Impact Report: A Decade of Progress in Diversity, Equity, and Inclusion

BAE Systems, Inc.

Impact report

A decade of progress in Diversity, Equity, and Inclusion
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A message from
Tom Arseneault

Fundamentally, a company succeeds and grows because of its people. When every employee is able to bring their true selves to the workplace, it means higher levels of engagement, productivity, and innovation. Improving our diversity, equity, and inclusion is not just the right thing to do, it is a key to unlocking untapped potential in our business.

At BAE Systems, we firmly stand for diversity, equity, and inclusion (DEI) and we are working to cultivate a culture where everyone can thrive and succeed. Our vision is to be an organization where everyone’s talents and contributions are valued and where everyone feels that they belong.

I am proud to share our first-ever BAE Systems, Inc. DEI impact report, titled A Decade of Progress. Throughout this document you can learn more about our commitment to DEI and how we live it daily through our actions and achievements, development opportunities and tools, community investments, partnerships, and employee resource groups. This report is also an important step in increasing transparency around our long-term goals and holding ourselves accountable for achieving them.

We have made strides we should recognize and celebrate, but our work is far from complete. As we move forward into the next decade of progress, I know the same spirit that underpins our mission to Protect Those Who Protect Us will inspire us on our journey to create a more diverse, equitable, and inclusive workplace.

Tom Arseneault
President & CEO, BAE Systems, Inc.
A message from Ruchi Jalla

Last year, we lived through a global pandemic. At the same time, the death of George Floyd and other Black Americans propelled the world into a greater international reckoning with racism. Personally, I found myself re-evaluating my own role and the company’s role in answering the call for justice and inclusion. I wasn’t alone.

Our employees and Employee Resource Groups got engaged in grass roots dialogue, bringing their passion, energy, and courage to the table. We launched CARE: Colleagues Advancing Racial Equity – a multi-year approach led by employees connected to the Black community and allies who are ready for change. And our senior leaders committed themselves to listening, learning, and devoting more time and resources to DEI.

While we are still on our journey, I am encouraged. We have engaged employees to make sure they have a strong voice in charting the path forward while our leaders ensure that the company takes responsibility for carrying through on our commitments.

This is a marathon, not a sprint. In the longer term, we are focused on examining our policies and practices; embedding DEI throughout the company; and increasing transparency. We will continue to measure our efforts and communicate progress. And we will continue holding ourselves accountable for achieving results.

But most importantly, we will continue to lead with our heads and hearts, so we can do right by all of our colleagues.

Ruchi Jalla
VP, Chief Diversity & Inclusion Officer
BAE Systems, Inc.
Based in Falls Church, Virginia, and led by President and CEO Tom Arseneault, BAE Systems, Inc. employs a diverse workforce of approximately 35,200 employees. With major operations in 30 U.S. states, the UK, and Sweden, we deliver a full range of products and services for air, land, and naval forces, as well as advanced electronics, security, information technology solutions, and customer support and services. Note that this report represents information only regarding BAE Systems, Inc., a subsidiary of BAE Systems plc.
A Look Back: Defining and Measuring Progress

For more than a decade, the Executive Team has been challenging us to identify strategies that would continue to advance the company's goal of a diverse, equitable, and inclusive workplace. At the end of 2015, we assessed our progress and leveraged best practices in some business areas to become more common in the approaches utilized across the company.

Our plan included the following actions:

- Continue to increase **diverse representation** in pipeline and leadership roles;
- Continue using diverse **interview slates** to help increase diversity of candidates;
- Advance readiness and reduce attrition through **mentoring and sponsorship**;
- Provide emerging talent **exposure** to leadership;
- Ensure employees see a path to leadership through **Leadership Lessons**;
- Connect diverse communities through **Employee Resource Groups**;
- Broaden DEI awareness through **Inclusion Advantage** education program;
- Develop leaders to effectively manage across differences through **VITAL** education programs.

We continue to measure our diversity progress by reviewing the availability data for our talent and developing and executing programs to address any underutilization. We continue to measure inclusion by gathering feedback from our workforce on the impact of our efforts. Our senior leaders are regularly briefed on progress, and at the end of the year, each business area is assessed on how they performed against goals which are factored into their incentive compensation.

The data in this report shares the results of our progress from 2015 – 2020 in order to reflect a consistent set of data across the BAE Systems, Inc. business. Unless otherwise noted, this report uses figures that represent only BAE Systems, Inc.'s United States businesses, which use the same career levels and HR information system.
Our People – Age Distribution by Generation

Total Workforce: 35,201
(31,930 in U.S.)

Total STEM employees: 15,144

<table>
<thead>
<tr>
<th>Generation</th>
<th>Headcount</th>
<th>% of Total</th>
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<tbody>
<tr>
<td>Boomers+</td>
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<tr>
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<tr>
<td>Millennial</td>
<td>11,202</td>
<td>31.82%</td>
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<tr>
<td>Generation Z</td>
<td>955</td>
<td>2.71%</td>
</tr>
</tbody>
</table>

Average Age: 46.6

Data as of Dec. 31, 2020
Our People – Gender

From 2015 to 2020, the percentage of women in leadership positions (including senior leaders and subset of managers in director roles) increased from 14.3% to 18.3%. This represents a 25% growth for White women (12.3% to 15.4%) and 45% growth for women of color (2.0% to 2.9%).

In the United States, our percentage of women overall and in manager roles is in line with the broader aerospace and defense industry. We exceed many of our industry peers in our percentage of women on the Executive Team.

Currently, gender data is collected by employees identifying as either men or women. Moving forward, we are exploring methods to expand data collection to be more inclusive.
From 2015 to 2020, the percentage of people of color in leadership (including senior leaders and subset of managers in director roles) grew 26% from 8.9% to 11.2%. Our greatest gains were for Black leaders at 71% growth (1.7% to 2.9%).

In the United States, people of color make up 25.6% of our workforce. While our overall percentage of Black employees is in line with the broader aerospace and defense industry, we are working to increase representation of Black employees and all others employees in underrepresented groups at Senior Leadership and Executive Team levels.

Employees identifying in multiple racial and ethnic groups will not be included in every racial category they identify with and are therefore captured under “Multi+”. We are currently exploring methods to expand data collection to better reflect multi-racial representation.

“Multi+” also includes employees identifying as American Indian/Alaska Native and Native Hawaiian/Other Pacific Islander.

“Hispanic” includes employees identifying as Hispanic, Latino and those tracing their heritage to Latin America, Spain or Spanish-speaking countries.

Data is rounded to the nearest tenth and as a result some individual percentages may not add up exactly to the overall percentage.

Data as of Dec. 31, 2020
Our People – Veterans & Individuals with Disabilities

Veterans

The percentage of employees identifying as Veterans has steadily increased from 2015-2020 (15.4% to 16.6%), and we hire an average of 100 veterans each month. We continually look for ways to encourage self-identification through Veteran recognition programs, in partnership with our Veterans’ Support Network ERG and our senior leaders.

We’re committed to our longstanding partnerships with many Veteran Servicing Organizations and our deep reach into the U.S. Armed Services Transition Assistance Program. We strive to provide a welcoming community for Veterans and never overlook an opportunity to be reminded that We Protect Those Who Protect Us®.

Individuals with Disabilities

The percentage of employees identifying as having a disability has steadily increased from 2015-2020 (8.5% to 9.2%) and is in line with representation across the broader aerospace and defense industry.

We continue to focus our efforts on being a welcoming and inclusive workplace for individuals with disabilities through education, a focus on encouraging employees to self-identify, and partnerships with external organizations such as Disability: IN.

Data as of Dec. 31, 2020
Future Focus

BAE Systems, Inc. defines diversity as the collective strength of different experiences, skills, talents, perspectives, values, beliefs, and cultures that each employee brings to the organization.

This report provides data we have collected through voluntary self-identification and in accordance with our federal contractor status, but it doesn’t reflect all aspects of diversity within our workforce.

In 2019, we introduced voluntary self-identification efforts for ethnic minority, disability, and sexual orientation in our UK work locations. This is an important step in advancing inclusion, and we look forward to continued work in this area.
DEI at BAE Systems, Inc.
Our Aspirations and Strategy

At BAE Systems, Inc., our business strategy is built on attracting and developing a diverse workforce, ensuring equity in our programs and practices, advancing an inclusive workplace, and positively impacting the communities we serve.

We believe that every employee should be able to see themselves reflected at every level of the company; that we must work to ensure every employee can reach their full potential; and that we must advance a culture of inclusion where every person is valued and feels they belong.

We will achieve these aspirations by:

- Working to ensure equity in pay and advancement;
- Providing all employees equitable access to development opportunities;
- Regularly engaging our workforce to gather feedback on the impact of our efforts;
- Expanding our mental health and well-being programs and encouraging use across all employee groups;
- Continuing to offer high-impact DEI education, development, and dialogue programs; and,
- Expanding the reach of our social impact efforts to address the needs in our communities.

As we execute these efforts, we will:

1. Have clear goals that drive progress to attract a diverse workforce and advance an inclusive workplace where we can effectively retain talent.
2. Have a multi-dimensional approach, including career development, coaching, and sponsorship programs that target specific areas of need.
3. Continue to reinforce leader accountability and organizational support to compete for the future talent necessary for the sustainability of our company.

To underscore our commitments, we will continue to regularly measure and communicate progress toward our aspirations.
Our DEI Journey

Diversity, equity, and inclusion is a core component of our business. Since our inception we have been on a journey to build a culture within our company that embraces diversity, equity, and inclusion. From the launch of our Warrior Integration Program in 2008 to the introduction of benefits like Paid Parental Leave and Adoption Assistance, we have always been and will continue to be committed to supporting employees bringing their full selves to work. These are some highlights from the last decade of our DEI Journey:
Our DEI Council

The BAE Systems, Inc. DEI Council was formed in 2020 and includes senior leaders and representatives from our Employee Resource Groups. The Council meets regularly to ensure the alignment, implementation, and effectiveness of our company-wide diversity, equity, and inclusion strategy.

Tom Arseneault  
President & CEO, BAE Systems, Inc.  
Chair, Inc. DEI Council

Terry Crimmins  
President, Electronic Systems Sector

Alice Eldridge  
SVP & Chief Counsel, BAE Systems, Inc.

Caitlin Hayden  
SVP, Communications, BAE Systems, Inc.

Scott Howat  
SVP, Finance, BAE Systems, Inc.

Ruchi Jalla  
VP, Chief Diversity & Inclusion Officer, BAE Systems, Inc.

Antoinette Mitchell  
Multicultural Network Advisor to ERG Site Ambassadors Network

Gwen Moss  
President of the African Americans Committed to Excellence ERG

Michelle Murphy  
SVP, Human Resources and Administration, BAE Systems, Inc.

Dana Rixter  
Director, DEI Culture & Retention, BAE Systems, Inc.

Toni Stone-Brinson  
President of the Abilities Beyond Limits and Expectations ERG

Jeremy Tondreault  
President, Platforms & Services Sector

Al Whitmore  
President, Intelligence & Security Sector

Rocky Yuan  
President of the Asian Pacific Islanders Reaching Excellence ERG
The Multicultural Network (MCN) is the umbrella organization for cross-cultural initiatives and Employee Resource Groups (ERGs) at BAE Systems, Inc. Open to all employees, the network promotes collaboration across the organization and provides a forum for learning, understanding, and supporting professional growth through internal and external networking, programs, and activities.

The ERGs cover eight demographic areas and engage 13 percent of our workforce in events that provide opportunities to learn, network with others, and gain valuable leadership experience. Each ERG has its own leadership team and is supported by a champion from the Senior Leadership Team, as well as other executive sponsors.
Our Multicultural Network & Employee Resource Groups

**AACE**

**African Americans Committed to Excellence**

Established: October 2013  
Members: 1000+

AACE’s vision is to create an environment within BAE Systems where all African American employees feel they have the opportunity to thrive, be fulfilled, and be their authentic selves.

AACE has taken a leading role in helping BAE Systems, Inc. move forward in the midst of heightened civil unrest and the well-publicized killings of Black Americans. The group held a listening and storytelling town hall event in June 2020 attended by nearly 1,000 employees.

**ABLE**

**Abilities Beyond Limits and Expectations**

Established: February 2016  
Members: Approximately 700

ABLE sees the ability in all of our employees. The group is an inspired, engaged, and confident organization that values, attracts, and retains employees with disabilities and employees who are caregivers through a culture of inclusion.

ABLE is a leading voice in destigmatizing mental illness and promoting mental and emotional health and wellness within the organization. In 2020, they launched a pilot of “Ready + Willing = ABLE,” a new mental health advocacy program that aims to educate, advocate, and provide employees with knowledge and resources to recognize key signs of mental health situations. “Ready + Willing = ABLE” aims to create a sense of psychological safety for employees to seek assistance when needed, bring their whole selves to work, and feel supported.

“Several of our ERGs have really elevated the impact of storytelling in the last year. Whether it’s communities coming together to discuss traumas or individuals sharing their experiences, it’s a powerful tool to help us connect.”

Sarah Chadwick
Our Multicultural Network & Employee Resource Groups

**ASPIRE**

Established: March 2020  
Members: 425+

ASPIRE is our newest ERG, formed in March 2020. The group aims to empower the Asian Pacific Islander community to foster and inspire growth. ASPIRE has been pivotal in creating a brave space for individuals to share, heal, and learn as the world grapples with the rise in violence against Asian Americans in the wake of COVID-19.

ASPIRE hosted a panel discussion entitled “You Can Be What You Can See: Success Stories from the 2020 Workplace” featuring several members of its leadership team. The themes of the panel included mentorship, work-life integration, authenticity, and courage.

“"When the ASPIRE leadership team started this journey almost a year ago, we knew that we had an enormous mountain to climb. This was compounded by the global narrative taking shape at the start of the COVID-19 pandemic. This anti-Asian rhetoric and violence had and continues to have negative impact on this ERG’s membership, and our aim is that we use our community as a well – from which we can individually and collectively draw strength, contribute hope, and keep ourselves grounded; a well that will help sustain us as human beings, and as valued and trusted members of the BAE Systems, Inc. community. “" – Rocky Yuan

**GEN ERG**

Established: October 2013  
Members: Approximately 2000

The Generations ERG provides employees with a forum that crosses generations for the candid exchange of information. It provides access to positive role models from all generations, and establishes valuable networking and mentoring opportunities, while highlighting the benefits of multi-generational contributions.

*The 5 Languages of Appreciation in the Workplace* was selected for the group’s book club series. The book club is a great opportunity for members to engage in dialogue about the essentials of organizational culture.
Our Multicultural Network & Employee Resource Groups

HOLA’s mission is to increase BAE Systems, Inc.’s competitive advantage through proactive engagement, education, and empowerment, while increasing organizational cultural competence. They seek to advance the number of employees who promote excellence, succeed professionally, and positively impact their communities.

HOLA hosted a business acumen webinar series in support of its commitment to professional development for its members. In addition, HOLA member Louis Terry was recently honored with the Society of Hispanic Professional Engineers’ STAR of Tomorrow Award.

“HOLA is a place where I feel seen and valued. I have been able to find a community where I can be myself and contribute to the company’s success. As a result, I feel more engaged and empowered in my role.”

David Thomas

“It’s been nice to hear that other employees have had similar experiences, and I’m not alone.”

Paige Schlender

“For me, the ERGs (both in concept and in practice) epitomize DE&I. I am so proud and pleased that our company ‘walks the talk’ by providing these opportunities for each of us and all of us to engage, learn, inquire, and communicate in a safe, collaborative environment. I am a better person for it, as we are a better team. Thank you.”

David Thomas
OutLink

Established: October 2013  Members: Approximately 900

OutLink’s mission is to help create a respectful environment that supports Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning employees and allies in feeling proud, integrated, and secure in the workplace, and to drive creative and innovative solutions for improving productivity and customer satisfaction. The group’s primary objectives include collaboration, internal and external networking, professional growth, and providing education and learning opportunities to employees to increase awareness of LGBTQ issues within our company and in the community.

In 2020, our Inc. Senior Leadership Team came together virtually to celebrate Pride Month. OutLink ERG members also created a bold video feature that was shared on social media and thought leadership platforms.

“The ERGs provide awareness, support, and validation for challenges we all face due to our own diversity. Their impact provides the foundation and sustenance for our continued support in our own diversity, and the knowledge that diversity is the key to great individual and community success.”

John Devereaux
Our Multicultural Network & Employee Resource Groups

Veterans’ Support Network

Established: April 2014  
Members: 1200+

The mission of the Veterans’ Support Network (VSN) is to serve as a platform connecting employees of the Armed Forces and its supporters. The VSN seeks to foster a culture that members can identify with, contribute to, and become passionate about. Guided by esprit de corps, VSN accomplishes this by focusing on retention, career development, and the professional development of members who have transitioned to the private sector, leveraging the mentorship of seasoned employees to guide them through their transition and promote their continued growth.

Despite the challenges of the COVID-19 global pandemic, our VSN team was able to help the organization reflect on Memorial Day through virtual activities.

Women’s Inclusive Network

Established: October 2013  
Members: 1600+

The Women’s Inclusive Network (WIN) aims to foster an inclusive community focused on the needs and interests of women in the workplace. WIN accomplishes this through the facilitation of virtual learning labs, leadership training and mentoring, networking opportunities, and partnership with both internal and external organizations to encourage the development of robust dialogue surrounding topics of diversity and inclusion.

In 2020, WIN led the “Share the Mic” campaign, amplifying the voices of women of color in the organization. Adapted from the #SharetheMicNow social media campaign, this initiative provided an opportunity to learn more from the stories of our organization’s unsung heroes.
The United States faced a racial reckoning in 2020 following the murder of George Floyd and we knew that we needed to start with listening and healing in order to effect true change.

We partnered with employees to establish an initiative called CARE: Colleagues Advancing Racial Equity. CARE is a multi-dimensional approach to driving systemic change and racial equity at BAE Systems. This company-driven, employee-led effort focuses on developing recommendations to make BAE Systems a better and more equitable place for current and future Black employees to work and reach their full potential.
Like countless others, I have recently thought about the black men in my life... Then I have thought about how the world does not seem to value these men. I have considered how they could no sooner end up with a hashtag in front of their names if they found themselves in front of the wrong person on the wrong day. I have contemplated how their portraits could be splashed across front pages for no other reason than being born with a little more melanin than others.

[... ] I share this today for no other reason than to tell you—not simply the collective you, but you as the individual reading this right now—that I see you. I hear you. I feel you. I stand with you. I mourn with you. I unite in our collective heartbreak. I share this today not because I have answers, but because I, too, am tossing and turning with questions. I share this today because I believe that our words have power, our stories have strength, and silence absolutely will not serve us.

– Tyece Wilkins, AACE (African Americans Committed to Excellence) past ERG President
CARE Actions

While our CARE actions initially focused on Black employees, many recommendations benefit our company overall. A diverse, equitable, and inclusive environment enables the success and advancement of all employees.

**Culture**
- BAE Systems is an Inclusive Workplace Where Every Black Employee Feels They Belong
- Embed accountability for our DEI goals within the Performance and Development Review (PDR) objectives of all people leaders
- Assess the expansion and reach of our portfolio of DEI education programs
- Pledge leadership commitment to employees seeking mental health support

**Career**
- Every Black Employee Has the Opportunity and Support They Need to Advance Their Career at BAE Systems
- Review our compensation, promotion, and talent management processes to identify opportunities to advance equity
- Increase the diversity of our leadership development cohorts and offer programs designed for the unique needs of underrepresented groups

**Community**
- BAE Systems is Well-Known For its Support of the Black Community
- Design a better approach to attracting Black talent for our hiring needs
- Channel a portion of our annual company giving to support social impact

“We promised to make this company a better, more equitable place for all employees. This is a promise we will keep, not with mere words alone, but by taking actions that are substantive and enduring.”

- Tom Arseneault, BAE Systems, Inc. President and CEO
Our Education and Development Programs and Opportunities
Equipping employees through education

In support of our DEI strategy, we offer a variety of engaging and impactful education programs to align our employees’ interest in learning and growing with our business needs to develop culturally competent leaders. We strive to achieve a number of outcomes through our DEI education portfolio, including to:

- **Develop employees’ cultural competence**, with a particular focus on increasing people leaders’ inclusive leadership skills;

- **Equip leaders and influencers with skills** to be effective DEI champions;

- **Provide education** about specific topics of interest for the business (e.g., equity, microaggressions, racism, allyship, unconscious bias, identity);

- **Provide opportunities** to practice behaving inclusively.

“For me, listening to the panel and hearing what they discovered about themselves as individuals now realizing they were a part of a larger group that they never really acknowledged was like someone coming into a dark room that you have been in for years and turning on the light.”

- **Courageous Conversations participant**

“What I learned through this was that acceptance/support/love at the time a person chooses to come out is important, but it’s only a small part of my responsibility. It’s a much larger part of my responsibility to eliminate the fears and anxieties someone facing this choice deals with, prior to their decision to tell others, by being mindful of my actions, attitudes, and messaging.”

- **VITAL Program participant**
A Look Back: Our DEI Education Courses and Learning Opportunities

The depth and breadth of our DEI education portfolio significantly increased over the past ten years. As needs changed and new challenges arose, we increased and enhanced our cultural competence programs and learning opportunities to continue making progress toward building a culture where everyone feels they belong.

Over 60 senior leaders pledged to serve as change agents by acting as allies and engaging in difficult conversations to advance a culture of inclusion where everyone feels they belong.

After participating in VITAL (Valuing Inclusion Through Adaptive Leadership), program alumni hired a woman or person of color for 57% of their job openings – a 15% increase from pre-program hiring rates.

As part of CARE (Colleagues Advancing Racial Equity), tips, tools, and resources were created and shared with employees and people leaders to support allyship and anti-racist efforts.

In 2020, over 1,000 BAE Systems employees participated in Courageous Conversations across the organization. These powerful storytelling sessions provided an opportunity for leaders to share about their personal DEI learning journeys and for members of our African Americans Committed to Excellence (AACE) Employee Resource Group (ERG) to boldly share their experiences as Black employees in our workplace.

<table>
<thead>
<tr>
<th>2010 - 2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>VITAL Coaching D&amp;I Dialogues</td>
<td>VITAL Coaching &amp; Network D&amp;I Dialogues</td>
<td>Understanding Identity: Race</td>
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<td>VITAL Inclusion Advantage Everyday Bias</td>
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<td>VITAL Inclusion Advantage Everyday Bias</td>
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Positioning people to thrive and reach their full potential

Providing ample and equitable development program opportunities and support for those in underrepresented groups is crucial to our success. We strive to achieve a number of outcomes through our DEI development programs, including to:

- **Provide enhanced support for high-potentials** in underrepresented groups to ensure they are positioned to succeed;

- **Provide development opportunities** for high-performing employees in underrepresented groups to surface hidden talent and diversify leadership pipeline;

- **Design and deliver inclusive professional development programs** that create a psychologically safe environment for all participants;

- **Intentionally address** how cultural identity and cultural norms impact employees’ leadership journeys, particularly those in underrepresented groups.

The Brand Leadership Institute Spotlight

“What I appreciated most about this program was the relationships. I did not know how much I was missing a cohort community, a pod, and an accountability partner. My accountability partner has become a sounding board for me—most days helping me to say no to things and reminding me that a no is a complete sentence and a yes to myself—and without that support this experience would not have been the same. I valued the opportunity to be connected to other women within the organization and get to know them on a level that I wouldn’t ordinarily. I see them as women that will be there for me throughout my career cheering me on, and I plan to be there for them as well.”

Lauren Wiley

Brand Leadership Institute Program Stats

- **100% greater clarity** of purpose
- **94% retention** among our graduates
- **100%** noted stronger community bonds within their organization
Positioning people to thrive and reach their full potential

**BRIDGE** is a cross-cultural, reciprocal mentorship program designed to help participants feel safe sharing about their identities and experiences, explore and better understand themselves and others, and develop meaningful connections across the organization.

The **Brand Leadership Institute** is a virtual coaching platform and community specifically designed to help advance women further and faster in their careers. Participants leave the program with greater clarity, confidence, and competence and enhanced connections.

**Diversity Professional Development Conferences** provide an opportunity for employees to network with others outside the organization to learn about topics related to leadership and its intersection with DEI.

Through **ERG Leadership**, employees gain experience leading teams, projects, and culture improvement efforts and have the opportunity to be recognized by senior leaders while networking with others across the enterprise.
“Our connection was immediate. It was immediate because we understood the causes for diversity, inclusion, and equity that brought us together. With that in mind, we felt comfortable exchanging personal stories concerning discrimination, whether we witnessed it or were a direct recipient of it. And both of us felt a sigh of relief to talk about this because it’s a topic that doesn’t seem to find much air in work conversations. It brought me a sense of emotional relief to be vulnerable at a time when I certainly needed it. We’re not in the office; we’re not connecting with people as we normally would. So, we’re seeking a connection to express all of the feelings that have built up and occupied space in our heads, hearts, and stomachs as we watched the events in 2020—and sadly into this year—unfold.”

“Our first meeting was great, but our second meeting really sealed the deal for me. During our first meeting, I quickly learned that Josh was easy to talk to and I was already looking forward to the next meeting. In our second meeting, we went over our cultural identity worksheets—a tool that allowed for a meaningful and deep conversation. You have to be open and vulnerable for this kind of mentoring relationship to work, and I’m not naturally that kind of person. So, it took some work for me to allow that to come out, but you’ll be amazed by the similarities you have with other people if you’re open-minded.”

BRIDGE Mentorship Program Stats

• **100%** of participants agreed or strongly agreed with the statement that: “I feel safe sharing about my identity and experiences with my mentor.”

• **87%** of participants agreed or strongly agreed with the statement that: “I have developed meaningful connections with others across the organization.”

• **93%** of participants agreed or strongly agreed with the statement that: “I am better able to explore and understand the experiences of others.”

• **93%** of participants agreed or strongly agreed with the statement that: “I have grown as a result of the program”
Inclusive Employee Benefits

Life isn’t one size fits all, so our benefits aren’t either. Our goal continues to be providing employees with competitive benefits that help foster an environment where they can bring their whole selves to work. Families form in many ways, and many of our benefits like Paid Parental Leave, Adoption Assistance, and medical coverage – including fertility and surrogacy benefits for domestic partners – offer all couples cost-friendly resources to grow their families.

Growing a Family
- Adoption Assistance
- Paid Parental Leave
- Surrogacy and Fertility Benefits

Caring for Family
- Back-Up Care
- Benefits Concierge Service
- Paid Family Leave
- Tutoring and College Coaching Services

Flexible and Supportive Work Environment
- Personal Holidays
- Flexible Work Schedule
- Tuition Reimbursement

Medical Coverage for Family
- Comprehensive Medical Plans
- Vision and Dental Insurance Plans
- Domestic Partner Benefits Plan Coverage
- Coverage for Gender Confirmation Surgery

Mental Health Resources
- Free and easy access text/video-based therapy
- Resilience Hub for Employees
Supplier and Vendor Diversity
Supplier and Vendor Diversity

We work diligently to identify and partner with small businesses, including: small disadvantaged, woman-owned, HUBZone, veteran and service disabled, and veteran-owned small businesses. Additionally, whenever possible we collaborate with AbilityOne Companies, Historic Black Colleges and Universities, and Minority Serving Institutions.

Two of the executives serving on the BAE Systems, Inc. Procurement Council are an employee with a disability and a service disabled veteran.

We are a member of the National Veteran Small Business Coalition. Many of the members of this national organization are service disabled veteran owned small business owners.

We are an annual sponsor of the Veteran Entrepreneur Training Symposium. We attend several veteran small business conferences each year to identify qualified service disabled veteran owned small businesses for subcontracting opportunities.

We exceed the U.S. Government service disabled veteran owned small business subcontracting goal established by the Small Business Administration every year.

We work diligently to identify and partner with small businesses, including: small disadvantaged, woman-owned, HUBZone, veteran and service disabled, and veteran-owned small businesses. Additionally, whenever possible we collaborate with AbilityOne Companies, Historic Black Colleges and Universities, and Minority Serving Institutions.

We also partner with and provide leadership to the following organizations:

- **National Minority Supplier Development Council**
  Provided over $45K in grants to support minority business development programs.

- **National HUBZone Contractors Council**
  Member and sponsor of annual conference.

- **National Veteran Small Business Coalition**
  Member and sponsor of two webinar series designed to assist with the growth and development of veteran-owned small businesses.

- **U.S. Women’s Chamber of Commerce**
  Member and sponsor of regional matchmaker events.

Forty-five (45) percent of our supply chain dollars go to Small Businesses. That’s nearly $1.8B. Within this category:

- $211M (5.1%) spent with Small Disadvantaged Businesses
- $196M (4.7%) spent with Women Owned Small Businesses
- $118M (2.8%) spent with HUBZone Small Businesses
- $268M (6.4%) spent with Veteran Owned Small Businesses
- $130M (3.1%) spent with Disabled Veteran Owned Small Businesses
BAE Systems, Inc. is proud to invest in the communities where our employees live and work, supporting organizations that make a positive impact and have documented outcomes. We support several organizations to advance the representation of women and minorities within Science, Technology, Engineering, and Math (STEM) careers, as well as within the workplace-at-large.
Community Investment & Social Impact

As part of our outreach, professional development, networking, and engagement strategy, we partner with several organizations including:

National Society of Black Engineers (NSBE)
NSBE seeks “to increase the number of culturally responsible Black Engineers who excel academically, succeed professionally and positively impact the community.” Through its 350 pre-collegiate, collegiate and professional chapters, NSBE trains 31,000 members in essential skills for their professional lives.

Society of Asian Scientists and Engineers (SASE)
SASE is dedicated to the advancement of Asian-heritage scientists and engineers in education and employment so that they can achieve their full potential. Founded in November 2007, SASE prepares Asian-heritage scientists and engineers for success in the global business world.

Society of Hispanic Professional Engineers (SHPE)
SHPE empowers the Hispanic community to realize its full potential and impact the world through STEM awareness, access, support, and professional development. SHPE’s educational programs and events serve a diverse Hispanic community including children, undergraduate and graduate students, and academic and industry professionals.

Society of Women Engineers (SWE)
SWE empowers women to achieve their full potential in careers as engineers and leaders, and be recognized for their contributions. SWE establishes engineering as a highly desirable career for women through training and development programs, networking opportunities, scholarships, and outreach activities.

Disability:IN
Disability:IN is the leading nonprofit resource for business disability inclusion worldwide. The organization’s vision is “an inclusive global economy where people with disabilities participate fully and meaningfully.”
Community Investment & Social Impact

Social Impact

Our social impact vision is equity for all communities through justice, opportunity, and shared humanity. We seek to intentionally invest in the communities in which we work and live to be partners in transformational and purposeful change. We do this through four social impact pillars:

- Community partnerships
- Addressing the root of the need
- Skill and resource alignment
- Financial giving

Workplace Giving, Matching Gifts, & Employee Volunteerism

We encourage and support employees’ desire to give back. Through our workplace giving program, employees can donate to 501(c)3 charitable organizations, and request a company match for eligible transactions. The company will match charitable contributions made by full-time and part-time BAE Systems, Inc. employees to organizations with the IRS designation of 501(c)3 with a philanthropic focus area of education, supporting military members & their families, first responders, and selected social impact organizations, including The Trevor Project, Race Forward, Hispanic Federation, Girls Inc, the Asian Pacific Environmental Network, and many more.

Donations and sponsorships that are not eligible for BAE Systems Giving include organizations that discriminate against people served or employee eligibility based on sex, gender, race, color, national origin, religion, age, veteran status, disability, or any other characteristic protected by applicable federal, state, or local law. Further, BAE Systems chooses not to support organizations that discriminate based on sexual orientation or gender identity or expression.

We also provide rewards for employees who are volunteering in their community, whether through an organized BAE Systems opportunity or on their own. Through the Volunteer Rewards Program, the company will make a donation to the 501(c)3 charity of an employee’s choice based on their number of volunteer hours.

Spotlight on Our Newest Partnerships

We are making monetary contributions to the Thurgood Marshall College Fund and Race Forward to support both organizations in their efforts to advocate for historically underserved communities.

Our newest partnership is with the National Black Child Development Institute (NBCDI) which focuses on the Social and Emotional Learning (SEL) of students of color, an integral part of education and human development. NBCDI is committed to improving and advancing the quality of life for Black children and families through education and advocacy.

Photo credit: Kiana Bosman
Awards & Recognition
Some of Our Awards and Recognitions

- AARP Employer Pledge Signer
- Human Rights Campaign Foundation: Corporate Equality Index “Best Place to Work for LGBTQ Equality”
- Department of Defense Employer Support of the Guard and Reserve
  - Freedom Award
  - Pro Patria Award
  - Above and Beyond Award
- Disability Equality Index’s Best Places to Work for People with Disabilities
- DIVERSEability Magazine Best of the Best
- Forbes: America’s Best Employers by State
  - New Hampshire, New Jersey, Virginia
  - Best Employers for Veterans
  - World’s Best Employers
- G.I. Jobs Magazine Military Friendly Award
- Military Times’ Best for Vets Employers
- Minority Engineer Magazine’s Top 50 Diversity Employer
- Monster/Military.com Best Companies for Veterans
- Project Healing Waters’ Patriot Award
- U.S. Veterans Magazine’s Best of the Best – Top Companies for Veterans
- Women Engineer Magazine’s Top 50 Employer
BAE Systems, Inc. employees are engaged in significant DEI efforts across the United States and abroad. Here are just a few of our achievements:

**San Diego, CA**
The site DEI Council partnered with a local Society of Hispanic Professional Engineers (SHPE) chapter at San Diego State University to share a presentation on how to make the best of their experience at a SHPE conference. A representative from the Recruitment team also attended to share information about what it’s like to work at BAE Systems.

**Hill Air Force Base, UT**
In honor of Cinco de Mayo, the Hispanic Organization for Leadership Advancement Employee Resource Group hosted a hike for employees on Indian Trail in Ogden, Utah. For Earth Day, BAE Systems employee Katie Vogel and the Veterans Support Network Employee Resource Group organized a park restoration event at Glasmann Pond Park in Ogden, Utah.

**Greenlawn, NY**
Started in 2019, our Women in Technology (WiT) program, in partnership with Stony Brook University, introduces high school women to engineering and encourages them to pursue a technical career in college.

**Louisville, KY**
This site hosted one of the first of what would eventually become a series of Courageous Conversations. These forums provide an opportunity for open, transparent dialogue and for business and site leaders to share their personal stories while modelling inclusive behaviors such as courage, compassion, and commitment.

**York, PA**
Leaders host monthly webinars to share their personal DEI learning experiences with employees. The monthly webinars prompt us to embrace uncomfortable conversations to help promote diversity, equity, and inclusion in our workforce.

**Rockville, MD**
Site DEI Council leads host monthly town hall sessions where they celebrate heritage months and invite colleagues to share their personal stories of racism, discrimination, and social injustice. Since its inception, the town hall sessions have had over 200+ members in attendance virtually.

**Sweden**
BAE Systems Hägglunds supports initiatives aimed at inspiring young women to choose careers in technology. Every year they host an annual “Do One Thing for Diversity” event to encourage diverse mindsets among employees.
As we look ahead to the next ten years, we are confident in our ability to make significant progress toward our goals. We remain steadfast in our commitment to diversity, equity, and inclusion. Our commitment is a key driver for greater innovation, enhanced business performance, and a workplace where everyone feels they belong and can reach their fullest potential.

Our Path Forward
BAE Systems, Inc. and its 35,200 people are part of a global defense, aerospace and security company with 89,600 employees worldwide. We deliver products and services for air, land, sea and space, as well as advanced electronics, security, information technology solutions, and customer support and services. Our dedication shows in everything we create and deliver—from advanced electronic systems to cyber operations and intelligence analysis, from combat vehicles to naval weapons, and from ship maintenance and modernization to vehicle upgrades and services. We push the limits of possibility to provide a critical advantage to our customers where it counts.