



# Diversity Report 2010

Gender • personal beliefs • learning styles • physical attributes/abilities • age • sexual orientation • race • background experiences • geography • interpersonal traits



**Rockwell  
Collins**  
Building trust every day

## Our diversity journey

In today's highly competitive environment, companies are looking far and wide for an advantage. Successful companies realize their advantage begins with their people. Over the past five years of our diversity and inclusion journey, we've come a long way toward creating a culture that values and leverages differences to ensure a competitive advantage for Rockwell Collins.

For me, there was a “defining moment” in our journey that helped clearly outline our desired destination. Prior to it, our approach to diversity was focused almost exclusively on compliance – or avoiding a negative consequence – by following laws and regulations. Our breakthrough moment came when we began focusing on a business case for change. Through that business case, we began to understand that diversity was more than something we had to do to avoid negative consequences, but something we should do because it was good business.

It was that business case that literally awakened our leadership and motivated them to act. When I consider the progress we've made at Rockwell Collins, it's very clear that our transformation came only when we changed our way of thinking. It came when we converted our diversity and inclusion strategy into action by assigning the right people – with specific accountabilities – to ensure our strategies were implemented. It came when we aligned our frontline managers with our approach to diversity and inclusion.

When I look back on our diversity journey, I'm pleased with our progress thus far. Today, we understand that the diverse and unique perspectives of our teammates are much more powerful than even the brightest individual. We understand that our work in diversity and inclusion is helping to ensure that when someone comes into our company they are valued, they are respected and they are included as vital members of the team. And as we look to the future, we will continue to build on our strong foundation.

I'm pleased to present to you our latest diversity report, which highlights the many ways we are working to foster an environment of inclusion, collaboration and ownership.



Clay Jones

Rockwell Collins Chairman, President and CEO

# Our road map for success

The goal of our diversity and inclusion strategy is to foster an environment of inclusion, collaboration and ownership. This is important because we believe a well-managed, more diverse team outperforms a less diverse one.

## Our diversity foundation

Rockwell Collins' diversity journey began in 2004 as part of our overall corporate efforts to reach our company vision: Working together creating the most trusted source of communication and aviation electronic solutions. One of the four goals identified for helping us get there – having talented and motivated people – drove the development of our diversity and inclusion strategy. We knew that to attract and retain top talent, we needed to be an employer that values employees and their contributions. We formalized that belief in the initiatives outlined in our Value Proposition for People, of which diversity is a primary goal:

- ▶ Diversity – Values and respects differences in our workplace. We strive to recruit, retain and develop talent to create an environment that fuels innovation and builds a stronger company.
- ▶ Talent Management – Integrates how we acquire, evaluate, reward and develop our people.
- ▶ Leadership Development – Encourages and supports the development of more and more capable leaders. The programs and tools are tailored to meet the needs of individual contributors, entry-level, mid- and executive-level leaders.
- ▶ Flexible Benefit Choices – Provides each of us with flexibility and choice regarding our benefits decisions, while maintaining a basic level of protection for everyone.

At Rockwell Collins, we work to build our diverse environment through:

- ▶ Inclusion – Embracing and valuing every individual
- ▶ Collaboration – Encouraging a free exchange of perspectives and ideas, creating solutions that lead to a competitive advantage
- ▶ Ownership – Ensuring that every individual is personally responsible

To advance diversity and inclusion throughout our organization, we focus on a three-pronged strategy — our people, our workplace and our marketplace – as our road map to success.

*We define diversity as difference, such as age, educational background, gender, geography, interpersonal traits, learning styles, lifestyles, personal beliefs, physical and mental attributes/abilities, race, sexual orientation and work environment.*

*Learn more online: [www.rockwellcollins.com/diversity](http://www.rockwellcollins.com/diversity)*



## People – Our people move us forward

We recognize that it's the people of Rockwell Collins who embody our corporate vision of building trust every day. Our people strategy focuses on ways in which we can attract, engage, develop and retain a high-quality workforce by creating an environment where people are motivated to use their talents to achieve their full potential.

### Employee development

Recruiting the right talent is only the first step toward our company's success. Just as important is retaining that talent. Ongoing career development opportunities enable employees to reach their full potential, which in turn enables the company to reach its full potential.

Key to ongoing employee development is ensuring our people get off to a fast start. Rockwell Collins has a robust on-boarding program to welcome new employees, providing engaging ways to involve leaders and sponsors over the first few months of a new hire's employment. This has been a successful approach to orienting and integrating our new talent.

To further that development, we offer our employees a Web-based enterprise mentoring program that enables them to easily search for, find and establish mentoring relationships across the company that can help them develop knowledge and skills. Rockwell Collins also provides employees with an online university – featuring eight schools of learning – and a four-step process for career development to help employees grow within their current jobs or grow toward different roles within the organization.

## Employee networks

In addition to these individual development opportunities, group options offer another alternative for employees to find a home at Rockwell Collins. Some of these are provided by our Employee Networks, in which people of similar backgrounds join together. By participating in these networks, people gain access to knowledgeable employees who have experience in our culture, as well as valuable corporate resources and support. Led by employee volunteers, group membership is open to all Rockwell Collins employees.

Over the past few years, seven employee networks have been chartered, including two new groups in the fall of 2009 — the Pride Employee Network and the Disability Network Group and Supporters. Other network groups include African Americans of Rockwell Collins Employee Network, Friends of Asia Employee Network, Latino Employee Network, New Hire Employee Network and Women's Employee Network.

Network accomplishments at various office locations in California, Florida, Iowa, Texas and Virginia include a range of activities, including:

- ▶ Partnering with our internal recruiters on sourcing and retention efforts
- ▶ Supporting on-site cultural awareness activities
- ▶ Hosting ongoing speaker series and educational presentations
- ▶ Offering mentoring and networking opportunities
- ▶ Supporting volunteer and fund-raising needs within our communities



***Members of our employee networks showcased their cultures and forthcoming group activities as part of the company's annual "Working Together" celebration for employees.***

*"The New Hire Employee Network provides new employees with the opportunity to learn more about Rockwell Collins and the arena in which we compete. In addition, our group provides an avenue for employees to expand their network through events ranging from professional lunches to volunteer projects to socials. This has benefited Rockwell Collins by creating a more integrated workforce, as well as positively representing the company in the community."*

*— Ben Bernhardt, chair of the Rockwell Collins New Hire Employee Network in Richardson, Texas*



## Educational/organizational partnerships

In addition to our group efforts to better expand multicultural awareness within and throughout our organization, Rockwell Collins has developed and is fostering external partnerships with minority organizations, universities and associations, including:

- › Hispanic Engineering National Achievement Awards Convention (HENAAC™)
- › National Society of Black Engineers (NSBE)
- › Society of Women Engineers (SWE)
- › North Carolina Agricultural and Technical State University
- › Tuskegee University

As these groups work to attract more students into the engineering and technology professions, our involvement allows us to reach out to educators who are influencing our future leaders and gain greater access to sources of talent via their membership bases.

In addition to our full-time positions, university students can get hands-on experience through internships or co-op assignments. This is a great opportunity for students to experience the work environment and culture of an innovative company and participate in meaningful and developmental work assignments while pursuing their degrees.



*Luke Visconti, co-founder and CEO of DiversityInc, shared his perspectives on “The Role of Diversity in American History” as part of a 2009 learning event for company employees.*

## Workplace – Our inclusive workplace helps us stay on course

To better ensure our people understand and reflect our commitment to diversity and inclusion, Rockwell Collins strives to provide a supportive work environment. Our holistic approach has resulted in the following initiatives:

- › Sharing our diversity and inclusion strategy during orientation for new hires
- › Providing ongoing training and development programs to employees
- › Incorporating domestic partner benefits
- › Including diversity components in annual internal awards programs and employee engagement surveys
- › Offering work/life options to better ensure balance in our employees' careers and personal lives

*“I think a truly diverse and inclusive environment would have three characteristics. First, it would be an environment where employees had open minds and were receptive to new ideas; second, it would feel like a community where anybody is comfortable living and working; and, finally, it’s a place where you can truly build a successful career regardless of who you are.”*

*– Patrick Allen, senior vice president, Finance, and Chief Financial Officer, Rockwell Collins*



## Our commitment to diversity starts at the top

Establishing a solid diversity business case requires a commitment from our senior leadership as well as a commitment from every employee.

With a steadfast belief in diversity as a strategic business imperative, Rockwell Collins chairman, president and CEO Clay Jones took on the role of chief diversity officer. To reinforce the significance of diversity to our organization, he leads an Executive Diversity Council, comprised of his direct reports and the Office of Diversity, to prepare the organization to engage in this new frontier.

## Commitment to leadership development

Key to ensuring an inclusive workplace is the training and development opportunities we provide to our U.S.-based employees. The company provides diversity-specific training, including a computer-based course on Affirmative Action required for all leaders, and “Our Diversity Business Case” required for all new employees. Other ongoing learning programs for our leaders include “Leading a Multigenerational Workforce” and “Distance Leadership.”

In 2008, all U.S. leaders attended an instructor-led training on “Leading Diversity & Inclusion” focused on fostering an environment of inclusion in the workplace. This was followed in 2009 by a two-part program for all employees consisting of an “Understanding Diversity and Inclusion” computer-based course and a leader-led discussion on inclusive and exclusive behaviors at work.

As we continue on our journey, our training efforts continually evolve from focusing on building knowledge and awareness to building skills that make us truly successful in ensuring an inclusive workplace.



*“My team had a great experience with our discussion on diversity and inclusion. We thought we knew each other fairly well; but, as the conversation progressed, we all learned something new about each other, causing us to look at each other in a new light. In some cases, we learned that we were different where we “assumed” we would be the same. In other cases, we had commonalities with someone where we assumed we wouldn’t. In all cases, we walked away with a greater understanding and respect for each other and what each of our individual members brings to our team.”*

*– Tatum Buse, controller, Technical Service Solutions*



*Members of the company's Diversity Advisory Council from across the U.S. traveled to our Richardson, Texas, facility in the summer of 2009 for an annual planning session.*

## Diversity Advisory Council

In addition to the grassroots efforts of our employee networks to advance diversity and inclusion throughout our company, Rockwell Collins also formed a Diversity Advisory Council comprised of members of all levels of our organization with representatives from each of our business units and shared services.

These diversity advocates, supported by the Office of Diversity, help us to create a culture of inclusion by advising leaders on key issues and practices related to diversity, and acting as role models to their peers and fellow employees.

Accomplishments include:

- Providing major input for the development of diversity strategy
- Assisting with development of our corporate diversity scorecard to measure whether our efforts are achieving results
- Helping plan for and launch our employee networks
- Defining roles and responsibilities for all levels of the organization to drive diversity and inclusion
- Gathering input from employees on diversity-related topics
- Creating an internal practice group on diversity and inclusion to provide a forum for employees to share stories, best practices, ideas and topics for discussion
- Providing movie and reading suggestions along with questions to help facilitate discussion on diversity and inclusion in recognition of the federal heritage months



*Left: Employees in several U.S. locations showcased their heritage as part of the company's Cultural Week celebration in early 2009.*

*Right: Employee network members regularly support causes in their local communities, such as this group that formed a team for a breast cancer awareness walk.*

### Federal heritage months

To build on our educational initiatives, learning events coinciding with federal heritage months are hosted annually at various locations. These include:

- › February – Black History Month
- › March – Women's History Month
- › May – Asian Pacific American Heritage Month
- › June – Pride Month
- › September – Hispanic Heritage Month
- › October – National Disability Employment Awareness Month
- › November – National American Indian Heritage Month

### Accountability

We hold ourselves accountable for ensuring continual progress through a diversity scorecard that focuses on qualitative and quantitative measures. A key component is encouraging our leaders to complete at least two diversity leadership engagement activities each year.

Examples of these activities include:

- › Recognizing an employee or team who has demonstrated leadership for promoting diversity and inclusion
- › Joining one of our employee networks and engaging in events/activities
- › Participating in internal and external learning opportunities
- › Incorporating diversity messages into team meetings
- › Serving on a board or committee that enhances learning and understanding of diversity

# Marketplace –

## Our marketplace position keeps us in the driver's seat

Our marketplace strategy focuses on ways to provide innovative solutions to best serve customers, other stakeholders and the community. Often, diversity suppliers contribute to our company's success in promoting this innovative spirit. Working together with small businesses that deliver superior products and services, Rockwell Collins builds trust every day with our customers.

### Diversity supplier programs

Just as our supply chain partners help us build trust with our customers, we need to build their trust as well.

We believe that small businesses should be given the maximum practicable opportunity to provide goods and services for which they are technically and financially qualified. Ensuring a diverse supply base contributes to our ability to provide innovative, quality products and services at the best value.

In support of that, we've developed a diversity supplier Small Business Program. Small businesses include those owned and controlled by women, companies certified as owned by socially and economically disadvantaged individuals, companies certified as being located in historically under-utilized business zones, and those owned by veterans – including service-disabled veterans.

Demonstrating our commitment to our Small Business Program, in fiscal year 2009 we procured more than 50 percent of our purchased goods and services from small businesses. Additionally, Rockwell Collins supports four Mentor-Protege Agreements through the Department of Defense. Our most recent audit from the Defense Contract Management Agency evaluated our ability to achieve small business targets and ensure an equitable opportunity for small businesses to participate in sourcing initiatives. They also evaluated the programs our company has in place to promote the use of such companies. The Rockwell Collins Small Business Program was identified as "Highly Successful" in this audit, the second-highest rating a company can receive.

*"Rockwell Collins works together with us, a small disadvantaged business, to ensure that our goals are aligned and that we have the resources needed to achieve these goals. They genuinely care about how we perform, and contribute to our learning opportunities by providing training in areas such as Six Sigma, Lean Manufacturing and Continuous Improvement. These tools have strengthened our organization and helped put us on a competitive level with other suppliers."*

*– Hue Van Lien, president, Modern Manufacturing & Engineering, Inc.*



## Supporting diverse communities

Rockwell Collins is known around the world for producing reliable aviation products. We are also known in our communities for our commitment and involvement in education, especially supporting science technology, engineering and mathematics.

Whether it's mentoring a *FIRST*® LEGO® League team, transforming textbooks into real-time lessons in the hands of students via our Engineering Experiences, tutoring a disadvantaged student or donating computers, Rockwell Collins and its employees are making our communities better places to live and work. We believe in inspiring the next generation of engineers and innovators and building strong, vital communities as a way to ensure the success of our business.

In addition to supporting community events that focus on education, we also provide funding for arts and cultural organizations, as well as health and human services agencies, in an effort to build resources that shape and enhance our communities. By showcasing our commitment to diversity through several of our community partnerships, other organizations have been encouraged to benchmark Rockwell Collins and supplement their diversity work as well.

Recent community partnerships include:

- ▶ Leading sponsor for Iowa Women's Conference, drawing more than 400 attendees statewide
- ▶ Conducting Diverse Business, Iowa State Diversity Conference
- ▶ Serving Diverse Populations, Corporate Community Involvement, Conference Board
- ▶ The Business Case for Diversity and Rockwell Collins in a Global Context and the Community, Human Resources/Diversity Practitioners and Civic Leaders
- ▶ Being Culturally Competent Ambassadors workshop, Skogman Realty Ambassador program



*“The desire for a full, equal and productive role in the mainstream economy is the next great challenge facing the disability movement. Answering that call is a cause not solely of equity for people with disabilities, or even of fundamental justice more broadly conceived. It is a matter of necessity for a nation embarking on a new economy built on skills, talent and enterprise – an economy that will demand the full abilities of every citizen who can and wants to contribute. Through its support for the National Organization on Disability’s CEO Council and as a member of our Board of Directors, Rockwell Collins is distinguishing itself as a leader in this critically important movement. As important as the company’s financial contribution are the steady and consistent advice, counsel and contact that Rockwell Collins has provided to our work.”*

*– Carol Glazer, president, National Organization on Disability*

## Strategic Diversity Partnerships

In 2008, Rockwell Collins launched a new Strategic Diversity Partnership program, which involves teaming with eight diversity-related organizations that are national in scope. Their breadth of focus, as outlined below, provides us with exposure to new ideas through participation in conferences and exposure to thought leadership. Working closely with them through board and committee involvement also provides professional development opportunities for our employees.

The organizations selected to participate in the program are:

- Gay, Lesbian and Straight Education Network (GLSEN™) – organization for students, parents and teachers that tries to effect positive change in schools
- MentorNet™ – E-mentoring network for diversity in engineering and science
- The National GEM Consortium – addresses the critical shortfall in the production of American engineering and scientific talent
- National Organization on Disability – promotes full and equal participation of America's men, women and children with disabilities in all aspects of life
- National Urban League – nation's oldest and largest community-based movement devoted to empowering African Americans to enter the economic and social mainstream
- Out & Equal™ Workplace Advocates – addresses gay, lesbian, bisexual and transgender issues in the workplace
- The PhD Project – business doctoral programs for minorities
- Women in Engineering Program Advocates Network (WEPAN) – non-profit educational organization to enhance the success of women in engineering professions

***Below left: The Imani Winds, the only full-time touring woodwind quintet in the world, in 2009 performed for company employees in conjunction with a University of Iowa program to bring young artists to unexpected places. Below right: Pegine Echevarria, the first Latina inductee into the Motivational Speakers Hall of Fame, presented "White Guys are Diverse, Too™" as part of a 2009 learning event for company employees.***



## Maintaining a strong pace

Our diversity effort is a journey toward a stronger, more global company. We are inspired to build upon our rich heritage of trust, thinking beyond today to a future where we foster an environment of diversity and inclusion. This is one of the ways we continue to create value, and build trust every day.

Building  
trust  
every day

## About Rockwell Collins

For more than 75 years, our customers have depended on us to provide innovative communication and aviation electronic solutions to solve their toughest challenges. We have been there with them from the early days of flight, to the exploration of space, to enabling battlespace interoperability and advancing commercial aerospace. Delivering on our promises, we continue to build trust every day.

Headquartered in Cedar Rapids, Iowa, Rockwell Collins is a pioneer in the design, production and support of innovative solutions for our commercial and government customers in aerospace and defense. Our expertise in flight deck avionics, cabin electronics, mission communications, information management, and simulation and training is strengthened by a global service and support network that spans 27 countries.

Working together, our global team of 20,000 employees shares a vision to create the most trusted source of communication and aviation electronic solutions to help our customers succeed. To find out more, please visit [www.rockwellcollins.com](http://www.rockwellcollins.com).

## Heading to our destination

We believe that diversity is about understanding and leveraging differences. We work hard to provide a welcoming atmosphere and a workplace that respects, includes and values the multiple dimensions of each individual. We know that to enhance our understanding of our marketplace, we need to better mirror it.

Initially, our diversity and inclusion strategy focused on our domestic employee base and domestic marketplace. As our organization continues to grow globally, and our marketplace does the same, in the coming years we will be enhancing our strategy internationally to include this global influence.

Throughout this report, we've shared a number of the accomplishments and successes we've achieved on our diversity journey. All help to keep us focused on what's truly important – building trust every day. Building trust with employees is key to ensuring trust with our customers. Working together, our employees collaborate to build a sense of community, demonstrate their ownership and generate innovative solutions for our customers.

We're proud of how far we've come, and energized about what continues to lie ahead.

A handwritten signature in black ink that reads "Sue Nelson". The signature is fluid and cursive, with the first name "Sue" and the last name "Nelson" clearly distinguishable.

Sue Nelson

Director of Diversity



Rockwell Collins delivers smart communication and aviation electronic solutions to customers worldwide. Backed by a global network of service and support, we stand committed to putting technology and practical innovation to work for you whenever and wherever you need us. In this way, working together, we build trust. Every day.

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