

UK Gender Pay Gap Report 2020



We are committed to creating a culture that welcomes diversity, attracts new talent and provides development opportunities for everyone. Our flexible working practices are a strong example of our commitment to creating an environment that is designed to support the needs of our employee base. Leidos supports equality through fair pay and fair treatment across the business. We are passionate about fairness, equality and inclusion and we believe in job opportunities for everyone regardless of gender. During 2020 more than 40 percent of all promotions were amongst female employees, further proof of our commitment to creating a level playing field (or levelling up opportunities) for our diverse community of people.

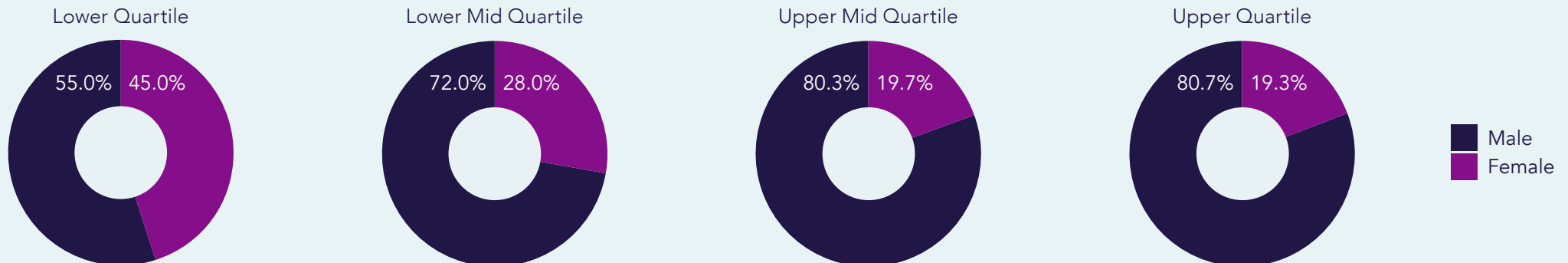
This report which is based on the snapshot date of 5th April 2020 marks the fourth cycle of the UK Gender Pay Gap reporting requirements and published at a later date of October 2021 due to the revised Government guidelines announced earlier this year. Although the enforcement of the Gender Pay Gap report for the year 2019/20 was suspended due to the coronavirus pandemic our analysis shows that we have stayed relatively unchanged over that last number years however remain committed to closing that gap.

Our analysis shows that our median hourly pay gap of 21.8% is higher than we would like and where we aspire to be. However, we have made recognisable progress in promoting diversity initiatives as outlined in our action plan later in this report. Furthermore, bonuses across our organisation are only awarded on the basis of merit and we have strict internal protocols to assess payments and ensure they are made on a fair and consistent basis. We continually strengthen our recognition programmes. This is reflected in the number of employees who received a bonus and has resulted in the minimal gap of 1.39% in average bonus payments between male and females.

| | MEAN (AVERAGE) | MEDIAN (MID-POINT) |
|--|-------------------|-----------------------|
| Hourly pay at April 2020 | 17.4% | 21.8% |
| Bonus Pay in the 12 months to April 2020 | 1.39% | -74.0% |

| | MALE | FEMALE |
|---|-------|--------|
| Proportion of employees receiving a bonus | 35.3% | 28.6% |

GENDER DISTRIBUTION ACROSS FOUR EQUALLY SIZED PAY QUARTILES





SIMON FOVARGUE

CHIEF EXECUTIVE

“ I am inspired to build on our revised approach to flexible practices including ways of working and total reward which forms the bedrock of attracting talent, providing meaningful careers and offering competitive and fair remuneration.

The gender pay gap numbers tell a story and are not to be overlooked; we acknowledge the differential and our commitment is stronger than ever to encourage the development of female talent to the highest level within the business and to commensurately align their compensation. The pandemic has not hindered our focus but rather strengthened our resolve to remain internally respectful and fair whilst striving to be externally competitive and admired. ”



ALISON NOON JONES

VICE PRESIDENT PEOPLE & CULTURE

“ During the last 12 months, we have focused on diversity and inclusion initiatives that promote gender balance and fairness of opportunity across our business. Our mission to attract the best talent has been supported by the launch of powerful commitments to ensure diversity in recruitment panels and recruitment shortlists. Furthermore, we have seen and celebrated an increase in the recognition of our female employees' valued contribution to innovation and leadership and our women have been awarded over 60% of the global quarterly divisional recognition awards since January 2020. We are committed to increasing the diversity of our workforce and have a number of programmes designed to attract and develop our own female talent to increase diversity across our business. ”

Action Plan

OUR VISION

We continue to drive a culture that embraces diversity. We are committed to attracting and retaining colleagues, who support the organisation in delivering our vision of improved lives. As an organisation we believe that diversity balance creates a rich and dynamic environment that is better for our people and our customers. We are working together with colleagues and partners to create a greater number of opportunities to promote equality and inclusion.

As part of our action plan we are focused on a number of key areas including talent acquisition. We are developing initiatives that we believe will drive greater gender balance. During the last year 42% of our promotions were female, demonstrating our commitment to gender progression as part of our development programmes. In terms of recruitment we have achieved a 24% rate of female hires, which is a significant step forward success in a male dominated field particularly in an industry where on average only 20% of roles are filled by females.

TALENT ACQUISITION

We aim to develop a new approach to our talent acquisition processes and achieve the aim of recruiting a more diverse range of colleagues who will be the right fit for our gender approach. Our aim is to ensure that we achieve the following:

- ▶ A culture fit which matches our vision
- ▶ Re-align with Mission and Goals of the Company
- ▶ Maintain our retention targets

Talent acquisition is also about keeping your employees happy and motivated long-term. We are invested in their growth, and strive to look beyond their current roles to provide the right stimulation and challenges for the future. There are various programmes and perks that can be offered to keep our team inspired. Our job is to strategise about the company's future and support our employees to understand the value placed on good employees is immeasurable.

We have also introduced diverse Panel interviewing, which it is shown to avoid biases and to help assess candidates through more diverse representation. In addition, this new approach to interviewing allows us to upskill managers on unconscious bias and inclusion in action.

FOR MORE INFORMATION | ✉ Robert McNeill, Communications UK

TALENT DEVELOPMENT

In this area we have initiatives which we aim to address the gender balance of Leidos. These are active across our Employee Resource Groups who are leading the way on diversity and inclusion actions.

The Leidos Women's Network provides a supportive forum, for all Leidos employees that fosters personal and professional development and growth. It is an environment created for those who share the common interests of leadership, learning and community. The Women's Network provides opportunities for employees to share and advance their knowledge, skills and experience and to give back to the community. To this end, key areas of opportunity that the Women's Network provides include mentoring, networking, personnel cohesion and philanthropy.

In STEM (Science, Technology, Engineering and Maths) it is more than just a list of subjects. Through our STEM ERG, we hope to demonstrate this and engage more people in STEM, breaking down barriers to STEM engagement and creating an environment where everyone can be inspired by STEM.

Our REACH ERG (Race, Ethnicity and Cultural Heritage) is a community open to everyone, which focuses on raising awareness and gaining an understanding of the underrepresentation of REACH within the company. There is work underway that looks at how we attract and retain our diverse female talents, and our signatory of the Race to Work Charter is evidence of our commitments to drive further change.

Our Young Professionals Network ERG aims to connect a diverse population of employees by organising events, facilitating a free exchange of ideas, and providing support to volunteer efforts. With an active mentoring and reverse mentoring programme, this is supporting the development of our young professionals – both male and female.

We have a growing number of Employee Resource Groups in Leidos UK, all working hard to support and promote awareness of the groups they represent. Every ERG in Leidos is open to all colleagues. In addition to our UK-based ERGs, Leidos UK colleagues can also join our wider global ERGs.

Together we create equality.



I can confirm that the information in this statement is accurate and in line with the government reporting.
Alison Noon Jones, Vice President People & Culture