and a long-term mindset is key to earning the respect and trust of our stakeholders globally. Within Raytheon Technologies, we work together across functions, business units and geographies to ensure we uphold our values, reduce risks facing our business and retain and strengthen the trust we have built with regulators, our customers, suppliers, investors and others worldwide.

OUR CORPORATE VALUES DRIVE OUR ACTIONS, BEHAVIORS AND PERFORMANCE, SETTING THE STANDARD FOR EVERY ASPECT OF OUR BUSINESS, INCLUDING THE:



Safety and quality of our products



Commitment to respecting human rights



Resilience of our business



Integrity of our operations



## 2022 PROGRESS HIGHLIGHTS

# 100%

of Raytheon Technologies facilities and sites that provide products and services have a certified Quality Management System (QMS) or have a plan to achieve certification appropriate to the business.

# 100%

of our planned Threat and Vulnerability Assessments and Physical Security Assessments at key sites were completed in the past two years.

# Product safety and quality as a core value

Our products protect nations, enable people to travel the world and propel the transport of goods and services. Their quality and safety are essential to our business – and a focus for all Raytheon Technologies activities.

Our promise to our customers and their end users is straightforward: We design, manufacture, service and maintain safe products that meet or exceed all applicable government standards, industry regulations and customer requirements for safety and product quality. This promise has been core to how we have operated for more than 100 years.

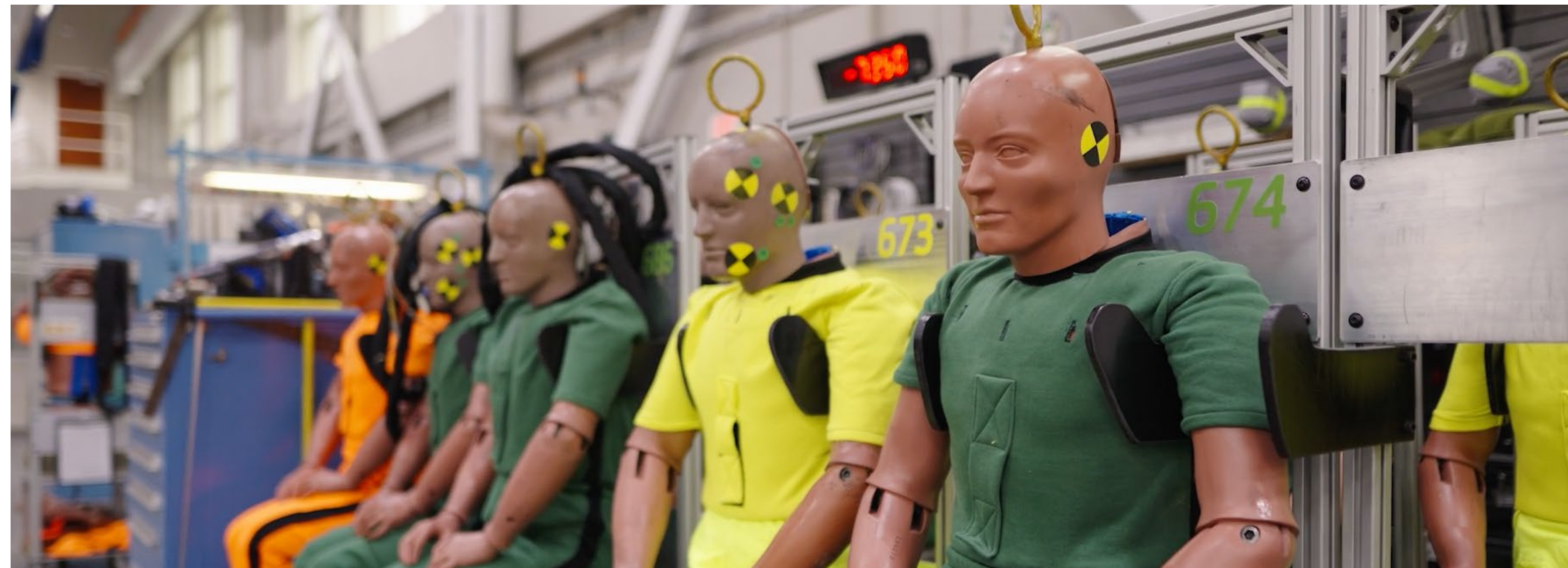
Our commitment to product safety and quality starts with our CEO and Board of Directors. The Board's GPPC has oversight for company product safety risks, with assistance from the Special Activities Committee on classified product safety. Our corporate product safety officer (PSO) oversees product safety programs and goals.

Business unit presidents are responsible for the overall safety of products designed, produced or maintained by their business and for appointing a business unit PSO to execute a product safety management system (SMS). Business units conduct regular reviews with the GPPC on product safety matters, including incident metrics and managed safety issues, and facilitate immediate reporting to senior leadership in the event of significant product safety incidents. Our Product Safety Incident Review Board meets at least once a year to review significant safety-related issues across our business units. Additionally, our core product safety teams meet eight to 10 times a year for safety-related discussions, best practice sharing and activities related to safety culture.

Our multiple SMS solutions govern all Raytheon Technologies products and parts – from production through end use – to ensure they meet or exceed the regulatory requirements of civil aviation authorities such as the FAA, the European Union Aviation Safety Agency and other relevant agencies. Each SMS provides clear accountability, with explicit policy statements from leadership on product safety goals and objectives.

## Our safety objectives

- Promotion of continual improvement in our safety culture, processes and products.
- Full employee awareness of SMS policies, processes and tools relevant to their responsibilities.
- Responsiveness to and open reporting of identified safety hazards.
- Proactive identification and management of safety-critical parts, features and manufacturing controls.
- Implementation of safety risk controls to acceptable risk levels.



## Managing safety risks throughout the product life cycle

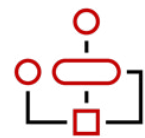
Product safety is one of the key risks identified under our ERM program. We go above and beyond industry standards to design our products to mitigate potential safety risks from the start.

All Raytheon Technologies products and services are conceived and designed with safety and quality in mind, and assessed for safety performance and continuous improvements. We apply military and commercial safety system methods consistent with military standards (MIL-STD-882) and commercial aerospace recommended practices (ARP-4761), as well as aerospace standards for quality throughout the design process.

We also establish design requirements and use safety assessment tools, including analyses of what might go wrong, how critical the failure may be, how to prevent or mitigate risk and the likelihood of occurrence in the design, manufacturing and quality control processes. Further safety assessment tools are in place to identify potential hazards associated with product failure or misuse.

To ensure that our people are aware of the controls in place to protect their safety, we will require all employees to complete safety and hazard reporting training in 2023, not only those who were previously required. For more information on product safety risks, including product safety failures, see our [2022 Form 10-K](#).

### The Raytheon Technologies product safety life cycle



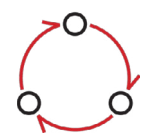
**DESIGN**

- Consult and apply applicable safety system methods.
- Establish design requirements and conduct risk mitigation analyses.
- Evaluate and select qualified suppliers.
- Identify potential hazards through safety assessment tools.



**MAKE**

- Analyze and verify product safety requirements.
- Implement manufacturing controls.
- Audit and oversee selected suppliers.



**SUSTAIN**

- Appoint PSOs to execute product safety management systems.
- Perform regular product safety reviews and respond to potential product safety issues.
- Consult with the Product Safety Incident Review Board.
- Conduct regular Core Product Safety Team meetings.



### 2022 SAFETY HIGHLIGHTS

Each of our business units introduced new communications, tools and processes to promote hazard and safety incident reporting.

Three out of four of our business units were reviewed by the external Product Safety Review Committee, with review of the fourth planned for early 2023.

Three out of four of our business units introduced new safety and hazard reporting training in addition to communications that exist across the enterprise.

## Preparing the aviation sector for 5G technology

In 2022, Raytheon Technologies joined with the FAA and sector peers to help ensure the aviation industry was prepared for the introduction of 5G technology. With the rollout of 5G, the telecommunications industry is significantly expanding access to mobile broadband around the world. But high-power 5G services near airports produce power interference that impedes the proper function of aircraft radio altimeters, which provide pilots with vital aircraft altitude information. Interference could potentially lead to a total loss of altitude information or provide misleading information to the pilot.

To support industry efforts, we tested upgraded 5G-resilient radio altimeter technology, which the FAA will require all aircraft to install in 2023 or face operational restrictions at airports near 5G base stations. Additionally, we rapidly developed and modified our radio altimeter products to mitigate 5G interference. The upgraded product received FAA certification in 2022.



## Maintaining product quality

Our products must perform at the highest standards without exception – lives depend on it. We maintain high-product quality as a standard to promote product safety. We are committed to achieving competitive excellence and providing our customers with products and services that meet or exceed our quality representations and requirements.

The Raytheon Technologies Quality Council, which includes senior Quality and Mission Assurance leaders from each business unit and the Corporate function, meets regularly to share best practices, collaborates on continual improvement initiatives, oversees the QMS activity in our business units and aligns on all of our quality policies.

Each business unit must have a documented QMS to ensure compliance with customer, statutory, regulatory and industry requirements, and all facilities and sites that provide products and services must be compliant with an industry QMS standard that is appropriate to the product or service delivered at that site. We ensure compliance through internal QMS audits, third-party QMS certification and QMS audits among suppliers, as needed, based on risk.

Collins Aerospace, Raytheon Intelligence & Space and Raytheon Missiles & Defense operate according to the QMS Advanced Surveillance Recertification Program (ASRP) requirements, a demanding process that few companies opt to undertake as it goes above and beyond the standard internal audit program. In accordance with ASRP, we use a robust and rigorous system of internal tiered audits, including those at the site, business and enterprise levels, which enables and encourages cross-site and cross-business trending and data sharing to promote increased responsiveness. Pratt & Whitney is working toward ASRP certification, building on the best practices identified by the other business units.

### QMS certifications

# 100%

of Raytheon Technologies facilities and sites that provide products and services have a certified QMS or have a plan to achieve certification appropriate to the business. Each facility applies one or more of the following QMS certifications for their respective operations:

#### AS9100

quality management for aerospace and defense

#### AS9120

quality management for aerospace and defense distributors

#### AS9110

quality management for aerospace and defense maintenance

#### ISO 9001

quality management

# Data security and privacy

We place the utmost importance on enterprise cybersecurity, product security and data privacy.

Our global chief information security officer (CISO), under the direction of our chief digital officer and senior vice president of Enterprise Services, is responsible for the company's data security efforts and for providing regular updates to the Board of Directors on data security. In addition, our product cybersecurity officer (PCO) leads our product cybersecurity efforts, and our chief privacy officer (CPO) manages our data privacy compliance program.

At each of our business units, a CISO leads work to assess and manage business-specific risks, establishing a structure to ensure our products and data are secure. Similarly, each business has a PCO responsible for enabling the business to deliver secure and compliant products. In addition, each business has a lead privacy professional who manages and mitigates data privacy risks and implements our compliance program.

Collectively, these enterprise and business roles form the company's Cyber Council, along with Legal, Human Resources, Communications, Global Security (classified and physical security) and Digital Technology representatives. Our Cyber Council, chaired by our global CISO, is a cross-discipline forum to discuss cyber threats, risks, events and activities. Additionally, our ERM process provides the Board with business unit and corporate function input of identified risks and potential impacts related to all areas of security and privacy.

## Enterprise cybersecurity

In 2022, we continued to address ever-expanding risks related to cybersecurity across an evolving threat landscape. This included strengthening our prevention and detection capabilities to help ensure a consistent and comprehensive approach across the enterprise.

Our digital risk management policy and framework is aligned to the National Institute of Standards and Technology (NIST) SP 800-53 and SP 800-171. We have established a common process based on these control standards to proactively manage digital and cybersecurity risks, including a robust process for governing the deployment of IT systems into the company. This process includes a rigorous review of new systems and the type of data that will be hosted to help ensure needed controls are in place and operating as intended. Once a system is in production, our vulnerability management program uses active discovery and penetration testing to validate patching and configuration of enterprise systems.

Our Security Operations Center, which includes an experienced incident response team informed by cyber threat intelligent experts across the globe, tracks and responds to enterprise cybersecurity issues 24/7. We follow a formal incident response process, tailored to engage leadership and critical stakeholders at appropriate thresholds. The incident response life cycle provides feedback to continuously improve our security and reduce risk.

All Raytheon Technologies employees are required to take annual cybersecurity trainings. Additionally, our cyber awareness program employs multiple methods to continually educate our global workforce, including a simulated phishing program, timely communications and supplemental training.

Several external organizations validate and assess our cyber program, including the U.S. Defense Contract Management Agency and United Kingdom Ministry of Defence. Our external auditor assesses the Sarbanes-Oxley internal control program.

## PROTECTING CYBER ASSETS

To prevent, detect and respond to cybersecurity risks for our 182,000 employees we:

Monitor networks in over

# 60

countries, protecting millions of digital assets.

Analyze more than

# 9.9B

web requests per week, blocking an average of

# 429M

web requests that are classified as dangerous.

Capture more than

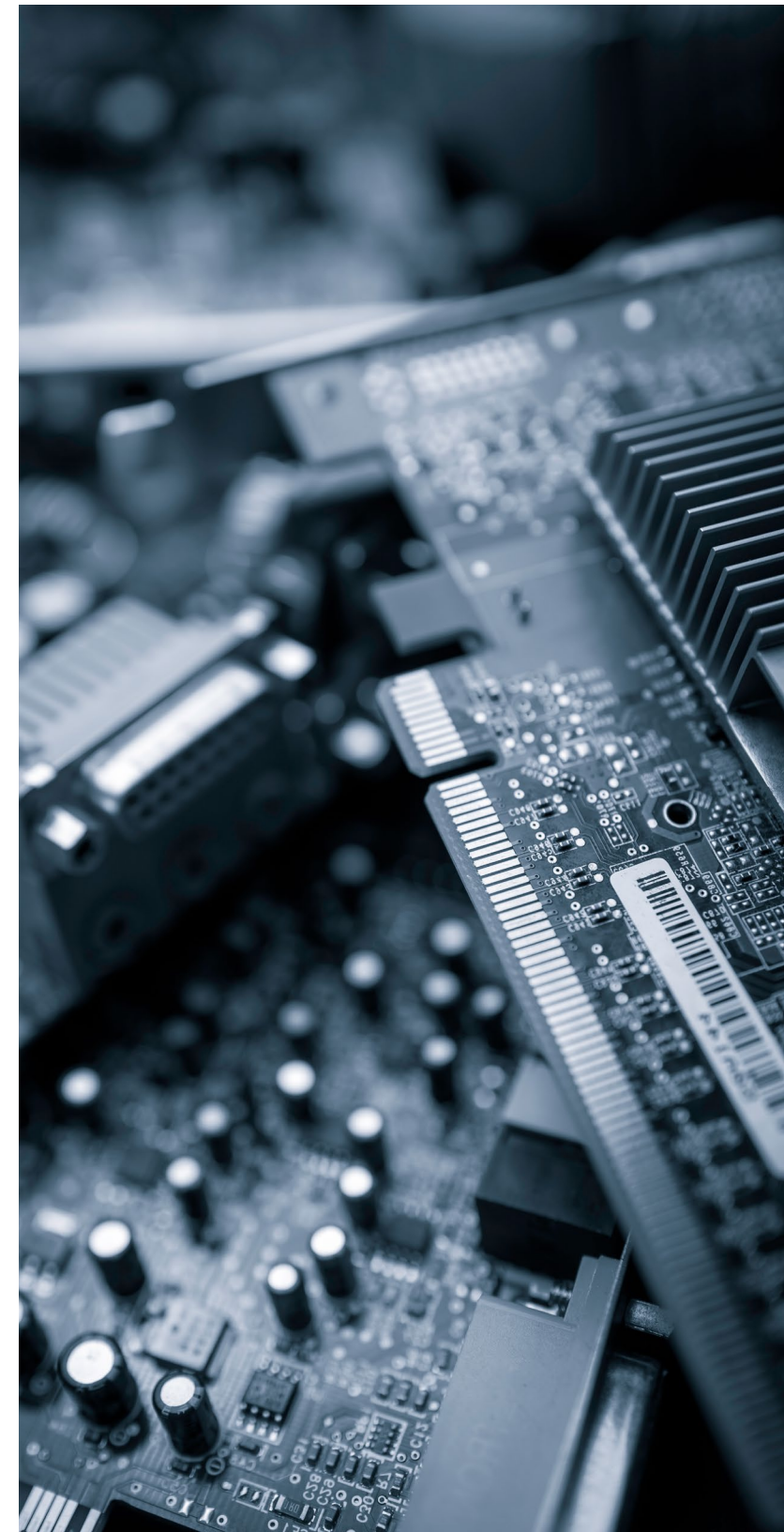
# 300

terabytes per day of full network packet data.

Reject approximately

# 47M

unwanted or unsafe emails per week.



## Product cybersecurity

For our customers, security is critical for the hardware and software in and services for products such as satellites, propulsion systems, avionics components, defense platforms and systems. Senior leaders across our company meet regularly to oversee the execution of systematic risk reduction through appropriate controls, discuss best practices, review incidents, report on potential attack vectors and manage product security across its full life cycle.

Our PCO is responsible for:

- Compliance with our Product Cybersecurity Policy, which defines roles and responsibilities for standalone and embedded cybersecurity products, along with hosted services.
- Collaboration among our business unit product cybersecurity functions, including the sharing of incident reports that may have cross-business impact.
- Informing executive leadership of significant product cybersecurity incidents.
- Maintenance of our product cybersecurity culture.
- Functional leadership by the PCOs in each business to ensure that potential security vulnerabilities are minimized in our products.

The Raytheon Technologies Product Cybersecurity Maturity Model assesses the proficiency of our teams and the robustness of our processes in developing secure products and services and helps drive continuous improvement in our product cybersecurity approach. In addition, we incorporate best practices into product development such as vulnerability scanning, composition analysis, static and dynamic analysis, and web application scanning.

We leverage a secure systems development life cycle and industry-specific risk management frameworks, applying development, security and operations principles and SAFECode fundamental practices utilizing the NIST Secure Software Development Framework. Many of our products are tested by our state-of-the-art Cyber Operations Development and Evaluation (CODE) Center, in addition to testing by the relevant business.

In partnership with the Enterprise Cybersecurity Incident Response Team, our Product Security Incident Response Team monitors national and international vulnerability databases and threat intelligence reporting.

We seek to ensure our products meet all security requirements mandated by government and commercial customers and adhere to regulatory guidance and standards for data security and system security engineering. Many Raytheon Technologies products also undergo industry audits and regulatory compliance certifications along with Authority To Operate on our products delivered to the DOD as defined by the DoDI 8510.01 Risk Management Framework.

### Partnering for cybersecurity advancements

As part of our efforts to positively impact the cybersecurity space, share cybersecurity best practices across the industry and inform industry standards and future government guidance and regulations for product cybersecurity, we are active members of and/or contributors to many government and industry organizations, including:

- Aerospace Industry Association
- Cloud Security Alliance
- Cybersecurity and Infrastructure Security Agency US-CERT
- European Centre for Cybersecurity in Aviation
- Forum of Incident Response and Security Teams
- Carnegie Mellon University Software Engineering Institute CERT Division
- Information sharing and analysis centers (ISACs): Aviation ISAC, Space ISAC, and National Defense ISAC
- InterNational Committee for Information Technology Standards
- National Defense Industrial Association
- Radio Technical Commission for Aeronautics
- Women in Cybersecurity





## Data privacy

Protecting the privacy of employee, supplier and customer data is critical both to our policy commitments and to our overall business success. This means only collecting personal information when necessary and providing transparency regarding the data we do collect while also building privacy into our product development.

These efforts are overseen by our CPO and implemented by a lead privacy professional in each business unit. The Privacy Office conducts a review each year with the vice president of Global Ethics and Compliance to help ensure that the program is meeting its goals, while data protection officers (DPOs) around the world also help mitigate risk. In locations where a DPO is not required but oversight is desired by the local entity, we appoint data protection stewards. Our ethics and compliance officers assist with communications regarding data privacy issues. The Audit Committee is briefed at least annually on our privacy compliance program, including an overview of the results of data privacy audits.

Our data privacy policy sets forth the privacy principles by which Raytheon Technologies operates. It embodies the requirements of our [Binding Corporate Rules \(BCRs\)](#) while covering international and U.S. legal obligations such as the General Data Protection Regulation and the Health Information Portability and Accountability Act. Our privacy policy requires that we provide appropriate and clear notice about the personal information that we collect and how we process and store it, and that we identify any updates.

Our data incident policy dictates that all incidents involving the potential unauthorized access, possession or loss of protected information must be reported, investigated and remediated. It also requires, where applicable, that we notify regulators, customers and affected individuals.

All salaried Raytheon Technologies employees are required to take annual data privacy training, and

each business provides additional training tailored to its functional areas and product lines. To help ensure that our people are aware of evolving data privacy risks and the ways in which to mitigate them, we are developing a corporate training program that will be rolled out in 2023.

### Addressing privacy risk

We employ four key processes to identify and address privacy risk:

1. The Privacy Advisory Committee completes an annual risk assessment, reviewing risk for the company as a whole and calibrating program priorities for the year.
2. We conduct an annual privacy self-assessment across our functions and business units to evaluate compliance with policy, identify function- or entity-specific risks and audit for data privacy issues.
3. The Internal Audit team uses a data privacy questionnaire and considers privacy issues in its general audit work.
4. We complete a privacy impact assessment (PIA) for systems, service providers and products that involve the processing of personal information. Through the PIA, we incorporate privacy by design into our products and services, as well as protect the privacy of our employees, job applicants, visitors and others whose personal information we may collect and process.



# Ensuring business resilience and crisis management

Whether it is a critical component for an airline to get passengers home or a radio to help forces communicate, our products are mission-critical and cannot afford business disruptions.

Our business resilience and crisis management (BRCM) approach enables us to work across our organization to take preemptive action and respond to potential threats or incidents anywhere in the world they occur. We have integrated this approach across key functions and levels of the business.

Our BRCM policies and teams, led by our chief security officer, are often regarded as industry leaders by federal and state agencies. In each business unit, the vice president of operations serves as the executive champion for BRCM, while our Crisis Management Team comprises c-suite executives from across the organization. Our incident support teams are made up of functional leaders and business executives who work in coordination with site-level management and response teams to help ensure timely notification and escalation for any incident.

All corporate entities and business units must conduct Threat and Vulnerability Assessments (TVAs) for key sites at least every two years and Physical Security Assessments (PSAs) at least every three years. In the past two years, we achieved 100% of our planned TVAs and PSAs at key sites.

In 2022, we continued to align and standardize our assessment processes and communications across our business units. We created tools to help business units conduct assessments and prioritize risk based on probability of occurrence, severity and recovery capabilities. Based on assessments, business units create incident response plans and use our standard mass notification system before, during and after an incident to mobilize teams, notify personnel of an event and conduct wellness checks on employees. We conduct annual exercises designed to prepare the

company for a wide range of crises, whether natural disasters, accidental or manmade, and strengthen our preparedness with public and private partners, including the Critical Manufacturing and Defense Industrial Base Sector Coordinating Councils.

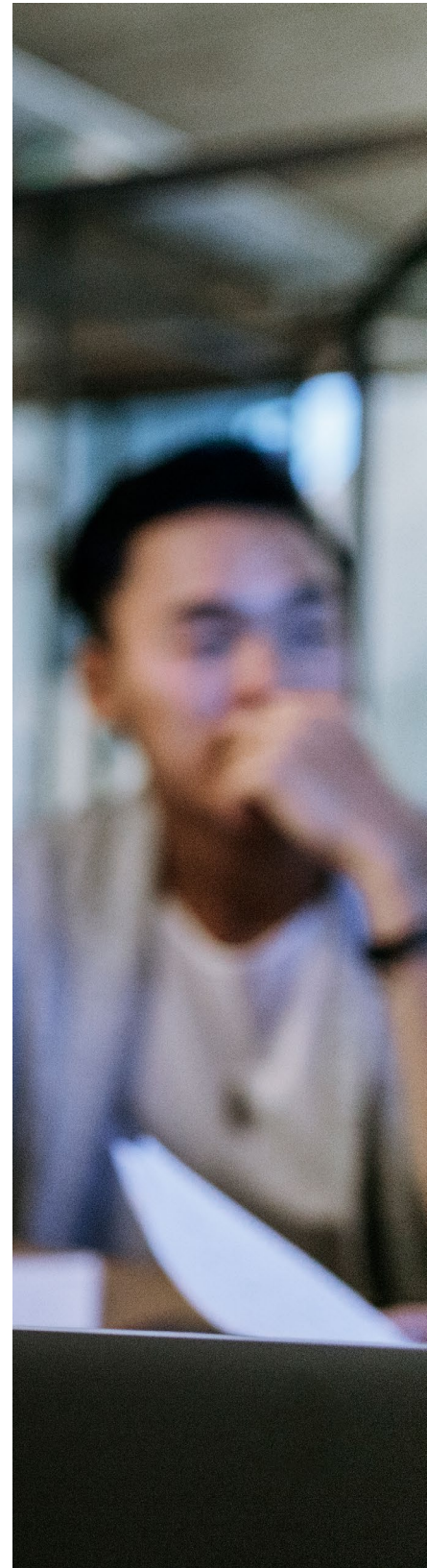
As part of our BRCM process, in 2022, the Global Security Services Council, comprised of Operations & Investigations (O&I) leaders, began an initiative to develop an enterprise campaign on workplace violence awareness and prevention, with employee training to be launched in 2023. Further, in 2023 we will also finalize an enterprisewide awareness and prevention training that all employees will be required to complete every three years.

In 2023, we will formalize our risk assessment mitigation strategy reviews at the business and corporate levels to provide an additional layer of feedback on threat assessments, as well as recommendations for further reducing risk and increasing business resiliency.

## Strengthening resilience to climate risks

Our BRCM program provides a key method for identifying and managing physical climate-related risks and helping sites identify, assess, prepare for and respond to severe weather threats such as hurricanes and flooding. It also accounts for risks associated with longer-term chronic physical changes in weather patterns, sea level rise, temperature increases, drought and other climate change impacts.

More information on our approach to managing and addressing climate risk can be found in the [TCFD Index](#) in the [Appendix](#) of this report, on our [website](#) and in our [2022 CDP disclosure](#).





# Advancing human rights

Raytheon Technologies is committed to respecting human rights. This commitment is reflected in our [Code of Conduct](#), culture, values and operating principles. It is also reflected in our enterprise [Human Rights Policy](#), which sets forth the principles we expect our business units and employees, as well as our customers, suppliers and other partners, to uphold.

The Raytheon Technologies Human Rights Council is responsible for overseeing company processes, policies and practices to identify, assess and address human rights risks. The Human Rights Council, which meets monthly, includes leaders from Corporate Governance, Global Ethics and Compliance, Global Legal Affairs, Global Government Relations, Global Trade, Investor Relations, Operations & Supply Chain and each business unit. It reports key issues and risks to the Board's GPPC at least annually.

We are building a long-term roadmap for mitigating human rights risks across the value chain. We provide an [anonymous reporting channel](#) for employees, contractors, business partners and others to report concerns related to human rights and have zero tolerance for retaliation against good-faith reporting.

## Human rights in the supply chain

We hold our suppliers responsible for upholding human rights standards through our [Supplier Code of Conduct](#) and require them to have management systems, tools and processes in place to help ensure compliance. In 2022, we added human rights-related questions to our annual supplier certifications, and initial screening and onboarding requirements. Questions examine whether suppliers have human rights policies and procedures in place, as well as any potential human rights impacts related to their products or services. Our business units will review the results of these screenings to identify areas of heightened risk. We are also working to assess and implement due diligence best practices we have identified through industry benchmarking.

Our suppliers are required to adhere to the standards set forth in our [Modern Slavery](#) and [Conflict Minerals](#) policy statements. We have a robust conflict minerals compliance program that employs a risk-based due diligence process based on an internationally recognized framework. We also participate in industry initiatives to raise awareness of responsible sourcing of conflict minerals.

At the end of 2022, we expanded the required training on preventing and detecting child labor and modern slavery in global supply chains to all employees in the supply chain function. This training will be completed in 2023. Training is aligned with existing regulations including the U.K. Modern Slavery Act and California Transparency Act, and highlights the forced labor "red flags" from the International Labour Organization's Indicators of Forced Labor.

## Responsible product sales

We recognize that the human rights considerations associated with our defense products and services are a dynamic and complex subject. Sales of these products carry potential risks associated with their misuse or failure and we have a responsibility to identify and mitigate these risks where feasible.

Central to this responsibility is our strong commitment to compliance with all U.S. and applicable non-U.S. laws and regulations governing exports, imports, anti-boycott, economic sanctions and embargoes. Our global trade compliance program implements controls, processes and required trainings within each business unit to help ensure compliance with the laws and regulations that help protect human rights.

We also operate a due diligence program focused on identifying and mitigating human rights risks associated with potential product sales. Our Human Rights Council developed the framework for this program and each business unit is responsible for embedding controls in its operations to screen potential sales involving certain types of products in countries that present a higher risk of human rights violations from misuse. Where appropriate, we consider potential mitigation actions such as implementing technical and capability limitations, imposing contractual terms and conditions and requiring installation, training and maintenance services to reduce the risk of product misuse. The Human Rights Council consults with the business units on potential covered sales.



### A shared responsibility

We believe respecting and protecting human rights is a shared responsibility between government and the private sector. Through the products we offer and our engagement with the government, we actively support efforts to protect human rights, economic security and national security. Our exports of military and security items outside of the U.S. are subject to an exacting U.S. government review and approval process designed to ensure our overseas sales support U.S. foreign policy and national security interests. This review includes an assessment of human rights and international law.

# A foundation of ethics and compliance

Our Global Ethics and Compliance (GEC) program builds on the foundation of our corporate values. We believe that ethical and compliance-minded business practices are an essential factor in how our employees make decisions; how we develop, deploy and support our product and service offerings; and our ability to establish and maintain strong relationships with our customers, suppliers and other stakeholders.

We drive transparency and collaboration across the organization through our GEC governance model. Our Board's Audit Committee oversees the company's compliance with policies and procedures, our Code of Conduct and applicable laws and regulations, with updates from our chief ethics and compliance officer at least quarterly. Our Risk & Compliance Council, which includes the CEO and several other senior corporate leaders, meets at least quarterly to review key risks and determine topics to review with the Audit Committee.

Our corporate GEC leaders collaborate through both formal and informal channels with their business unit GEC counterparts and functional leaders responsible for compliance. Our senior management team engages with GEC leadership through the Risk & Compliance Council. Formal channels include our Compliance Leadership Group, which meets quarterly and brings together compliance leaders from multiple compliance risk areas (e.g., corruption, privacy, government contracting, global trade and antitrust) along with business unit compliance leaders and leaders from Human Resources, Internal Audit, Controllershship and others. Other formal channels include risk area-specific councils or committees such as our Ethics Leadership Group, Privacy Advisory Council and Anti-Corruption Advisory Council. Beyond our formal channels, our corporate GEC and business GEC teams, along with functional stakeholders, collaborate to manage day-to-day ethics and compliance risks.

## Comprehensive controls framework

Our controls framework starts with our policies, which we strive to operationalize through various systems, tools and standardized practices. We provide training to help employees understand their obligations, the risks we face and how to report concerns and seek guidance.

In 2022, we continued to harmonize key processes and practices and to enhance our comprehensive program. Notably, we continued the expansion of our part-time Ethics and Compliance Officer (ECO) and Ethics Ambassador (EA) program, a critical resource of front-line compliance professionals who work closely with our full-time GEC teams. We now have several hundred full- and part-time ECOs and EAs embedded within our business operations throughout the company.

## Reporting and investigations

Every single Raytheon Technologies employee has an obligation to speak up when they observe or suspect violations of our Code of Conduct, policies or the law. We provide multiple avenues for employees to raise concerns and have a strict policy prohibiting retaliation against anyone who raises a concern in good faith or participates in the investigative process.

Our Speak Up Helpline is staffed by a third-party provider and offers anonymous and confidential global phone and web-based reporting options. In addition, while our Ombuds Program is not a reporting channel, it offers a confidential, informal, neutral and independent resource to help individuals explore options to resolve problems, complaints and conflicts. When allegations of potential violations of our Code of Conduct, policies or the law arise, they are investigated by teams of skilled investigators. Matters are maintained in our new global ethics case management system and tracked to completion.



## Employee awareness and education

We articulate our expectations and guidelines for ethical behavior in our [Code of Conduct](#), which applies to all employees at all levels.

To increase employee understanding of what it means to act with integrity, we communicate regularly on key topics such as our Code of Conduct and the importance of reporting violations. We require employees to complete annual ethics and compliance education, and employees are periodically required to acknowledge their familiarity and compliance with our Code of Conduct.

We also offer targeted education and communication on the rules for giving and receiving gifts, disclosing conflicts of interest, adhering to anti-corruption policies and laws, U.S. government contracting requirements, avoiding anti-competitive behavior and global trade requirements. In 2022, we began an integrated Ethics and Compliance certification survey and disclosure tool on these topics. In addition, our Ethics & Compliance Education Center provides on-demand ethics and compliance courses. Additionally, anti-corruption education is required of employees who are identified by each business unit as needing to understand corruption risk in the global business environment. Employees are identified through a number of different methods, including geography, function and role. In 2022, more than 88,800 employees completed anti-corruption training.


### Public policy and advocacy

Our values and Code of Conduct also underpin our participation in the [political process](#), where we have an overarching goal of educating elected officials and the public about how policy issues impact our business, customers and employees. Our Global Government Relations organization coordinates engagement with government officials, and all our employees and external lobbyists involved in government relations activities receive guidance and consent on their advocacy from senior management. Our Board of Directors provides additional oversight and reviews and monitors all government relations activities.

## Ongoing risk assessments

Internal risk assessments, which incorporate government guidance and industry best practices, are a critical component of our compliance program.

Through collaboration between our Corporate Compliance, Controllershship and Internal Audit teams, we conduct assessments to evaluate the strength, implementation and effectiveness of our ethics and compliance program and controls, and to identify emerging or potentially latent risks. We have also developed audit modules for anti-corruption, antitrust, global trade and privacy that auditors use to assess targeted risks within sites, functions or processes. Part of each audit includes a culture survey and the results of these surveys are shared with GEC. GEC also collaborates with our corporate controller and our Enterprise Services organization to access transactional, financial and other data. Our GEC team and other compliance stakeholders review assessment results to address our evolving risk environment and deploy resources appropriately.

 More information about our policies, procedures and activities related to ethics and compliance can be found in our [2023 Proxy Statement](#).

### Global Ethics and Compliance education: Focus on integrity

Once a year, every Raytheon Technologies employee is required to complete the mandatory Act with Integrity education program, which draws from real ethics cases. The program explains how employees can **ACT** – that is:

- **Ask** questions if they're concerned about an issue of integrity.
- **Check** the details of the action or requested issue that is causing concern.
- **Take** action when appropriate.

In 2022, our program focused on product quality and safety, as well as the importance of asking questions and bringing issues forward by speaking up. It also reinforced the variety of reporting channels available for employees and our non-retaliation policy.



# Appendix

For additional performance data and disclosures, including our Global Reporting Initiative (GRI) Index, Sustainability Accounting Standards Board (SASB) Summary and Task Force on Climate-Related Financial Disclosures (TCFD) index, view our [Expanded ESG Report Appendix](#).

# Recognition and award highlights 2022

## America's Top Corporations for Women's Business Enterprises

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WBENC (Women's Business Enterprise National Council)

## Best Places to Work for Disability Inclusion – 100%

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Disability:IN – Disability Equality Index

## Best Places to Work for LGBTQ+ Equality

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Human Rights Campaign Foundation – Corporate Equality Index

## ENERGY STAR Partner of the Year – Sustained Excellence Award

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U.S. Environmental Protection Agency

## Five-star rating

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Hispanic Association on Corporate Responsibility

## Go Green Award

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Tucson Electric Power

## HIRE Vets Platinum Medallion

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U.S. Department of Labor

## Military Friendly for Supplier Diversity

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Military Friendly\*

## Top Companies for Diversity – #41

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DiversityInc

## Top Companies for Supplier Diversity – #11

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DiversityInc

## Top Companies for Veterans – #4

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DiversityInc

## Top 50 Best-of-the-Best Corporations for Inclusion for Supplier Diversity

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National Business Inclusion Consortium

## Top 100 Most Attractive Employers in the United States

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Universum

## Top 10% of companies leveraging community initiatives to promote a more diverse, equitable and inclusive company culture

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Civic 50

## 2022 Top Companies

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LinkedIn

## World's Best Employers 2022

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Forbes

## SITE-SPECIFIC AWARDS

### 54 sites are Voluntary Protection Program (VPP) Star-certified

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### 124 Raytheon Technologies sites received Liberty Mutual safety awards

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### Two Raytheon Technologies facilities recognized with the James S. Cogswell Outstanding Industrial Security Achievement Award

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# Performance data table

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Company data</b>			
Enterprise sales (\$)	\$64.4B	\$67.1B	See 2022 <a href="#">Form 10-K</a> .
# of total employees	174,000	182,000	
# of engineers	58,000	59,000	Total includes all employees classified under the function of "Engineering." The number of engineers reported in 2021 erroneously listed the definition of engineering professionals.
# of engineering professionals	54,000	55,000	Total includes those employees within the function of "Engineering" who are classified as executives, directors, fellows, managers or professionals.
# of new hires	20,000	32,000	
Total investment in company- and customer-funded R&D	\$7.2B	\$7.1B	See 2022 <a href="#">Form 10-K</a> .
Total number of board members	13	13	
% of physical security assessments and threat vulnerability assessments completed at key required sites	100%	100%	Key sites – site is critical based on any or all of the following criteria: size, scope, complexity, intellectual property, key personnel and dollar value.
<b>Corporate social responsibility</b>			
Total corporate giving (including corporate grants and corporate gifts made to match employee donations)	\$50.1M	\$51.2M	Employee giving and matching gifts were extremely high in 2021 because we offered a one-time 2:1 Giving Tuesday incentive. Participation well exceeded expectations and was not offered again in 2022. The \$51.2M in 2022 corporate giving is comprised of \$40.4M in corporate grants and \$10.8M in corporate gifts that matched employee donations.
\$ invested in community programs focused on underrepresented communities	N/A	\$26.2M	2022 is the first year disclosing this metric. The amount invested in community programs focused on underrepresented communities is included within the total amount of corporate giving. Data based on grants to nonprofit partners that serve beneficiaries meeting the following criteria: 50% or greater POC representation; 50% or greater women or gender diverse; or if the primary population served includes disabilities (mental/physical), LGBTQIA+ or military/veterans. Information is provided by nonprofit partners within the grant application on the Versaic (Benevity) platform.
Corporate charitable grants	\$33.7M	\$40.4M	
Total number of corporate charitable grants	975 grants made to 800 organizations	929 grants made to 762 organizations	
Total amount of employee donations	\$12.2M	\$11.4M	Employee donations include cash and in-kind contributions.
Total matching gifts from employee giving	\$16.4M	\$10.8M	Employee donations include cash and in-kind contributions. Participation and employee giving on Giving Tuesday in 2021 was higher due to the one-time double match campaign launched to promote the 2021 integration of our Connect Up platform.
# of individuals reached through Raytheon Technologies' direct funding support of nonprofits	888,000	11.1M	Third-party Mission Measurement (MM) collects data from our grantees and nonprofit partners to report impact measurement outcomes under the <a href="#">Impact Genome</a> project. In 2022, there was an increase in the number of our grantees and nonprofit partners who participated in reporting data to MM. For more information, see our <a href="#">strategic partners</a> . The increase in 2022 is reflective of a vast expansion of our grantees and nonprofit partners who report impact measurement outcomes.

(continued)

## Performance data table *(continued)*

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Corporate social responsibility <i>(continued)</i></b>			
% of Raytheon Technologies' signature programs demonstrating an efficacy rate within or above benchmark ranges	76%	86%	Efficacy rate is the percent of beneficiaries served by the program who achieved the primary, predefined outcome based on the <a href="#">Impact Genome</a> universal outcomes taxonomy. The "programs to meet or exceed the benchmark" is the percent of all programs reporting that were within or above the benchmark ranges for their primary particular outcome. The benchmarks are based on the thousands of programs that have reported into the Impact Genome Registry. The benchmarks are weighted based on evidence quality and updated monthly.
% of Raytheon Technologies' signature programs demonstrating a cost per outcome within or below benchmark ranges	65%	76%	
# of students engaged with STEM as a result of Raytheon Technologies' funding and signature partners	117,000	202,000	
# of volunteer opportunities	1,550	592	Beginning in 2022, the opportunities reflect only those entered and approved in the global volunteering platform.
# of employee volunteering hours	58,200	142,000	2022 was the first complete year where employees entered their volunteer hours into the Raytheon Technologies' global volunteer platform. Employees are encouraged to record volunteer hours through opportunities offered by Raytheon Technologies, including Global Month of Service volunteer events, as well as hours volunteered independently.
# of employees volunteering	1,220	5,450	2022 was the first complete year where employees entered their volunteer hours into the Raytheon Technologies' global volunteer platform. Employees are encouraged to record volunteer hours through opportunities offered by Raytheon Technologies, including Global Month of Service volunteer events, as well as hours volunteered independently.
# of employee volunteering hours completed during Raytheon Technologies' Global Month of Service initiative	3,400	31,100	2021 was the pilot year for the Global Month of Service, which expanded significantly in 2022. Adoption of the platform for tracking volunteer hours increased across employees.
# of employees who volunteered in Raytheon Technologies' Global Month of Service initiative	401	2,660	2021 was the pilot year for the Global Month of Service, which expanded significantly in 2022. Adoption of the platform for tracking volunteer hours increased across employees.
# of employees who volunteered in summer work experience programs	320	440	
# of causes supported through volunteering and/or charitable grants	8,000	8,270	
# of employees who participated in employee giving globally	11,500	10,700	
<b>Talent</b>			
Employee engagement survey score	72 out of 100	72 out of 100	Semiannual surveys were conducted in April and September of 2022. The results were calculated by computing the average score for the success question. The survey score is an average of the two survey success scores. The success score has proven to have the highest correlation with the drivers of engagement, along with outcomes such as productivity and retention, and can help managers understand, at the highest level, how happy their team is at work.
Employee turnover rate (voluntary)	6.1%	7.1%	Excludes retirements.

*(continued)*

## Performance data table *(continued)*

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Talent</b> <i>(continued)</i>			
Total employee training hours completed by:	703,000	<ul style="list-style-type: none"> <li>■ 668,000 hours of training required across the company in 2022.</li> <li>■ All completed training by gender:               <ul style="list-style-type: none"> <li>– Women total: 1,610,000 hours.</li> <li>– Men total: 4,360,000 hours.</li> </ul> </li> <li>■ All completed training professional+ vs. prod maint:               <ul style="list-style-type: none"> <li>– Professional+ total: 4,960,000 hours.</li> <li>– Prod maint total: 1,040,000 hours.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>■ Gender.</li> <li>■ Category of employee.</li> <li>■ Required training (e.g., ethics, data privacy) vs. optional.</li> </ul>			
Average employee training hours completed by:	3.98	<ul style="list-style-type: none"> <li>■ 3.66 average hours of training required per employee in 2022.</li> <li>■ All completed training by gender:               <ul style="list-style-type: none"> <li>– Women avg.: 34.9 hours.</li> <li>– Men avg.: 32.2 hours.</li> </ul> </li> <li>■ All completed training professional+ vs. prod maint:               <ul style="list-style-type: none"> <li>– Professional+ avg.: 38.6 hours.</li> <li>– Prod maint avg.: 19.4 hours.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>■ Gender.</li> <li>■ Category of employee.</li> <li>■ Required training (e.g., ethics, data privacy) vs. optional.</li> </ul>			
# of employees moved across business units or corporate office	N/A	2,480	2022 is the first year disclosing this metric.
<b>Diversity</b>			
% of employees that are POC	30.9%	32.2%	U.S. only. Includes all employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander or Two or More Races. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
# of employees that are POC	37,900	40,400	U.S. only. Includes all employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander or Two or More Races. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are American Indian/Alaska Native	0.6%	0.6%	U.S. only. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are Asian/Asian American	9.8%	10.1%	U.S. only. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are Black/African American	7.9%	8.1%	U.S. only. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are Hawaiian/Pacific Islander	0.2%	0.3%	U.S. only. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are Hispanic/Latinx	10.4%	11.0%	U.S. only. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.

*(continued)*



## Performance data table *(continued)*

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Diversity <i>(continued)</i></b>			
% of employees that are Two or More Races	2.0%	2.1%	U.S. only. Excludes employees in Puerto Rico. A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of supplier spend on small and diverse suppliers	28%	28%	U.S. spend only. Includes minority-owned business enterprises (MBE), small disadvantaged businesses (SDB), service disabled vets (SDV), historically underutilized business zones (HUBZones), women-owned business enterprises (WBE) and LGBTQIA+. Includes product and nonproduct suppliers. Excludes Intertrade and unaddressable spend.
Total supplier spend with small and diverse suppliers	\$6.7B	\$7.0B	U.S. spend only. Includes minority-owned business enterprises (MBE), small disadvantaged businesses (SDB), service disabled vets (SDV), historically underutilized business zones (HUBZones), women-owned business enterprises (WBE) and LGBTQIA+. Includes product and nonproduct suppliers. Excludes Intertrade and unaddressable spend.
# of jobs and wages supported through supplier diversity	59,700 jobs \$3.8B wages	To be reported in Q2 2023	As spend with small and diverse suppliers increased in 2022 by \$0.3 billion, it is estimated that more than 59,700 jobs and \$3.8 in wages were provided as a result of Raytheon Technologies' spend.
# of women employees	43,800	46,300	Includes number of women globally.
# of U.S. veteran employees	15,000	15,100	Based on voluntary self-identification.
% of new hires that are women and/or U.S. POC	N/A	45.4%	Global women and U.S. POC only. Excludes Puerto Rico. Includes all employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander and Two or More Races. 2022 is the first year disclosing this metric to represent progress against our <a href="#">Workforce 2030</a> roadmap and will be reported in future years.
% of intern hires that are women and/or U.S. POC	N/A	45.2%	Global women and U.S. POC only. Excludes Puerto Rico. Includes all employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander and Two or More Races. 2022 is the first year disclosing this metric to represent progress against our <a href="#">Workforce 2030</a> roadmap and will be reported in future years.
% of employees under age 30	16.2%	17.3%	A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees between age 30-50	50.1%	48.5%	A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees over age 50	33.7%	33.9%	A small group of 500 employees do not have race/ethnicity or age listed in the human resources management tool.
% of board members that are women	30.8%	30.8%	Does not include a new women director who joined the Board in January 2023. Please see 2023 <a href="#">Proxy Statement</a> for details.
% of board members that are POC	15.4%	15.4%	
% of executives that are women	30.1%	32.7%	
# of executives that are women	398	412	
% of executives that are POC	16.6%	17.4%	U.S. only. Excludes employees in Puerto Rico. Includes all employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander and Two or More Races.
# of executives that are POC	203	201	U.S. only. Excludes employees in Puerto Rico. Includes all employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander and Two or More Races.
<b>Emissions</b>			
Total Scope 1 and 2 (market-based) GHG emissions (MT CO <sub>2</sub> e)	1,434,600	1,433,300	In 2022, Raytheon Technologies changed their Scope 2 accounting methodology for its GHG goal to use market-based emissions accounting rather than location-based emissions accounting to better demonstrate the positive impacts of our increased use of renewable electricity. Calculated considering the principles and guidance from the GHG Protocol and the U.S. EPA standards. 2021 was revised under the same basis.
Total Scope 1 GHG emissions (MT CO <sub>2</sub> e)	510,400	506,700	Calculated considering the principles and guidance from the GHG Protocol and the U.S. EPA standards.

*(continued)*

## Performance data table *(continued)*

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Emissions <i>(continued)</i></b>			
Scope 1 and 2 GHG emissions intensity (metric tons/\$M revenue)	22.3	21.4	In 2022, Raytheon Technologies changed their Scope 2 accounting methodology for its GHG goal to use market-based emissions accounting rather than location-based emissions accounting to better demonstrate the positive impacts of our increased use of renewable electricity. The 2021 intensity has been updated to be consistent.
Total Scope 2 GHG emissions (market-based) (MT CO <sub>2</sub> e)	924,200	926,600	Scope 2 market-based emissions, not location-based, are used in Raytheon Technologies' GHG goals and are calculated considering the principles and guidance from the GHG Protocol and the U.S. EPA standards.
Total Scope 2 GHG emissions (location-based) (MT CO <sub>2</sub> e)	941,700	936,100	Scope 2 market-based emissions, not location-based, are used in Raytheon Technologies' GHG goals. We are providing both emissions consistent with our CDP reporting.
Reduction in GHG emissions (%)	21%	21%	Total Scope 1 and 2 (market-based) emissions from the 2019 baseline. Scope 1 and 2 emissions reductions in 2021 were recalculated to be consistent with the updated Scope 2 market-based approach. Raytheon Technologies selected a 2019 baseline for its GHG goal rather than 2020 because 2020 levels were impacted by COVID-19. Our GHG and energy reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases and we will continue to monitor our progress against our 2025 goal.
Total Scope 3 GHG emissions (MT CO <sub>2</sub> e)	24,667,900	22,256,400	Total Scope 3 emissions include categories 1, 2, 3, 5, 6, 7 and 11. For the purposes of calculating the 2022 totals, the 2021 Scope 3, category 7, emissions were used. The total Scope 3 emissions is the sum of the raw data rounded.
Scope 3, Category 1 (purchased goods and services) (MT CO <sub>2</sub> e)	14,614,000	12,043,400	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. The 2022 value uses the 2021 supplier spend. The 2021 value uses the 2020 spend.
Scope 3, Category 2 (capital goods) (MT CO <sub>2</sub> e)	747,600	701,900	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. The 2022 value uses the 2021 supplier spend. The 2021 value uses the 2020 spend.
Scope 3, Category 3 (fuel- and energy-related emissions) (MT CO <sub>2</sub> e)	287,500	294,000	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance.
Scope 3, Category 5 (waste generated) (MT CO <sub>2</sub> e)	12,600	13,300	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance.
Scope 3, Category 6 (business travel) (MT CO <sub>2</sub> e)	54,900	121,800	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance.
Scope 3, Category 7 (employee commuting) (MT CO <sub>2</sub> e)	471,700	Not calculated for 2022. Refer to 2021 estimate.	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. The 2022 emissions have not been recalculated at this time due to data source difficulties and complexity of the calculations.
Scope 3, Category 11 (use of sold products – civil aircraft engines) (MT CO <sub>2</sub> e)	8,479,700	8,888,400	Calculated considering the principles and guidance from the GHG Protocol Standard and Technical Guidance. The increase in emissions is directly tied to increased sales of engines from 2021 to 2022.
Carbon offset credits purchased (MT CO <sub>2</sub> e)	8,550	11,180	Offsets are not counted toward Raytheon Technologies' GHG reduction goals.
<b>Energy</b>			
% of implementation of energy/GHG BMPs	47%	64%	
% of energy sourced from electricity grid	52%	53%	
% of total electricity sourced from renewable sources	3.5%	4.2%	
% of total energy sourced from renewable sources	2%	2%	
Total renewable energy projects	Over 30	44	
Total renewable electricity procured or generated from renewable electricity projects (MWh)	92,000	111,100	
Energy savings from energy-reduction projects (kWh)	N/A	34,100,000	2022 is the first year disclosing this metric.
Total energy consumed (GJs)	17,700,000	17,900,000	

*(continued)*

## Performance data table *(continued)*

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Energy <i>(continued)</i></b>			
Energy intensity (GJ/\$M revenue)	274	267	
Reduction in energy consumption since 2019 (%)	N/A	12%	Reductions from the 2019 baseline, with a new metric/goal starting in 2022. Our energy reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases and we will continue to monitor our progress against our 2025 goal.
Total energy reduction projects	Over 100	72	Not inclusive of all energy reduction projects. Based on energy reduction thresholds set by each business.
<b>Product safety</b>			
% of facilities or sites that provide products and services that have a certified QMS or have a plan to achieve certification	100%	100%	
# of sites that produce products being certified under AS9100, AS9110, AS9120 or ISO 9001	<ul style="list-style-type: none"> <li>■ AS9100 – 262</li> <li>■ AS9110 – 51</li> <li>■ AS9120 – 7</li> <li>■ ISO 9001 – 46</li> </ul>	<ul style="list-style-type: none"> <li>■ AS9100 – 228</li> <li>■ AS9110 – 43</li> <li>■ AS9120 – 6</li> <li>■ ISO 9001 – 45</li> </ul>	
<b>Safety</b>			
# of work-related incidents	634	544	
# of serious work-related incidents	2	3	
# of work-related fatalities	1	0	
Total Recordable Incident Rate (TRIR)	0.36	0.30	TRIR is a workplace safety metric measuring recordable incidents as defined by OSHA. Excludes non-work-related injuries and non-supervised contractors.
Lost Day Incident Rate (LDIR)	0.12	0.08	LDIR is a workplace safety metric measuring incidents resulting in lost work days.
% decrease in high-chemical/high-noise risks since 2021	N/A	14%	We conducted a complete analysis of chemical and noise risks in 2021 to establish this baseline. Any new high-chemical/high-noise risk identified between 2021 and 2024 will be included in the baseline.
# of OSHA VPP-certified sites	57	54	The number of sites in 2022 represents a decrease due to site closures or sites withdrawing from the program because of the reduced number of onsite employees.
% decrease in high and elevated ergonomic risks since 2015	85%	88%	We use the 2015 baseline for high ergonomic risk, as both of our heritage organizations, Raytheon Company and United Technologies, had 2020 goals to reduce risk from that baseline. Our 2025 goal is a continuation of their original goals. Any new high or elevated risks identified from 2022 through 2024 through industrial ergonomic assessments will be incorporated into the baseline metrics and prioritized for risk reduction. Operations are expected to include ergonomic design considerations for all new processes to prevent the introduction of new high risks. As we head into the 2030 goal cycle, any high or elevated risks that were reduced to medium in the 2025 goal cycle will again be considered for additional risk reduction. Note that ergonomic risks related to the Rockwell Collins acquisition were added to the baseline in 2022; however, the 2025 goals were unchanged.
% decrease in medium ergonomic risks since 2020	16%	25%	The baseline for medium risk was set in 2020 after the merger when the 2025 goals were established. Any high or elevated risk reduced to a medium risk is excluded from the medium risk reduction goal. Note that ergonomic risks related to the Rockwell Collins acquisition were added to the baseline in 2022; however, the 2025 goals were unchanged.
% of applicable sites that have met requirements to ensure robust near-miss reporting	34%	80%	

*(continued)*

## Performance data table *(continued)*

For ease of reference, consolidated data points for key topic areas are presented below. The metrics in the Appendix have been rounded to three significant figures unless disclosed in the [2022 CDP Report](#) or the metrics have been previously disclosed. Percentages have been rounded to the nearest tenth.

Description	2021 data	2022 data	Notes
<b>Waste</b>			
# of Raytheon Technologies' facilities certified under the Green Business Certification Inc.'s Total Resource Use and Efficiency (TRUE) zero-waste certification program	20	14	The number of certifications is down from 2021 due to site closures, disruptions from the COVID-19 pandemic and changes in site waste streams and recycling services.
Amount of hazardous waste generated (tons)	22,300	22,500	
% of hazardous waste that is recycled	24%	24%	
<b>Waste <i>(continued)</i></b>			
% reduction in waste sent to landfill and incineration since 2019	24%	22%	Raytheon Technologies selected a 2019 baseline for its waste goal rather than 2020 because 2020 levels were impacted by COVID-19. Our landfill/incineration waste reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases, and will continue to monitor our progress against our 2025 goal.
Amount of waste sent to landfill and incineration (tons)	26,300	27,700	
% of waste sent to landfill and incineration	30%	28%	
% of waste sent to landfill	17%	15%	
Total waste generated (tons)	87,300	99,900	
Total waste intensity (tons/\$M revenue)	1.36	1.49	Waste generation increased in 2022 primarily due to increased production and recovery in our commercial aviation businesses, as well as increased waste generation, which was only partially offset by increased revenues compared to 2021.
% implementation of 11 waste best management practices (BMPs)	56%	74%	All 11 waste BMPs apply to sites that generate 150 tons or more of waste per year.
<b>Water</b>			
Total potable water consumed (K gallons)	1,502,000	1,551,700	
Water use intensity (K gallons/\$M revenue)	23.3	23.1	
% implementation of nine water best management practices (BMPs)	50%	72%	Reflects implementation of nine water BMPs. All nine water BMPs apply to sites consuming a minimum of five million gallons or more of potable water per year.
% reduction of water consumption since 2019	19%	15%	Raytheon Technologies selected a 2019 baseline for its water goal rather than 2020 because 2020 levels were impacted by COVID-19. Our water consumption reductions are due in part to the impacts of COVID-19 on commercial aviation. We anticipate that those reductions will erode as travel increases, and we will continue to monitor our progress against our 2025 goal.
<b>Environmental compliance</b>			
Total monetary value of fines	\$21,700	\$209,700	Of the total fines during the reporting period, one fine was for \$200,000 associated with operation of emergency generators for non-emergency purposes while conducting electrical grid repairs as part of post-hurricane infrastructure repairs at a Puerto Rico facility.
# of reportable spills	0	1	
Quantity recovered from reportable spills gallons	0	450,000	
# of facilities/sites with ISO 14001/RC 14001 certification	53	49	Number of certified sites in 2022 was impacted by divestitures, closures and changing customer requirements.
% achievement of on-time completion of correction actions	N/A	92%	2022 is the first year disclosing this metric to represent progress against the goal to achieve 100% of on-time completion of corrective actions.



#### Forward-looking statements and other important information

This report contains certain metrics and other information relating to Raytheon Technologies' ESG objectives, goals, targets, aspirations, plans, expectations, performance, and data. The report describes topics which we consider to be the most salient to stakeholders when evaluating Raytheon Technologies' ESG-related information. However, the inclusion of information in this report is not an indication that such information is necessarily material as contemplated by the U.S. federal securities laws and the applicable regulations thereunder. In addition, the metrics and other data information in this report are based on company data collection and are subject to uncertainties with respect to specificity of reporting, characterization, comparison, and other process consistencies. In certain cases, this information is also based on our current best estimates and assumptions. We believe such information and metrics are reasonable and are generally consistent with current industry practices, legal and regulatory requirements, and other applicable frameworks, but they have not been audited or reviewed by a third party (other than audited financial data). Unless otherwise specified, metrics shared are for the calendar year January 1, 2022 – December 31, 2022. Furthermore, this report contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "estimate," "commit," "project," "target," "anticipate," "will," "should," "goals," "objectives," "aspire," "seek," and other words of similar meaning. Examples of forward-looking statements in this report include statements and assumptions relating to Raytheon Technologies' ESG-related goals, targets, objectives, aspirations and commitments, planned efforts and activities, expectations on the results of such efforts and activities, and expectations on the performance of technology. These forward-looking statements are subject to risks and uncertainties that may result in Raytheon Technologies not achieving or changing, in whole or in part, goals, targets, objectives, aspirations or commitments, or cause actual actions or results to differ greatly from those expressed or implied. These risks and uncertainties include, among others: (i) global macroeconomic, business, political, financial market and climate conditions, including supply chain and labor market conditions, inflation, interest rates, commodity prices and supply and geopolitical conditions; (ii) availability of funding; (iii) evolving legal and regulatory requirements, and the outcome of pending, threatened and future legal proceedings, investigations or other contingencies; (iv) the success of our environmental, social and governance related initiatives; (v) the accuracy of our estimates and assumptions; (vi) the success of new technologies; (vii) the impact of acquisitions or divestitures or other changes in our employee or product and service base; (viii) the ability to attract and retain personnel and suppliers with technical and other skills; (ix) the willingness of suppliers to adopt and comply with our programs; (x) the impact of business disruptions, including as a result of cyber or other security threats; and (xi) the impact of a product safety failure or other failure affecting our or our customers' or suppliers' products or systems. Please consult our U.S. Securities and Exchange Commission (SEC) filings, including our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, for further information regarding risks and uncertainties associated with our business. The forward-looking statements in this report speak only to the date of this report and Raytheon Technologies assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law. Raytheon Technologies Corporation and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are either the registered or unregistered trademarks or trade names of Raytheon Technologies Corporation and its subsidiaries. Names of other companies, abbreviations thereof, logos of other companies, and product and service designators of other companies are either the registered or unregistered trademarks or trade names of their respective owners.