Boeing in the UK
Gender Pay Report 2017
Boeing is deeply committed to diversity and inclusion across our global footprint. Diversity and inclusion are part of Boeing’s enduring values and are integral to our business strategy to become a global industrial champion. The company’s commitment to diversity means providing a work environment for all employees that is welcoming, respectful, fair, ethical, and inspiring, with many opportunities for professional and personal development. Quite simply, our people are at the heart of our winning formula. Our commitment to empowering women within our company is part of our larger strategy to attract and retain the best diverse talent across our enterprise.

As a major aerospace and defence employer, we take pride in the opportunity to increase female diversity in our workforce, and it is our responsibility to ensure our people can bring their best authentic selves to work and flourish as Boeing employees.

Women have played an important role in the history of Boeing. At the company’s inception in 1916, founder William Boeing hired seamstress Rosie Farrar to stitch together linen wings for the early B & W seaplanes. Just two years later, Helen Holcombe joined Boeing as the first woman in the engineering department.

Since that time, women have continued to lead our company at the highest levels. Boeing Defense, Space & Security President and CEO Leanne Caret was named one of Fortune magazine’s 2017 Most Powerful Women in Business, and our Executive Council and Board of Directors contain inspirational female role models. We are constantly working to cultivate the next generation of female leaders. In communities across the globe, we sponsor initiatives to inspire the next generation of women scientists and engineers by encouraging women to pursue careers in science, technology, engineering, and mathematics (STEM). We have also instituted a companywide Women in Leadership strategy aimed at recruiting, mentoring, and promoting the next generation of women leaders. These efforts are already showing results, and we are committed to continuing to focus on this important area.

This report reflects data pertaining to our largest business in the UK, Boeing Defence UK Ltd, which has grown from a few hundred employees to more than 1,000 in seven years, tracking Boeing’s larger commitment to growth in the UK. In this dynamic growth environment, we have focussed on being an inclusive employer. We are proud of our companywide diversity and inclusion strategy, mission and goals, which guide a variety of internal initiatives that are detailed in this report.
We are confident that men and women are paid equally for doing the same job. That is not what this report measures. We recognise that the UK Government’s methodology reflected in this report does indicate a pay gap, due to the greater proportion of men than women in senior roles at Boeing in the UK. We reaffirm Boeing’s commitment to addressing this and to continue developing female talent in the business at all levels. Boeing is taking action through our Diversity and Inclusion programmes, including talent reviews and spotlights, exposure to opportunities, and development experiences. Furthermore, we are increasing the diversity of our emerging talent pipeline through our early careers programmes and inclusive recruitment practices, as well as by offering flexible working arrangements and nurturing an inclusive culture.

We have an unwavering commitment to gender equality and creating an inclusive workplace where women can thrive. This is, of course, a foundation of a productive, growing, innovative, and enduring industrial champion. Our business excellence is powered by all our employees here at Boeing.

We confirm the data contained in this report is accurate.

Sally Hoyle
Human Resources Director, Boeing Europe

Sir Michael Arthur
President, Boeing Europe
Managing Director, UK & Ireland

David Pitchforth
Vice President and General Manager, BDS Global Operations
Managing Director, Boeing Defence UK Ltd
About Boeing in the United Kingdom

The UK Government gender pay transparency regulations ask for data on employing legal entities in the UK with more than 250 employees. Boeing has one such entity, Boeing Defence UK Ltd. Of the total Boeing workforce based in the UK, which is 1,824 (as of 7 April 2017), 1,160 are employed by Boeing Defence UK Ltd.

This report provides gender pay data on Boeing Defence UK Ltd; however, our Diversity and Inclusion strategy, actions and opportunities apply across our global enterprise so that all employees benefit.

Our gender pay figures

The figures provided in the following section are based on hourly rate of pay as of 7 April 2017 and incentive awards (bonuses) in the year to April 2017.

Gender pay reporting is different to equal pay

The gender pay gap is a comparison between median hourly pay for all women and men within a business, between mean hourly pay for all women and men, and between incentive awards. These numbers do not reflect whether an employer provides equal pay for equal work—as Boeing does. These figures take into account both part-time and full-time employees.
Boeing Defence UK Ltd
Mean and Median Pay and Incentive Awards

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Pay Gap</td>
<td>16.99%</td>
<td>14.16%</td>
</tr>
<tr>
<td>Gender Incentive Award Gap</td>
<td>49.37%</td>
<td>31.41%</td>
</tr>
</tbody>
</table>

Proportion of male and female colleagues in each pay quartile
This chart shows the gender split when we order hourly rate of pay from highest to lowest and group into four equal quartiles.

<table>
<thead>
<tr>
<th>Hourly Rate</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>86%</td>
<td>14%</td>
</tr>
<tr>
<td>Upper Middle</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Lower Middle</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>Lowest</td>
<td>62%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Proportion of male and female colleagues in each pay quartile (numbers)

<table>
<thead>
<tr>
<th>Hourly Rate</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Hourly Rate</td>
<td>290</td>
<td>249</td>
</tr>
<tr>
<td>Upper Middle</td>
<td>290</td>
<td>225</td>
</tr>
<tr>
<td>Lower Middle</td>
<td>290</td>
<td>224</td>
</tr>
<tr>
<td>Lowest Hourly Rate</td>
<td>290</td>
<td>180</td>
</tr>
</tbody>
</table>

Boeing in the UK
Gender Pay Report 2017
Our commitment

Gender equality policies form part of our wider Diversity and Inclusion enterprise strategy, which looks to nurture a culture where people from diverse backgrounds succeed at Boeing. We are committed to hiring, developing, and retaining a diverse team of colleagues who can thrive in an inclusive work environment. We also believe that our employees contribute their best work when they know their voices are heard, when they can apply their strengths to grow professionally, and when they feel included as part of a larger organisational vision. That is why Boeing actively ensures that the core principles of Diversity and Inclusion (which include equal opportunity) are embedded across our entire business through the Enduring Values and Boeing Behaviours. *(See page 11.)*

Boeing leaders across the globe are committed to maintaining a workplace where employees can be true to themselves and contribute fully to our vision of becoming a global industrial champion. Boeing is focussing on three key areas: recruiting the best people from the widest talent pool, facilitating the development and success of talent within the company, and retaining talent.

1. RECRUITMENT

Boeing builds high-performing, balanced, and diverse teams by recruiting from the widest possible talent pool to ensure we hire the best person for the job.

To build on what we have already done, we will continue to attract and retain the best and the brightest talent from all backgrounds through undergraduate and graduate university and professional recruitment. Further, we will roll out unconscious bias training, and we will be introducing a new inclusive recruitment guide to help hiring managers continue to ensure diverse candidate short lists for jobs.

Early career development

Boeing actively works to increase the female representation of our emerging talent pipeline by attracting and developing women through our comprehensive early-career programmes.

- The proportion of female graduates joining Boeing UK significantly increased from 16 percent in 2016 to 40 percent in 2017.
- The proportion of women completing internships has increased from 28 percent in 2016 to 32 percent in 2017.
Championing STEM
Boeing has for a number of years proactively engaged in initiatives to inspire more people, especially women, to consider STEM careers. We partner in particular with six UK universities (University of Sheffield, University of Cambridge, University of Southampton, University of Bristol, Cranfield University, and the University of Strathclyde) to support a broad programme of inclusive education and skills initiatives to promote the importance of STEM subjects to students and professionals.

**Boeing’s STEM outreach activities include**

- Awards and scholarships (e.g., for the best dissertation and student projects).
- Business simulation events (to give students an appreciation of real-world business challenges and to help them understand the importance of planning and programme management).
- Curriculum enhancement (e.g., equipment and hire of test ranges to gain hands-on experience, funding for lab material, and production of electronic media to demonstrate theoretical principals, programme management modules, and events such as a hackathon).
- Entry to national and international competitions (e.g., IMechE, Eurobot).
- Funding for joint student-industrial projects that enable teams of students to design and develop, for example, autonomous vehicles, space rockets, and racing cars that in some cases are entered into international competitions.
- Careers talks and CV feedback sessions.

Boeing has supported an extensive community engagement programme for many years. For more than 15 years Boeing has sponsored STEM-focussed Achieve Club workshops with The Prince’s Trust, designed for young people at risk of disengaging with school. Since 2012 we have sponsored more than 60 students to gain a solo gliding licence with The Air League, and Boeing works together with the Royal Aeronautical Society to sponsor the Schools Build-a-Plane Challenge, a hands-on experiential STEM learning challenge that has benefitted thousands of secondary school students since 2007.
2. TRAINING, DEVELOPMENT, AND PROGRESSION

Gender equality forms a central part of Boeing’s talent development strategy, where we ensure our talented people have every opportunity to develop, succeed, and progress professionally within Boeing.

Inclusion fundamentally underpins the identification of talent in our business planning talent review process, which includes the selection of high-potential talent, promotion opportunities, rigorous succession planning, inclusive internal hiring for leadership roles, and inclusive career development discussions that aim to develop a broader gender-diverse pipeline at all career levels. Boeing leaders are responsible for building and developing gender-diverse talent pipelines that reflect the talent inherent within our organisation, thus ensuring the fair representation of women across all levels of the business.

Boeing UK leadership, committed to growing female workforce representation, enables a work environment where high-potential female talent is developed through formal mentoring programmes, placement on leadership succession plans, and spotlighting women at talent review meetings in order to provide visibility to senior leadership.

Our Emerging Talent in Europe Council is an internal advisory forum for generating new ideas and ways of thinking through consulting the next generation of emerging leaders about their vision of the company and business strategy. The 12-member council actively collaborates with Boeing’s UK country leadership on business strategy and vision, and there are currently seven high-potential women on the council.

Boeing collaborates with a number of strategic external partners in the UK to attract and accelerate the development of high-potential women at Boeing, such as the Women in Engineering Society (WES), International Aviation Women’s Association (IAWA), and the Society of Women Engineers (SWE). We also sponsor the Institution of Engineering and Technology (IET) Young Woman of the Year Awards, and Boeing is a corporate member of the SWE. Boeing UK is a sponsor and strategic partner of WES’s annual International Women in Engineering Day, and in 2017 we organised a networking event for female secondary school students in collaboration with Cranfield University in order to demystify engineering as a career path and offer opportunities to discover more about engineering job options across all sectors.
Boeing diversity networks

**Diversity Councils** are integrated groups of site leaders, managers, and employees who work to improve employee engagement, provide learning and leadership opportunities, increase communication, and facilitate implementation of organisational diversity plans to create an inclusive culture that fosters collaboration and encourages different perspectives to be valued. Diversity Councils are supported by a local executive champion. Boeing has more than 40 Diversity Councils around the world.

**Business Resource Groups** are voluntary, employee-led associations designed to further personal and professional development, promote diversity within the company, and strengthen networking. The members share a common interest, such as race, gender, ethnicity, or cultural identity. To date, Boeing has eight employee Business Resource Groups, with more than 100 chapters around the world. Membership is open to all employees.

There are more than 3,000 employees in the Boeing Women in Leadership (BWIL) Business Resource Group, and we will be launching the UK chapter of BWIL in 2018. BWIL’s aim is to proactively drive change in support of women at Boeing. The group provides personal and professional career development, networking, and mentoring opportunities. In addition, all our Business Resource Groups are sponsored by our senior-level executives who report directly to our chief executive officer. Part of the role of the sponsors is to help identify emerging talent.

### 3. RETENTION POLICIES

At Boeing, we have a range of family-friendly and flexible working policies, which enable our employees to balance their day-to-day responsibilities. Providing support to retain the people and skills we need in our business is fundamental to our success.

These policies and practices include:

- **Enhanced leave policies** covering maternity, paternity, adoption, and shared parental leave.

- **Flexible working policy** that gives employees the opportunity to request changes to their work location, hours, and working patterns, whilst ensuring business needs are met. Flexible working arrangements include, but are not limited to, part-time and job-share opportunities.

- **A strong focus on well-being** for employees, including free regular health checks, private health care options, and access to our Employee Assistance Programme, a confidential service offering counselling and professional support with life issues.
Our commitment

Boeing is committed to providing equal opportunity to all, irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, ethnicity, religion or belief, and sex or sexual orientation.

Definitions

Gender pay gap
The gender pay gap is a comparison between median hourly pay for all women and men within a business, between mean hourly pay for all women and men, and between bonuses. These figures take into account both part-time and full-time employees.

The median gender pay gap
This is the difference between the median (middle) value of hourly pay rates (when ordered from lowest to highest) for all men in an organisation, and the median value of hourly pay rates for all women, expressed as a percentage of the median hourly rate for men.

The mean gender pay gap
This is the difference between the mean (average) hourly pay rate for all men in an organisation, and the mean hourly pay rate for all women, expressed as a percentage of the mean hourly rate for men.

The median bonus pay gap
This is the difference between the median (middle) value of bonuses (when ordered from lowest to highest) for all men in an organisation and the median value of bonuses for all women, as a percentage of the median bonus for men.

The mean bonus pay gap
This is the difference between the mean (average) value of bonuses for all men in an organisation and the mean value of bonuses for all women, expressed as a percentage of the mean bonus for men.
CULTURE TO PERFORMANCE

HOW

OUR STRATEGY & APPROACH
Operate as One Boeing / Build Strength on Strength / Sharpen & Accelerate to Win. Founded in Enduring Values, brought to life through Boeing Behaviours

ENDURING VALUES
• Integrity
• Quality
• Safety
• Diversity and Inclusion
• Trust and Respect
• Corporate Citizenship
• Stakeholder Success

BOEING BEHAVIOURS
• Lead with courage and passion
• Make customer priorities our own
• Invest in our team and empower each other
• Win with speed, agility and scale
• Collaborate with candor and honesty
• Reach higher, embrace change and learn from failure
• Deliver results with excellence – Live the Enduring Values

BOEING BEHAVIOURS DRIVE UNITY OF MISSION