UK Gender Pay Gap Report 2021

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.

Appreciating that the 2020/2021 operating period has been a challenge to all industries due to the global pandemic, we are pleased to state that **in 2021, female employees represented 36% of all promotions**, further proof of our commitment to creating a level playing field for our diverse community of people.

In 2021, Leidos improved its relative position through a **reduction in both the mean and median figures by 2.23% and 3.60%**. These reductions gives us clear indication that the initiatives we have in place are having an impact. Please refer to our **2020 Gender Pay Gap report**. We do however know that the task still remains a challenge and one we will continue to focus on in order to drive further positive results.

THE REASONS WE HAVE A GENDER PAY GAP ARE:

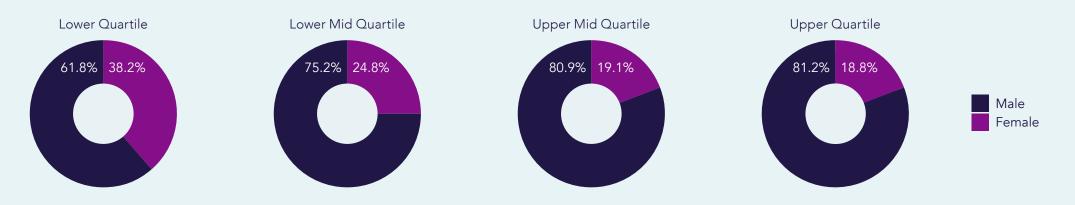
- ▶ We have more males than females in senior positions
- ▶ We have more males than females in technical and specialised roles

leidos

2020/2021	GAP	+/- PREVIOUS YEAR
Mean gender pay	15.18%	- 2.23%
Median gender pay	18.23%	-3.60%
Mean bonus gender pay	15.57%	-14.18%
Median bonus gender pay	-7.76%	-66.24%

	MALE	FEMALE
Proportion of employees receiving a bonus	29%	32.2%

The data represents a snapshot date of 5th April 2021



GENDER DISTRIBUTION ACROSS FOUR EQUALLY SIZED PAY QUARTILES



SIMON FOVARGUE CHIEF EXECUTIVE, LEIDOS UK

2021 presented varied challenges and opportunities. The diminishing restrictions of the pandemic which undoubtedly impacted on mobility have progressed to present a buoyant and highly mobile market and the competition for talent has increased significantly. The positive impact of this workforce fluidity is the opportunity to engage with and hire new talent and Leidos has relished the chance to attract and develop female talent in this exciting space. Our data shows an improvement in closing "the gap" and whilst this may not be a large change from the previous year, our commitment to attract, promote and grow female talent is unerring. Leidos UK welcomed 39 new female employees in 2021, 46 females were promoted during 2021 and 48 were recognised for their outstanding achievements in the UK and via our global recognition programmes. For an SME largely focused in a sector and capability notoriously dominated by males, we are pleased with our steady progress to change the perception and reality.



ALISON NOON JONES

VICE PRESIDENT PEOPLE & CULTURE

I am personally delighted to see our maturing culture has stepped up to enhance our highly flexible operational work practices and present an employment partnership that focuses on the "whole" employee both in and out of the work environment. Our "Leidos Life" programme provides flexibility and support in ways of working and our renewed focus on policies such as the Menopause and Women's Health Policies have enhanced our ability to both attract and retain a population of female employees who may have ordinarily struggled with personal recognition and we continue to celebrate the successes of our highly talented female workforce. We look forward to making continuous and recognisable progress in the years ahead.

Our Actions

HOW ARE EQUAL PAY AND THE GENDER PAY GAP DEFINED?

We are confident that Leidos UK's gender pay gap is not a pay issue, we know this because our approach to pay is gender neutral by design and our analysis shows that our pay gap is driven by the structure of our workforce. We are continuing to undertake work in this area and develop in line with our aims and objectives.

OUR ACTIONS

In our action plan to address the gender pay gap we have two main areas of initiatives:

- Diverse Hiring
- Development of People

1. Diverse Hiring

We maintain our mission and focus to attract and develop female talent within Leidos UK.

Our commitment to **diverse recruitment panels and inclusive candidate rosters** has not only been maintained but is now embedded at lower levels within the business so encouraging and supporting mobility and development within our female population.

We have published increasingly **clear role descriptors, metrics and pay guidance** recognising that female candidates are often less forthright in their own capability, personal development and financial aspirations.

Our revised suite of modern, **flexible and inclusive** policies underpins our commitment to diversity and inclusion and expanded recognition of notable subgroups are supported through our authentic address of life balance, changing needs and competitive retention principles e.g. **family policies, women's health** etc.

Our **enhanced internal pay governance**, supported through the Remuneration Sub Group has enhanced the visibility of our internal promotion and overall incremental pay movement and we openly celebrate the successes of individuals and teams across the wider business. **Inclusive recognition reels welcome our new hires to Leidos and celebrate the achievements, promotions and development of our people.**

2. Talent Development

The Executive Leadership Team has a **major focus on developing female talent**. All agendas covering Talent Development items include a specific review of female/ diverse talent. This is flowed down to the UK and Talent Development to work with our leadership and management teams to ensure our female talent is **identified and development paths are allocated**.

Q1 2022 sees a full review of High Performing Talent by our Human Resources Business partners and we will be applying the same focus to ensure we meet the executive remit of fully identifying and developing our female talent pool.



Promoting Equality

WE SUPPORT AND PROMOTE EQUALITY IN A WIDE RANGE OF WAYS, INCLUDING

- Pledging our commitment to inclusion through our Leidos Values and both people leader and individual employee goals.
- Reviewing and updating our policies and practices to ensure fairness and equality for all.
- Exploring diversity data to help us understand and benchmark where we are and where we want to get to in respect of equality. For example, we have submitted for our Inclusive Employee Standard accreditation.
- Providing an Inclusion and Diversity Hub on our intranet to share relevant information, resources, blogs, discussion board and calendar of events with all colleagues.
- Collaborating across our business in the UK and globally to build our knowledge and understanding of equality aspects and what we can do to support all colleagues.
- Offering a variety of learning and training options (both mandatory and voluntary) including Inclusion Acumen, Ethics Compliance, Sexual Harassment Awareness, Courageous Conversations, Inclusive Leader Learning Programme, and over 90 relevant online training options.
- Supporting inclusive mentoring, including a global virtual option, UK self-led option, reverse mentoring and various external options (e.g. youth mentoring).
- Providing a platform for our 7+ Employee Resource Groups, who are working hard to act to increase diversity and inclusion.
- Achieving equality accreditations / signatory statuses and actively partnering with a number of key organisations, such as the Tech Talent Charter and Race for Work Charter.vv



- Discussing and collaborating with customers to advance our collective equality knowledge and to learn from one another.
- Listening to our colleagues through employee engagement surveys, which include equality questions (e.g. belonging, respect, ethics), and we use this information to identify opportunities for improvement.
- Donating funds and support to charities and other organisations to boost wider equality (e.g. helping young care-experienced people, people from less privileged areas, veterans with disabilities).
- Partnering with organisations like Futureproof who are a technology training company that are addressing the lack of diversity within the tech industry by providing access to free courses that lead to Industry placements.

PROMOTE WOMEN'S CAREERS

- Extensive work delivering Career Discussion Guides in key job-family areas. This promotes the Career structure for all highlighting the opportunities for lateral and vertical moves.
- We promote and support female focused career events such as the Cyber Leadership (South East/ London) events.
- Pipeline Talent Development activities with schools and colleges via our STEM Employee Resource Group.
- Greater flexibility to support our New Ways of Working so that more women can take advantage of working around outside commitments.
- A member of our Talent Development team attends all moderation sessions with the aim of ensuring a standard approach to Performance Appraisals. This serves as a check and balance for that round of appraisals but also provides invaluable evidence to feed into the continual improvement process.
- As impartial participants one of the key activities during the moderation session is a bias check and we utilise the Enterprise "Bias Check" sheet to listen to all comments. All language and comments are reviewed against the sheet with the aim of highlighting and addressing any issues. In the 2021 Performance Development Talent Development debrief we found no evidence of Gender bias using the "Stereotypic Bias" category.
- The Talent Development Team are HR Professionals with extensive Diversity and Inclusion Training including the Leidos Individual Learning programme which is an extensive training package that will be delivered to all UK managers in 2022.

MENTORING & LEADERSHIP

We offer two types of mentoring programmes to all our employees; A UK self-led scheme where employees can select mentors based on areas of development from those that have volunteered to be mentors in the UK and an option to enrol in our global mentoring programme, giving employees access to a wider skills set.

We promote our mentoring schemes through our Connected Learning articles, program specific interventions and throughout career development discussions.

Through our external partnerships, we are also able to offer mentoring opportunities outside of the business. This forms a part of our Social Value strategy in which CSR is a growing focus area.

As part our action plan we continue to engage with our Woman's Network group as key stakeholders by hosting regular briefing sessions and seek feedback to build into further initiatives. Discussions have included the following topics;

- Career Progression/Succession
- Maternity/Paternity/Adoption/Carer leave policies
- Menopause & women's health policy & management training sessions

With the initiatives and programmes outlined here, we are actively committed to closing the gender pay gap.



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