



**RTX**

**COLLINS AEROSPACE**

**PRATT & WHITNEY**

**RAYTHEON**

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**RTX**

2023 Environmental, Social,  
and Governance Report

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# Letter from the Chairman and CEO

At RTX, we're driven by our mission to connect and protect the world. Our superior technology, talented workforce and global scale combine to bring people together, grow economies and strengthen global security. As a team, we're committed to delivering responsible growth for our shareholders, customers, employees and suppliers.

In 2023, we reorganized from four businesses to three, each representing a great heritage brand: Collins Aerospace, Pratt & Whitney and Raytheon. We also renamed our company RTX, signaling that we are truly an integrated aerospace and defense company – one team with a united vision and a shared set of values that drives everything we do.

Our Environmental, Social and Governance (ESG) strategy remains inextricably linked to our business strategy. It's composed of three pillars – People, Planet and Principles – and 12 underlying ESG priorities. And in 2023, our results and actions underscored our foundational commitment to these imperatives.

**People:** Our people are key to fueling our success. We are investing in their growth and creating an inclusive culture where all employees have equitable opportunities to thrive. We initiated our inaugural RTX Global Inclusion Week last year, highlighting our focus on strengthening connections and fostering belonging across the enterprise.

RTX has always supported our local communities. In 2023, we marked the third year of Connect Up, our 10-year, \$500 million commitment to supporting lifelong learning, honoring service and boosting community well-being. I'm proud of the work we accomplish with our community partners and of the many RTX employees who volunteer their time to uplift local communities.

**Planet:** We invested \$9.7 billion last year in capital expenditures and customer- and company-funded research and development, totaling more than \$28 billion over the past three years. These investments help us not only reduce the environmental intensity of our products, but also achieve progress toward the industry's goal of achieving net-zero carbon emissions by 2050.

Deploying our CORE™ operating system across the company drives manufacturing efficiency that advances our Roadmap to 2050 strategy to accelerate our emissions reductions process. This year we unveiled a 250-kilowatt electric motor at the opening of our new advanced electric power systems lab. This cutting-edge facility will be used to develop and test key components for hybrid-electric propulsion and electric systems.

**Principles:** Safety is – and will always be – paramount at RTX. Last year, we took action on a previously disclosed rare condition in powder metal used to manufacture certain parts in the Pratt & Whitney GTF engine. We understand the impact this is having on our customers, and we have worked closely with all our stakeholders to minimize the disruption. We believe this action demonstrates the strength of our safety governance, processes and systems, and our commitment to do what's right for our customers.

**Our future:** RTX's mission proved as vital as ever in 2023, particularly amid an uncertain geopolitical and economic environment. As I pass the reins to Christopher Calio as RTX's next CEO, I do so with the knowledge that our vision for a safer, more connected world is secure. The work we've done over the past several years has positioned us well to continue building upon our robust transparency frameworks and comply with upcoming regulatory disclosure requirements.

I am immensely proud of the strength and resilience of our company. As commercial aviation connects the planet in even greater numbers and the pursuit to preserve democracy around the world forges on, I have no doubt that our aerospace and defense technologies will continue to bridge cultures, build economies and ensure safety and sustainability for generations to come.

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**Gregory J. Hayes**

Chairman and Chief Executive Officer

"I look forward to continue advancing RTX's commitment to ESG and continuing to achieve positive impact for our customers, society, planet and business."

– **Christopher T. Calio**

President and Chief Operating Officer



Gregory J. Hayes







# About RTX

We are RTX. As one of the world’s largest aerospace and defense companies, RTX is dedicated to pushing the limits of technology and science and redefining how we connect and protect our world.

Our three market-leading businesses – Collins Aerospace, Pratt & Whitney and Raytheon<sup>1</sup> – operate as one in our unified vision of advancing aviation, building smarter defense systems, and developing next-generation technology solutions and manufacturing to help global customers address their most critical challenges.

<sup>1</sup> Effective July 1, 2023, we streamlined the structure of our core businesses to three principal business segments: Collins Aerospace (Collins), Pratt & Whitney, and Raytheon.

## OUR SCALE AND REACH

-  **Every second** of every day, an aircraft carrying RTX technology takes flight.
-  **1.4 billion+ gallons** of fuel have been saved with the help of the GTF engine since entering service in 2016
-  **~50%** of the world’s population is protected by our defense products.
-  **11 million air travel passengers** are supported every day by our safe and efficient aviation systems.

 [Learn more](#)

## OUR VALUES

### Trust

We act with integrity and do the right thing.

### Respect

We embrace diverse perspectives and treat others the way they want to be treated.

### Accountability

We honor our commitments, expect excellence and take pride in our work.







### Collaboration

We share insights, learn together and perform as a team.

### Innovation

We experiment, design, build and transform with speed and agility.

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

	Advanced materials		Artificial intelligence
	Advanced sensing		Advanced propulsion
	Electrification		Integrated systems

## RTX AT-A-GLANCE

<b>185K</b> employees	<b>57K</b> engineering professionals <sup>2</sup>	<b>51</b> countries where we employ	<b>230</b> manufacturing, production or overhaul facilities	<b>11%</b> organic growth in net sales <sup>3</sup>	<b>\$7.3B</b> in company- and customer-funded R&D	<b>66%+</b> of world’s airspace using RTX systems
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 [Click here](#) to learn more about our transformative technologies.

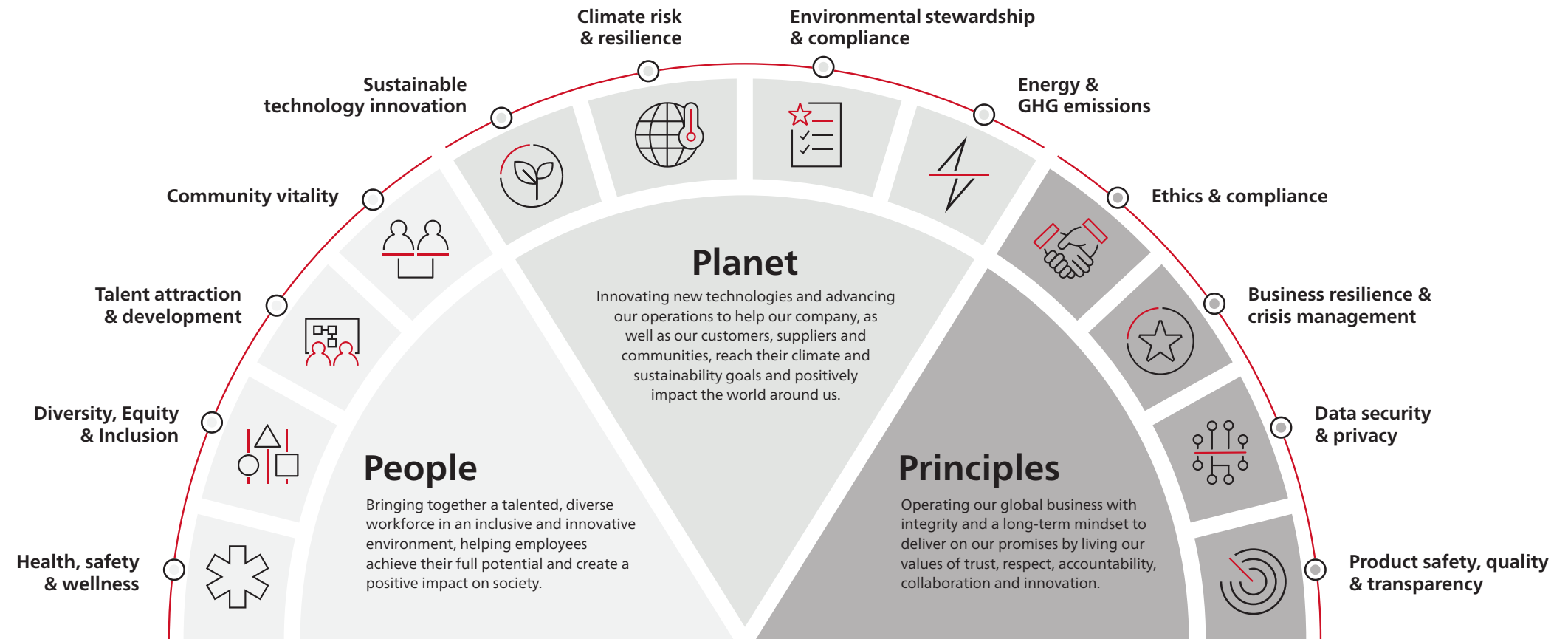
<sup>2</sup> Total includes those employees within the function of “engineering” who are classified as executives, directors, fellows, managers or professionals.

<sup>3</sup> The organic change in net sales is a non-GAAP measure and excludes acquisitions and divestitures, net, the effect of foreign currency exchange rate translation fluctuations, and other significant non-operational items and/or significant operational items that may occur at irregular intervals (Other). A reconciliation of this measure to reported U.S. GAAP amounts is provided on page 36 in our 2023 Annual Report on Form 10-K.

# ESG philosophy

Our ESG strategy aligns with our business strategy and is grounded in our three pillars of **People, Planet and Principles**, and their underlying priorities.<sup>1</sup>

To progress our strategy, we have set forward-looking ESG aspirations. They support the advancement of people, lift up underserved communities and address the global challenges of climate change.



## ASPIRATION

By 2030, we aspire to...

Decarbonize our operations by reducing our greenhouse gas (GHG) emissions by 46% from 2019 levels, which is in line with the Paris Agreement to pursue efforts to limit the global temperature increase to 1.5 degrees Celsius.

Achieve our Workforce 2030 goals, including our Diversity, Equity & Inclusion 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 carbon dioxide (CO<sub>2</sub>) emissions reductions in our 2050 civil aviation fleet by reducing fuel consumption through improvements to the engines, aircraft systems and services (relative to 2015 technology levels and the associated emissions baseline); support airframer and aircraft operator initiatives to increase overall system efficiency and collaborate with energy industry value chain partners to achieve sustainable aviation fuel (SAF) availability targets aligned with global deployment goals.

## 2023 PROGRESS

19%

reduction in GHG emissions in operations

33.4%

global women executives

8

additional engine models successfully tested with 100% unblended SAF

<sup>1</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.



# Stakeholder engagement

Solving the world’s most complex problems requires collaboration, so we regularly engage with our 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.

To the right are examples of how we engaged with stakeholders – from our employees and customers to government partners, peers and community organizations – around the world in 2023. Information on our investor ESG outreach can be found in our [2024 Proxy Statement](#). See the [Appendix](#) for additional information on stakeholders and engagement methods.

## MULTINATIONAL

Supported environmental STEM education programs of 15 nonprofits in 12 countries on five continents through our [E-STEM awards](#), a collaboration with the [North American Association for Environmental Education](#).

## NORTH AMERICA

### Canada

Focused on hybrid and alternative propulsion, aircraft architectures and systems, clean fuels, and infrastructure and operations through the [Canadian Sustainable Aerospace Ecosystem](#) initiative.

### United States

Engaged with the U.S. government and the [Aerospace Industries Association](#) to develop and publish an industry standard practice for conducting remote surveillance activities to enhance quality assurance.

Shared insights with the [Office of the National Cyber Director](#) on enhancing and standardizing cybersecurity in space technologies.

Collaborated with computer science and engineering faculty and students at [Carnegie Mellon University CyLab’s Security and Privacy Institute](#) on research projects.

Launched an initiative to collaborate with small- and medium-sized [U.S. deep tech firms](#) on advanced technologies to rapidly field new products and services for the aerospace industry.

Partnered with the [City of Tucson, Arizona](#), to help develop its [One Water 2100 Master Plan](#) to conserve water into the next century.

Opened three [NAF Academies of Engineering](#) in Compton, California, expanding access to high-quality engineering and tech curriculum in high schools.

Sponsored and attended 11 national DE&I conferences to help engage key talent vital to our work, including the [Society of Women Engineers](#) and [Society of Asian Scientists and Engineers](#).

## CENTRAL & SOUTH AMERICA

### Regional

Participated in the [Latin American and Caribbean Air Transport Association’s](#) initiatives for decarbonization in the industry.

### Guatemala

Concluded a multiyear water access project with [Engineers Without Borders](#), in which RTX employees used their skills to support building needed infrastructure.

## AFRICA & THE MIDDLE EAST

### Uganda

Partnered with [Engineers Without Borders](#) to design a new footbridge using 3D mapping technology, improving access and mobility for a rural farming community.

### United Arab Emirates

Collaborated with [Abu Dhabi University](#) to invest in the next generation of researchers, innovators and entrepreneurs.

Served on the [Global Sustainable Aviation Forum](#) panel organized by the [Air Transport Action Group \(ATAG\)](#) during the COP28 UN Climate Change Conference in Dubai, focusing on RTX’s efforts in support of the pathway to achieve net-zero for aviation by 2050.



## EUROPE

### European Union

Participated in the [E.U.’s Alliance for Zero-Emission Aviation](#) to support policies that will accelerate decarbonization of the aviation industry.

Engaged with E.U. stakeholders through [AmCham E.U.](#) to enhance transatlantic collaboration on climate, energy and transportation goals.

Helped develop FlyingGreen, a tool to monitor progress toward reduction of GHG emissions related to aviation in the E.U. through our participation in [EUROCONTROL](#).

Partnered with the [European Centre for Cybersecurity in Aviation](#) to coordinate cybersecurity standards for commercial aviation.

### France

Partnered with nonprofit [Lunettes sans Frontières \(“Glasses without Borders”\)](#) to collect unused eyeglasses from employees for people who lack access to them.

### Poland

Engaged with the [Nowa Deba USO](#) center, where RTX employees distributed meals and brought holiday celebrations to over 200 U.S. and allied service members.

### United Kingdom

Supported the annual [Cheltenham Science Festival](#) to inspire curiosity in STEM and help make sense of the world.

Worked with [Evenbreak](#) and [myGwork](#), respectively the U.K.’s biggest disability and LGBTQIA+ career sites, to make our employment opportunities as accessible as possible.

Partnered with [Business Disability Forum](#) to launch the U.K. Government’s Disability Confident “Offer an Interview” program, an initiative that opens doors for candidates with disabilities.

## ASIA

### India

Provided support for [Dharithree Trust](#) to provide disabled children with access to education and medical assistance.

### Philippines

Partnered with [Green Core Geothermal, Inc.](#), to provide renewable electricity from a local geothermal facility for one of our sites.

### Singapore

Partnered with the [Singapore Economic Development Board](#) to accelerate the adoption of new technologies that can enhance connectivity and intelligence for maintenance, repair and overhaul activities.

## OCEANIA

### Australia

Hosted an [Engagement Day](#) with high school students from New South Wales, encouraging the next generation of leaders in engineering.



## ESG accountability

Our commitment to ESG starts at the top. Our Board of Directors and its committees oversee the development and execution of our ESG strategy, and our CEO has ultimate accountability for our strategy and performance. Our ESG governance structure works to accelerate our ESG strategy while enabling the necessary collaboration across our business units, functions and geographies.

### ESG GOVERNANCE STRUCTURE

#### BOARD OF DIRECTORS

Oversees ESG strategy, initiatives, opportunities and risks, as well as enterprise cybersecurity and compliance.

#### 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

Human Capital Management, Workforce Diversity

##### Special Activities Committee

Product Cybersecurity, Classified Product Safety

#### 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.

#### ESG PROGRAM MANAGEMENT OFFICE

*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, Environment, Health & Safety, Operations & Supply Chain, Investor Relations, Government Relations, Controllership, Data Security, Human Resources, Talent, Diversity, Equity & Inclusion, 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

*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 reporting objectives; data is subject to metrics integrity reviews by controllership and internal audit.





## BOARD OVERSIGHT

Oversight of specific ESG topics is aligned to Board committees consistent with our overall approach to committee roles, expertise and focus, and similar to the oversight of enterprise risk management.

In 2023, we adjusted the responsibilities of the Board and committees related to cybersecurity risk oversight. The full Board now oversees enterprise cybersecurity and compliance. The Special Activities Committee oversees product cybersecurity and classified business cybersecurity risks. More broadly, we continue to provide frequent and detailed briefings and updates on a broad range of ESG topics to the relevant committees. Senior management keeps the Board apprised of ESG risks, including the upcoming ESG regulatory changes, as well as the company's long-range strategic planning and annual operating plan, which includes investments, expenses and R&D.


 More information on the role of each committee can be found in our [2024 Proxy Statement](#).



## RISK OVERSIGHT

We have a robust Enterprise Risk Management program designed to identify, understand, prioritize and manage the full range of significant risks to our businesses. ERM is led by Finance, with an ongoing 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 importance of our ESG priorities to our business, our ERM process regularly assesses ESG-related risks.

We compile and share our top ERM risks annually with the Board's Audit Committee as well as with the full Board. The Board allocates oversight responsibilities for these top risks among its directors and 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 business risks can be found in our [2024 Proxy Statement](#) and our [2023 Form 10-K](#).

## EXECUTIVE ANNUAL INCENTIVE PLAN AND CORPORATE RESPONSIBILITY SCORECARD

We link our Executive Annual Incentive Plan to our ESG performance through the Corporate Responsibility Scorecard (CRS), which uses quantitative goals. The scorecard comprises two categories: People & Culture (which drives progress toward our long-term DE&I aspirations, talent objectives and Workforce 2030 goals) and Sustainability (which drives our progress towards our long-term environmental sustainability objectives). We use the same CRS goals for our Broad-Based Annual Incentive Plan, which covers over 65,000 employees.

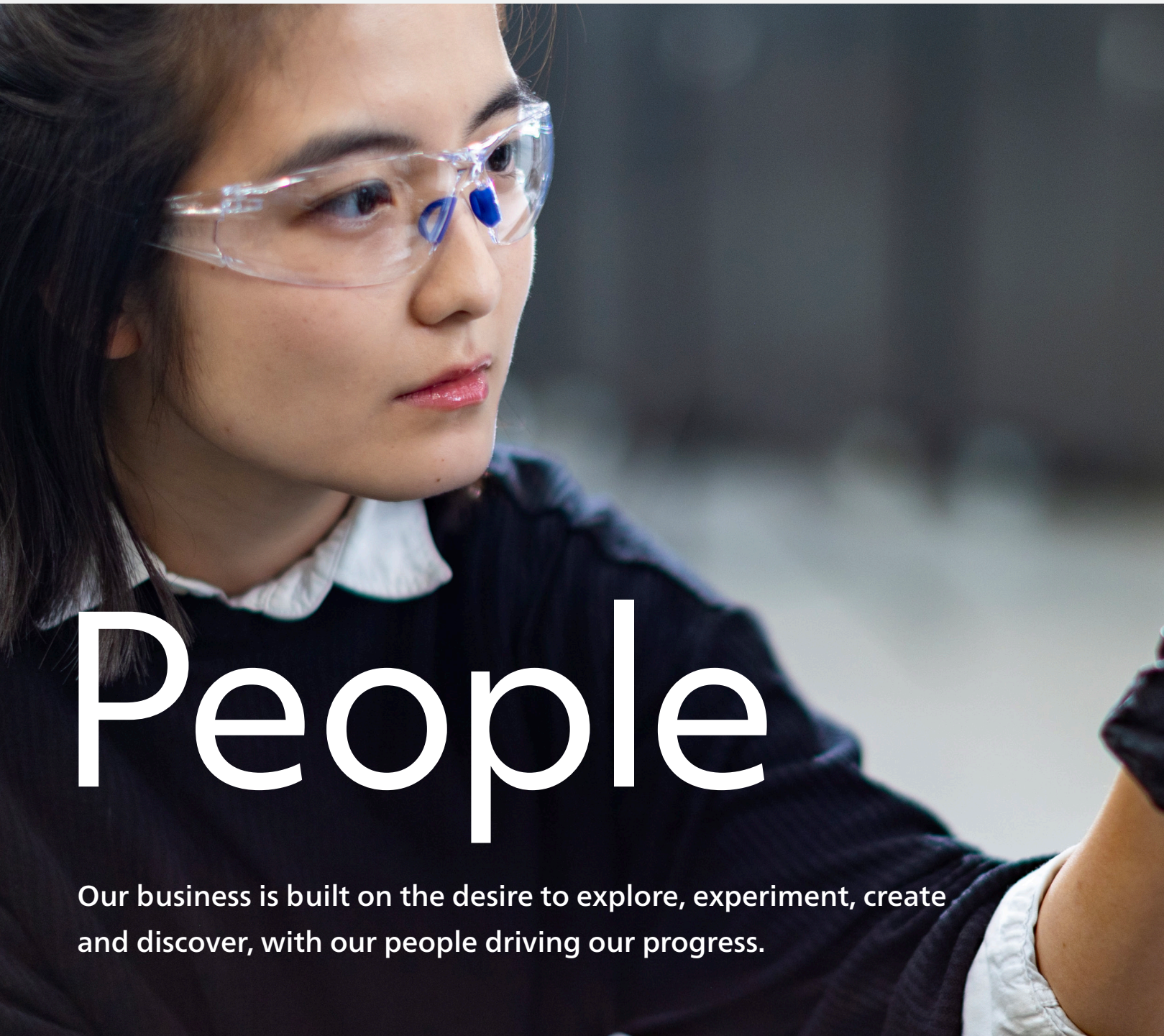
 More information on our 2023 CRS performance can be found in our [2024 Proxy Statement](#).

## PUBLIC POLICY AND ADVOCACY

Our values and Code of Conduct underpin our participation in political activities, where we work to educate 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. 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.

 Read about how Global Government Relations and our ERGs are collaborating on critical policy issues on [Page 15](#).

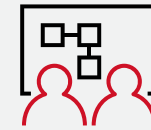




# People

Our business is built on the desire to explore, experiment, create and discover, with our people driving our progress.

TO CONTINUE OUR LEGACY OF ERA-DEFINING BREAKTHROUGHS, WE'RE FOCUSED ON:



Attracting, developing and retaining diverse, world-class talent



Cultivating well-being



Ensuring employee safety



Supporting our communities

## 2023 PEOPLE HIGHLIGHTS

**78.9%**

growth in Employee Resource Group (ERG) membership to 29.6K in 2023

**92.0%**

reduction in high and elevated ergonomic risks since 2015

**\$55.2M**

donated in corporate giving to community groups<sup>1</sup>

**205K**

volunteer hours served, up from 142K in 2022

<sup>1</sup> The \$55.2 million in 2023 corporate giving consists of \$43.4 million in corporate grants and \$11.0 million in corporate gifts that match employee donations made in cash. In 2023, RTX also included \$800,000 of company-funded nonprofit support and merchant fees.



# Diversity, Equity & Inclusion throughout our business

We work to integrate DE&I into all aspects of our business to drive innovation and results.

**2023 PROGRESS**

- Launched a multi-year initiative focused on intersectionality to unlock the power of all employees<sup>1</sup>
- Launched an equitable retirement savings initiative to address disparities found in level of contributions, percentage of early withdrawals, frequency of loans and asset allocation
- Launched our inaugural RTX Global Inclusion Week to strengthen connections and foster a culture of inclusion and belonging across the enterprise
- Launched global enterprisewide DE&I learning to professionals and employees, with ongoing deployment to new hires

## WHY IT MATTERS


Prioritizing the inclusion of different backgrounds, experiences and perspectives fosters a culture of innovation and belonging, where everyone has an equitable opportunity to thrive.

## OUR APPROACH

We are only able to unlock the power of all when we embrace everyone’s individual journeys and perspectives.

Our commitment to and focus on DE&I comes from the top, with our CEO, CHRO, chief diversity officer (CDO) and Board of Directors setting the organization’s DE&I priorities. Further, our Global DE&I Advisory Board, led by our CEO, actively partners with our senior leadership team and Board of Directors to implement our [DE&I strategy](#).


Our approach includes four pillars:



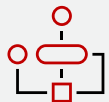
**WORKFORCE DIVERSITY**  
Cultivating an environment of inclusion and innovation (see [Page 12](#))



**PUBLIC POLICY ADVOCACY**  
Championing equality for all to advance equity, social justice reform and economic policy (see [Page 15](#))



**COMMUNITY ENGAGEMENT**  
Investing strategically in our global communities to drive tangible outcomes (see [Page 19](#))



**SUPPLIER DIVERSITY**  
Driving economic empowerment and opportunity through increased spending with diverse suppliers (see [Page 21](#))

## RTX GLOBAL DE&I ADVISORY BOARD

Our CHRO and CDO co-chair the RTX Global DE&I Advisory Board. Its [members](#) are chosen for a two-year term based on their demonstrated commitment to DE&I and their strategic influence within RTX. The board meets quarterly to review and discuss initiatives and progress in each of our four DE&I pillars.



“DE&I is important to the success of an organization. By looking at things through one lens, you’re only going to get one potential answer... and there’s clear evidence showing that diverse organizations outperform nondiverse ones. Through my experience, I’ve learned that we need diverse perspectives to get the best solutions for our customers.”

– Edward Dryden,  
President, Interiors Strategic Business Unit and DE&I Advisory Board member, Collins Aerospace

## RECOGNIZING EMPLOYEES FOR DE&I LEADERSHIP

In 2023, we launched our RTX DE&I Recognition Program to honor individuals and teams for advancing DE&I at RTX and in the communities where we live and work. In the program’s first year, employees submitted more than 300 nominations in seven categories for their peers and RTX ERGs.



Jonna Gerken, an associate director at Pratt & Whitney, received the first-ever RTX Visionary Award for her leadership in elevating and supporting women in STEM careers as a fellow at the Society of Women Engineers and a board member for Girl Scouts of Connecticut. As part of the award, Jonna received a long-term incentive grant for her contributions to the company.

<sup>1</sup> Intersectionality: A combination of overlapping identities based on social categorizations, such as (but not limited to) race, ethnicity, gender, veteran, socioeconomic, LGBTQ+ and disability status.



# Workforce 2030

The power of our people enables us to tackle the world’s most complex challenges.

## HIGHLIGHTS

**95.0%** voluntary controllable retention rate<sup>1</sup>

**42.9%** total representation of employees at professional+ levels – % global women + % of U.S. people of color (POC)<sup>2</sup>

**33.4%** of our executives are women

**17.3%** of our U.S. executives are U.S. POC

<sup>1</sup> Voluntary controllable retention is derived from the number of employees who did not voluntarily separate from RTX due to what the company considers voluntary controllable reasons divided by the average month-end RTX employee headcount during the year. This is a new core metric for 2023 and is being reported for the first time.

<sup>2</sup> Total representation of employees at professional+ levels is a new core metric for 2023 and is being reported for the first time. 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.

## WHY IT MATTERS

By taking both a short- and long-term approach to building our inclusive, growth-driven culture, we bring together people with the right skills, experience and backgrounds in the right roles at the right time in order to shape a safer, more connected world.



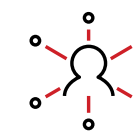
## OUR APPROACH

Our Work, Grow and Belong framework guides all people-related initiatives at RTX, with a focus on creating equitable opportunities for all current and future team members.

Our CHRO drives our efforts to build a robust talent pipeline and develop and deploy programs that support and advance our people. Our senior leadership team and Board of Directors conduct quarterly reviews of workforce-related data against 2030 aspirations. Our Workforce 2030 Working Group includes members from Talent Acquisition, Talent Management, DE&I, Global Learning and Development, Employee and Labor Relations, Workforce Intelligence and Corporate Social Responsibility (CSR) teams. The group supports progress against our goals and aspirations, and engages key stakeholders to support decision-making.

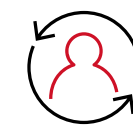
We continue to create equitable opportunities for all team members. Since 2020, we’ve experienced a consistent growth rate in our overall representation of women globally and people of color in the U.S., and we will continue to invest in talent pipeline initiatives to help support and accelerate our progress.

## 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 campus 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 – first launched over 60 years ago.
- **Drive an engaged and diverse talent pool** through successful conversion of high-performing interns into full-time employees.

## 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 enroll all new people managers** in leader effectiveness development programs within 90 days of hire.

## Belong



- **Achieve executive gender parity** with an aspiration of 50% women executives globally.
- **Double the representation of people of color in executive roles** in the U.S., with an aspiration of 30%.
- **Elevate our ERGs** to continue driving momentum toward business goals and DE&I aspirations.
- **Develop a comprehensive strategy** to measure and manage employees’ experiences actively across how they work, grow and belong.

## Our world-class talent

Our greatest strength is the collective skills and the talent of our people, who bring diversity of thought, backgrounds and experiences. Through our Work, Grow and Belong framework and DE&I strategy, we continue to make progress toward our aspirations.



<sup>1</sup> A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool. This number has decreased since previous reporting as more employees self-identify.

<sup>2</sup> Self-identification, including gender identity, launched in the U.S., Canada and the U.K. A small group of less than 200 employees do not have a gender listed in the human resources management tool.

<sup>3</sup> U.S. employees only, excluding employees in Puerto Rico.

<sup>4</sup> In December 2023, one director resigned from the Board and a new director joined the Board. The departing director had been one of two directors who identify as people of color. The new director identifies as white.

<sup>5</sup> Total includes those employees within the function of "engineering" who are classified as executives, directors, fellows, managers or professionals.

<sup>6</sup> Promotions that were global women and/or U.S. POC and total representation of employees at professional+ levels are new core metrics for 2023 and are being reported for the first time. Excludes employees in Puerto Rico. Includes global women and employees who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander and Two or More Races.

Employee by age <sup>1</sup>	2023	2022
Over 50 years of age	<b>31.1%</b>	<b>33.9%</b>
30-50 years of age	<b>51.5%</b>	<b>48.5%</b>
Under 30 years of age	<b>17.4%</b>	<b>17.3%</b>

Gender diversity <sup>2</sup>	2023	2022
Women	<b>25.3%</b>	<b>25.5%</b>
Men	<b>74.6%</b>	<b>74.5%</b>

Executive diversity	2023	2022
Global women executives	<b>33.4%</b>	<b>32.7%</b>
Global men executives	<b>66.6%</b>	<b>67.3%</b>
U.S. POC executives <sup>3</sup>	<b>17.3%</b>	<b>17.4%</b>
U.S. non-POC executives <sup>3</sup>	<b>82.7%</b>	<b>82.6%</b>

Board diversity	2023	2022
Women	<b>30.8%</b>	<b>30.8%</b>
Men	<b>69.2%</b>	<b>69.2%</b>
POC <sup>4</sup>	<b>7.7%</b>	<b>15.4%</b>
non-POC	<b>92.3%</b>	<b>84.6%</b>

Total employees	2023	2022
	<b>185,000</b>	<b>182,000</b>

Total engineering professionals <sup>5</sup>	2023	2022
	<b>57,000</b>	<b>55,000</b>

Total representation and promotions in 2023 <sup>6</sup>	2023	2022
	<b>42.9%</b>	<b>44.1%</b>
total representation of employees at professional+ levels		promotions that were global women and/or U.S. POC

U.S. workforce diversity <sup>1</sup>	2023	2022
American Indian/Alaskan Native	<b>0.6%</b>	<b>0.6%</b>
Asian	<b>10.2%</b>	<b>10.1%</b>
Black/African American	<b>8.0%</b>	<b>8.1%</b>
Hawaiian/Pacific Islander	<b>0.3%</b>	<b>0.3%</b>
Hispanic or Latinx	<b>11.3%</b>	<b>11.0%</b>
Two or more races	<b>2.4%</b>	<b>2.1%</b>
White	<b>67.2%</b>	<b>67.6%</b>

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

## Work: Recruiting our future workforce

We aim to meet highly skilled candidates where they are and forge paths to rewarding careers.

### WHY IT MATTERS

As an industry, we face systemic challenges to recruiting and hiring the highly skilled talent required to power our technical innovation and complex development, particularly for engineers. Research predicts the aviation sector will face a **shortage of roughly 30,000 engineers<sup>1</sup>, more than 600,000 maintenance technicians<sup>2</sup> and 40,000 mechanics<sup>3</sup>** required to meet current demand, with that number increasing through 2030.

In addition, broad representation is lacking. For example, across sectors, only 28% of C-suite leaders are women, and only 6% are people of color.<sup>4</sup> Among people of color in executive roles, many report they are the only one of their gender and race/ethnicity on their teams.<sup>5</sup>

### OUR APPROACH

We work to build talent pipelines by:

- **Leveraging** recruiting technology partners and solutions to both expand the applicant pool and target specific types of skills.
- **Expanding** our reach to diverse pools of talent through partnerships with veteran and external organizations such as the [American Indian Science and Engineering Society](#), [Student Veterans of America](#), [Career Communications Group](#), the [Society of Hispanic Professional Engineers](#) and [Out & Equal](#).
- **Focusing** college and university recruiting efforts to create a robust pipeline of intern and new graduate talent, reinforcing intentional relationships with key schools and Historically Black Colleges and Universities (HBCUs).
- **Contributing** to the development of the STEM pipeline through programs led by our CSR team, such as [Boys & Girls Clubs of America](#), [Girls Who Code](#), [E-STEM](#), [NAF](#) and [SMASH](#).
- **Building** relationships with local talent, trade schools and two-year colleges to support technical production and maintenance roles.

 [Learn more](#)

<sup>1</sup> Analysis based on information obtained from US BLS, MacroTrends, IBISWorld and Aviation Week.

<sup>2</sup> March/April 2023 – [Aviation Maintenance Technician Shortage Threatens Post-COVID Rebound](#) | Avionics Digital Edition ([aviationtoday.com](#)).


<sup>3</sup> [How To Overcome the Impending Shortage Of Aviation Mechanics](#).

<sup>4</sup> [Women in the Workplace 2023](#), McKinsey & Company, 10/5/23.

<sup>5</sup> [The First, The Few, The Only: How Women of Color Can Redefine Power in Corporate America](#). Deepa Purushothaman (2022).

### EQUITABLE OPPORTUNITY AND COMPENSATION

We are committed to fair treatment and equal opportunity as we work to create an environment in which all our employees experience RTX as a great place to work. We annually review employee compensation and benefit packages to ensure employees of comparable responsibility and performance are paid similarly and ensure compliance with all applicable pay equity laws and obligations wherever we operate. 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](#)

### Throughout 2023, we focused on the following efforts:

- **Launched a referral program:** [RTX Referrals & Rewards](#) is our new enterprise employee referral program that employees can refer candidates via text or email – with select roles eligible for a referral bonus. Referrals are our third largest source of hires, behind our career site and Indeed. From the program launch to the end of FY2023, over 9,500 unique referrals were made through the program, resulting in 386 hires. We launched the program in 2023 in the U.S. and plan to expand globally to further our reach.
- **Hiring our military service members:** Through the [Department of Defense’s SkillBridge program](#), we welcomed 121 transitioning service members as interns in 2023. The program allows members of the military to gain valuable civilian experience during their last 180 days of service. Of the 2023 SkillBridge interns who were eligible, 68% have transitioned to full-time RTX roles.
- **Diversifying our talent pool:** Developed an [LGBTQ+ careers page](#) based on input from listening sessions with our RTX PRIDE ERG to promote our inclusive programs, policies and practices that meet specific needs of our LGBTQ+ employees.

58%

increase in individuals that progressed along the STEM career pipeline through RTX funded programs over 2022

4,230

interns/co-ops hired in 2023 globally

14%

increase in students in summer work experience programs over 2022

### 2023 PROGRESS

42.3%

of our new hires (excluding interns) are global women / U.S. POC

Global women hires

24.4%

(excluding interns)

U.S. POC new hires

40.4%

(excluding interns)

Global women / U.S. POC intern hires

44.8%

*New hire representation disaggregated by U.S. race/ethnicity can be found in the [Appendix](#)*

9K

new hires in early career roles

372

participants in our Rotational Leadership Development Program, including 117 individuals who joined the program in 2023



## Grow: Developing and retaining top talent

Lifelong learning is essential to unlocking our employees full potential. We help our employees prepare for the future by enabling them to build the skills and expertise needed to succeed.

### 2023 PROGRESS

44.1%

of promotions were global women / U.S. POC

13.9K

employees across 15 countries participated in our Employee Scholar Program in 2023

5,560

employees participated across our 17 leadership development programs

980

employees participated across our seven leadership accelerator programs

### WHY IT MATTERS

Our employees are at their best when equipped with what they need to be successful at every stage throughout their career.

### OUR APPROACH

We manage employee growth through our enterprisewide career development framework, **STRIDE**. Once employees have defined a career plan in our HR system, they have access to in-depth libraries of self-paced, on-demand training and resources, as well as live learning experiences.

Through our talent-match solution, employees have access to job opportunities by leveraging technology that matches skills and aspirations to open positions.

### WHAT WE'RE DOING


Developed in 2023 based on employee feedback, RTX Leadership Pathway is a framework that identifies the capabilities employees need to succeed at each level of leadership: leading self, leading others, leading leaders and leading an organization. This framework is supported by our Leadership Portal, which includes resources to help employees learn, practice and master leadership skills. The portal leverages digital learning tools to develop essential workplace skills and allows employees to connect virtually with coaches to further build their skills.

Our Leadership Portal averages over 21,000 views per month. On an ongoing basis, we automatically identify new leaders (hired or promoted) and notify them of relevant development resources within this portal.

We also launched CNEXT Accelerate, our 18-month program for high-potential women of color, which takes a multi-pronged approach to preparing leaders for the next level in their careers. In addition, we also supported opportunities for high-potential Black women at RTX to attend the Executive Leadership Council's Strategic Pathways for Women program, which focuses on building networking and organizational influencing skills.

### Other ways we help our people grow include:

**Our Employee Scholar Program:** Open to all RTX employees, this program supports participants as they pursue professional interests, certification and degrees – including doctorates – in any field related to our business. In 2023, RTX supported 13,900 employees and invested \$79 million in the program, which includes upfront payment for tuition, books and some academic fees.

 [Learn how](#) RTX manufacturing employees in North Texas are leveraging the Employee Scholar Program to study and work toward more advanced technician roles.

**Leadership accelerator programs:** Through our annual succession planning process, we identify, notify and develop high-potential employees. Identified individuals have access to nomination-based development, networking opportunities with senior leaders, leadership assessments and executive coaching. Among our seven programs is the WILL Rise (Women in Line Leadership) program, which prepares mid-career women from all functions for profit-and-loss management roles.

 [Hear from](#) WILL Rise participants.

**Leadership development programs:** We provide all leaders access to assessments, coaching and development resources to help them be as effective as possible. Our flagship Foundations of Leadership program provided live instructor and peer learning to over 2,000 new managers in 2023.

**Development programs for leaders:** In 2023, we deployed a tailored curriculum to more than 2,500 high-potential employees to advance skills around courage, responsibility and working across differences. Additionally, our Leading RTX into the Future program immersed senior leaders in live scenarios to build inclusive leadership capabilities.

Through **Performance Impact**, managers provide ongoing informal coaching and feedback and hold focused performance discussions with employees at a recommended cadence of at least twice a year.

### PARTICIPATION IN OUR LEADERSHIP ACCELERATOR PROGRAMS

81%

of our high-potential vice presidents participated in our Leading RTX into the Future accelerator program

255

high-potential women have participated in WILL Rise since the program started in 2019. Since then, 39.2% have been promoted, including 28.2% promoted to an executive role

2.3K

participants in leadership assessments and coaching sessions in 2023



## Belong: Cultivating an inclusive environment

Creating a workplace in which people feel that they belong, are valued, heard and respected leads to a more nurturing environment. Understanding and leveraging what makes us each unique drives progress.

### 2023 PROGRESS

**72** employee engagement survey success score<sup>1</sup>

**50+** ERG leaders participated in public policy advocacy training sessions

**16%** of global employees are members of at least one ERG

### WHY IT MATTERS

We are only able to unlock the power of all when we embrace everyone’s individual journeys and perspectives. When we feel included and heard, we can direct more energy into creative and solutions-oriented thinking. As challenges arise, a sense of belonging helps us work together to solve our customers’ toughest problems.

### OUR APPROACH

The power of all of our team members’ perspectives is key to building the programs, processes and policies needed to be at the forefront of innovation and technological progress. We aim to make each individual team member feel valued and safeguarded by providing employees with various ways to come together, including discussion forums, listening forums and in-person events. These tactics enable greater understanding of different perspectives, cultures, lifestyles and experiences, which in turn, unlocks our fullest potential to develop creative solutions and aid in the strategic growth of our teams and company. Our global ERG model, composed of nine groups, also helps build inclusivity, allyship and empathy across the enterprise, and play an important role in our community vitality efforts by organizing volunteering events.

### WHAT WE’RE DOING

Conducted an inventory analysis of training materials and leadership training on level-setting behaviors and inclusion practices across all business units as part of a multi-year learning initiative.

Hosted two inaugural convenings: the Women / Women of Color Summit, which spanned two days of discussion about barriers to belonging and pathways for change, and our RTX Global Inclusion Week, intended to strengthen connections and foster a culture of belonging across the enterprise.

Convened our second ERG Summit, focused on the theme of harnessing power for all, and brought together ERG leaders and executive sponsors to provide professional development and community building opportunities.

Initiated a dedicated platform that connects ERG leaders and members globally via the broader RTXConnections.

### Continuing to advance public policy

Creating a program in support of our **DE&I Public Policy Advocacy pillar** to build ERG members’ skills in advocating and engaging with public officials around STEM education and workforce readiness. The program is led by our Global Government Relations team. In 2023, over 50 ERG leaders (77% of eligible leaders) participated in public policy advocacy training sessions and met with U.S. congressional and state representatives as part of the program.



Participants from our new ERG advocacy program met with Connecticut Gov. Ned Lamont and several members of the state’s general assembly in November 2023 to discuss STEM education and workforce readiness.



“The DE&I Public Policy program is an investment in our people. By educating our ERG leaders about navigating public policy related to STEM education equity and workforce readiness, we empower them to help make RTX the aerospace and defense employer of choice.”

– **Anselm Beach**  
director, global DE&I public policy

<sup>1</sup> Out of 100. Pulse surveys were conducted in April and September of 2023. 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. The 2023 global benchmark for the success score is 74.



## LISTENING TO EMPLOYEES

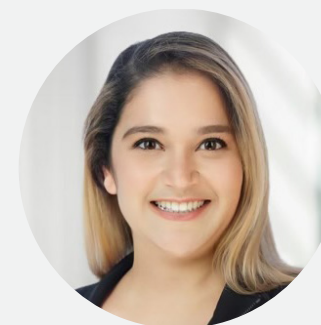
We provide formal opportunities for employees to have their voices heard and inform our workforce strategy. This includes focus groups, listening sessions with our ERGs and employee pulse surveys throughout the year. In our semi-annual pulse surveys, employees shared suggestions, and we took action.

WHAT EMPLOYEES TOLD US	EXAMPLES OF WHAT WE'RE DOING
<p>They want more resources to adapt to change.</p>	<ul style="list-style-type: none"> <li>• Provided resources through our <b>internal portal</b> to help employees navigate change, including a change management toolkit.</li> <li>• Held <b>employee engagement series and training courses</b> on change management, covering topics such as overcoming resistance.</li> <li>• Launched the <b>MeQ app</b> to support employee resilience.<sup>1</sup></li> </ul>
<p>They desire organizational-level action to increase efficiency.</p>	<ul style="list-style-type: none"> <li>• Rolled out <b>empowerU</b>, a new one-stop-shop U.S. onboarding program to help create a sense of belonging for new hires from the moment they accept an offer.</li> <li>• Launched <b>meeting effectiveness tools</b> focused on the four P's of effective meetings: purpose, people, preview and process.</li> </ul>
<p>They feel cared about by their supervisors, but desire more organizational resources.</p>	<ul style="list-style-type: none"> <li>• Launched the <b>RTX Leadership Portal</b> to provide all employees with access to resources to help them learn, practice and master leadership skills.</li> <li>• Expanded <b>Talent Match</b> to proactively connect employees with enterprise career opportunities.</li> <li>• Introduced new resources through our Healthy You well-being program, such as <b>Cariloop</b>, a caregiver support platform.</li> </ul>

## CREATING SPACE FOR GREATER VISIBILITY


When we asked our ERG for people with disabilities (RTX ADAPT) to tell us how to make worksites more accessible, the suggestions flew in. Learn how we responded to support disability inclusion [throughout the organization](#).

We welcomed our first cohort of employees with autism spectrum disorder through our Neurodiverse Work Experience pilot. Developed by the RTX ADAPT ERG within Pratt & Whitney and Human Resources, the 14-week program placed participants in roles aligned with their career and educational background. Additionally, eligible sites at Collins Aerospace spearheaded a U.S. government-funded vocational rehabilitation on-the-job-training apprenticeship program to help people with physical or mental disabilities secure jobs. Since the pilot in 2019, the program has expanded to two states – Florida and Indiana.



“What we continue to do is try to break the stigma. People with disabilities aren’t any less.”

– **Alison Faye Johnson**,  
global co-chair, RTX ADAPT

 [Read more here.](#)



<sup>1</sup> RTX launched the MeQ app for all U.S.-based employees, excluding Puerto Rico, to help them understand their individual stress triggers and provide them with the skills needed to excel.



## Employee and family well-being

We want team members and their families to be the best they can be – and we’re committed to helping them get there by offering resources to achieve a healthy mind, body, wallet and community. Because the needs of our colleagues vary globally and by individual and family, we promote well-being opportunities that fit a wide variety of needs.

### WHY IT MATTERS

Well-being plays a critical role in employee engagement, performance and retention. It also helps make our team members, their families and RTX stronger and more resilient.

### OUR APPROACH

Our CHRO leads our efforts to advance well-being, with the help of our HR leadership team. Collaboration across Environment, Health & Safety (EH&S), CSR, Total Rewards, DE&I, Talent and Employee Engagement teams, as well as other representatives from our corporate office and business units, all support our Healthy You programming. We implement global programs through our [Healthy You](#) website and work to ensure access and inclusivity by translating content into local languages.

Every year, we review our well-being programs, assessing efficacy, costs, employee engagement and gaps. We also conduct periodic surveys to measure employee satisfaction and use the results to update programs and tools and introduce new ones.



### WHAT WE'RE DOING

#### Healthy mind

Hosted our first global [RTX Healthy Mind Day](#), inviting employees to participate in activities to strengthen resilience, reduce stress and engage with others. Events ranged from virtual meditation and yoga to a webinar on dynamic resilience available in seven languages. Over 1,000 people participated from 15 countries.

#### Healthy wallet

Launched [NewRetirement](#), a program for U.S. employees with guidance on smart ways to save, spend and give. More than 18,000 RTX families used this new resource in less than six months.

Became first corporate partner with the [Collaborative for Equitable Retirement Savings](#).

Initiated financial wellness seminars on retirement planning to educate and ultimately mitigate disparities in various employee segments in level of contributions, percentage of early withdrawals, frequency of loans and asset allocation.

#### Healthy body

Kicked off [Hinge Health](#), a digital physical therapy program to conquer back and joint pain, overcome limited movement or recover from a recent or past injury. More than 9,000 employees and family members participated in 2023. For those completing the chronic pain program:

- 46% reported **reduced pain**,
- 49% said they were **less likely to have surgery**, and
- 54% reported a **reduction in lost productivity**.

#### Healthy community

Introduced [Healthy Community](#), our newest Healthy You pillar. It offers resources to help team members connect with others, get the care they need and give back to their communities.

Engaged our population on RTX Diabetes Awareness Day through the [RTX Global Well-being site](#).

- 1,516 employees committed to **learning how diabetes** impacts their communities.
- **Healthy Choices activity** downloaded in seven languages.
- **2,119 new applications** to a program that helps reverse diabetes and its precursors.



### 2023 PROGRESS

168K+

unique visitors to the Healthy You platform with more than 490,000 page views



expanded Healthy You to include monthly updates with content in seven languages



launched financial wellness seminars to help employees maximize savings opportunities

25K+

visits to our re-launched Healthy Wallet site

# Employee safety

We actively foster a safety-first culture where every employee, from those on the manufacturing floor to senior leadership, shares a collective responsibility for health and safety.

2025 WORKPLACE SAFETY GOALS		2023 PROGRESS	
<b>100%</b> reduction in high and elevated ergonomic risks <sup>1</sup>	<b>50%</b> reduction in medium ergonomic risks <sup>2</sup>	<b>92%</b> reduction in high and elevated ergonomic risks since 2015	<b>36%</b> reduction in medium ergonomic risks since 2020
<b>50%</b> reduction in high chemical and noise exposure risks <sup>3</sup>		<b>41%</b> reduction in high chemical and noise risks since 2021	
<b>100%</b> implementation of near-miss reporting best management practices		<b>93%</b> of applicable sites have met requirements to ensure robust near-miss reporting	

<sup>1</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. Note that ergonomic risks related to the Rockwell Collins acquisition were added to the baseline in 2022; however, the 2025 goals were unchanged.

<sup>2</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.

<sup>3</sup> We conducted a complete analysis of chemical and noise risks in 2021 to establish this baseline. Any new high chemical/noise risks identified between 2021 and 2024 will be included in the baseline.

<sup>4</sup> Lost Day Incident Rate is a workplace safety metric measuring incidents resulting in lost work days.

<sup>5</sup> Total Recordable Incident Rate is a workplace safety metric measuring recordable incidents as defined by the Occupational Safety and Health Administration (OSHA). Excludes non-work-related injuries and non-supervised contractors.

## WHY IT MATTERS

Creating a culture of safety helps ensure employees are comfortable raising concerns and brings everyone together to work toward mitigating health and safety risks in our workplace.

## OUR APPROACH

We aim to surpass regulatory requirements and set standards, promoting the highest level of safety possible for all employees, regardless of their workplace location. This is accomplished through proactive risk reduction activities, employee involvement and cultivating a learning and continuous improvement culture.

Our EH&S vice president is responsible for developing programs that enhance employee safety and for leading our EH&S Council, which is made up of EH&S leaders from each of our business units. The council meets monthly to discuss key initiatives, progress toward goals, and root cause and corrective actions for any significant events. Our EH&S vice president 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](#) helps us mitigate health and safety risks and comply with 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. We are focused on continual improvement. If incidents occur, we identify root causes and implement appropriate remedial actions across the organization.

## WHAT WE'RE DOING

In 2023, to reduce musculoskeletal injuries, we piloted stretching and exercises customized to the type of work at each participating site. Wellness efforts like these help keep our team members healthy, mentally and physically fit, and able to perform their responsibilities.

Evaluation of our workplace risks identified the increased use of robotics, high-energy lasers and additive manufacturing as potential sources of worker hazards. As a result, we introduced new safety policies and processes to help ensure that hazards and risks are effectively controlled.

We continued to work with Liberty Mutual's Risk Control Services group to reduce risk factors that lead to slips, trips and falls – one of our leading injury drivers. In fact, more than 80% of our U.S. sites had DART rates (Days Away, Restricted or Transferred) at least 50% lower than industry average in 2023.





# Community vitality

We dedicate our resources and talent to investing in and helping meet the needs of our communities – to build a better future together.



Lifelong learning	63%
Supporting communities	25%
Honoring service	12%

### DISTRIBUTION OF 2023 CORPORATE CONTRIBUTIONS

The \$55.2 million in 2023 corporate giving consists of \$43.4 million in corporate grants and \$11.0 million in corporate gifts that match employee donations made in cash. In 2023, RTX also included \$800,000 of company-funded nonprofit support and merchant fees.

### WHY IT MATTERS

We are connected to communities around the world. Being a good neighbor means investing our resources to help everyone thrive. Additionally, we have found that providing employees with opportunities to volunteer helps promote leadership development and reduces attrition.

### OUR APPROACH

Our chief communications officer (CCO), vice president of global CSR and subject matter professionals from across the company lead our community efforts. Our CCO briefs the Board of Directors on our CSR efforts at least annually. Additionally, our CSR team advises and works with employees from each function to drive impactful programs and partnerships. Our CSR team also meets regularly with members of our talent acquisition, employee engagement, government relations and DE&I teams to discuss how our CSR programs connect with our Workforce 2030 goals and DE&I aspirations.

Connect Up is our 10-year, \$500 million commitment that combines investments in nonprofit organizations with the skills and talents of our global employee volunteer network. It focuses on achieving meaningful impact in three critical focus areas – lifelong learning, honoring service and supporting communities. We measure progress using a set of standardized outcomes, both direct and systems-based, that we developed with our nonprofit partners through [Impact Genome](#).

[Read more about our strategic partners here.](#)

<sup>1</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.

### 2023 PROGRESS

**8.3M**

people around the world reached by RTX programs

**98%**

of grant recipients agreed the grant helped them increase their impact

**354K+**

beneficiaries achieved verified social outcomes<sup>1</sup>

**8.4K**

causes supported through volunteering and charitable grants

**82%**


of our nonprofit partners achieved within or below their cost per outcome benchmark from Impact Genome (high efficiency in achieving impact)

## Lifelong learning

We support leading STEM education organizations to help build skills, inspire innovation, foster future problem-solvers and engage students with diverse perspectives and backgrounds.

### WHAT WE'RE DOING

Launched a first-of-its-kind DIY STEM national curriculum with [Boys & Girls Clubs of America](#) that integrates social and emotional skill development aligned with STEM education. The program allows kids to explore STEM concepts and careers, encouraging them to be guided by their own questions, think on their own, problem solve, communicate and collaborate with no resource barriers using easy-to-access household items. Kids explore STEM topics such as energy and electricity, engineering design and aeronautics.

 [Watch a video from the launch or read about one of our employees serving as a mentor in the program here.](#)

Celebrated the first graduating class from the [NAF Academies of Engineering](#) in Puerto Rico. More than half of 47 students intend to pursue STEM degrees as they head to college. With support from RTX, the academy opened in 2020, providing students with in-school tech labs, laptops and connections to industry professionals and mentors. Watch a video from the graduation [here](#).

Together with the Compton Unified School District in Los Angeles, RTX and NAF also opened the doors of new Academies of Engineering and IT at all three Compton high schools. The academies welcomed more than 200 students for the 2023-2024 school year. They join students in other RTX-supported NAF academies in Charlotte, North Carolina; Dallas-Fort Worth, Texas; Hartford, Connecticut; Miami and Palm Beach County, Florida; and Washington, D.C. The U.S. Chamber of Commerce Foundation recognized RTX with a 2023 Citizens Award for its partnership with NAF.

In the last five years, as part of the [Girls Who Code Summer Immersion Program](#), we've reached over 1,000 high-school students and engaged over 500 RTX volunteers. Participants in the Summer Immersion Program receive hands-on computer science education and an inside look at technology jobs. RTX and Girls Who Code also launched the Leadership Academy, a semester-long program for college students. Participants are paired with RTX mentors to enhance their leadership, technical and professional skills in STEM fields.



Learn how RTX employees are making an impact in the communities where we work and live.



## Honoring service

Veterans have sacrificed and served their country. We support them through programs that help veterans identify career opportunities as they transition to the civilian workforce. Our investments also help keep military families connected and inspire their children to become the innovators of the future.

### WHAT WE'RE DOING

Announced our support for the first-of-its-kind Student Veterans of America National Academic Advisement Center. The center will help service members begin the transition to college or a civil sector career before they leave the military through a virtual platform, app and 24/7 advising call center.

Continued our three-year, \$3 million investment in Feeding America's Equitable Food Access and Military Hunger Advocacy initiatives to help military families and veterans find relief from food insecurity. Learn more about how we are having an impact from Sandy Brown, an Army spouse and Raytheon executive who volunteers to distribute food in Colorado Springs, Colorado.

Sponsored the 14th Annual [Run to Home Base](#) in Boston. The 2023 run raised over \$3 million to support healthcare needs of veterans, service members, their families and families of the fallen.



## Supporting our small and diverse suppliers


We support local economic growth by creating high-value jobs through our operations and helping our suppliers do the same. This includes small and diverse businesses, which are often the economic growth engine of communities.

### WHAT WE'RE DOING

Our spend with small and diverse suppliers grew to \$7.6 billion<sup>1</sup>, or 28% of our U.S. spend. This RTX spend has a ripple effect on communities and is projected to help create over 50,000 jobs and support more than \$4 billion in wages earned.<sup>2</sup> We recognize our impact goes beyond our Tier 1 suppliers and that is why we encourage our Tier 1 suppliers to report their supplier diversity spend to us. Suppliers representing over \$2 billion of spend shared this information with us in 2023.

### Mentoring small and diverse suppliers

In 2023, the U.S. Department of Defense (DoD) recognized RTX with its 27th Nunn-Perry Award for excellence for our participation in the DoD Mentor-Protégé Program. We shared the award with Fuse Integration, an engineering and design firm that we mentored through the program. RTX has mentored over 70 small and diverse suppliers over the past two decades through the various Mentor-Protégé Programs and our internal mentor program.

 [Read more about our Supplier Diversity Program and see a list of our awards here.](#)

Read about one of our long-standing diverse suppliers, The Bernd Group, [here](#).

## Employee volunteering and support

Our employees and ERGs play an essential role in helping us achieve our Connect Up commitments by volunteering their time, energy and skills in our communities. We track the impact of employee volunteering globally through our Connect Up platform.

Each of our ERGs has a community leader who identifies and leads local volunteer opportunities. In 2023, we launched a new grant program that allows ERGs to apply for funding for the nonprofits they support, with funding levels varying based on the number of ERG volunteers. We provided 30 grants to organizations that were nominated by our ERGs.



### Impact on our employees

We help our employees connect with their communities. In doing so, we also help them build leadership skills and feel more engaged at RTX. According to 2023 data,<sup>3</sup> employees who volunteer feel more cared for, have a higher sense of purpose, are happier working at RTX and are more likely to stay with RTX.

We also asked employees to rate their perception of their skills in several areas related to RTX leadership attributes, such as communications, talent development and collaboration, before and after they volunteered in our Summer Experience Program. On average, employees reported a 20 percentage point increase in skills development.

### Giving Tuesday

For Giving Tuesday 2023, we put the power in the hands of our team members. 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, nearly 3,000 employees donated, raising more than \$3.1 million for 2,560 nonprofits.

### Global Month of Service

During our annual Global Month of Service in April, 3,438 employees across 15 countries volunteered more than 30,600 hours – organizing food drives, mentoring students in STEM, building playhouses for military families and much more.<sup>4</sup>

<sup>1</sup> Includes product and non-product suppliers. Excludes intercompany and unaddressable spend.

<sup>2</sup> Projected impact measurements are calculated by a third-party supplier.

<sup>3</sup> Analysis compared 2023 volunteerism data with 2023 Pulse survey responses and 2023 voluntary controllable retention data. Data limited to U.S. employees who logged volunteer time.

<sup>4</sup> Countries included United Arab Emirates, Brazil, Canada, Germany, France, U.K., India, Ireland, Iraq, Mexico, New Zealand, Poland, Saudi Arabia, Singapore, and the U.S.

<sup>5</sup> Metrics are limited to employees who logged their volunteer hours and include our Global Month of Service initiatives.

### 2023 PROGRESS

9,260

employees volunteered through initiatives offered through our global platform, a 70% increase from 2022<sup>5</sup>

205K

employee volunteer hours, a 45% increase from 2022<sup>5</sup>

30

grants through ERG grants program

\$106.5K

in ERG grants

100%

of ERGs participating in volunteer efforts





# Planet

We create innovative technologies with lower environmental impact than previous generations of our products, while also advancing responsible stewardship in our operations.

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



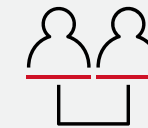
Advancing sustainable technology and innovation



Reducing energy and GHG emissions from our operations



Minimizing resource use



Collaborating with suppliers

## 2023 PLANET HIGHLIGHTS

**\$7.3B**

invested in customer- and company-funded R&D

**19%**

reduction in GHG emissions in operations since 2019 baseline

**31**

new renewable energy projects initiated, including the company's largest to date



# Sustainable technology and innovation

2023 marked two years since RTX, along with the commercial aviation industry, set an ambitious goal to achieve net-zero carbon emissions for commercial aviation by 2050. The goal aligns global civil aviation with the Paris Agreement to pursue efforts to limit global temperature increase to 1.5°C above pre-industrial levels.<sup>1</sup>

## WHY IT MATTERS

As one of the world's largest aerospace and defense companies, we not only have a responsibility to reduce the impact of our own products, but we also have an opportunity to lead the way to help reduce the sector's impact.



Hear Graham Webb, chief sustainability officer at Pratt & Whitney, discuss the aviation industry's emissions goals and what it will take to reach them.

Read more about our efforts to advance our 2050 aspiration on [Page 26](#).

## OUR APPROACH

Together with our engineers and scientists, we are pursuing multi-year efforts with industry partners, suppliers, customers and others across our value chain to develop and deliver advanced aircraft systems and propulsion technologies, as well as improvements in aircraft operations and infrastructure. Our path forward is demonstrated in our roadmap on [Page 24](#).

Leading our efforts is our chief technology officer (CTO), who works closely with the vice presidents of engineering, chief sustainability officers and advanced technology teams at our business units, as well as the RTX Technology Research Center and other corporate research and development teams. Our Sustainable Technology & Innovation ESG working group drives sustainable technology projects across the organization, develops and implements an environmental sustainability technology roadmap and supports climate-related disclosures.

[RTX Ventures](#), our venture capital group, invests in startups to further accelerate the development of new technologies. In 2023, we announced an agreement with [EnCharge AI](#), a company creating scalable hardware and software solutions that make AI more accessible and efficient, to develop advanced AI chips that are expected to deliver 15x higher performance than market leaders with a 10x reduction in energy and cost.

## Advancing aviation emissions reduction efforts

We recognize that a basket of measures is needed to achieve net-zero carbon emissions in commercial aviation. We're exploring diverse innovations for aircraft engines and aircraft systems to enable next generation aircraft to be more energy efficient and transition to greener fuels, thus reducing emissions from its source.

- Exploring engine technologies that will continue to enable **reduced fuel consumption**, including advanced small-core technologies, next-generation ceramic matrix composite materials and demonstrating the compatibility of sustainable aviation fuel (SAF) with advanced combustors.
- Developing advanced cycles for both SAF and hydrogen-powered engines.
- Continuing to innovate and mature **new aircraft systems**. These solutions span technology threads, including hybrid-electric propulsion systems, hydrogen-compatible aircraft components and system design, thermal management, eco-friendly fire suppression systems, adaptive environmental control systems and advanced, lightweight materials.

We're also exploring a comprehensive portfolio of innovations for aircraft operations to further reduce emissions. This includes optimizing aircraft trajectories and operations at the airport, reducing the distance and time flown, and delay on the ground by better coordinating the movement of the fleet.

- Developing **aircraft avionics**, including airborne navigation systems, enhanced visions systems, weather radar and onboard sensors, to achieve safe and more efficient aircraft operations, including harnessing information for flight path planning and optimization.
- Fielding and upgrading state-of-the-art **communication, navigation and surveillance systems (CNS)** including datalink solutions, satellite-based precision navigation infrastructure and air traffic radar systems essential for efficient airspace operations.
- Working on **air traffic automation and flight operations control systems** to allow 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.
- Modernizing and providing **weather** information services, weather sensors and integrated weather processing systems.

## INDUSTRY COLLABORATION

Reaching the sector's ambitious 2050 goals will be challenging, and we will only be successful with cross-sector industry actions and support from policymakers. We work with stakeholders to overcome challenges and achieve industry alignment on technologies, effective measurement processes, interoperability, infrastructure and regulatory policies. This includes collaboration with airframers, energy companies, customers, research institutions, standards development organizations, industry associations and government agencies. In 2023, together, we continued to take important steps toward progress. For a list of who we work with, click [here](#).

<sup>1</sup> In October 2022, the International Civil Aviation Organization (ICAO) member states adopted a collective long-term goal of net-zero carbon emissions by 2050 for international aviation.

# Roadmap to 2050: Our civil aviation environmental sustainability technology roadmap

Our Roadmap to 2050 outlines our strategy to accelerate our emissions reduction progress. Significant reductions in our sector’s emissions rely on long-term technology investment in products, as well as infrastructure that can be scaled to support the operation of future products. It also requires cross-sector industry actions and support from policymakers. See [Page 25](#) for how we work with partners to make progress toward the sector’s goals.

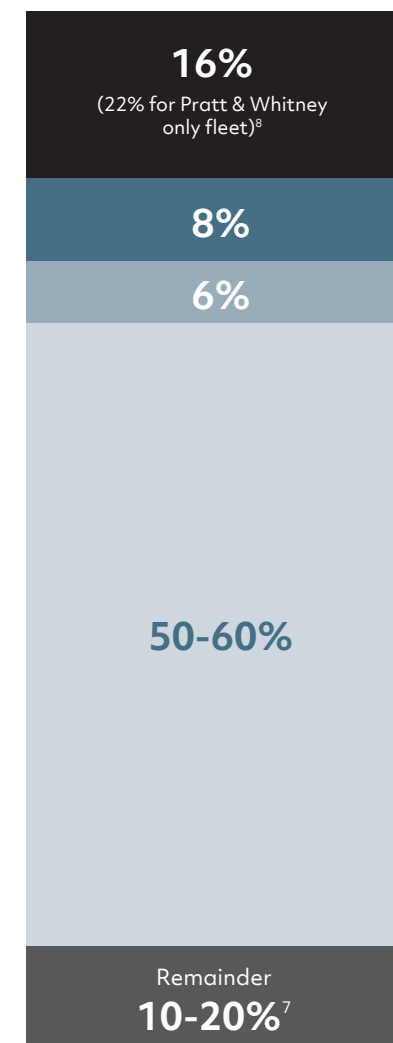
We continue to focus on improving engine efficiency, fielding 100% SAF-compatible systems and hybrid-electric propulsion systems in the near- to

mid-term and supporting hydrogen-powered propulsion systems in the long term. In 2023, we shifted from our previous milestone-based emissions reduction targets to expected product-lifetime emissions intensity metrics for measuring improved engine efficiency.<sup>1</sup> This shift enables us to represent improvements from the introduction of more efficient engines and the expected increased use of SAF over time. Intensity-based metrics are also consistent with the aviation industry’s emissions reporting practices for Scope 3 Category 11 emissions reporting and are supported by the International Aerospace Environmental Group (IAEG).

		2035	2050
ENGINES AND AIRCRAFT SYSTEMS	Continuous engine efficiency improvements and technology advancements	Develop advanced propulsion technologies for next-generation aircraft and deliver Pratt & Whitney GTF engines to customers to support a <b>45%</b> reduction in lifetime carbon emissions for each engine. <sup>1</sup>	Develop advanced propulsion technologies for next-generation aircraft and deliver new engines to customers with a <b>68%</b> reduction in lifetime carbon emissions for each engine. <sup>1</sup>
	Aircraft system improvements	Optimize the design of aircraft components and equipment to minimize weight and maximize energy efficiency, reducing fuel burn by <b>3%</b> per flight. <sup>2</sup>	Optimize the design of aircraft components and equipment to minimize weight and maximize energy efficiency, reducing fuel burn by <b>8%</b> per flight. <sup>2</sup>
AIRLINE, AIRPORT AND AIR TRAFFIC OPERATIONS	Aircraft trajectory and ground operations improvements	Develop next-generation technologies for air traffic and ground optimization, leading to <b>5%</b> fuel burn reductions on average per flight. <sup>3</sup>	Develop next-generation technologies for air traffic and ground optimization, leading to <b>8%</b> fuel burn reductions on average per flight. <sup>3</sup>
VALUE CHAIN PARTNERS	SAF, and other alternative aviation fuels (AAFs), airframer efficiency improvements and operations improvements from other industry stakeholders <sup>4</sup>	Support airframer and aircraft operator initiatives to increase fleet-wide efficiency and collaborate with energy industry value chain partners to achieve SAF/AAF availability targets aligned with global deployment goals.	

Driven by RTX

Supported by RTX



Aggregate projected in-year emissions reductions from the 2050 civil fleet with RTX aviation products, relative to an inventory baseline with 2015 technology levels.<sup>5,6</sup>

<sup>1</sup> Lifetime emissions from commercial engines expected to be sold in 2035 and 2050 measured in terms of CO<sub>2</sub> per available seat kilometer relative to engines sold in 2015 using GHG Protocol for Corporate Accounting methods. This metric incorporates the IEA's SDS ETP 2020 forecasted SAF uptake.

<sup>2</sup> Improvements for flights in that year assuming entry in service of next-generation aircraft, relative to aircraft and air traffic operations with 2015 technology levels.

<sup>3</sup> Improvements for flights in that year, relative to air traffic operations with 2015 technology levels.

<sup>4</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>5</sup> Values represent RTX's 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 types, 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>6</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. The range of 50-60% in the value chain partner section is added to reflect uncertainties in SAF uptake and emission reduction factors. 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>7</sup> Potential solutions for reducing the remainder include enhancing the advancements noted above to further reduce emissions or employing market-based mechanisms such as the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

<sup>8</sup> 16% with respect to 2050 civil fleet with RTX aviation products, relative to an inventory baseline with 2015 technology levels; 22% with respect to 2050 civil fleet powered by Pratt & Whitney engines, which is a subset of the 2050 civil fleet with RTX aviation products.



## OUR PROGRESS

In 2023, we made progress on our civil aviation environmental sustainability technology roadmap, leveraging the advantages of our scale, the complementary expertise of our three business units and our industry partnerships.

### Continuous engine efficiency improvements and technology advancements

#### ENGINE EFFICIENCY

- Received more than 1,000 GTF engine orders in 2023. With 16% to 20% better fuel efficiency over the previous generation of engines, GTF engines have helped airlines save more than 1.4 billion gallons of fuel and over 14 million metric tons of CO<sub>2</sub> emissions since entering service in 2016. GTF engines are also compatible with current 100% SAF fuels.
- Selected by Boeing as a collaborator on the [X-66 flight demonstrator](#), part of NASA's Sustainable Flight Demonstrator project. RTX will support Boeing with GTF engines and Collins' nacelles and engine accessories to support flight testing of the demonstrator aircraft in 2028.

#### HYBRID-ELECTRIC

- Completed the first engine run and electrical system integration test of our [Scalable Turboelectric Powertrain Technology \(STEP-Tech\) demonstrator](#) and a rated power test of our [hybrid-electric flight demonstrator's 1 megawatt \(MW\) electric motor](#). Compared to Collins' most advanced electric motor generators fielded today, the 1 MW motor will deliver four times the power and twice the voltage, with half the heat loss and half the weight.
- Inaugurated our new [\\$50 million advanced electric power systems lab](#) in Rockford, Illinois that can perform full system-level electric power testing.

### Aircraft system improvements

- Leading a consortium to [develop new thermoplastics technology](#) for the liquid hydrogen tanks necessary to power hydrogen propulsion architectures in future, more sustainable aircraft.
- Selected by Lilium N.V. to [design, develop and build Lilium Jet's inceptors](#) – the sidestick system used by the pilot to control the aircraft.
- Received an award for approximately \$4.5 million for two proposals under the Horizon Europe Clean Aviation Program. In the Hydrogen-Electric Zero Emission Propulsion System project, RTX will develop a heat exchanger system for the flying fuel cell propulsion system. In the Advanced Wing Maturation and Integration project, RTX will develop a multifunction, leading-edge thermoplastic structure with integrated ice protection to support a laminar wing concept.
- Selected to participate in phase one of the Model-Based System Analysis and Engineering Framework Development and Assessment Program to develop advanced techniques for use in multidisciplinary design optimization, including comprehensive and narrow model sharing that boasts twice the voltage, with half the heat loss and half the weight.

### Aircraft trajectory and ground operations improvements

- Received a \$2.5 million award from the U.S. Department of Energy to predict contrails, which occur when aircraft exhaust water vapor mixes with cold humid air at high altitudes and are considered a powerful aviation-unique climate impact with low predictability.
- Selected to participate in nine projects under the E.U.'s [SESAR 3 Joint Undertaking](#) in the domain of Trajectory Based Operations (TBO). RTX will partner in the Network TBO and Air Traffic Control TBO projects, which seek to advance green operations for commercial air transport operations and lay the foundations for advanced emissions, noise and contrail controls.
- Continued to develop [Integrated Transportation Airspace Mobility Services](#), an automation framework to support integrated airspace with new entrants, such as drones, electric vehicle take-off and landing aircraft, commercial space vehicles and established air traffic services.

### Value chain partners

- Supported a transatlantic 100% SAF flight by a Virgin Atlantic Boeing 787 Dreamliner with our all-electric APS5000 auxiliary power unit.
- Supported the first 100% SAF flight by an Emirates Airbus A380 widebody with one of the aircraft's four GP7200 engines and our PW980 auxiliary power unit running 100% SAF.
- Supported the first 100% SAF transatlantic flight by a [Gulfstream G600 powered by our PW815 engines](#).
- Supported test flights of the Embraer Phenom 300E with one PW535 engine running on 100% SAF.
- Supported the first 100% SAF flight of an [AW139 helicopter powered by the PT6C-67C engine](#).
- Launched a collaboration with the world's No.1 regional turboprop aircraft manufacturer, ATR, to [achieve 100% SAF readiness in PW127 series engines by 2025](#).
- Announced a [collaboration with Airbus Canada and the SAF+ Consortium](#) on next-generation SAF research and testing, including flight testing blends of up to 100% SAF on an Airbus A220 aircraft powered by GTF engines.
- Awarded funding by the [Department of Energy's Hydrogen Shot Initiative](#) to work with university, national lab and industry partners to develop advanced fuel-cell and hydrogen infrastructure technologies to support the commercial adoption of clean hydrogen.



## Without public-private collaboration on SAF innovation, 2050 goals may be in jeopardy

Increasing the production and utilization of SAF is a critical step for achieving the air transportation sector's net-zero CO<sub>2</sub> emissions goal by 2050.

The November 2023 Conference on Aviation and Alternative Fuels (CAAF/3) marked an important milestone when ICAO and its member states agreed to a collective global aspirational goal to reduce CO<sub>2</sub> emissions in international aviation by 5% by 2030 through the use of SAF, low-carbon aviation fuels and other cleaner energies for aviation.

SAF is widely recognized as the most important energy transition path to achieving the industry's net-zero goals. Though it's growing at a fast pace, total SAF production today and, in the near future, is projected to be lower than envisioned a few years ago. In addition, actions and policies to meet SAF goals are still being developed.

### CHALLENGES

- Today, production and deployment of SAF is estimated at **approximately 0.2%** of the global demand for jet fuel.
- SAF prices are currently **two to five times higher** than the price of conventional jet fuel.
- SAF policies are expanding across the globe, supported by both incentives and mandates; however, SAF manufacturers would need to **scale up production** significantly to reach targets aligned with the CAAF/3 goal.
- Certain governments are taking steps to deploy supporting policy, but **wide uncertainty remains** regarding global policy deployment to support investment needed to meet goals.
- It is technically possible to meet SAF goals, but it **requires an urgent, coordinated government-industry response** to implement investment in the energy sector globally

### WHAT WE'RE DOING

- **Demonstrating the compatibility** of RTX engines and auxiliary power units with SAF through flight demonstrations on blended and unblended SAFs.
- **Researching and testing emerging SAFs** by collaborating with industry, government and other stakeholders in public-private partnerships such as the SAF+ Consortium.
- **Providing input on SAF policy** and collaborating on industrywide SAF standards alongside peers through ASTM International, Commercial Aviation Alternative Fuels Initiative, IAEG and ATAG.
- **Supporting government policies and initiatives** that stimulate investment in production capacity of SAF, reduce costs and encourage greater industry uptake.



Learn more from Graham Webb, chief sustainability officer at Pratt & Whitney.

### DIVE DEEPER

Read a [statement](#) by the CTOs of seven of the world's major aviation manufacturers, including Pratt & Whitney, calling on governments to support public policies to increase the supply of SAF while ensuring a consistent and predictable demand through harmonized global measures.

On a net-fuel life-cycle emissions basis, **SAF** has the potential to reduce CO<sub>2</sub> emissions by an estimated 30-90% depending on the feedstock pathway, with a current average of 70%, making it a key element of the roadmap to net-zero CO<sub>2</sub> emissions by 2050.

For our roadmap, we adopted a mid-range industry forecast for SAF deployment.



## Innovations in the defense and space sectors

Our defense customers are accelerating their efforts to increase their climate resilience and reduce their emissions, while carrying out mission-critical operations. To support these ambitions, we are developing and introducing new technologies and more advanced, efficient jet engines, power systems, electronic systems and environmental observing systems.

### DEVELOPING HIGH-EFFICIENCY ENGINES FOR MILITARY AIRCRAFT

JetZero is evaluating RTX’s engines for its full-scale blended-wing body (BWB) aircraft demonstrator, which has the potential to cut fuel burn and emissions by 50% for both military and commercial applications.



JetZero is developing its BWB concept for both military and commercial airline applications.

Separately, by extending our support for [engine performance improvement services](#) for C-17 Globemasters, we are helping the U.S. Air Force and eight international partners improve the F117 engine’s fuel efficiency, which annually is expected to:

Save up to <b>6.5M</b> gallons of fuel	Reduce CO <sub>2</sub> emissions by up to <b>63.5K</b> metric tons	Save around <b>\$29M</b> in fuel costs
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### LEVERAGING ADVANCES IN COMMERCIAL AVIATION IN DEFENSE

We are adapting RTX solutions designed for commercial aircraft to deliver advanced electric power systems for next-generation military aircraft. For example, the [1 MW electric generator we are developing for the U.S. Air Force Research Laboratory](#) could be paired with a fuel-burning engine, which would provide more onboard electric power than ever before and form a hybrid-electric propulsion architecture. This would also help increase fuel efficiency to maximize aircraft range, minimize aerial refueling needs and reduce carbon emissions.

In addition, in 2023, we successfully tested our [Enhanced Power and Cooling System \(EPACS\)](#), which is targeted to provide the F-35 significantly more cooling capacity while drawing less power, thus unlocking new performance for the aircraft.

### REVOLUTIONIZING ENERGY DISTRIBUTION IN MILITARY OPERATIONS

Working with two value chain partners, RTX is helping the [Defense Advanced Research Projects Agency](#) design and develop wireless optical power relays that could revolutionize energy distribution within military operations. The team aims to develop “speed-of-light” energy networks to unlock power from new, diverse energy sources, including space. This would dramatically reduce the amount of room needed for fuel storage and the engine volume required, potentially resulting in smaller, lighter-weight aircraft and ground vehicles.

### MONITORING EARTH’S CLIMATE AND ENVIRONMENT

From predicting weather patterns to monitoring wildfire spread, we are helping our customers by developing and deploying space technologies that can remotely monitor our planet to help us understand changes in climates and the environment.

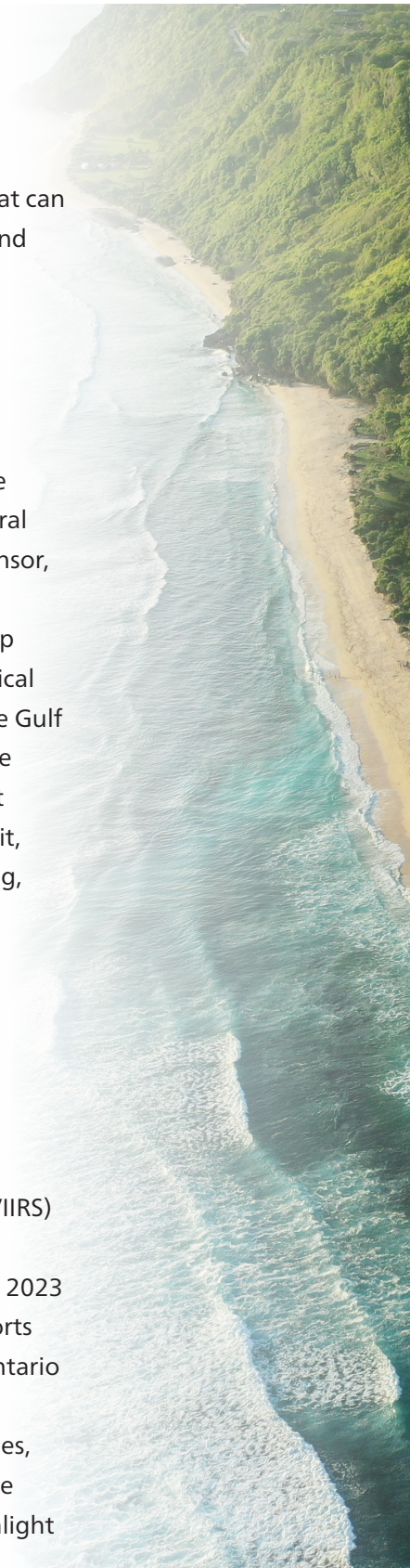
### SUPPORTING OCEAN HEALTH THROUGH INNOVATION

In 2023, Raytheon engineers reached a milestone in the development of the Geosynchronous Littoral Imaging and Monitoring Radiometer (GLIMR) sensor, completing the critical design review stage and entering the build and test phase. GLIMR will help NASA better understand the physical and biological conditions in coastal and ocean ecosystems in the Gulf of Mexico, parts of the southeastern U.S. coastline and the Amazon River. As the space agency’s first ocean hyperspectral imager in geostationary orbit, GLIMR will allow scientists to track coral bleaching, chlorophyll and plankton health, oil spills and harmful algal blooms.

 [Read more.](#)

### EARTH REMOTE SENSING FOR CLIMATE CHANGE






Our Visible Infrared Imaging Radiometer Suite (VIIRS) helped NASA and NOAA (National Oceanic and Atmospheric Association) track the spread of the 2023 Canadian wildfires. This helped better target efforts to battle the fires in British Columbia, Alberta, Ontario and Quebec. Using VIIRS data, scientists can also measure cloud and atmospheric particle properties, ocean color, sea and land surface temperature, ice motion and temperature, and the amount of sunlight reflected from the Earth’s surface.





# Energy and GHG emissions reduction

A critical component of our sustainability mission and approach to climate change mitigation is working to reduce GHG emissions from our operations worldwide.

ENERGY AND GHG EMISSIONS GOALS (SCOPE 1 AND 2)		2023 PROGRESS
 <b>46%</b> reduction in GHG emissions by 2030 from a 2019 baseline <sup>1</sup>	<b>19%</b> reduction from 2019 <sup>1,3</sup>	
 <b>15%</b> reduction in GHG emissions by 2025 from a 2019 baseline <sup>2</sup>		
 <b>2.5%</b> reduction in energy by 2025 from a 2019 baseline	<b>9%</b> reduction from 2019	
 <b>10%</b> renewable electricity usage by 2025	<b>6%</b> renewable electricity	
 <b>100%</b> implementation of energy/GHG best management practices by 2025	<b>77%</b> implementation	


## WHY IT MATTERS

The impact of climate change presents opportunities for us to lead through our sustainable innovation and technology efforts. But it also poses risks to our business. Like other risks we face, our long-term success requires that we effectively monitor, mitigate and manage climate risk throughout our value chain.

## OUR APPROACH

Our CEO is ultimately accountable for our climate reduction efforts and for steering our operations toward sustainability. Our EH&S vice president is responsible for working with teams across the company to identify opportunities to reduce energy consumption and GHG emissions, providing monthly updates to our senior vice president of Operations & Supply Chain. At the Board level, the Governance and Public Policy Committee (GPPC) provides oversight on climate-related issues, and the full Board of Directors is periodically briefed on climate-related initiatives.

We provide details of our climate governance, strategy, risk management, metrics and goals in our [2023 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 as incorporated into the International Sustainability Standards Board (ISSB) standards. Our TCFD Index can be found in the [Appendix](#) of this report.

 **Hear Sean Bradshaw, a technical fellow at Pratt & Whitney, explain how we are developing multiple technologies to make aviation more sustainable.**

<sup>1</sup> Aligned with a 1.5-degree Celsius science-based reduction pathway, which is the stretch goal in the Paris Agreement, and consistent with the Science-Based Target Initiative guidance.

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

<sup>3</sup> Our GHG emissions data are independently assured in accordance with ISO 14064-3: Second edition 2019-04: Greenhouse gases – Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements. View assurance statement at [www.rtx.com/our-responsibility/resources](http://www.rtx.com/our-responsibility/resources).

## Reducing energy consumption and improving energy efficiency

Our energy efficiency efforts are guided by our 11 energy and GHG emission best management practices (BMPs). Sites continue to implement them and find reduction opportunities. Businesses maintain BMP roadmaps and annually select priority areas that receive extra focus and training. In 2023, Pratt & Whitney led the RTX CREW (Conserving RTX Energy and Water) team in developing an effective “BMP picture book” to help inspire and simplify identification of energy and water projects. Its use has expanded throughout RTX. Some of the BMPs are:

- Expanding the capabilities of building automation systems.
- Reviewing HVAC systems.
- Identifying lighting technology improvements.
- Executing effective shut-it-off initiatives to power down energy-consuming equipment when not in use.

**Within our operations, energy consumption accounts for approximately 90% of our GHG emissions. In 2023, we invested \$12.1 million in energy reduction projects to reduce energy consumption and improve efficiency in our operations.**

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 efficiency.

We are a long-term industrial partner within the U.S. Environmental Protection Agency’s ENERGY STAR program. In addition, RTX is a long-time member of the U.S. Department of Energy’s Better Buildings, Better Plants program for increasing energy savings at industrial plants. We recently pledged through the program to continue our efforts in reducing energy consumption and GHG emissions.

**Our strong energy programs earned RTX the 2023 ENERGY STAR Partner of the Year – Sustained Excellence Award from the U.S. Environmental Protection Agency.**



### Increasing our use of renewable electricity

RTX is executing a multi-year renewable energy roadmap. Our cross-functional renewables working group, which includes EH&S, Enterprise Services, Facilities, Legal, Finance and Operations & Supply Chain, work collaboratively to review potential opportunities and implement selected projects.

We pursue renewable procurement opportunities via retail renewable agreements, renewable programs through local utility companies, community solar programs and onsite solar installations on roofs, ground and carports.

### OUR PROGRESS

Driving our increased use of renewable energy were 31 new projects, bringing our renewable energy contracts around the globe to 73. New projects included:

#### Texas Retail Renewable Electricity Agreement

Signed an agreement with [ENGIE](#) that will provide an estimated

**1.6M MWh**

of renewable electricity over 10 years for 12 RTX sites in Texas – our largest renewable energy procurement to date. In 2024, the project will nearly double the amount of renewable electricity we buy and significantly contribute to meeting our renewable goal.

#### Phoenix, Arizona

Began using

**100%**

renewable electricity, procuring approximately 12,000 MWh through Arizona Public Services Green Power Partners program, cutting emissions by 4,500 MT annually.

#### Springdale, Arkansas

Switched to

**100%**

renewable electricity through a program provided by its electric utility company, reducing GHG emissions by over 3,500 MT each year. The program supplements the site’s existing onsite solar installation.

#### 11 onsite solar projects were signed or initiated in 2023

Expected to generate approximately

**12K MWh**

of renewable electricity a year.

#### Tanauan City, Philippines

Procured

**50%**

of its electricity (18,000 MWh) from a local renewable geothermal facility, reducing GHG emissions by 12,800 metric tons (MT) each year.

#### Burnsville, Minnesota

Joined the Wellspring Green Pricing program through Dakota Electric to purchase renewable electricity for

**25%**

of its electricity, cutting GHG emissions by almost 3,000 MT this year and increasing over the next four years.



Twenty two sites now purchase 100% renewable electricity for their operations, demonstrating our strong commitment to the environment and reducing GHG emissions.

### Reducing GHG emissions globally

We have reduced GHG emissions by 19% since 2019 and are on target for meeting our 2030 GHG goal. In 2023, RTX sites around the world implemented 67 projects that are expected to result in significant reductions in energy usage and GHG emissions.

**Spokane, Washington, and Pueblo, Colorado:** Implemented furnace load configuration and process changes, which are expected to reduce GHG emissions by approximately 2,900 MT a year.

**St. Hubert, Quebec:** Replaced a natural gas burning boiler with an electric boiler to save approximately 28,000 MMBtu and over 1,500 MT of GHG emissions per year. This is almost 23% of the site’s carbon footprint.

**El Segundo, California:** Implemented energy conservation practices by shutting down lab space when not in use. This reduced energy use by 2,000 MMBtu per year, avoiding 150 MT of GHGs annually.

**Blagnac, France:** Connected to the city’s geothermal heating network, eliminating the site’s use of natural gas. This decreased GHG emissions by 66 MT per year.

#### Increasing the sustainability of our business travel

In 2023, RTX was one of only five companies to receive full accreditation from the National Business Aviation Association’s [Sustainable Flight Department Accreditation Program](#) for meeting its environmental sustainability standards. This includes purchasing carbon offsets for all our corporate aircraft emissions, as well as Pratt & Whitney’s commuter aircraft emissions. RTX bought over 10,500 metric tons of carbon offset credits for 2023. Although we do not include the offset reductions in our goal progress, they help reduce global emissions.



# Environmental stewardship and compliance

We seek to conserve natural resources and mitigate the environmental impacts and risks related to the design, manufacture, use and disposal of our products and the delivery of our services. This includes continuing to focus on driving pollutants in our manufacturing processes to the lowest achievable levels.

## WHY IT MATTERS

Environmental stewardship and compliance is a foundational commitment to the communities in which we operate and supports our ongoing climate resilience.

## OUR APPROACH

The GPPC oversees our environmental strategy, progress and compliance. Our EH&S vice president is responsible for tracking progress and compliance and ensuring sites have the tools they need to identify and address environmental risks and opportunities. Our [EH&S Policy](#) and [EH&S Management System](#) guide our efforts globally. The system was developed using key elements from ISO 14001 and other related environmental management system standards.



### Key aspects of our management system include:

- At each of our major locations, local EH&S teams develop an annual plan that includes goals and activities to reduce water consumption and divert waste from landfill and incineration. Our cross-functional **Sustainability and Conserving RTX Energy and Water teams** guide and support efforts of local teams.
- We communicate with and provide **annual training** for our employees so that they are aware of environmental 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, and we share lessons learned from these analyses across the organization.
- Through our **EH&S Compliance Assurance Audit Program**, we conduct independent audits 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.



## Water conservation

As part of our natural resource conservation efforts, we aim to preserve one of the planet’s most precious resources: water.

2025 WATER GOALS	2023 PROGRESS
 <p><b>10%</b> reduction in water consumption from 2019 baseline</p>	<p><b>13%</b> reduction from 2019<sup>1</sup></p>
 <p><b>100%</b> implementation of water BMPs<sup>2</sup></p>	<p><b>81%</b> implementation</p>

### WHAT WE'RE DOING

We have decreased our water consumption 13% from 2019 levels and are on target for meeting our 2025 goal. In 2023, we continued to focus on our water use by identifying and implementing water conservation projects to mitigate the impacts of increased production and the post COVID-19 pandemic return to office of employees at RTX facilities.

To help ensure we are focusing our efforts in the areas of highest potential impact, we analyzed water risks at our largest facilities using the World Resource

Institute’s Aqueduct tool. The analysis showed that we operate some facilities in water river basin areas with high baseline water stress ratings. Within these areas, our large water-using facilities are working to further reduce their water use. This includes piloting the U.S. Department of Energy’s Plant Water Profiler tool to better understand site procurement, use and disposal of water, as well as costs to implement conservation efforts. In addition, we incorporated water risk for these sites as a consideration into our business resilience and crisis management processes.

### OUR APPROACH

Our water conservation efforts are guided by our nine water BMPs. Key among them is the requirement for sites to develop a water balance, which identifies site-level water sources, uses and discharges, and volumes of each. Sites use this data to identify areas of significant water use for reduction opportunities and potential leaks. Other BMPs mandate that sites analyze process wastewater recycling and maintain a cooling tower management plan to optimize system efficiencies.



In 2023, RTX continued to focus on its water use by identifying and implementing water conservation projects to mitigate the impacts of increased production. Projects included:

**Midland, Ontario:** Developed a shut-it-off process used in 22 rinse tanks in a plating process line, saving 6.9 million gallons of water a year.

**McKinney, Texas:** Upgraded a cooling tower, reducing 4.3 million gallons of water consumption a year through continuous water metering.

**Rzeszow, Poland:** Implemented closed looping in the cooling system of six vacuum furnaces, reducing water use by 1.3 million gallons a year.

**El Paso, Texas:** Implemented xeriscaping and water irrigation measures in 2022 and 2023. These water-saving projects helped the site to reduce its water usage by almost 1 million gallons over two years.



**Pueblo, Colorado, and Spokane, Washington:** Implemented process improvements around furnace load configuration, saving a combined 2.8 million gallons in the first year.

<sup>1</sup> View our independent assurance statement [here](#).

<sup>2</sup> All nine water best management practices apply to sites consuming a minimum of five million gallons or more of potable water per year.

## Waste management

Complementing our natural resource conservation efforts, we are committed to limiting our material use and responsibly managing the waste produced in our direct operations.

2025 WASTE GOALS	2023 PROGRESS
 <p><b>10%</b> reduction in waste sent to landfill and incineration from 2019 baseline</p>	<p><b>20%</b> reduction from 2019</p>
 <p><b>100%</b> implementation of waste BMPs<sup>1</sup></p>	<p><b>85%</b> implementation</p>

### OUR APPROACH

Our waste management efforts include working to increase diversion from landfills and incineration, minimize overall waste and adhering to federal, state, local and provincial waste laws and regulations.

Based on our waste management policy, sites assess their waste streams and develop strategies for reduction, reuse and recycling. Their work is guided by our 11 waste BMPs, which include compiling a written inventory of waste-generating activities at the site along with reduction opportunities; developing plans for recycling metals, acids/alkalis, coolants and non-hazardous waste streams; and evaluating feasibility of reuse practices such as reusable containers and packaging reuse.

### WHAT WE'RE DOING

We recycle or treat most of our waste. In 2023, only 13% of our waste was disposed of in landfills and 9% was incinerated – a reduction of 20% since 2019, significantly ahead of our 2025 waste goal. Local site efforts continue to drive our progress:

- **Singapore:** Started extracting and recycling nickel from a plasma powder waste stream, diverting over 73,000 pounds of waste from the landfill.
- **Mexicali, Mexico:** Collaborated with a vendor to reuse over 700,000 pounds of aluminum oxide sand.
- **Bandung, West Java, Indonesia, and Selangor, Malaysia:** Implemented organic waste composting, diverting over 14,000 pounds of waste from landfill and incineration.

## Supporting a circular economy

We aim to design and develop products that are durable, repairable, upgradable and recyclable. As an original equipment manufacturer (OEM), we have a long history of supporting the principles of a circular economy, working to extend the life of many of our products.

### OUR APPROACH

We encourage our engineers to consider principles aligned with circular economy when designing and developing new products and solutions. This includes efforts to reduce materials of concern, select materials with lower carbon impacts and increase recyclable materials.

Through our maintenance, repair and overhaul services, we also work to extend the life of our products so that they can last for many years. 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 and return them to service.

### WORKING IN NEW WAYS TO REDUCE SCRAP WASTE

In 2023, Pratt & Whitney centralized a process between its facilities that manufacture commercial aviation parts and engines (OEM shops) and its facilities that repair and refurbish used parts (MRO – maintenance, repair and overhaul – shops). The result: a win for RTX, our customers and the planet.

Here's how it works: When an OEM shop produces a part that does not meet its quality standards – which could simply be due to a discoloration or slight dent – it must be discarded. However, rather than classifying these parts as waste, the shop sends those that can be refurbished to a RTX MRO shop. There, engineers conduct any needed repairs to transform them into usable parts for MRO commercial aircraft customers.

In 2023, we rolled out this initiative to six OEM shops and realized a significant reduction in scrap waste – and more product availability for customers.

2023 PROGRESS

Developed 2,425 new repair processes<sup>2</sup> to reclaim 576,820 parts for reuse, extending their useful life.

2.4K+

new repair processes developed

Reverted over 3.6 million pounds of high-value powder-metal turbine disk alloys through our revert recycling program, which 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 we consume.

3.6M

pounds reverted

<sup>1</sup> All 11 waste best management practices apply to sites that generate 150 tons or more of waste per year.

<sup>2</sup> We define a new process as a process developed for a part that was not previously repaired (i.e. it was scrapped) or a new one-time repair of a part that creates efficiencies and/or reduces waste.



## Reducing risk of chemical usage

We use a variety of chemicals, chemical formulations and materials to manufacture complex parts and assemble, maintain and service our products.

We are committed to reducing adverse impacts on human health and the environment, as well as business disruption.

### OUR APPROACH

Our integrated Global Chemical Substances (GCS) program guides our chemical substance compliance and risk reduction efforts. It is a collaboration between our Engineering and Operations & Supply Chain teams, which provide monthly updates to our senior vice president of Operations & Supply Chain. Our cross-functional GCS Executive Committee is co-chaired by the vice presidents of EH&S and Engineering, and its membership includes vice presidents from Operations & Supply Chain, Quality, Legal, Contracts & Compliance and the RTX Technology Research Center. The committee oversees the GCS program and receives periodic updates from the GCS team and project leaders on key initiatives, risks and activities. Business GCS resources provide key support for enterprisewide solutions.

We use our CORE™ (Customer Oriented Results and Excellence) operating system to improve our GCS processes and program, which monitors, identifies and mitigates risks related to chemical usage across RTX. We also use 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. If chemical risks are identified, we define risk mitigation options and implement them as appropriate.

Beyond our internal practices, we work with suppliers to better understand their use of chemicals and identify alternatives, where possible. We also 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 support efforts to assess industry dependencies on targeted chemicals. Additionally, in the context of E.U. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), we participate in multiple authorization consortia.

### WHAT WE'RE DOING

**Held an RTX-wide collaborative Alternate Materials workshop**, hosted by Collins Aerospace, for engineers working across all our business units.

**Deployed a cross-business, cross-functional team**, led by Raytheon, to identify potential per- and polyfluoroalkyl (PFAS) substance uses across RTX.

**Collaborated with industry partners** to assess aerospace and defense PFAS uses and provide input to regulatory agencies.

**Continued to examine hydrofluorocarbon dependencies and risks**, including activities to identify, prioritize and test viable alternatives.

**Continued to implement chromate-free conversion coatings** at multiple E.U. sites.

**Achieved zero customer delivery disruptions** due to GCS regulatory bans or restrictions.



Raytheon designed its Lower-Tier Air and Missile Defense Sensors to be chromate free.



## 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.

### OUR APPROACH


Supply chain compliance is overseen by the GPPC of our Board and led by the senior vice president of Operations & Supply Chain, who briefs our full Board on supply chain matters annually. Members of the RTX 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 ensure compliance with applicable laws and regulations and that satisfy, at a minimum, the principles and expectations set forth in our Supplier Code of Conduct. This includes conducting operations in a manner that, among other things:

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

Our supplier health assessments include questions about environmental management, including water and waste management, and GHG emissions and energy reduction programs.

We educate and recognize suppliers in various ways, including through our [Performance+ supplier performance program](#), various mentoring programs and onboarding training for new strategic suppliers.

We collaborate with industry associations to also help reduce risk in the supply chain and environmental impact, including IAEG and the Responsible Minerals Initiative.

 See our [Supplier Resource Portal](#) for more on how we address employee safety within our supply chain.

### WHAT WE'RE DOING

Through our collaboration with IAEG, we selected EcoVadis sustainability assessments to benchmark supplier ESG risk and performance using a standard industry framework. In 2023, we began to collect EcoVadis scorecards with ESG data from our suppliers. This includes, based on spend, our top suppliers and suppliers with the greatest GHG emissions. We will assess the data to better understand high-risk areas and develop actions to address them as part of our multi-year supplier sustainability roadmap.







# Principles

Operating a responsible global business that acts with integrity and with a long-term mindset is fundamental to earning and maintaining the trust of our stakeholders.

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



The safety and quality of our products



Our commitment to respecting human rights



The resilience of our business



The integrity of our operations

## 2023 PRINCIPLES HIGHLIGHTS

**118K+**

targeted employees completed anti-corruption training<sup>1</sup>

**100%**

of facilities or sites that provide products and services have a certified Quality Management System (QMS) or have a plan to achieve certification

**95%+**

of our planned Threat and Vulnerability Assessments and Physical Security Assessments at key sites were completed in the past two years<sup>2</sup>

<sup>1</sup> All RTX employees, excluding employees in production and maintenance.

<sup>2</sup> Key sites – site is critical based on any or all of the following criteria: size, scope, complexity, intellectual property, key personnel and dollar value.



# Ethics and compliance

**Ethical and compliance-minded business practices underpin all we do.**

## WHY IT MATTERS

Acting ethically and with integrity is essential to how our employees make decisions and interact effectively with one another to achieve our mission; 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.

## OUR APPROACH

Our [Global Ethics & Compliance \(GEC\)](#) program drives our culture of ethics and compliance throughout the organization and includes our anti-corruption efforts. We articulate our expectations and guidelines for ethical behavior in our [Code of Conduct](#), which applies to all part- and full-time employees at all levels and, in certain respects, to our business partners. As part of our controls framework, we operationalize additional compliance policies through various systems, tools and standardized practices.

Our Board's Audit Committee oversees the company's GEC program, including compliance with our policies and procedures, our Code of Conduct and applicable laws and regulations. The committee receives updates from our chief ethics and compliance officer at least quarterly. Our Risk & Compliance Council, which includes our 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 senior management team engages with GEC leadership through the Risk & Compliance Council, in addition to other formal and routine engagements.

Our corporate GEC leaders collaborate through both formal and informal channels with their business unit GEC counterparts and functional leaders responsible for ethics and compliance. Each quarter, our Compliance Leadership Group brings together compliance leaders from multiple compliance risk areas (including Anti-corruption, Privacy, Government Contracting, Global Trade and Antitrust), along with business unit compliance leaders and leaders from Human Resources, Internal Audit, Controllership and others. Other formal channels include risk area-specific councils and 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.

Through collaboration among our corporate and business unit Compliance, Controllership 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 assess anti-corruption, antitrust, global trade and privacy risk through targeted audits and assessments of our sites, functions and processes. Our GEC team and other compliance stakeholders review assessment results to address our evolving risk environment and deploy resources appropriately.

## Reporting and investigations

Every single RTX 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, ask questions or seek advice. This includes our [Speak Up Helpline](#), which is staffed by a third-party provider and offers anonymous and confidential global phone and web-based reporting options. Reports are either answered directly or entered into the RTX case management system and triaged by RTX Ethics & Compliance. All follow-up actions are tracked until completion. 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 and tracked to completion, with remediation and discipline implemented as appropriate. Our global network of over 500 ethics & compliance officers and ethics ambassadors also effectively supports incident reporting and investigations at the local level.

We aligned an ethics and compliance officer with each of our ERGs to build awareness of resources such as our Speak Up Helpline and Ombuds Program. The officers also serve as an additional resource to whom ERG members can reach out with questions or concerns.




**We enforce our strict policy prohibiting retaliation against anyone who raises a concern in good faith or participates in the investigative process.**

 [More on our Speak Up process can be found here.](#)

## EMPLOYEE AWARENESS AND EDUCATION

We provide education and training to help employees understand their obligations, the risks we face and how to report concerns and seek guidance. As part of these efforts, we:

- Require our employees to complete annual ethics and compliance education. This includes our mandatory **Act with Integrity** education program, which draws from real ethics cases in key risk areas. Our 2023 program focused on ethics essentials, reinforcing the importance of speaking up about concerns and listening to the concerns of others, how to report concerns and our nonretaliation policy.
- Provide additional educational resources through **The Ethics & Compliance Education Center**.
- Require all salaried and other select employee populations to annually acknowledge their familiarity and compliance with our [Code of Conduct](#) and certain other policies.
- Provide **targeted education and communication** on the rules for key areas, such as giving and receiving gifts, disclosing conflicts of interest, avoiding anticompetitive behavior and adhering to anti-corruption policies and laws, U.S. government contracting requirements and global trade requirements.
- Offer additional **anti-corruption education** to select employees based on geography and function. In 2023, more than 118,000 targeted employees completed anti-corruption training.<sup>1</sup>

 [More information about our policies, procedures and activities related to ethics and compliance can be found in our 2024 Proxy Statement.](#)

<sup>1</sup> All RTX employees, excluding employees in production and maintenance.



# Product safety and quality

We remain committed to designing, manufacturing, servicing and maintaining safe products that meet or exceed all applicable government standards, industry regulations and customer requirements for safety and product quality.

## WHY IT MATTERS

Our products protect nations, enable people to travel the world and transport goods and services globally. The quality and safety of RTX's products and services are essential to stakeholder trust – and an unwavering focus for all RTX activities.



Our commitment to product safety has been core to our operations for more than 100 years and is more important than ever to who we are.

## OUR APPROACH

Our commitment to product safety and quality starts with our CEO and Board of Directors. The Board's GPPC has oversight of 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 safety of products designed, produced or maintained by their business and for appointing a business unit PSO to execute product safety management systems (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 with the RTX PSO and business product safety officers to review significant safety-related issues across our business units. Additionally, our core product safety teams meet seven to 10 times a year for safety-related discussions, best practice sharing across RTX businesses and activities related to safety culture.

## 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 achieve acceptable risk levels.



We provide multiple communications and tools to inform employees on the most effective ways to report a concern. In 2023, we introduced a QR code allowing employees to report potential product safety issues or incidents conveniently from their phones or tablets.





## 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 RTX products and services are conceived and designed with safety and quality in mind, and assessed for safety performance and continuous improvement.

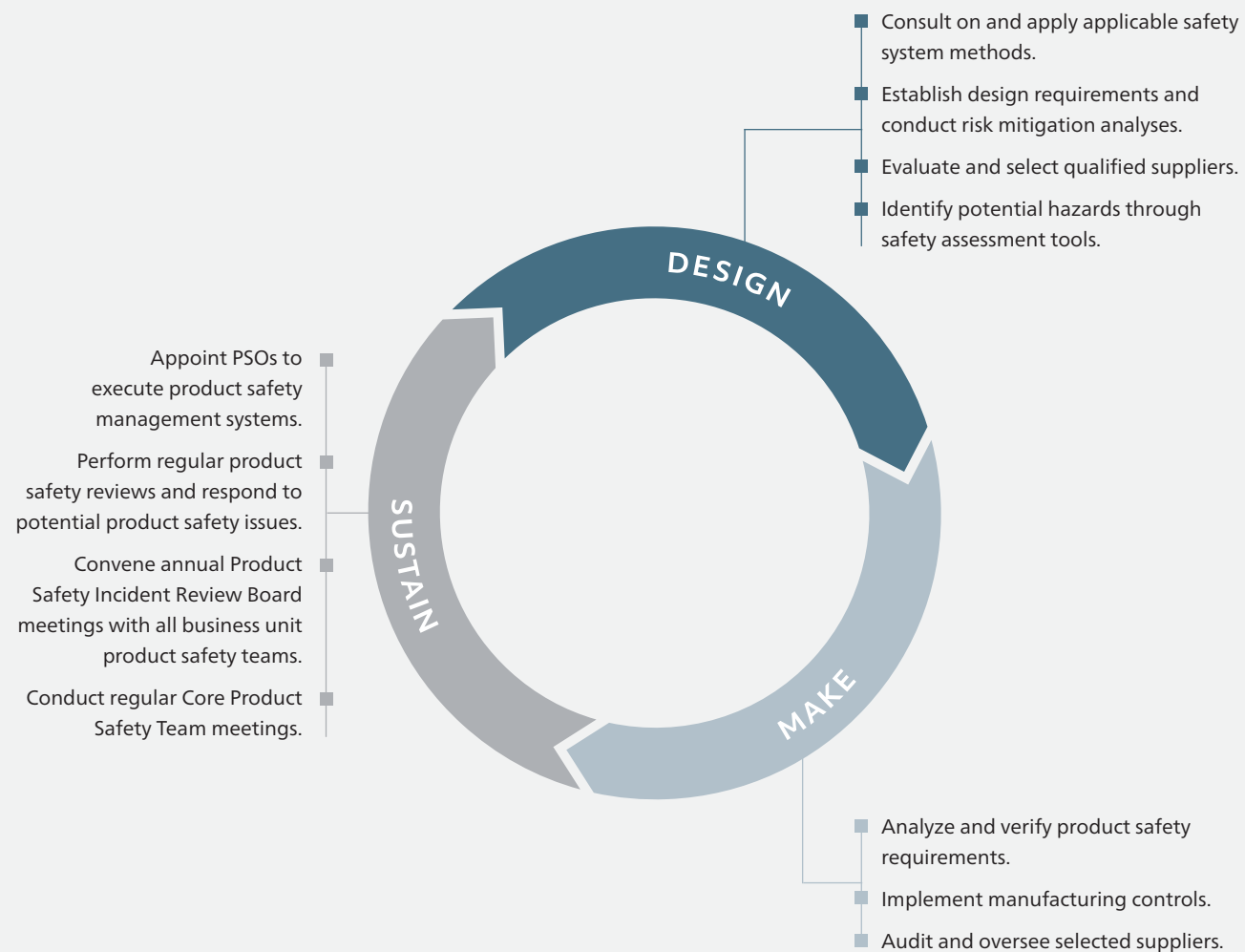
We apply military and commercial safety system methods consistent with military standards (MIL-STD-882) and commercial aerospace recommended practices (ARP-4761), as well as aerospace standards for quality throughout the design process.

In addition, RTX’s various Safety Management Systems govern all RTX products and parts – from production through end use – to ensure they meet or exceed our government customers’ requirements and the regulatory requirements of civil aviation authorities such as the Federal Aviation Administration, 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.

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.

*For more information on product safety risks, including product safety failures, see our [2023 Form 10-K](#).*

### THE RTX PRODUCT SAFETY LIFE CYCLE



Safety is – and will always be – paramount across our business. We announced last year that a rare condition in powder metal manufactured between 2015 and 2021 that was used to manufacture certain Pratt & Whitney engine parts would require accelerated inspection and retirement of potentially affected parts. With strong Board oversight and focused senior leadership engagement, we are dedicating all the resources needed to help ensure that we address this issue in the best manner possible for our customers, the company and our shareowners. As we are executing our fleet action plans to address this matter, we are leveraging the world-class engineering and manufacturing talent from across RTX and the RTX Technology Research Center.

*For more information, see our [2023 Form 10-K](#).*



# Product quality and improvement

**Our products must perform at the highest standards without exception – lives depend on it.**

## OUR APPROACH

Guided by our Quality Policy, our CORE™<sup>1</sup> operating system enables us to maintain high product quality and continuously improve our processes to promote product safety.

Our Quality Council, which includes senior Quality and Mission Assurance leaders from each business unit and the corporate function, meets regularly to share best practices, track progress toward our joint quality initiatives, oversee QMS activity in our business units and align on our quality policies. The Quality Council sponsors and collaborates on:

- **Alignment and maturity** of our advanced product quality planning methodologies to promote predictability and stability while reducing waste throughout the product life cycle.
- **Risk-based engagement** with suppliers to help ensure understanding of requirements prior to and after contract award.
- **Advancement** of our people through skill proficiency roadmaps and assessments, and emphasis on continuing education.
- **Deployment** of our quality digital strategy designed to harmonize our systems and applications globally, and increase workforce efficiency.

Each business unit must have a documented QMS to help ensure compliance with customer, statutory, regulatory and industry requirements. Similarly, 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 assess compliance through internal QMS audits, third-party QMS certification and QMS audits among suppliers, as needed, based on risk. In 2023, a cross-company team of Quality professionals proactively analyzed our QMS audit data and identified the top companywide areas of opportunity. Recommendations were provided to subject matter experts for further analysis and implementation.

In addition, RTX business units strive to operate according to the QMS Advanced Surveillance Recertification Program (ASRP) requirements, which go above and beyond our standard internal audit program. In accordance with ASRP, we use a robust and rigorous system of tiered internal audits, including those at the site, business and enterprise levels. This enables and encourages cross-site and cross-business trending and data sharing to promote increased responsiveness. Collins Aerospace and Raytheon business units operate according to ASRP; Pratt & Whitney meets its requirements and is working toward achieving ASRP with qualified sites in 2024.

**We are committed to providing our customers with products and services that meet or exceed our quality representations and requirements.**

## WHAT WE'RE DOING

One hundred percent of RTX facilities and sites that provide products and services, including newly acquired sites, have a certified QMS or have plans to achieve certification appropriate to the business, customer requirements and business sector. Each facility applies one or more of the following QMS certifications for their respective operations:

**AS9100** – quality management for aerospace and defense.

**AS9110** – quality management for aerospace and defense maintenance.

**AS9120** – quality management for aerospace and defense distributors.

**ISO 9001** – quality management.



## MORE THAN JUST CONTINUOUS IMPROVEMENT

Our CORE™ operating system assesses the maturity of the company's quality program using a standardized framework. Where there is room for improvement, it shows us "what good looks like." It also provides methods, tools and expertise to help us:



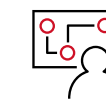
**Improve efficiency and reduce waste**



**Comply with customer contractual requirements**



**Identify root causes**



**Improve our skill proficiency through training and application**

Since its launch in 2021, we have trained and certified over 80,000 RTX employees on the foundational proficiency of CORE™, empowering them to drive improvements, align our goals, optimize our work environment and increase process efficiencies.

<sup>1</sup> CORE is a trademark of RTX.



# Data security and privacy

Threats to the confidentiality and integrity of our systems and data are serious – and so are we about ensuring the stability of our systems and data. We place equal emphasis on responsibly collecting, processing and managing data entrusted to us.

## WHY IT MATTERS

As a global aerospace and defense company serving commercial and government customers in the aerospace industry, as well as domestic and international military and government customers as a defense contractor, we are the target of advanced and persistent cyberattacks from a variety of threat actors.

We must be vigilant in ensuring that our customers', employees' and partners' information and systems are protected. As the volume of data and information available continues to increase, this becomes even more important.

## OUR APPROACH

Our cybersecurity program is made up of two components: our enterprise cybersecurity program and our cybersecurity program for our products and services.

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 providing regular updates to the Board of Directors. In addition, our product cybersecurity officer (PCO), under the direction of our chief technology officer (CTO), leads our cybersecurity program for our products and services and is responsible for assessing and managing related cybersecurity risks. In collaboration with our PCO and CISO, our chief privacy officer (CPO) also manages our data privacy

compliance program. We actively monitor regulations to keep up with and promote best practices.

Each of our business units has leadership in place to assess and manage business-specific risks, as well as an established structure to help ensure our products and data are secure and compliant. 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. Chaired by our global CISO, the Cyber Council discusses cyber threats, risks, events and activities, while our Privacy Advisory Board discusses privacy-related issues. Our Board of Directors has primary oversight responsibility for enterprise cybersecurity risks. The Audit Committee also considers enterprise cybersecurity risks in connection with its financial and compliance risk oversight role. The Special Activities Committee of our Board of Directors has primary oversight responsibility for cybersecurity risks related to our products and services. The full Board of Directors also receives periodic briefings from management on the company's product cybersecurity risks and programs. The Audit Committee also considers product and services cybersecurity risks in connection with its financial and compliance risk oversight role.

Additionally, we have an in-depth Security and Privacy Awareness program for RTX employees and contractors, which includes required training, ongoing awareness communications and simulated phishing exercises. In addition, we conduct a robust Cybersecurity Awareness Month campaign that offers learning activities, webinars and onsite engagement. Our Security and Privacy Awareness program is governed by a cross-functional council, which works to streamline information so that it's simple for employees and contractors to understand what they need to know and do to protect RTX, customer, supplier and personal data.

## WHAT WE'RE DOING

We continued to harmonize and mature our activities to further mitigate enterprise cyber risks by:

- Deploying **annual required cybersecurity and data privacy training** to all active<sup>1</sup> employees and contractors.
- Administering **monthly enterprise phishing exercises** across 60+ countries.
- Conducting a variety of **targeted communications, training and phishing exercises** to address role-specific threats.

<sup>1</sup> Active includes all employees currently working and not on leave from RTX employment.



In 2023, we matured our Enterprise Security Incident Management process with detailed steps for escalation based on incident severity. We use feedback from incidents to continuously improve our security processes and reduce risk.

Incidents are reported internally to members of senior management and/or the Board of Directors as appropriate based on severity and incident type and are also analyzed for external reporting requirements. Our incident response process is also designed to coordinate functions to enable continuity of essential business operation in the event of a cyber crisis.



## Enterprise cybersecurity

Protecting our employees, intellectual property, systems and operations against cyber risk is fundamental to how we run our business.

### OUR APPROACH

We employ robust prevention and detection capabilities, processes and tools to reduce cyber-related risks 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, as well as other applicable frameworks as required by our customers.
- We periodically engage with third parties to perform **maturity assessments** of our program to identify potential risk areas and improvement opportunities. This includes assessment of our overall program, policies and processes, compliance with regulatory requirements and an overall assessment of key vulnerabilities.
- Our **Security Operations Center** is informed by cyber threat intelligence experts across the globe, helping them track and respond to enterprise cybersecurity issues 24/7.
- We rigorously review new IT systems and the type of data they will host before deployment to help ensure needed controls are in place and operating as intended. Once systems are in production, our **vulnerability management program** uses active discovery and penetration testing to identify new risks.

In addition, several external organizations validate and assess our cyber program, including the U.S. Defense Contract Management Agency and Cybersecurity Maturity Model Certificate Third Party Assessment Organization. Moreover, some of our products are audited or reviewed for regulatory compliance certification pursuant to the relevant Department of Defense (DoD) risk management framework.

### WHAT WE'RE DOING

To prevent, detect and respond to cybersecurity risks for our 185,000 employees we:

- **Analyzed more than 9 billion web requests** per week, blocking an average of 207 million web requests classified as dangerous.
- **Captured more than 350 terabytes** per day of full network packet data.
- **Rejected approximately 35 million unwanted or unsafe emails** per week.
- **Implemented monitoring networks** to protect digital assets in more than 60 countries.

## 9B+

web requests analyzed per week

## 350

terabytes captured per day

## ~35M

unwanted or unsafe emails rejected per week

## 60+

countries with monitoring networks



## Product cybersecurity

For our customers, security is critical for hardware and software components as well as services for products such as satellites, propulsion systems, avionics components, defense platforms and systems.

### OUR APPROACH

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 their 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.
- **Our product development processes** apply development, security and operations principles aligned with applicable government and commercial standards including DO-326.

The RTX 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. We also incorporate industry best practices into secure product development, such as vulnerability scanning, software composition analysis, and static and dynamic analysis.

We leverage a secure systems development life cycle and industry-specific risk management frameworks, applying development, security and operations principles as well as SAFECODE fundamental practices utilizing the NIST Secure Software Development Framework. Many of our products are tested by our Cyber Operations Development and Evaluation 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 RTX 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.

## Data privacy

Respecting the privacy of employee, supplier and customer data is critical both to upholding the commitment in our policies and to our overall business success.

### OUR APPROACH

Our efforts are guided by our data privacy policy. It embodies the requirements of our [Binding Corporate Rules](#), and also covers our other international and U.S. legal obligations, such as the General Data Protection Regulation and the California Consumer Privacy Act.

Our CPO manages our data privacy compliance program, supported by a lead privacy professional within each business unit. Data protection officers (DPOs) around the world also help identify and mitigate privacy risk. In locations where a DPO is not required but oversight is advisable or desired by the local entity, we appoint data protection stewards. Our internal auditors complete multiple data privacy audits each year. The Audit Committee is briefed at least annually on our privacy compliance program, including an overview of results from data privacy audits.

### IAPP AEROSPACE & DEFENSE PRIVACY PROFESSIONALS AFFINITY GROUP

Our CPO, in collaboration with other aviation and defense professionals, co-leads and helped to launch a data privacy affinity group in 2023 to help facilitate discussions around data privacy in our industry.

In alignment with our policies, we:

- **Provide appropriate and clear notice** about any personal information we collect and how we process and store it, and identify any updates.
- **Work to report, investigate and remediate all incidents** involving the potential unauthorized access, possession or loss of protected information, and notify regulators, customers and affected individuals, where appropriate.
- **Review our privacy program each year** within our Global Ethics and Compliance team to help ensure we are meeting our goals.
- **Conduct privacy self-assessments annually**, as well as transfer impact assessments of projects, systems and applications involving personal information.

We mandate that employees complete online training, covering cybersecurity and data privacy, and provide live and recorded training tailored for employees in certain functions.



# Business resilience and crisis management

**We take an enterprisewide approach to business resilience and crisis management to manage and minimize the impacts of potential disruptions to our business – especially as we keep pace with business changes and strategic, transformational events.**

## WHY IT MATTERS

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

## OUR APPROACH

Our business resilience and crisis management (BRCM) approach ensures the resilience of critical processes across our organization. It allows us to take preemptive action and respond to potential threats or major incidents wherever they occur.

Our BRCM policies and teams, led by our chief security officer (CSO), are often regarded as industry leaders by federal and state agencies. This function is supported by our Global Security Services Council, composed of security workstream executives and business unit CSOs. 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 and reports directly to our CEO. Our incident support teams at the site and business unit level 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. Our incident response plans are updated annually.

All in-scope sites must conduct threat and vulnerability assessments (TVAs) for major locations at least every two years and physical security assessments (PSAs) at least every three years. In the past three years, we achieved over 95% of our planned TVAs and PSAs at key sites.<sup>1</sup>

## WHAT WE'RE DOING

- **We continue to align our program and processes** across RTX and all RTX business units. We have developed standardized tools and deployed technologies to help each of our business units identify and mitigate risk more efficiently. We have also deployed RTX Emergency Alerts, which allow us to communicate critical information and instructions to our employees during crisis events as well as determine their wellness after events.
- **We conducted annual exercises designed to prepare the company for a wide range of crises**, whether natural disasters, accidental or man-made. We strengthened our preparedness with public and private partners, including the Critical Manufacturing Sector Coordinating Councils. In addition, we continued to 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 resilience.
- **The Global Security Services Council rolled out enterprisewide training** on workplace violence awareness and prevention as part of our BRCM process.



## Strengthening our resilience

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 most recent [CDP disclosure](#).

<sup>1</sup> Key sites – site is critical based on any or all of the following criteria: size, scope, complexity, intellectual property, key personnel and dollar value.



## Human rights

Our commitment to operating in an ethical manner includes respecting human rights and working to protect and advance them.

### WHY IT MATTERS

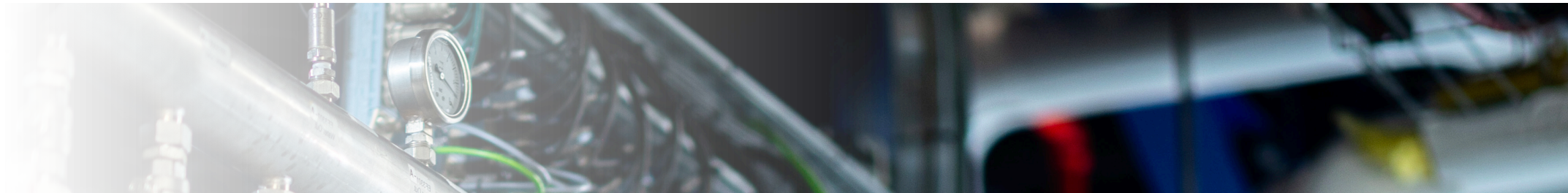
Advancing human rights is not only the right thing to do, but it makes business sense by helping to create a more productive, engaged workforce and supply chain, and mitigate financial and reputational risks.

### OUR APPROACH

Our commitment is described in our [Code of Conduct](#). It is also reflected in our enterprise [Human Rights Policy](#), which sets forth the principles we expect our employees, customers, suppliers and other partners to uphold.

The RTX Human Rights Council is responsible for overseeing company processes, policies and practices to identify, assess and address human rights risks. It meets monthly and 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 ensures that key issues and risks are reported to the Board's GPPC, at least annually.

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 expect our suppliers to comply with our human rights standards, as outlined in our [Supplier Code of Conduct](#). We require each to have management systems, tools and processes in place to help ensure compliance with applicable laws and regulations and our Supplier Code of Conduct. We investigate whether suppliers satisfy these standards through human rights-related questions in conjunction with our initial supplier screening and onboarding process, as well as through annual supplier certifications. We also examine suppliers for potential human rights impacts related to their products or services. Our business units review the results of these screenings to identify areas of heightened risk.

Our suppliers are required to satisfy our expectations as identified 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.

### WHAT WE'RE DOING

- Through our collaboration with IAEG, we selected **EcoVadis sustainability assessments** to benchmark supplier ESG risk and performance using a standard industry framework. In 2023, we began to collect EcoVadis scorecards with ESG data from our suppliers. Please see [Compliance across our supply chain](#) for more information.
- 94% of RTX employees who work in or support the supply chain function completed **training on preventing and detecting child labor and modern slavery in global supply chains**. Training was aligned with existing regulations, including the U.K. Modern Slavery Act and California Transparency Act, and highlighted the forced labor "red flags" from the International Labour Organization's Indicators of Forced Labour.





## Responsible product sales

RTX does not manufacture or sell cluster munitions (as defined in the 2008 Convention on Cluster Munitions), land mines, nuclear warheads or biological or chemical weapons.

RTX and its business units have processes in place that assess a variety of risks before engaging in sales of certain defense products, particularly those involving a new customer. Before undertaking such pursuits, we weigh financial, technical, political, ethical and reputational risks, among others. We also consider our role in support of the national security interests of the U.S. and its allies.

We recognize that certain defense products, due to their capabilities, carry potential human rights risks associated with their misuse or failure, which we work to identify and mitigate through a targeted due diligence program. Each business unit embeds 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. The Human Rights Council periodically reviews the products and countries that are subject to this human rights-focused screening.

Where appropriate and feasible, 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. Our Human Rights Council consults with the business units on potential covered sales.

In addition, our global trade compliance program implements controls, processes and required training within each business unit to help ensure compliance with U.S. and applicable non-U.S. laws and regulations governing exports, imports, antiboycott, economic sanctions and embargoes.



RTX is developing a policy that governs the safe, ethical and responsible development and use of AI, and plans to publish the policy in 2024. The policy will be consistent with applicable principles and policies such as the DoD AI Ethical Principles and other relevant governmental policies and guidance.

## A shared responsibility

We believe respecting and protecting human rights is a shared responsibility between government and the private sector. The U.N. Guiding Principles on Business and Human Rights provide valuable insight on how companies like RTX may approach human rights, as do a wide spectrum of other resources, including the policies and processes adopted by peer companies in the aerospace and defense industry. The U.N. Guiding Principles outline in detail how governments, through the adoption and enforcement of laws as well as through dialogue, should work with business to promote the protection of human rights.

Consultation with U.S. officials on defense exports is a critical element of our human rights approach.

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 sales of military and security items outside of the U.S. are subject to broad U.S. government reviews. These reviews include human rights considerations and are designed to ensure our exports are in line with U.S. laws and regulations, as well as national security and foreign policies.





# Appendix

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



# Recognition highlights

## America's Climate Leaders

*USA Today*

## America's Most JUST Companies #52 overall, #1 in Aerospace and Defense

*JUST Capital*

## Best Decade Honoree

*Minority Business News USA*  
*Women's Enterprise USA*

## Best Places to Work for LGBTQ+ Equality (100)

*Human Rights Campaign Foundation*  
*Corporate Equality Index*

## Best Places to Work for Disability Inclusion

*Disability Equality Index*

## Five-star rating – Employment and Governance

*Hispanic Association on Corporate Responsibility*

## Net Zero Leaders

*Forbes*

## Platinum Medallion

*HIRE Vets*

## Points of Light

*Bronze Medal for Social Impact—Civic 50*

## Supply Chain Diversity Excellence Award

*Supplier.io*

## Top 50 Companies for Diversity (#36)

*Fair360<sup>1</sup>*

## Top Companies for ESG (#25)

*Fair360<sup>1</sup>*

## Top Companies for Supplier Diversity (#11)

*Fair360<sup>1</sup>*

## Top Companies for Veterans (#2)

*Fair360<sup>1</sup>*

## Top 50 Companies (#4)

*Latina Style Magazine*

## Top 50 Native American STEM Workplace

*American Indian Science & Engineering Society*

## 2023 Citizens Award Best Commitment to Education Program

*U.S. Chamber of Commerce Foundation*

## 2023 ENERGY STAR Partner of the Year – Sustained Excellence Award

*U.S. Environmental Protection Agency*

<sup>1</sup> DiversityInc changed its name to Fair360 in 2023.



# Performance data

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Company data</b>				
Enterprise revenue (\$)	\$64.4B	\$67.1B	\$68.9B	See 2023 <a href="#">Form 10-K</a> . Reported sales reflect the impact of the previously disclosed Pratt & Whitney powder metal matter.
# of total employees	174,000	182,000	185,000	
# of employees in an engineering role	58,000	59,000	61,000	Total includes all employees classified under the function of "Engineering."
# of engineering professionals	54,000	55,000	57,000	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	27,000	
Total investment in company- and customer-funded R&D	\$7.2B	\$7.1B	\$7.3B	See 2023 <a href="#">Form 10-K</a> .
Total number of board members	13	13	13	
% of physical security assessments and threat vulnerability assessments completed at key, required sites	100%	100%	PSAs: 95% TVAs: 96%	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	\$55.2M	The \$55.2 million in 2023 corporate giving consists of \$43.4 million in corporate grants and \$11.0 million in corporate gifts that match employee donations made in cash. In 2023, RTX also included \$800,000 of company-funded nonprofit support and merchant fees.
\$ invested in community programs focused on underrepresented communities	N/A	\$26.2M	\$27.8M	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	\$43.4M	
Total number of company charitable grants	975 grants made to 800 organizations	929 grants made to 762 organizations	999 grants made to 838 organizations	
Total amount of employee donations	\$12.2M	\$11.4M	\$11.3M	Employee donations are made in cash.
Total matching gifts from employee giving	\$16.4M	\$10.8M	\$11.0M	Company contributions to match employee donations made in cash.
# of individuals reached through RTX's direct funding support of nonprofits	888,000	11.1M	8.3M	RTX partners with Impact Genome to collect and verify data annually from our grantees and nonprofit partners. Each grantee reports on an evidence-based outcome and their impact is compared to a sector-wide benchmark. For more information, check out their website <a href="http://www.impactgenome.com">www.impactgenome.com</a> .
% of RTX's signature programs demonstrating an efficacy rate within or above benchmark ranges	76%	86%	75%	Efficacy rate is the percent of beneficiaries served by the program who achieved the primary, predefined outcome based on the Impact Genome 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 RTX's signature programs demonstrating a cost per outcome within or below benchmark ranges	65%	76%	82%	

(continued)

## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Corporate social responsibility <small>(continued)</small></b>				
# of students engaged with STEM as a result of RTX funding and signature partners	117,000	202,000	319,000	
# of volunteer opportunities	1,550	592	1,400	An increase in volunteer opportunities is attributed, in part, to two RTX initiatives in 2023. First, a new ERG grant program was launched, with eligibility dependent on the creation of volunteer opportunities. Second, employees received targeted communication campaigns that promoted the benefits of leveraging the Connect Up platform for volunteer opportunities.
# of employee volunteering hours	58,200	142,000	205,000	Metrics are limited to employees who logged their volunteer hours and include our Global Month of Service initiatives.
# of employees volunteering	1,220	5,450	9,260	Metrics are limited to employees who logged their volunteer hours and include our Global Month of Service initiatives.
# of employee volunteering hours completed during RTX Global Month of Service initiative	3,400	31,100	30,600	
# of employees who volunteered in RTX Global Month of Service initiative	401	2,660	3,440	
# of employees who volunteered in summer work experience programs	320	440	380	
# of causes supported through volunteering and/or charitable grants	8,000	8,270	8,440	
# of employees who participated in employee giving globally	11,500	10,700	9,900	
<b>Talent</b>				
Employee engagement survey success score	72 out of 100	72 out of 100	72 out of 100	Semiannual Pulse surveys were conducted in April and September of 2023. 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%	5%	Voluntary Turnover Rate is derived from dividing RTX's annual number of voluntary controllable separations from employment (e.g., better opportunity, relocation, career change), by RTX's annual average month-end employee headcount. This is an internal measure defined by RTX, the purpose of which is to capture RTX's yearly regrettable resignation percentage.
Total employee training hours completed by:	703,000 hours of training required across the company in 2021.	668,000 hours of training required across the company in 2022.	656,000 hours of training required across the company in 2023.	
<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>		<ul style="list-style-type: none"> <li>All completed training hours by gender: <ul style="list-style-type: none"> <li>Women: 1,600,000</li> <li>Men: 4,400,000</li> </ul> </li> <li>All completed training hours professional+ vs. prod maint: <ul style="list-style-type: none"> <li>Professional+: 5,000,000</li> <li>Prod maint: 1,000,000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>All completed training hours by gender: <ul style="list-style-type: none"> <li>Women: 2,100,000</li> <li>Men: 5,700,000</li> </ul> </li> <li>All completed training hours professional+ vs. prod maint: <ul style="list-style-type: none"> <li>Professional+: 6,800,000</li> <li>Prod maint: 1,000,000</li> </ul> </li> </ul>	

(continued)



## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Talent</b> <i>(continued)</i>				
The average of required training hours completed by: <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>	3.98 average hours of training required per employee in 2021.	3.66 average hours of training required per employee in 2022. <ul style="list-style-type: none"> <li>• Avg. completed training hours by gender: <ul style="list-style-type: none"> <li>– Women: 34.9</li> <li>– Men: 32.2</li> </ul> </li> <li>• Avg. completed training hours professional+ vs. prod maint: <ul style="list-style-type: none"> <li>– Professional+: 38.6</li> <li>– Prod maint: 19.4</li> </ul> </li> </ul>	3.58 average hours of training required per employee in 2023. <ul style="list-style-type: none"> <li>• Avg. completed training hours by gender: <ul style="list-style-type: none"> <li>– Women: 45.6</li> <li>– Men: 41.3</li> </ul> </li> <li>• Avg. completed training hours professional+ vs. prod maint: <ul style="list-style-type: none"> <li>– Professional+: 52.6</li> <li>– Prod maint: 18.2</li> </ul> </li> </ul>	
<b>Diversity</b>				
# of women employees	43,800	46,300	46,800	Includes number of women globally. A small group of less than 200 employees do not have a gender listed in the human resources management tool.
% of women employees	25.2%	25.5%	25.3%	Includes percentage of women globally. A small group of less than 200 employees do not have a gender listed in the human resources management tool.
# of men employees	N/A	N/A	138,000	2023 is first year disclosing this metric. Includes number of men globally. A small group of less than 200 employees do not have a gender listed in the human resources management tool.
% of men employees	74.8%	74.5%	74.6%	Includes percentage of men globally. A small group of less than 200 employees do not have a gender listed in the human resources management tool.
# of employees that are U.S. POC	37,900	40,400	41,400	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
% of employees that are U.S. POC	30.9%	32.2%	32.7%	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.
% of employees that are American Indian/Alaskan Native	0.6%	0.6%	0.6%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 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%	10.2%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 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%	8.0%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 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%	0.3%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 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%	11.3%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are Two or More Races	2.0%	2.1%	2.4%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees that are White	69.1%	67.6%	67.2%	U.S. only. Excludes employees in Puerto Rico. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of intern hires that are women and/or U.S. POC	N/A	45.2%	44.8%	Global women and U.S. POC only. Excludes employees in Puerto Rico. Includes all intern hires who self-identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latinx, Hawaiian/Pacific Islander and Two or More Races.

(continued)

## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Diversity <small>(continued)</small></b>				
% of all new hires that are women and/or U.S. POC	N/A	45.4%	42.7%	Global women and U.S. POC only. Excludes employees in Puerto Rico. Includes intern hires and 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 new hires that are women and/or U.S. POC	N/A	N/A	42.3%	2023 is the first year disclosing this metric. Global women and U.S. POC only. Excludes employees in Puerto Rico and intern hires. 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 new hires that are women	N/A	N/A	24.4%	2023 is the first year disclosing this metric. Global women. Excludes intern hires. A small group of less than 100 new hires do not have a gender listed in the human resources management tool.
% of new hires that are men	N/A	N/A	75.4%	2023 is the first year disclosing this metric. Global men. Excludes intern hires. A small group of less than 100 new hires do not have a gender listed in the human resources management tool.
% of new hires that are U.S. POC	N/A	N/A	40.4%	2023 is the first year disclosing this metric. U.S. POC only. Excludes employees in Puerto Rico and intern hires. 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 new hires that are U.S. non-POC	N/A	N/A	59.6%	2023 is the first year disclosing this metric. U.S. non-POC only. Excludes intern hires.
% of new hires that are American Indian/Alaskan Native	N/A	N/A	0.6%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of new hires that are Asian/Asian American	N/A	N/A	11.0%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of new hires that are Black/African American	N/A	N/A	11.4%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of new hires that are Hawaiian/Pacific Islander	N/A	N/A	0.3%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of new hires that are Hispanic/Latinx	N/A	N/A	13.6%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of new hires that are Two or More Races	N/A	N/A	3.6%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of new hires that are White	N/A	N/A	59.6%	2023 is the first year disclosing this metric. U.S. only. Excludes employees in Puerto Rico and intern hires. A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% total representation of employees at professional + levels (women and/or U.S. POC)	N/A	N/A	42.9%	2023 is the first year disclosing this metric. Global women and U.S. POC 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 promotions that were women and/or U.S. POC	N/A	N/A	44.1%	2023 is the first year disclosing this metric. Global women and U.S. POC 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 women	30.1%	32.7%	33.4%	
# of executives that are women	398	412	403	
% of executives that are men	69.9%	67.3%	66.6%	
# of executives that are men	N/A	N/A	805	2023 is the first year disclosing this metric.
% of executives that are U.S. POC	16.6%	17.4%	17.3%	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.
# of executives that are U.S. POC	203	201	189	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.

(continued)



## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Diversity <small>(continued)</small></b>				
% of executives that are U.S. non-POC	83.4%	82.6%	82.7%	
# of executives that are U.S. non-POC	N/A	N/A	901	2023 is the first year disclosing this metric.
% of employees under age 30	16.2%	17.3%	17.4%	A small group of less than 100 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%	51.5%	A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
% of employees over age 50	33.7%	33.9%	31.1%	A small group of less than 100 employees do not have race/ethnicity or age listed in the human resources management tool.
# of U.S. veteran employees	15,000	15,100	19,300	Based on voluntary self-identification.
% voluntary controllable retention rate	N/A	N/A	95.0%	Voluntary controllable retention is derived from the number of employees who did not voluntarily separate from RTX due to what the company considers voluntary controllable reasons divided by the average month-end RTX employee headcount during the year. 2023 is the first year disclosing this metric.
% of board members that are women	30.8%	30.8%	30.8%	
% of board members that are men	69.2%	69.2%	69.2%	
% of board members that are U.S. POC	15.4%	15.4%	7.7%	In December 2023, one director resigned from the Board and a new director joined the Board. The departing director had been one of two directors who identify as people of color. The new director identifies as white.
% of board members that are U.S. non-POC	84.6%	84.6%	92.3%	2023 is the first year disclosing this metric. 2022 and 2021 data were retroactively calculated.
% supplier spend with on small and diverse suppliers	28%	28%	28%	U.S. spend only. Includes spend with small businesses (SB), minority-owned business enterprises (MBE), Small Disadvantaged Businesses (SDB), Veteran-owned (VET) businesses, Service-Disabled Veteran-owned businesses (SDVOSB), Historically Underutilized Business Zones (HUBZ), Women-owned Business Enterprises (WBE) and LGBT Business Enterprise (LGBTBE). Includes product and non-product suppliers. Excludes intercompany and unaddressable spend.
Total supplier spend with small and diverse suppliers	\$6.7B	\$7.0B	\$7.6B	U.S. spend only. Includes spend with SB, MBE, SDB, VET businesses, SDVOSB, HUBZ, WBE and LGBTBE. Includes product and non-product suppliers. Excludes intercompany and unaddressable spend.
# of jobs and wages supported through supplier diversity	59,700 jobs \$3.8B wages	51,000 jobs \$4.3B in wages	>50,000 jobs >\$4.0B in wages	As spend with small and diverse suppliers increased in 2023 by \$0.6 billion, it is estimated that over 50,000 jobs and more than \$4.0B in wages were earned as a result of RTX spend.
<b>Emissions</b>				
Total Scope 1 and 2 (market-based) GHG emissions (MT CO <sub>2e</sub> )	1,434,600	1,433,300	1,453,284	Calculated considering the principles and guidance from the GHG Protocol and the U.S. EPA standards.
Scope 1 and 2 GHG emissions intensity (metric tons/\$M revenue)	22.3	21.4	21.1	Calculated considering the principles and guidance from the GHG Protocol and the U.S. EPA standards.
Total Scope 1 GHG emissions (MT CO <sub>2e</sub> )	510,400	506,700	532,402	Calculated considering the principles and guidance from the GHG Protocol and the U.S. EPA standards.
Total Scope 2 GHG emissions (market-based) (MT CO <sub>2e</sub> )	924,200	926,600	920,882	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>2e</sub> )	941,700	936,100	939,441	Scope 2 market-based emissions, not location-based, are used in RTX's GHG goals. We are providing both emissions consistent with our CDP reporting.
Reduction in GHG emissions (%)	21%	21%	19%	Total Scope 1 and 2 (market-based) emissions from the 2019 baseline.

(continued)

## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Emissions <small>(continued)</small></b>				
Scope 3, Category 1 (purchased goods and services) (MT CO <sub>2e</sub> )	14,614,000	12,043,400	13,243,794	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears.
Scope 3, Category 2 (capital goods) (MT CO <sub>2e</sub> )	747,600	701,900	730,984	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears.
Scope 3, Category 3 (fuel- and energy-related) (MT CO <sub>2e</sub> )	243,444	287,500	303,628	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears. Historical years have been adjusted as needed.
Scope 3, Category 4 (upstream transportation and distribution) (MT CO <sub>2e</sub> )	N/A	N/A	869,306	2023 is the first year disclosing this metric. Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears.
Scope 3, Category 5 (waste generated) (MT CO <sub>2e</sub> )	18,057	12,600	13,254	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears.
Scope 3, Category 6 (business travel) (MT CO <sub>2e</sub> )	55,075	54,900	121,814	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears.
Scope 3, Category 7 (employee commuting) (MT CO <sub>2e</sub> )	N/A	471,700	485,531	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears.
Scope 3, Category 11 (use of sold products) (MT CO <sub>2e</sub> )	N/A	8,479,700	12,483,808	Calculated considering the principles and guidance from the GHG Protocol and Technical Guidance. Scope 3 emissions data is presented a year in arrears. The increase in emissions from the previously reported 2022 number is due to post COVID market recovery and additional products included in the calculations.
Total Scope 3 GHG emissions (MT CO <sub>2e</sub> )	15,678,176	22,051,700	28,252,119	Sum of the reported Scope 3 categories in the respective years. Over time, RTX has matured its Scope 3 reporting and reports additional categories.
Carbon offset credits (MT CO <sub>2e</sub> )	8,550	11,180	10,535	Offsets are not counted toward RTX GHG reduction goals.
<b>Energy</b>				
% of implementation of energy/GHG best management practices (BMPs)	47%	64%	77%	
% of energy sourced from electricity grid	52%	53%	51%	
% of total electricity sourced from renewable sources	3.5%	4.2%	6%	
% of total energy sourced from renewable sources	2%	2%	3%	
Total renewable energy projects	Over 30	44	73	
Total renewable electricity procured or generated from renewable electricity projects (MWh)	92,000	111,100	153,660	
Total energy consumed (GJs)	17,700,000	17,900,000	18,336,897	
Energy intensity (GJ/\$M revenue)	274	267	266	
Reduction in energy consumption since 2019 (%)	N/A	12%	9%	Reductions from the 2019 baseline with a new metric/goal starting in 2022.
Total energy reduction projects	Over 100	72	67	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%	100%	

(continued)



## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Product Safety</b> <small>(continued)</small>				
# 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>	<ul style="list-style-type: none"> <li>AS9100 – 240</li> <li>AS9110 – 58</li> <li>AS9120 – 8</li> <li>ISO 9001 – 41</li> </ul>	
<b>Safety</b>				
# of work-related incidents	634	544	547	
# of serious work-related incidents	2	3	7	
# of work-related fatalities	1	0	0	
Total Recordable Incident Rate (TRIR)	0.36	0.30	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	0.07	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%	41%	We conducted a complete analysis of chemical and noise risks in 2021 to establish this baseline. Any new high chemical/noise risks identified between 2021 and 2024 will be included in the baseline.
# of OSHA VPP-certified sites	57	54	53	The number of certified sites was impacted by divestitures, closures and/or changing requirements.
% decrease in high and elevated ergonomic risks since 2015	85%	88%	92%	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. 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%	36%	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.
% of applicable sites that have met requirements to ensure robust near-miss reporting	34%	80%	93%	
<b>Waste</b>				
Amount of hazardous waste generated (tons)	22,300	22,500	24,515	
% of hazardous waste that is recycled	24%	24%	18%	
% reduction in waste sent to landfill and incineration since 2019	24%	22%	20%	
Amount of waste sent to landfill and incineration (tons)	26,300	27,700	28,072	
% of waste sent to landfill and incineration	30%	28%	22%	
% of waste sent to landfill	17%	15%	13%	
Total waste generated (tons)	87,300	99,900	127,260	
Total waste intensity (tons/\$M revenue)	1.36	1.49	1.85	
% implementation of 11 waste BMPs	56%	74%	85%	All 11 waste BMPs apply to sites that generate 150 tons or more of waste per year.

(continued)

## Performance data (continued)

For ease of reference, consolidated data points for key topic areas are presented below.

Description	2021 data	2022 data	2023 data	Notes
<b>Water</b>				
Total potable water consumed (K gallons)	1,502,000	1,551,700	1,610,632	
Water use intensity (K gallons/\$M revenue)	23.3	23.1	23.4	
% implementation of nine water BMPs	50%	72%	81%	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%	13%	
<b>Environmental compliance</b>				
Total monetary value of fines	\$21,700	\$209,700	\$8,100	2022 includes one fine 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	0	
Quantity recovered from reportable spills (kg)	0	4.5	0	
# of facilities/sites with ISO 14001/RC 14001 certification	53	49	48	The number of certified sites was impacted by divestitures, closures and/or changing requirements.
% achievement of on-time completion of correction actions	N/A	92%	93%	
<b>Circular economy</b>				
# new repairs for # parts, extending their useful life for decades	N/A	N/A	2,425 new repairs 576,820 parts	2023 is the first year disclosing this metric.





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

This report contains certain metrics and other information relating to RTX's 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 RTX's 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). 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 RTX's 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 RTX 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 impact of addressing the powder metal manufacturing matter at our Pratt & Whitney business; (vi) the impact of a product safety failure or other failure, including with respect to quality, reliability or durability, affecting our or our customers' or suppliers' products or systems, (vii) the accuracy of our estimates and assumptions; (viii) the success of new technologies; (ix) the impact of acquisitions or divestitures or other changes in our employee or product and service base; (x) the ability to attract and retain personnel and suppliers with technical and other skills; (xi) the willingness of suppliers to adopt and comply with our programs; (xii) the impact of business disruptions, including as a result of cyber or other security threats; (xiii) our ability to raise debt; and (xiv) our performance on our contracts and programs. 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 RTX 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. RTX and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are either the registered or unregistered trademarks or trade names of RTX 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.