TRANSPARENCY INTERNATIONAL
Defence & Security

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

RAYTHEON COMPANY

(RAYTHEON TECHNOLOGIES AS OF APRIL 2020)

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	8/8
2. Internal Controls	6	12/12
3. Support to Employees	7	13/14
4. Conflict of Interest	4	6/8
5. Customer Engagement	7	9/14
6. Supply Chain Management	5	9/10
7. Agents, Intermediaries and Joint Ventures	10	16/20
8. Offsets	4	5/8
9. High Risk Markets	4	7/8
10. State-Owned Enterprises	0	N/A
TOTAL		**85/102**
BAND		**A**

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
2
Comments
There is evidence that the company publishes a clear statement on its anti-bribery and corruption commitment, which details the company's stance against any form of bribery or corruption within the organisation. There is evidence that this commitment was authorised and endorsed by the company's leadership.
Evidence

[40] Message From The CEO (Webpage)
Accessed 05/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/message
Message From Thomas A. Kennedy

A key strategy for Raytheon's future is continuing to grow our business in global markets. However, international business transactions pose a wide range of risks, including the risk of corruption, which we take very seriously. That is why Raytheon is committed to the Global Principles of Business Ethics for the Aerospace and Defense Industry and takes a zero-tolerance stance against corruption.

[…]

Raytheon's Board of Directors and senior leadership are fully engaged in setting the right tone at the top and in monitoring and leading our anti-corruption initiatives. Company leaders provide guidance to our program to ensure that policies and practices effectively address the risks we face. Together, with our employees and partners, we work to strengthen our culture of integrity that will not be compromised. I encourage you to share some of the learnings from this website, which serves as an introduction to our anti-corruption initiatives and provides a public declaration of our unwavering commitment to ethical business conduct.

Thank you for your support.

Thomas A. Kennedy

Chairman and CEO

[12] Letter from the CEO (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/ceo-letter
DEAR RAYTHEON STAKEHOLDERS,

Our efforts to create a better workplace are driven from the top. Our world, customers and workforce are all changing. Raytheon is also transforming. We're looking to improve the way we develop new technologies, engage stakeholders and support the next generation of engineers and scientists.
Raytheon's long-standing commitment to corporate responsibility, however, will remain unchanged. The Raytheon team embraces this responsibility at every level of the company, starting with our board of directors, ensuring our business strategies are aligned with our obligations to our stakeholders.
This report highlights the many ways we live our values while fulfilling our vision of working as one global team creating trusted, innovative solutions to make the world a safer place.

[…]

SUSTAINABILITY AND COMPLIANCE

Just as important as what we do, is how we do it. Raytheon continues to stress achieving results the right way, mandating employee training in critical compliance areas such as business ethics and export rules, and reinforcing our culture of integrity.

[…]

I am proud of all we have accomplished and will continue to achieve. As you will read in these pages, the men and women of Raytheon are working to transform tomorrow together.

Respectfully,
Thomas A. Kennedy
Chairman and Chief Executive Officer

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.5] Code of Conduct - Summary
Anti-Corruption
Corruption undermines trust and destroys the concept of fair play in a competitive global marketplace. Raytheon has zero tolerance for corrupt business practices. One common form of corruption is bribery. Remember that you don't have to give or receive cash to be guilty of bribery. A bribe can be anything of value—even the promise of a job or other business consideration. And it makes no difference if the offer is made through an agent or other intermediary.

[p.12] Message from the Chairman and CEO

Dear Fellow Employee,

Raytheon's Code of Conduct is a cornerstone of our Ethics program and is grounded in our shared company values, which emphasize trust, respect, collaboration, innovation and accountability. We are each responsible for aligning our conduct with the Code as stewards of Raytheon's reputation for ethical business behavior. Living our Code of Conduct differentiates Raytheon in the marketplace, giving us a competitive advantage.

The Code briefly summarizes many important company policies, provides examples of typical questions that may arise when considering these policies, and discusses how to resolve those questions, consistent with our standards of ethics and business conduct. For example, the Code outlines how employees should handle possible conflicts of interest, ensure the financial integrity of reporting on program status, ensure accurate cost charging and comply with export controls. Protecting Raytheon's intellectual property, treating one another respectfully, ensuring we ethically bid and perform our contracts, and many other topics are also covered by the Code.

The Code broadly reminds us to follow approved processes, but also to speak up if we are concerned about an issue. As employees learn in our ethics education classes, we have resources in addition to the Code that are available to help guide you. Your supervisor, other leaders and our Human Resources, Legal and Ethics partners can give you guidance and address issues of concern. Raytheon employees may raise questions about the best course of action to take or report suspected misconduct to the Ethics Office without fear of retaliation, which is prohibited by the Code. You may also contact Ethics anonymously if you wish. Relevant contact information is found at the end of the Code of Conduct document.

I encourage employees to review and refer to the Code. It can be an important part of your ethical decision-making toolkit. Take an "Ethics Check," "Check the Code," and "Act With Integrity" when you are faced with a question or have a concern about the right thing to do.

Thank you for doing your part in supporting Raytheon's commitment to the highest ethical standards.

Sincerely,

Thomas A. Kennedy

Chairman and CEO Raytheon Company

[11] Message From The Office Of The General Counsel (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/ogcmessage
"Raytheon has a zero tolerance policy for violations of the anti-corruption laws."

Frank Jimenez
Vice President, General Counsel & Corporate Secretary

"We continuously push for improvement in key areas of Ethics and Compliance, and provide safe channels where individuals may ask questions and raise concerns without fear of retaliation."

Alan Levesque
Vice President, Chief Ethics & Compliance Officer

Question
1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories: **a) All employees, including staff and leadership of subsidiaries and other controlled entities;** **b) All board members, including non-executive directors.**
Score
2
Comments
The company publishes a clear anti-bribery and corruption policy, which specifically prohibits bribery, payments to public officials, commercial bribery, and facilitation payments. This policy clearly applies to all employees and board members as described in (a) and (b) in the question.
Evidence
[16] Anti-Corruption Awareness Compliance and Education (Webpage) **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa ANTI-CORRUPTION Anti-corruption laws criminalize certain conduct committed by or on behalf of companies. Anti-corruption laws prohibit corrupt payments and/or bribes to foreign government officials, establish accounting rules that require us to maintain accurate books and records of all transactions, and require effective internal controls around the expenditure of funds. WHY IS IT IMPORTANT? It's important that we conduct business lawfully, and ethically, around the world. Understanding anti-corruption laws and their implications helps us do that. Anti-corruption laws are designed to drive integrity and fair dealing in global business competition. Prosecutors across the globe are increasingly coordinating with each other and enhancing scrutiny of companies who have purposefully or inadvertently violated anti-corruption laws. […] Zero Tolerance – Raytheon has a zero tolerance policy for corrupt behavior. **[40] Message From The CEO (Webpage)** **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/message Message From Thomas A. Kennedy A key strategy for Raytheon's future is continuing to grow our business in global markets. However, international business transactions pose a wide range of risks, including the risk of corruption, which we take very seriously. That is why Raytheon is committed to the Global Principles of Business Ethics for the Aerospace and Defense Industry and takes a zero-tolerance stance against corruption. Raytheon supports our anti-corruption program with personnel and resources to make the program effective. We have established a rigorous Anti-Corruption Sustainment program, which provides for the continuous assessment of our policies, practices and internal controls and for engaged collaboration to share best practices in preventing corruption. The Raytheon anti-corruption team is focused on deterring, detecting and correcting issues so that our reputation for integrity is never compromised. We have published an overarching anti-corruption policy which provides the foundation for our program and the architecture for the integration of key compliance policies such as due diligence related to the retention of international representatives and consultants, and transparency in our books and records. We also provide ongoing education programs such as the FCPAware Series, available on this website to ensure that our employees remain knowledgeable and vigilant about risks related to the Foreign Corrupt Practices Act.

Raytheon's Board of Directors and senior leadership are fully engaged in setting the right tone at the top and in monitoring and leading our anti-corruption initiatives. Company leaders provide guidance to our program to ensure that policies and practices effectively address the risks we face. Together, with our employees and partners, we work to strengthen our culture of integrity that will not be compromised. I encourage you to share some of the learnings from this website, which serves as an introduction to our anti-corruption initiatives and provides a public declaration of our unwavering commitment to ethical business conduct.

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
Anti-Corruption Policies
Raytheon has an overarching anti-corruption policy which articulates our zero tolerance for corruption; this policy appears at the link provided. The anti-corruption policy also describes related policies and procedures, which further detail how the Company's internal controls operate to detect, prevent and correct issues related to this critical area of governance. This policy covers all organizations within Raytheon Company, including direct and indirect subsidiaries other than Forcepoint[1] entities, and governs all members of our Board of Directors, all employees, and the parties who work with us, such as business partners, consultants, contractors, lobbyists, and representatives.

[…]

RP-OGC-ETH-001: CODE OF CONDUCT AND ETHICS AND BUSINESS CONDUCT PROGRAM

Raytheon is committed to the highest standards of ethical business conduct in its dealings with employees, customers, communities, suppliers, shareholders and others. Raytheon has issued a Code of Conduct (the "Code") and established a ethics and business conduct program to assist Raytheon leaders, the Board of Directors, employees, suppliers, agents, consultants, representatives and others in recognizing, understanding and attending to the ethical dimensions of their jobs and in appropriately resolving business conduct issues. Raytheon's ethics and business conduct program incorporates the compliance standards and principles set forth in the United States Sentencing Guidelines for Organizations, The Defense Industry Initiative on Business Ethics and Conduct, the IFBEC Global Principles of Business Ethics and the Federal Acquisition Regulations. Further, the Code articulates Raytheon's strong "speak-up" culture and anti-retaliation ethos, outlines reporting avenues, and mandates that those found to have engaged in retaliation will be subject to discipline, up to and including, termination.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.1] 0B1. Purpose

1.1 This policy sets forth Raytheon's position of complete commitment to fight corruption and bribery, and our comprehensive approach to protect against corruption and bribery in any dealings related to our company.

1B2. Persons Affected

2.1 This policy applies to all organizations within Raytheon Company, as defined by Raytheon policy RP-AD-001. It governs our Board of Directors, all employees, and third parties who work for us

[…]

[p.2] 4. Policy

4.1 Raytheon is committed to the highest ethical standards for doing business. We compete based on price, quality, and skill, without risking our integrity. We strictly prohibit bribery and other forms of corruption. Straying from this path would harm our reputation, cost us money, and could lead to civil or criminal sanctions for you and the Company.

4.2 You must not offer or provide anything of value to anyone if it might give the impression that Raytheon is seeking an improper business advantage.

4.2.1 Anything of value means not just obvious things such as cash, gifts, and meals. It can include almost any form of direct or indirect benefit, such as:

a. Access to resources.
b. Charitable contributions.
c. Education or work opportunities.
d. Event tickets.

4.2.2 Business advantage also has a broad meaning. It can include, for example:

a. Obtaining or retaining business.
b. Receiving special treatment.
c. Securing any type of concession.

4.2.3 Anyone includes public officials, members of public entities, and members of private entities (workers at international organizations and employees of commercial companies).

Laws applying to our company require great care in dealings with all people, but especially with public officials and members of public entities.

[p.3] 4.3 You also must not:

4.3.1 Request, seek, or accept anything of value if it creates even the appearance of seeking or providing an improper business advantage.

4.3.2 Help anyone engage in kickbacks, bribery, or any other corrupt activity.

[…]

4.5 You must not give anything to facilitate routine governmental actions, commonly known as a facilitation payment, except to protect yourself or others from immediate physical harm or improper detention. In that case, take reasonable steps to assure your safety and report the matter to the OGC as soon as possible.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.5] Code of Conduct - Summary

Anti-Corruption
Corruption undermines trust and destroys the concept of fair play in a competitive global marketplace. Raytheon has zero tolerance for corrupt business practices. One common form of corruption is bribery. Remember that you don't have to give or receive cash to be guilty of bribery. A bribe can be anything of value—even the promise of a job or other business consideration. And it makes no difference if the offer is made through an agent or other intermediary.

[p.31] Protect Our Reputation in the Global Business Arena: Anti-corruption

Raytheon expects its leaders, employees, suppliers, consultants, representatives and agents to protect the company's reputation for integrity in the global marketplace. To reinforce this expectation, Raytheon prohibits improper international business practices and requires that Raytheon personnel comply with company policies, the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws of host nations, related anti-bribery conventions, and all other applicable laws. Raytheon

(i) prohibits offering anything of value to foreign officials for the purpose of influencing that foreign official or to secure any improper advantage in order to obtain or retain business, and
(ii) maintains strict internal accounting controls to prevent concealment of bribery or other financial transactions. If you have any questions, please consult with the Anti-Corruption & International Agreements team to ensure compliance with all anti-corruption laws.

[p.35] Gifts to any elected officials may only be given in strict conformance with applicable laws and subject to advance approvals specified by company policy. Consult the Ethics Office or Office of the General Counsel if you are considering offering or receiving gifts or other business courtesies to or from government employees of any nation. We also comply with the U.S. Anti-Kickback Act, which similarly prohibits giving anything of value to an

employee of a prime U.S. government contractor in order to obtain or reward favorable treatment. Similar laws and regulations apply to Raytheon international subsidiaries in their host countries.

[2] Statement on the Code of Conduct (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/ourcompany/ourculture/code
Code Of Conduct

Raytheon's Values of Trust, Respect, Collaboration, Innovation and Accountability are the foundation for our Code of Conduct. The Code provides guidance about business behavior expected of the Raytheon community as we work and interact with fellow employees, customers, suppliers and other stakeholders. The Code applies to company directors, officers and employees, and in certain respects to suppliers, consultants, representatives and agents. The Code is fundamental to how we do business and reinforces the responsibilities we all share in protecting Raytheon's reputation.

[3] Corporate Responsibility Report (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf
[p.7] ETHICS AND ACCOUNTABILITY

Across Raytheon, transparency means holding each other, and ourselves, accountable. This commitment to ethics begins with our board and senior leadership team and extends to every employee. We expect full adherence to our code of conduct and give employees the training and resources to understand compliance risks and regulations and to use our protected phone and online channels to speak up when they have a question or notice a problem. In support of the company's comprehensive diversity and inclusion initiatives, the Ethics program reinforced the importance of our Respect value and focused on workplace harassment prevention in 2018.

[4] Corporate Governance (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/corporate-governance
The approach of our board and its committees has continued to evolve in line with the company's long-term strategy and ever-changing environment. With the support of the public policy and corporate responsibility committee, the company has established a world-class compliance organization and robust compliance programs in key areas that enable us to grow our international business while adhering fully to the laws of the United States and each of the countries where we do business. Raytheon has developed industry-leading export control and anti-corruption compliance programs, employing robust controls and monitoring systems embedded into the company's operations and innovative training. And the company is leveraging these capabilities to enhance other compliance programs, such as privacy.

A Culture of Compliance
The highly sensitive work Raytheon does for governments requires strict adherence to a variety of laws and regulations, including the U.S. Foreign Corrupt Practices Act and export/import regulations such as the U.S. Department of State's International Traffic in Arms Regulations and the Department of Commerce's Export Administration Regulations.

At Raytheon, compliance is everyone's responsibility. It's at the core of our corporate reputation, embedded in the work we do to protect members of the military and critical to our growth strategy.

Anti-corruption
The Foreign Corrupt Practices Act requires strict internal controls to ensure employees, suppliers, consultants, representatives and agents comply with all applicable laws governing international business practices. This includes vetting of potential business partners and using accounting procedures to prevent concealment of bribery or other unlawful financial transactions.

[23] Corporate Governance Principles (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/governance-principle
15. Ethics and Conflicts of Interest
Ethics. The Board expects all directors, officers, employees and representatives to act ethically at all times and to avoid conflicts of interest or the appearance of a conflict of interest. The Company has adopted a Code of Business Ethics and Conduct and a Conflicts of Interest Policy which apply to all directors, officers, employees and

representatives. The Code, as well as the Policy, form the basis for the Company's ethics and compliance procedures and cover a wide range of areas. The Code is available on the Company's web site.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.16] CORPORATE GOVERNANCE

The Board of Directors is committed to being a leader in corporate governance. The Board believes that good governance enhances shareholder value and goes beyond simply complying with legal requirements. It means taking an integrated and collaborative approach that promotes integrity, accountability, transparency, and the highest ethical standards.

[p.27] The proxy statement works in combination with our annual report and corporate responsibility report to more clearly illustrate how the Board and executive leadership set a tone at the top that promotes integrity, accountability, transparency and the highest ethical standards.

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
2
Comments
Based on publicly available information, there is evidence that a designated board committee – the Public Policy and Corporate Responsibility Committee – is responsible for oversight of the company's anti-bribery and corruption programme. There is evidence that the Committee's oversight function includes reviewing reports from management on the programme's performance and the results of internal audits, and there is evidence that the committee has the authority to require that changes are made.
Evidence
[16] Anti-Corruption Awareness Compliance and Education (Webpage) **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa OUR COMPLIANCE PROGRAM – KEY AREAS Commitment – The CEO and Board of Directors are regularly briefed on Raytheon's anti-corruption program. Additionally, senior leadership from across the Company's functions and business units (several hundred leaders) participate in anti-corruption assessments and provide quarterly certifications on their understanding of the anti-corruption policy and their reporting of any matters of concern. Oversight, Autonomy, and Resources ACIA sits under the purview of the Chief Ethics and Compliance Officer (CECO) within the Office of General Counsel. The CECO provides an annual anti-corruption program review to the Public Policy & Corporate Responsibility Committee (PPCRC) of the Board of Directors, including updates on significant compliance issues, trends, and risks. The PPCRC oversees and guides the overall direction of the company's anti-corruption program and reports to the full Board of Directors on an annual basis. The CECO also provides an annual Ethics and Business Conduct review to the full Board of Directors, as well as quarterly program updates, which include anti-corruption updates as appropriate. Additionally, the Compliance Oversight Team (COT), comprised of the General Counsel, CECO, Chief Financial Officer, President of GBS (Raytheon's shared services business unit), Vice President of Human Resources & Security, Vice President of Contracts/Supply Chain, and Vice President of Internal Audit, oversees the anti-corruption program and meets at least twice a year to review risks, evaluate program controls and discuss key enhancement initiatives. Significant investments have been made in personnel and technology to enhance Raytheon's compliance activities. […] The ACIA Senior Director reviews matters of suspected corruption with the CECO, General Counsel, and Corporate Controller & Chief Accounting Officer to ensure timely notification to Management of the investigation and status of remediation. At least annually, briefings on anti-corruption violations, including results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken, are presented to the Public Policy & Corporate Responsibility Committee of the Board of Directors. In addition, anti-corruption investigations and allegations involving significant financial improprieties are reported to the Audit Committee of the Board of Directors. **[19] Risk Assessment and Sustainment Process (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment INTERNAL AUDIT OVERSIGHT: On a continuous basis, Internal Audit prepares and updates a risk-based audit plan which takes into account specific risks and opportunities within the Company, including risks for corruption. The Audit Plan includes as

appropriate risk-based audits of anti-corruption related processes, controls, sites, and transactions. The anti-corruption related portion of the Audit Plan is reviewed with the CECO and approved by the Audit Committee (comprised of members from the Board of Directors) on an annual basis. Audit results are shared with the Audit Committee.

Anti-corruption related Internal Audit reports are distributed to the CECO and the ACIA group following the conclusion of the audit to ensure that audit results and recommendations are documented, shared, and addressed. The reports include findings, recommendations for resolution, and an overall opinion. The CECO and ACIA Senior Director drive the closure of any identified gaps, and Internal Audit follows up on any identified findings to ensure completion of remediation.

[3] Corporate Responsibility Report (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf
[p.6] CORPORATE GOVERNANCE

Raytheon benefits from the leadership of a diverse board with the critical attributes, experiences, qualifications and skills to advance Raytheon's long-term growth strategy. The board's public policy and corporate responsibility committee reviews environmental stewardship and sustainability, employee health and safety, ethics, charitable contributions and community relations.

The committee identifies current and emerging environmental, social and political trends and public policy issues that may affect Raytheon's business operations, performance or public image. In 2018, the committee reviewed and reported to the board on a number of issues, including the public policy implications of certain advanced technologies that are likely to shape the future. Importantly, the committee also provides oversight on a comprehensive program that teaches employees about ethical decision-making.

[8] Board Committees (Webpage)
Accessed 30/08/2019
http://investor.raytheon.com/committees
Public Policy and Corporate Responsibility Committee
Key Responsibilities :

- Review political, social and legal trends and issues that may affect Raytheon's business, operations, financial performance or public image;
- Review our policies and practices in the areas of legal, regulatory and social responsibility, including those involving:
    - environmental protection;
    - health and safety of employees;
    - ethics and our Code of Conduct;
    - export control;
    - regulatory compliance (except financial matters);
    - charitable contributions and community relations;
    - government relations and legislative policy;
    - political contributions and lobbying;
    - anticorruption and use of foreign and domestic consultants and representatives; and
    - government contracting and defense procurement policies;
- Review and monitor corporate policies and practices that relate to public policy; and
- Oversee management of such risks as may be assigned periodically by the Board as a result of Raytheon's enterprise risk management process or otherwise.

[9] Public Policy and Corporate Responsibility Committee Charter (Webpage)
Accessed 30/08/2019
https://raytheon.gcs-web.com/committee-details/public-affairs-committee
PUBLIC POLICY AND CORPORATE RESPONSIBILITY COMMITTEE

The Public Policy and Corporate Responsibility Committee (the "Committee") is established by the Board of Directors (the "Board") to review, monitor, and, as appropriate, report and make recommendations to the Board with

respect to, public policy trends and issues that may have an impact on the business operations, financial performance or public image of the Company, corporate policies and practices that pertain to public policy, and Company compliance with various related regulatory requirements.

Committee Membership

The Committee shall consist of no fewer than three directors.

Committee Authority and Responsibilities

The Committee shall meet at such times as deemed necessary by the chair of the Committee. The Committee shall report its actions and recommendations to the Board. The Committee may invite to its meetings any director, officer of the Company, or such other person as it deems appropriate in order to assist it in performing its responsibilities. The Committee may form and delegate authority to subcommittees where appropriate.

The Committee shall have the following authority and responsibilities:

1. Review Company policies and practices and monitor compliance in areas of legal and social responsibility, and when appropriate report and make recommendations to the Board with respect to policies and practices including those involving:

- environmental protection
- health and safety of employees
- ethics and the Company's Code of Conduct
- export control
- regulatory compliance (except financial matters)
- charitable contributions and community relations
- government relations and legislative policy
- political contributions and lobbying
- anticorruption and foreign and domestic consultants and representatives
- government contracting and defense procurement policies

2. Identify and bring to the attention of the Board, as appropriate, current and emerging political, social and environmental trends and public policy issues that may affect the business operations, performance or public image of the Company.

3. Review and make recommendations to the Board regarding the Company's responses to stockholder proposals that relate to public policy.

4. Oversee the Company's management of such risks as may be assigned periodically to the Committee by the Board as a result of the Enterprise Risk Management process or otherwise.

5. Retain and/or terminate outside advisors or consultants to be used to assist the Committee in performing its duties and responsibilities, and approve such advisors' or consultants' fees and other retention terms.

6. Review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.

7. Review annually the Committee's own performance.

The Committee undertakes such additional activities within the scope of its primary functions as the Committee or the Board may from time to time determine.

November 2018

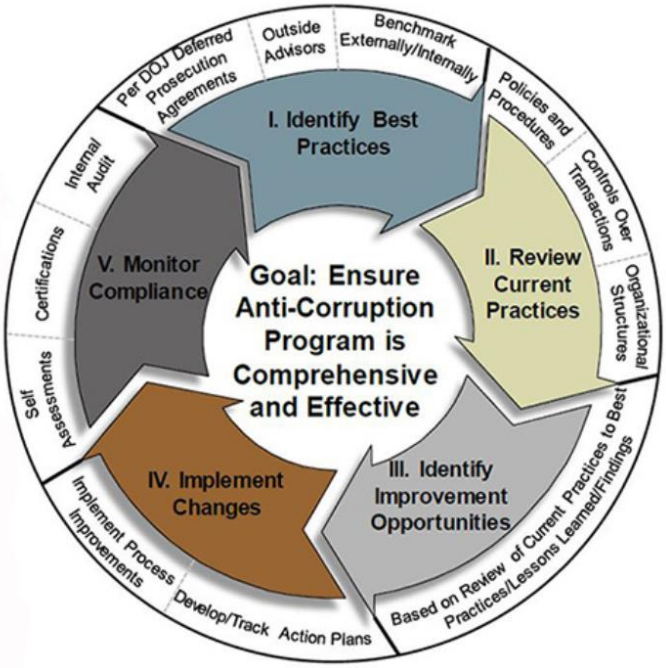
Question
1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?
Score
2
Comments
Based on publicly available information, there is evidence that a designated senior executive – the company's Chief Ethics and Compliance Officer – has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. It is clear that this person has a direct reporting line to the Public Policy and Corporate Responsibility Committee, which oversees the anti-bribery and corruption programme. There is evidence of reporting and feedback activities between the Chief Ethics and Compliance Officer and this committee.
Evidence
[20] Anti-Corruption Overview (Webpage) **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption Raytheon's anti-corruption compliance program is led by the Anti-Corruption & International Agreements (ACIA) group, which reports to the Chief Ethics and Compliance Officer (CECO) within the Office of the General Counsel. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Oversight, Autonomy, and Resources ACIA sits under the purview of the Chief Ethics and Compliance Officer (CECO) within the Office of General Counsel. The CECO provides an annual anti-corruption program review to the Public Policy & Corporate Responsibility Committee (PPCRC) of the Board of Directors, including updates on significant compliance issues, trends, and risks. The PPCRC oversees and guides the overall direction of the company's anti-corruption program and reports to the full Board of Directors on an annual basis. The CECO also provides an annual Ethics and Business Conduct review to the full Board of Directors, as well as quarterly program updates, which include anti-corruption updates as appropriate. Additionally, the Compliance Oversight Team (COT), comprised of the General Counsel, CECO, Chief Financial Officer, President of GBS (Raytheon's shared services business unit), Vice President of Human Resources & Security, Vice President of Contracts/Supply Chain, and Vice President of Internal Audit, oversees the anti-corruption program and meets at least twice a year to review risks, evaluate program controls and discuss key enhancement initiatives. Significant investments have been made in personnel and technology to enhance Raytheon's compliance activities. […] The ACIA Senior Director reviews matters of suspected corruption with the CECO, General Counsel, and Corporate Controller & Chief Accounting Officer to ensure timely notification to Management of the investigation and status of remediation. At least annually, briefings on anti-corruption violations, including results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken, are presented to the Public Policy & Corporate Responsibility Committee of the Board of Directors. In addition, anti-corruption investigations and allegations involving significant financial improprieties are reported to the Audit Committee of the Board of Directors. **[19] Risk Assessment and Sustainment Process (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment INTERNAL AUDIT OVERSIGHT: On a continuous basis, Internal Audit prepares and updates a risk-based audit plan which takes into account specific risks and opportunities within the Company, including risks for corruption. The Audit Plan includes as appropriate risk based audits of anti-corruption related processes, controls, sites, and transactions. The anti-

corruption related portion of the Audit Plan is reviewed with the CECO and approved by the Audit Committee (comprised of members from the Board of Directors) on an annual basis. Audit results are shared with the Audit Committee.

Anti-corruption related Internal Audit reports are distributed to the CECO and the ACIA group following the conclusion of the audit to ensure that audit results and recommendations are documented, shared, and addressed. The reports include findings, recommendations for resolution, and an overall opinion. The CECO and ACIA Senior Director drive the closure of any identified gaps, and Internal Audit follows up on any identified findings to ensure completion of remediation.

2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
2
Comments
Based on publicly available information, there is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of its anti-bribery and corruption programme. The company indicates that the board reviews the results of risk assessments on an annual basis. There is evidence that these results are used to develop tailored mitigation plans and to update specific parts of the company's anti-bribery and corruption programme.
Evidence
[14] Anti-Corruption Policy (Document) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf 3.4 The Anti-Corruption & International Agreements group (ACIA) within the Office of the General Counsel (OGC); 3.4.1 Maintains this policy. 3.4.2 Provides education and guidance about the policy. 3.4.3 Resolves questions about its application. 3.4.4 In collaboration with other functions, maintains a compliance and risk assessment program to support this policy. **[19] Risk Assessment and Sustainment Process (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment Raytheon's risk assessment and sustainment process is designed to ensure that Raytheon: (i) has an unwavering commitment to the highest standards of ethical business conduct, (ii) demonstrates that commitment through a resolute tone at the top, and (iii) maintains effective internal controls, education, policies and procedures that appropriately deter and detect violations of the Foreign Corrupt Practices Act (FCPA) and other applicable anti-corruption laws. Raytheon uses the following processes to continually assess risk, monitor the operation and effectiveness of anti-corruption controls, and drive continuous program improvement: ENTERPRISE RISK MANAGEMENT (ERM) PROCESS: Raytheon conducts an annual enterprise-wide risk assessment to proactively identify and address risks that may have an adverse impact on Raytheon. Each business unit and corporate function (including the Office of General Counsel, which includes ACIA) is required to identify its top risks with an assessment of probability, consequence, and potential mitigation for each identified risk.



ANTI-CORRUPTION ANNUAL SELF-ASSESSMENT PROCESS:

In addition to the ERM process, Raytheon assesses corruption/bribery risk through an annual anti-corruption self-assessment. Raytheon sends the self-assessment questionnaire to over 70 domestic and global sites to test the operation of anti-corruption controls and identify any gaps and risk areas. Senior leaders, including the CECO, Business Unit General Counsels, Business Unit Controllers, Corporate Controller & Chief Accounting Officer, Corporate Assistant Controller, and ACIA Senior Director, review the self-assessment results to determine if any anti-corruption risks have emerged, whether our existing anti-corruption controls are working, and to drive program enhancements to mitigate gaps.

The cross-functional and cross-business unit Compliance Sustainment Team (CST) develops and tracks identified improvement or remediation actions. The CST, which is led by the CECO and overseen by the Compliance Oversight Team (COT), is comprised of representatives from Legal, Ethics, Finance, Human Resources, Supply Chain, Business Development and Global Trade. The CST also uses the self-assessment results to update and improve the self-assessment process itself, and any new risks are factored into the next annual self-assessment. The CECO briefs any significant issues or process improvements to the Raytheon Compliance Oversight Team (a committee of cross- functional Raytheon Senior Leadership Team members) and to the Public Policy & Corporate Responsibility Committee of the Board of Directors during the annual program review, or more frequently as warranted.

QUARTERLY REVIEWS OF THE ANNUAL SELF-ASSESSMENT RESULTS:

On a quarterly basis, sites that participated in the annual self-assessment, must review those results and certify to the continued operation of the controls during the relevant quarter.

ANTI-CORRUPTION CONTROLS AND MONITORING SYSTEM:

Raytheon has an anti-corruption controls and monitoring system (CAMS), which identifies key areas of compliance, risks, and internal controls addressing such risks. CAMS provides for an annual assessment of the identified controls, utilizing, in part, the annual self-assessment described above. Assessors monitor the operation of these controls and identify any potential gaps in Raytheon's anti-corruption compliance program. Where assessors identify gaps in existing controls or cases where controls require improvement, the CST will develop and implement these improvements and will update the CAMS framework accordingly.

QUARTERLY ANTI-CORRUPTION CERTIFICATIONS:

On a quarterly basis, an Anti-Corruption Compliance Certification is distributed to more than 600 leaders and employees who may be exposed to higher anti-corruption risks. The certification includes a detailed memorandum from senior leaders describing the risk of corruption and stressing the importance of anti-corruption compliance and asks the certifier to report any possible anti-corruption issues they may have encountered during the prior quarter. Any identified anti-corruption issues are reviewed and dispositioned by ACIA and documented in ACIA's case management system. The list of persons receiving the quarterly certification is updated quarterly in accordance with personnel or risk changes.

QUARTERLY REVIEW OF HIGH RISK PAYMENTS:

On a quarterly basis the Finance and Internal Controls Excellence organizations within Global Business Services (Raytheon's shared services business unit) review higher-risk payments, such as sponsorships, donations, payments to representatives and consultants, and business gratuities, to validate the accuracy of books and records and ensure compliance with Raytheon policies and procedures. Results are briefed to the GBS Controller, CECO, and ACIA Senior Director.

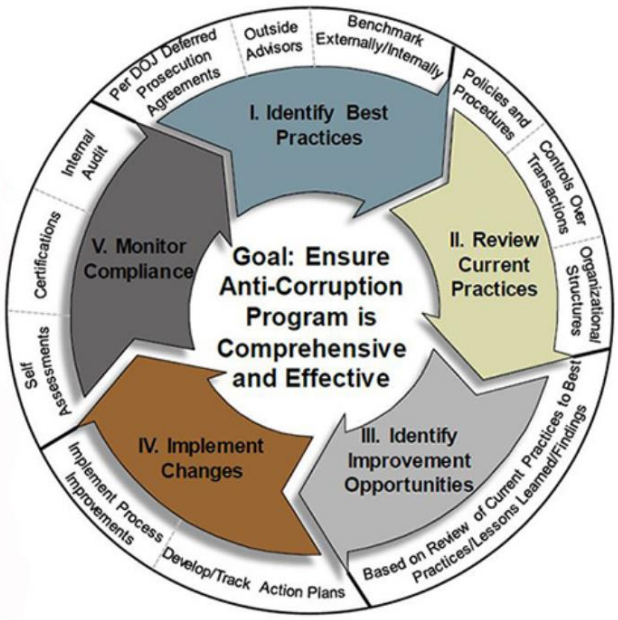
[3] Corporate Responsibility Report (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf
[p.6] CORPORATE GOVERNANCE

Raytheon benefits from the leadership of a diverse board with the critical attributes, experiences, qualifications and skills to advance Raytheon's long-term growth strategy. The board's public policy and corporate responsibility committee reviews environmental stewardship and sustainability, employee health and safety, ethics, charitable contributions and community relations.

The committee identifies current and emerging environmental, social and political trends and public policy issues that may affect Raytheon's business operations, performance or public image. In 2018, the committee reviewed and reported to the board on a number of issues, including the public policy implications of certain advanced technologies that are likely to shape the future. Importantly, the committee also provides oversight on a comprehensive program that teaches employees about ethical decision-making.

Question
2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
2
Comments
Based on publicly available information, there is evidence that the company's entire anti-bribery and corruption programme is subject to a regular audit process to ensure the programme is consistent with best practice and the business risks facing the company. This includes provisions for continuous improvement, supplemented by an internal audit every year. There is also evidence that the board reviews high-level audit findings. The company indicates that its Internal Audit department is responsible for implementing updates and improvements to the risk management procedures and, by extension, the anti-bribery and corruption programme.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-IA-001: INTERNAL AUDIT Raytheon's Internal Audit Policy outlines the roles and responsibilities, procedures and requirements of Internal Audit as well as the roles and responsibilities of those organizations throughout Raytheon as they work with Internal Audit. The Company has established and maintains an Internal Audit organization that is independent and objective. Internal Audit brings a systematic and disciplined approach to monitoring, evaluating and improving the effectiveness of the risk management, financial and operational control, and governance processes throughout Raytheon. Internal Audit functions as an independent appraisal entity to evaluate Company activities and to assist by furnishing analyses, appraisals and recommendations concerning the activities reviewed. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Internal Audits – Internal Audit performs periodic reviews of anti-corruption activities and processes. […] Continuous Improvement – ACIA and the cross-functional Compliance Sustainment Team (CST) are responsible for testing and reviewing Raytheon's anti-corruption process and training, and recommend improvements for implementation. The Company accomplishes this in principal part through the assessment of the key controls documented in the Anti-corruption Controls and Monitoring System discussed above. **[19] Risk Assessment and Sustainment Process (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment ANTI-CORRUPTION ANNUAL SELF-ASSESSMENT PROCESS: In addition to the ERM process, Raytheon assesses corruption/bribery risk through an annual anti-corruption self-assessment. Raytheon sends the self-assessment questionnaire to over 70 domestic and global sites to test the operation of anti-corruption controls and identify any gaps and risk areas. Senior leaders, including the CECO, Business Unit General Counsels, Business Unit Controllers, Corporate Controller & Chief Accounting Officer, Corporate Assistant Controller, and ACIA Senior Director, review the self-assessment results to determine if any anti-corruption risks have emerged, whether our existing anti-corruption controls are working, and to drive program enhancements to mitigate gaps. The cross-functional and cross-business unit Compliance Sustainment Team (CST) develops and tracks identified improvement or remediation actions. The CST, which is led by the CECO and overseen by the Compliance Oversight Team (COT), is comprised of representatives from Legal, Ethics, Finance, Human Resources, Supply Chain, Business Development and Global Trade. The CST also uses the self-assessment results to update and improve the self-assessment process itself, and any new risks are factored into the next annual self-assessment.

The CECO briefs any significant issues or process improvements to the Raytheon Compliance Oversight Team (a committee of cross- functional Raytheon Senior Leadership Team members) and to the Public Policy & Corporate Responsibility Committee of the Board of Directors during the annual program review, or more frequently as warranted.



QUARTERLY REVIEWS OF THE ANNUAL SELF-ASSESSMENT RESULTS:

On a quarterly basis, sites that participated in the annual self-assessment, must review those results and certify to the continued operation of the controls during the relevant quarter.

[…]

INTERNAL AUDIT OVERSIGHT:

On a continuous basis, Internal Audit prepares and updates a risk-based audit plan which takes into account specific risks and opportunities within the Company, including risks for corruption. The Audit Plan includes as appropriate risk-based audits of anti-corruption related processes, controls, sites, and transactions. The anti-corruption related portion of the Audit Plan is reviewed with the CECO and approved by the Audit Committee (comprised of members from the Board of Directors) on an annual basis. Audit results are shared with the Audit Committee.

Anti-corruption related Internal Audit reports are distributed to the CECO and the ACIA group following the conclusion of the audit to ensure that audit results and recommendations are documented, shared, and addressed. The reports include findings, recommendations for resolution, and an overall opinion. The CECO and ACIA Senior Director drive the closure of any identified gaps, and Internal Audit follows up on any identified findings to ensure completion of remediation.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.4] 4.9 Raytheon's anti-corruption efforts are ongoing, continuous, and regularly reviewed and revised as necessary. The process starts in the early stages of business development and continues throughout the life-cycle of any project or award. Toward that end, we continue to conduct ongoing self-assessments of our anti-corruption policies, procedures, and controls, and then monitor compliance with those anti-corruption standards via the internal audit process set forth in Raytheon policy RP-IA-001 Internal Audit.

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
2
Comments
There is evidence that the company publicly commits to investigating incidents and takes steps to ensure the independence of its investigations. It commits to establishing root causes, putting in place remediation plans and reporting investigative findings to senior management and the board. For whistleblowing cases, there is a procedure in place that stipulates documentation and actions to be taken at every step of the case, from receipt to final outcome. The company indicates that at the conclusion of investigations it provides feedback to the individual who submitted the report. There is also evidence that the Public Policy and Corporate Responsibility Committee receives summary information on investigations on at least an annual basis.
Evidence
[39] Anti-Corruption Overview – Updated (Webpage) **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Investigations – Raytheon takes allegations or concerns of corruption or bribery very seriously and conducts investigations of suspected corruption, working with relevant personnel from across Raytheon's programs and functions, to identify root causes and take appropriate corrective action, including disciplinary action. ACIA and the Litigation team of the OGC collaborate with the Office of Ethics and Business Conduct to investigate potential corruption/bribery related matters, including whistle-blower reports received by Ethics through the reporting channels outlined in the Code of Conduct. Investigation findings and any corrective/remedial actions are documented in OGC's case management tools, briefed to leadership, and tracked to closure. In addition, ACIA and Ethics coordinate with Raytheon's Litigation and Global Security Services departments to ensure accurate reporting of misconduct to relevant authorities. The Office of General Counsel reviews, supports, and monitors matters of suspected corruption, if any, upon initial intake and throughout the course of the investigation. Additionally, any credible concern is immediately notified to senior leadership, to include the ACIA Senior Director, Ethics & Business Conduct Senior Director, the CECO, the Vice President of Litigation, the General Counsel, and the Corporate Controller & Chief Accounting Officer. Significant matters, including possible corruption or financial integrity concerns, are also elevated to other members of the Senior Leadership Team, and, as appropriate, the Public Policy and Corporate Responsibility Committee and/or the Audit Committee of the Board of Directors. Additionally, ACIA's annual program update to the Public Policy & Corporate Responsibility Committee of the Board of Directors includes a briefing on any anti-corruption violation, to include the results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken. **[14] Anti-Corruption Policy (Document)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf [p.4] 4.7 You must report any actual or potential instances of bribery or other forms of corruption as soon as possible. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Investigations – The Company conducts investigations of suspected corruption, working with relevant personnel from across Raytheon's programs and functions to complete investigations, identify root causes of anti-corruption related incidents, and take appropriate corrective action. ACIA and the Litigation team of the OGC collaborate with the Office of Ethics and Business Conduct to investigate corruption/bribery related matters, including whistleblower reports, received by Ethics through the reporting channels outlined in the Code of Conduct. Investigation findings and any corrective/remedial actions are documented in ACIA's case management tool and, where necessary, coordinated with Raytheon's Litigation and Global Security Services departments to ensure reporting of misconduct to relevant authorities.

The ACIA Senior Director reviews matters of suspected corruption with the CECO, General Counsel, and Corporate Controller & Chief Accounting Officer to ensure timely notification to Management of the investigation and status of remediation. At least annually, briefings on anti-corruption violations, including results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken, are presented to the Public Policy & Corporate Responsibility Committee of the Board of Directors. In addition, anti-corruption investigations and allegations involving significant financial improprieties are reported to the Audit Committee of the Board of Directors.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.15] To help prevent retaliation, the Ethics Office has outsourced to a third party, our toll-free EthicsLine and online Ethics CheckLine so that the reporter has the option to remain anonymous and, if reporting via the Ethics CheckLine, to opt to receive updates on the status of the reported matter while remaining anonymous. Raytheon and its third party contractor are obligated to protect confidentiality.

[p.45] Report Alleged Misconduct

Reports of alleged misconduct will be investigated, and employees are expected to cooperate with internal investigations. Substantiated allegations are resolved through appropriate corrective action and/or discipline. Directors, officers and employees are also expected to seek advice from management, the Ethics Office or the Office of the General Counsel to determine the best course of action when in doubt about how to respond ethically in a particular situation.

Q: If I wanted to file an Ethics report about an employee whom I suspect has been conducting a side business on company time, can I be sure something will be done about it?

A: You have a responsibility to report your concern to the Ethics Office. The company is committed to addressing all allegations of misconduct and other questions or concerns. All reports of alleged misconduct are investigated and, if substantiated, corrective action, including possible disciplinary action, is taken. The Ethics Office will ensure that your report is taken seriously and will provide feedback to you when an investigation is concluded, although specific details of any disciplinary action taken are not likely to be shared with you for privacy reasons.

[p.49] Contact Information

Raytheon has many resources available to assist employees in meeting their responsibilities and asserting their rights under the Code of Conduct. Questions and concerns related to the Code may be addressed to supervisors, managers and leaders. Subject matter experts and leaders in the matrix organization are available to assist in resolving questions or concerns involving issues specific to a particular function, especially regarding processes and topics unique to a specific function. All employees are encouraged to raise issues so that they may be addressed. Additionally, Ethics officers at Corporate headquarters and at the businesses are available to advise and help employees regarding questions and issues related to the Code of Conduct.

Employees have an obligation to raise issues of concern. All reports, including anonymous reports, will be investigated, and if substantiated, resolved through appropriate corrective action. Employees are expected to cooperate in internal investigations. Those found to have violated the Code will be subject to disciplinary action, including in certain cases, termination of employment. If you choose to identify yourself when making a report, you will be provided feedback when the Ethics Office has completed its review, although the feedback provided may not fully disclose all details of the disposition of the Ethics Office review. Retaliation against an employee for filing an ethics complaint is prohibited and is a serious violation of company policy.

[23] Corporate Governance Principles (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/governance-principle
Conflict of Interest. … These matters will be investigated in due course by the Ethics Office with assistance from the Office of the General Counsel unless otherwise instructed by the Audit Committee. Other matters may be reported in writing by mail or a secure web-based communication method to the Lead Director on behalf of the non-management directors. These matters will be referred to the Lead Director (or the non-management directors if a Lead Director has not been designated by the Board) and tracked by the Office of the General Counsel.

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
2
Comments
Based on publicly available information, there is evidence that the company assures itself of the quality of its internal investigations, including those reported through whistleblowing channels. There is evidence indicating that the staff conducting investigations are properly qualified and the company reviews its investigation process on a biannual basis. The company indicates that it conducts regular anti-corruption self-assessments to assure itself of the proper functioning of its systems, and there is some indication that complaints about the investigation process may be submitted through the company's multiple reporting channels.
Evidence
[19] Risk Assessment and Sustainment Process (Webpage) **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment BI-WEEKLY MEETING OF THE COMPLIANCE SUSTAINMENT TEAM: ACIA participates in a biweekly meeting of the CST, which is charged with generating and implementing improvements to Raytheon's anti-corruption policies, training, controls, monitoring, self-assessments, investigation process, and evaluating progress against goals and lessons learned. The CST reports to the corporate-level Compliance Oversight Team (comprised of members of the Raytheon Senior Leadership Team) at least twice per year. **[39] Anti-Corruption Overview – Updated (Webpage)** **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Raytheon routinely reviews and updates its investigations process to ensure quality and consistency in investigations and compliance with all regulatory requirements. Raytheon's Ethics Officer's Manual was most recently updated in Q1 2019 to, among other things, reinforce the Company's expectations that investigations are conducted in a transparent, objective and thorough way. In addition, Raytheon has put considerable resources into communicating Raytheon's commitment to employees raising issues and the Company's zero tolerance for retaliation. Additionally, in late 2018 Raytheon embarked upon an enterprise-wide, cross-functional effort to establish a consistent approach for assessing, elevating and managing investigations across the Company. This effort included the establishment of tiered escalation criteria where, bribery and corruption related matters are categorized as "high risk" requiring immediate elevation to senior leadership to ensure proper staffing, resources and subject matter expertise are applied to the high-priority matter. In addition, ACIA performs an annual anti-corruption self-assessment as part of our controls and monitoring system, which identifies risks in our controls, our operating environments, and due to regulatory changes. This assessment drives the continuous improvement process of our compliance program year over year. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Anonymous Reporting – Multiple reporting systems are available to Raytheon personnel and third parties, including the ability to make an anonymous report. Qualified personnel process reports in a timely manner and provide feedback at the conclusion of the investigation. Investigations – The Company conducts investigations of suspected corruption, working with relevant personnel from across Raytheon's programs and functions to complete investigations, identify root causes of anti-corruption related incidents, and take appropriate corrective action. ACIA and the Litigation team of the OGC collaborate with the Office of Ethics and Business Conduct to investigate corruption/bribery related matters, including whistleblower reports, received by Ethics through the reporting channels outlined in the Code of Conduct. Investigation findings and any corrective/remedial actions are documented in ACIA's case management tool and, where necessary, coordinated with Raytheon's Litigation and Global Security Services departments to ensure reporting of misconduct to relevant authorities.

The ACIA Senior Director reviews matters of suspected corruption with the CECO, General Counsel, and Corporate Controller & Chief Accounting Officer to ensure timely notification to Management of the investigation and status of remediation. At least annually, briefings on anti-corruption violations, including results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken, are presented to the Public Policy & Corporate Responsibility Committee of the Board of Directors. In addition, anti-corruption investigations and allegations involving significant financial improprieties are reported to the Audit Committee of the Board of Directors.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.4] 4.9 Raytheon's anti-corruption efforts are ongoing, continuous, and regularly reviewed and revised as necessary. The process starts in the early stages of business development and continues throughout the life-cycle of any project or award. Toward that end, we continue to conduct ongoing self-assessments of our anti-corruption policies, procedures, and controls, and then monitor compliance with those anti-corruption standards via the internal audit process set forth in Raytheon policy RP-IA-001 Internal Audit.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
2
Comments
Based on publicly available information, there is evidence that the company commits to report material findings of bribery and corruption from investigations to the Policy & Corporate Responsibility Committee of the Board of Directors. The company's Anti-Corruption & International Agreements, Ethics and Litigation and Global Security Services departments are responsible for ensuring the disclosure of criminal offences to relevant authorities.
Evidence

[39] Anti-Corruption Overview – Updated (Webpage)
Accessed 05/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Investigations – Raytheon takes allegations or concerns of corruption or bribery very seriously and conducts investigations of suspected corruption, working with relevant personnel from across Raytheon's programs and functions, to identify root causes and take appropriate corrective action, including disciplinary action. ACIA and the Litigation team of the OGC collaborate with the Office of Ethics and Business Conduct to investigate potential corruption/bribery related matters, including whistle-blower reports received by Ethics through the reporting channels outlined in the Code of Conduct. Investigation findings and any corrective/remedial actions are documented in OGC's case management tools, briefed to leadership, and tracked to closure. In addition, ACIA and Ethics coordinate with Raytheon's Litigation and Global Security Services departments to ensure accurate reporting of misconduct to relevant authorities.

The Office of General Counsel reviews, supports, and monitors matters of suspected corruption, if any, upon initial intake and throughout the course of the investigation. Additionally, any credible concern is immediately notified to senior leadership, to include the ACIA Senior Director, Ethics & Business Conduct Senior Director, the CECO, the Vice President of Litigation, the General Counsel, and the Corporate Controller & Chief Accounting Officer. Significant matters, including possible corruption or financial integrity concerns, are also elevated to other members of the Senior Leadership Team, and, as appropriate, the Public Policy and Corporate Responsibility Committee and/or the Audit Committee of the Board of Directors. Additionally, ACIA's annual program update to the Public Policy & Corporate Responsibility Committee of the Board of Directors includes a briefing on any anti-corruption violation, to include the results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.9] Reporting.

Raytheon is required to report certain suspected violations of law to appropriate enforcement officials. Therefore, it's important for employees and managers to promptly report suspected violations of our Code or any laws or regulations.

[p.16] The U.S. Federal Acquisition Regulations (FAR), the Department of Defense FAR Supplement, and similar regulations and reporting requirements applicable internationally require government contractors such as Raytheon to disclose, both to the contracting officer and the Inspector General of the Department of Defense (or to the Inspector General of the relevant government agency holding the contract), certain suspected violations of law. Therefore, it is important for employees and managers to promptly report suspected violations of the Code, law or regulation to the Ethics Office or the Office of the General Counsel. If the company has credible evidence that certain federal criminal laws have been violated, the mandatory disclosure requirement is triggered and the company must notify the appropriate authorities.

The company must make such disclosures when it has credible evidence of fraud, conflicts of interest, bribery or gratuity violations under Title 18 of the U.S. Code. Mandatory disclosure is also required for suspected violations of the civil False Claims Act and for significant overpayments to the company on a contract. The regulation is intended

to ensure that any fraud or corruption discovered in connection with a contract is surfaced and corrective action is taken.

Both the company and our individual employees may face significant sanctions including imprisonment for individuals, fines and suspension, loss of security clearance or debarment from U.S. government contracts by failing to comply with this regulation. Similar disclosure requirements are applicable in other countries in which we do business.

Q: An employee was found to have mischarged his labor and his employment was terminated. Does that need to be disclosed to the government customer?

A: Yes. Labor mischarging is fraud and must be disclosed. Individuals found to have defrauded the government while working for one employer may subsequently be suspended or debarred from working for other government contractors.

[16] Anti-Corruption Awareness Compliance and Education (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Investigations – The Company conducts investigations of suspected corruption, working with relevant personnel from across Raytheon's programs and functions to complete investigations, identify root causes of anti-corruption related incidents, and take appropriate corrective action. ACIA and the Litigation team of the OGC collaborate with the Office of Ethics and Business Conduct to investigate corruption/bribery related matters, including whistleblower reports, received by Ethics through the reporting channels outlined in the Code of Conduct. Investigation findings and any corrective/remedial actions are documented in ACIA's case management tool and, where necessary, coordinated with Raytheon's Litigation and Global Security Services departments to ensure reporting of misconduct to relevant authorities.

The ACIA Senior Director reviews matters of suspected corruption with the CECO, General Counsel, and Corporate Controller & Chief Accounting Officer to ensure timely notification to Management of the investigation and status of remediation. At least annually, briefings on anti-corruption violations, including results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken, are presented to the Public Policy & Corporate Responsibility Committee of the Board of Directors. In addition, anti-corruption investigations and allegations involving significant financial improprieties are reported to the Audit Committee of the Board of Directors.

Question

2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?

Score

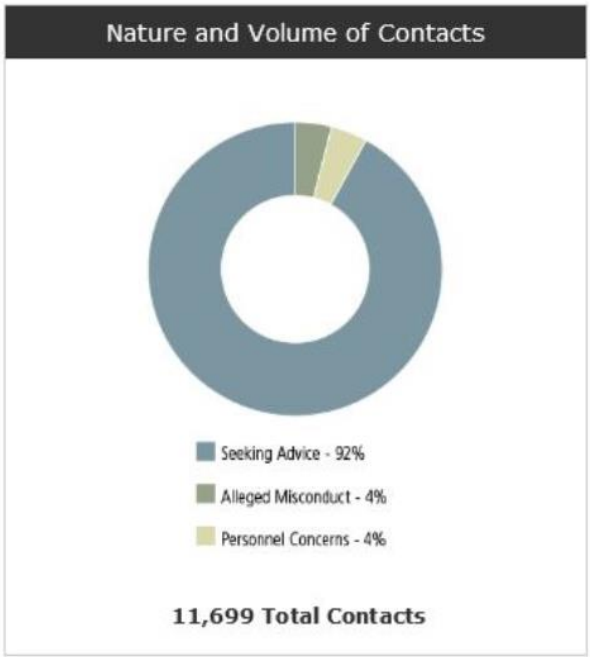
2

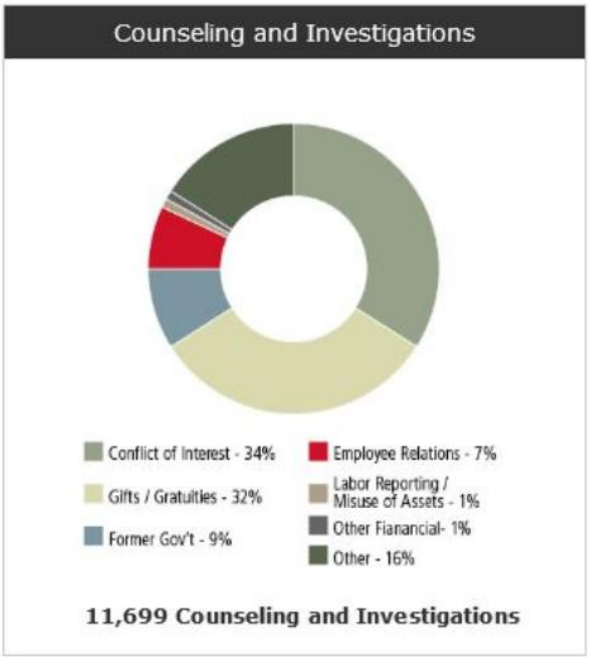
Comments

The company publishes high-level data from ethics-related incidents and investigations involving company employees at all levels. This includes the number of reports received, including the number received through whistleblowing channels, the number of investigations launched, and the number of disciplinary actions as a result of investigation findings. There is evidence that this data covers the most recently reported financial year.

Evidence

[39] Anti-Corruption Overview – Updated (Webpage)
Accessed 05/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Raytheon employees increasingly seek advice from the Ethics Office about a variety of workplace issues. In 2018, 92% of all contacts with Ethics were of this nature. The Ethics Office responds to these inquiries by counseling employees about potential conflicts of interest, post- U.S. government employment restrictions, gifts and gratuities, and a wide range of other topics. Employees have confidence in our processes, as over 97% choose to identify themselves when contacting Ethics. Our 2018 Ethics metrics, which include contacts and reports of alleged misconduct received through Ethics reporting channels from both internal and external sources, are as follows.





Any Ethics investigation into third parties, such as suppliers, are included in these metrics. Of the investigations into misconduct completed in 2018, 49% resulted in disciplinary action, which included verbal reprimand, written reprimand, suspension, compensation reduction, and/or termination.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.45] Q: How do I know violations of the Code of Conduct are taken seriously?

A: The Ethics Office publishes metrics on our internal website showing that employees are held accountable for violating the Code. The number and nature of disciplinary actions taken when violations of the Code have been substantiated demonstrates that the company takes adherence to the Code and our Values very seriously.

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
2
Comments
Based on publicly available information, there is evidence that the company provides training to all employees through its ethics and compliance education and training programme. This outlines the principles of the anti-bribery and corruption policy, including the whistleblowing options available to employees. The company indicates that employees are required to undertake annual refresher modules on the anti-bribery and corruption programme. There is also evidence that the training is provided to all employees, across all divisions and countries of operation, and in all appropriate languages.
Evidence
[40] Message From The CEO (Webpage) **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/message Message From Thomas A. Kennedy [...] We also provide ongoing education programs such as the FCPAware Series, available on this website to ensure that our employees remain knowledgeable and vigilant about risks related to the Foreign Corrupt Practices Act. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa EDUCATIONAL PROGRAM AND TRAINING Raytheon Company has a robust anti-corruption training program, including the award-winning FCPA Aware video series, which depicts real-life situations and dilemmas. The featured FCPA video, "FCPA Aware: No Envelope, Please," shows a company manager meeting with a potential third-party international business development representative. The third-party representative has not been engaged or directed by the company, but he has already shown corrupt intent to provide an improper business advantage by sharing non-public information about a competitor. This training is refreshed on an annual basis to address emerging risks or new modalities of non-compliance. Additionally, all employees complete annual ACT with Integrity training, which portrays employees facing ethical dilemmas in the workplace and reinforces the importance of, and avenues for, reporting misconduct. Raytheon solicits feedback on the effectiveness of training through employee surveys. On at least an annual basis, and as necessary, Raytheon reviews and updates training material to ensure it is accurate and current with known risks, company policies, procedures, laws, and regulations. Raytheon also confirms needed translations – typically several non-U.S. languages and including all principal jurisdictions where Raytheon employees work. Online Compliance Modules – To augment the several focused and internally–produced training and awareness video vignettes, Raytheon also procures and makes available to all employees a library of on-line training resources. Topics in our library of online ethics and compliance modules include: Global Bribery and Corruption, Understanding the FCPA, and the U.K. Bribery Act. Certifications – All newly-hired Raytheon personnel are required to review Raytheon's Anti-Corruption policy and Code of Conduct. All existing employees must acknowledge receipt of the Code whenever it is revised, typically every 24 months.

[…]

Raytheon solicits feedback on the effectiveness of training through employee surveys. On at least an annual basis, and as necessary, Raytheon reviews and updates training material to ensure it is accurate and current with known risks, company policies, procedures, laws, and regulations. Raytheon also confirms needed translations – typically several non-U.S. languages and including all principal jurisdictions where Raytheon employees work.

[20] Anti-Corruption Overview (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption
Raytheon's anti-corruption compliance program is led by the Anti-Corruption & International Agreements (ACIA) group, which reports to the Chief Ethics and Compliance Officer (CECO) within the Office of the General Counsel. ACIA drives anti-corruption compliance through written communication (emails, blogs, Codebreakers / Codechampions, etc.), video-based training (FCPAware, EthicSpace, and EthicSketch), annual live training (ACT with Integrity) required of all employees, and targeted online and in person training for high risk personnel, with messages encouraging employees to identify issues, ask questions and raise concerns without the fear of retaliation, emphasizing the importance of training, and providing guidance on areas of particular concern to help all employees understand key anti-corruption responsibilities and their personal role in guaranteeing compliance with anti-corruption laws.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.1] 2B3. Responsibilities

3.1 All supervisors and leaders must:

3.1.1 Implement this policy.

3.1.2 Ensure that employees:

a. Are aware of the policy.

b. Complete their required training relevant to the policy.

3.2 All employees must:

[p.2] 3.2.1 Comply with the policy.

3.2.2 Complete their required training relevant to the policy

[…]

3.4 The Anti-Corruption & International Agreements group (ACIA) within the Office of the General Counsel (OGC);

3.4.1 Maintains this policy.

3.4.2 Provides education and guidance about the policy.

3.4.3 Resolves questions about its application.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.4] Code of Conduct – Summary

Responsibilities of Leaders

- Ensure employees complete required ethics awareness, compliance, and other relevant ethics education.

Required Learning

Each year Raytheon requires employees to complete learning programs on important topics, including ethics and information security awareness. Some of these programs are required by law, customers or company policy, while others are aligned to company initiatives. Employees are responsible for ensuring that all required learning programs are completed within established timeframes.

Where to Find Enterprise Required Learning

The enterprise required learning requirements can be accessed through the Life & Career tab on the oneRTN home page, either in the Quick Access Services menu or on the Learning tab.

[p.12] Message from the Chairman and CEO

[…] As employees learn in our ethics education classes, we have resources in addition to the Code that are available to help guide you.

[23] Corporate Governance Principles (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/governance-principle
15. Ethics and Conflicts of Interest
Ethics. The Board expects all directors, officers, employees and representatives to act ethically at all times and to avoid conflicts of interest or the appearance of a conflict of interest. The Company has adopted a Code of Business Ethics and Conduct and a Conflicts of Interest Policy which apply to all directors, officers, employees and representatives. The Code, as well as the Policy, form the basis for the Company's ethics and compliance procedures and cover a wide range of areas. The Code is available on the Company's web site. The Company engages in annual ethics education for all directors, officers and employees.

[4] Corporate Governance (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/corporate-governance
The approach of our board and its committees has continued to evolve in line with the company's long-term strategy and ever-changing environment. With the support of the public policy and corporate responsibility committee, the company has established a world-class compliance organization and robust compliance programs in key areas that enable us to grow our international business while adhering fully to the laws of the United States and each of the countries where we do business. Raytheon has developed industry-leading export control and anti-corruption compliance programs, employing robust controls and monitoring systems embedded into the company's operations and innovative training. And the company is leveraging these capabilities to enhance other compliance programs, such as privacy.

[…]

ETHICS AND ACCOUNTABILITY

Across Raytheon, transparency means holding each other, and ourselves, accountable. This commitment to ethics begins with our board and senior leadership team and extends to every employee.

We expect full adherence to our code of conduct and give employees the training and resources to understand compliance risks and regulations and to use our protected phone and online channels to speak up when they have a question or notice a problem. In support of the company's comprehensive diversity and inclusion initiatives, the Ethics program reinforced the importance of our Respect value and focused on workplace harassment prevention in 2018. Ethics produced a video, "Dinner Reservations," designed for classroom discussion about a sexual harassment situation. The video was based on a case where a bystander employee anonymously notified the Ethics office about harassment concerns using our new online reporting channel. This program was supplemented with online training modules raising workplace harassment awareness and through further messaging about the company's harassment and retaliation prevention policies.

Ethic Space
A series of award-winning videos delivered by email to all employees.

Act With Integrity

Annual in-person ethics awareness education program that presents employees with actual Raytheon cases and asks them to determine the proper course of action.

FCPA Aware 2018
An education program to ensure employees are aware of anti-corruption issues, have the tools to identify problems and can respond in ways that protect themselves and the company.
Anti-Corruption
The Foreign Corrupt Practices Act requires strict internal controls to ensure employees, suppliers, consultants, representatives and agents comply with all applicable laws governing international business practices. This includes vetting of potential business partners and using accounting procedures to prevent concealment of bribery or other unlawful financial transactions.

Raytheon combines these controls with proactive outreach to employees in the form of required educational modules. Employees learn the ethical principles that underpin these guidelines and where to find guidance.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.28] CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY
We provide ethics education for directors, officers and employees.

[12] Letter from the CEO (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/ceo-letter
SUSTAINABILITY AND COMPLIANCE

Just as important as what we do, is how we do it. Raytheon continues to stress achieving results the right way, mandating employee training in critical compliance areas such as business ethics and export rules, and reinforcing our culture of integrity.

[2] Statement on the Code of Conduct (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/ourcompany/ourculture/code
TRANSLATIONS

Arabic

Chinese

German

Polish

Romanian

Spanish

Question
3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees: **a) Employees in high risk positions,** **b) Middle management,** **c) Board members.**
Score
2
Comments
Based on publicly available information, there is evidence that the that the company provides tailored anti-bribery and corruption training to employees in different roles based on their exposure to corruption risk, with reference to the three categories of employee referred to in (a), (b) and (c) in the question. There is evidence that employees in high risk positions are required to undertake and refresh their training on at least an annual basis.
Evidence
[39] Anti-Corruption Overview – Updated (Webpage) **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Continuous Training and Advice – Raytheon personnel with high-risk positions (e.g. individuals who are engaged internationally, customer-facing, in functions such as legal, finance, ethics, business development, above certain pay grades, those overseeing personnel in high-risk positions, etc.) are provided enhanced and tailored multimedia and/or in-person training by subject matter experts within the company. ACIA and Ethics have dedicated personnel who provide advice across the enterprise. Messaging is regularly reinforced by Senior Leadership to include the CEO, General Counsel, and CECO. All employees, including the Senior Leadership Team and Raytheon Board members receive face-to-face training by the Senior Director of Ethics and Business Conduct and CECO on various ethics and compliance topics through Raytheon's annual and award winning vignette-based Act with Integrity Awareness program. […] Targeted Training – Raytheon personnel with high-risk job functions are required to take additional anti-corruption training on at least a biennial basis, as detailed below. A cross-functional team identifies employees in high-risk positions using objective criteria such as place of employment and job function, and reviews the list annually. All Raytheon exempt employees living and working in the United States who work in the following functions are required to complete "Understanding the Foreign Corrupt Practices Act" biennially in addition to completing FCPA Aware annually: Program Management Office, Business Development, Contracts and Supply Chain, Finance, Human Resources and Security, Communications and Legal. In addition, this core anti-corruption training requirement applies to all employees, regardless of function, if they meet any of the following criteria: (i) work at a specified manager level or above; (ii) travel internationally; or (iii) interact with foreign third parties. Additionally, all Raytheon employees living or working on a full or temporary assignment outside the United States including Raytheon landed company employees, Raytheon expatriates, foreign nationals, and third-country nationals are required to complete "Global Corruption and Bribery: What You Need to Know" biennially in addition to completing FCPA Aware annually. This requirement does not apply to employees working in a manufacturing/ production capacity (e.g., production personnel, shop floor labor) who are below a specified manager level unless they travel internationally or interact with third parties on behalf of Raytheon. Training is also available to personnel within the Supply Chain, Contracts, Finance, and Human Resources functions that is targeted towards their specific functional role. Finally, all employees traveling internationally must complete the "Bribery: What You Need to Know" course. Raytheon will not issue a ticket for international travel unless the employee has completed this training within the prior two years.

Multifaceted Training Methods – Raytheon personnel with the highest-risk job functions are provided with enhanced multimedia training and in some instances, in-person training by subject matter experts within the Company.

IBDP Training – Raytheon's International Business Development Partners (IBDPs) must complete anti-corruption training provided by the Company. At a minimum, IBDPs receive face-to-face training by qualified Raytheon personnel at least every two years. ACIA tracks IBDPs' completion of anti-corruption training, and Raytheon will not renew an IBDP agreement unless required training is completed. Raytheon assigns additional on-line training modules to the IBDPs on an annual basis.

[16] Anti-Corruption Awareness Compliance and Education (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Continuous Training and Advice – Raytheon personnel with high-risk positions are provided enhanced multimedia and in-person training by subject matter experts within the company. ACIA has dedicated personnel who provide advice across the enterprise.

Targeted Training – Raytheon personnel with high-risk job functions are required to take additional anti-corruption training on an at least an annual basis. For example, no employee may obtain a ticket for international travel unless they have completed the annual training. A cross-functional team identifies employees in high-risk positions using objective criteria such as place of employment and job function, and reviews the list annually.

Multifaceted Training Methods – Raytheon personnel with the highest-risk job functions are provided with enhanced multimedia training and in some instances, in-person training.

[20] Anti-Corruption Overview (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption
Raytheon's anti-corruption compliance program is led by the Anti-Corruption & International Agreements (ACIA) group, which reports to the Chief Ethics and Compliance Officer (CECO) within the Office of the General Counsel. ACIA drives anti-corruption compliance through written communication (emails, blogs, Codebreakers / Codechampions, etc.), video-based training (FCPAware, EthicSpace, and EthicSketch), annual live training (ACT with Integrity) required of all employees, and targeted online and in person training for high risk personnel, with messages encouraging employees to identify issues, ask questions and raise concerns without the fear of retaliation, emphasizing the importance of training, and providing guidance on areas of particular concern to help all employees understand key anti-corruption responsibilities and their personal role in guaranteeing compliance with anti-corruption laws.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.28] CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

Raytheon's Code of Conduct and Conflict of Interest Policy cover a wide range of issues and serve as the foundation of our ethics and compliance program. The Code of Conduct provides guidance on avoiding conflicts of interest, insider trading, discrimination and harassment, confidentiality, and compliance with laws and regulations applicable to the conduct of our business. All officers, directors, employees and representatives are required to comply with the Code of Conduct, and are subject to disciplinary action, including termination, for failure to do so. We provide ethics education for directors, officers and employees.

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-BD-004: INTERNATIONAL INDUSTRIAL COOPERATION (OFFSETS)
[…]

Further, the Global Partnering & Offsets functional organization in Corporate Business Development provides guidance and best practices on Offset issues, and coordinates Offset activities across the Company. Personnel within that function must complete the FCPA Aware anti-corruption training module.

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
2
Comments
Based on publicly available information, there is evidence that the company measures and reviews the effectiveness of its anti-bribery and corruption communications and personnel training programme on at least an annual basis. The company does this through dedicated questions in annual staff surveys. There is evidence that the results of such reviews are used to update specific parts of the company's anti-bribery and corruption communications and training programme.
Evidence
[16] Anti-Corruption Awareness Compliance and Education (Webpage) **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Additionally, the Compliance Oversight Team (COT), comprised of the General Counsel, CECO, Chief Financial Officer, President of GBS (Raytheon's shared services business unit), Vice President of Human Resources & Security, Vice President of Contracts/Supply Chain, and Vice President of Internal Audit, oversees the anti-corruption program and meets at least twice a year to review risks, evaluate program controls and discuss key enhancement initiatives. Significant investments have been made in personnel and technology to enhance Raytheon's compliance activities. Internal Audits – Internal Audit performs periodic reviews of anti-corruption activities and processes. Continuous Improvement – ACIA and the cross-functional Compliance Sustainment Team (CST) are responsible for testing and reviewing Raytheon's anti-corruption process and training, and recommend improvements for implementation. The Company accomplishes this in principal part through the assessment of the key controls documented in the Anti-corruption Controls and Monitoring System discussed above. Raytheon solicits feedback on the effectiveness of training through employee surveys. On at least an annual basis, and as necessary, Raytheon reviews and updates training material to ensure it is accurate and current with known risks, company policies, procedures, laws, and regulations. Raytheon also confirms needed translations – typically several non-U.S. languages and including all principal jurisdictions where Raytheon employees work. **[19] Risk Assessment and Sustainment Process (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment Raytheon's risk assessment and sustainment process is designed to ensure that Raytheon: (i) has an unwavering commitment to the highest standards of ethical business conduct, (ii) demonstrates that commitment through a resolute tone at the top, and (iii) maintains effective internal controls, education, policies and procedures that appropriately deter and detect violations of the Foreign Corrupt Practices Act (FCPA) and other applicable anti-corruption laws. Raytheon uses the following processes to continually assess risk, monitor the operation and effectiveness of anti-corruption controls, and drive continuous program improvement: BI-WEEKLY MEETING OF THE COMPLIANCE SUSTAINMENT TEAM: ACIA participates in a biweekly meeting of the CST, which is charged with generating and implementing improvements to Raytheon's anti-corruption policies, training, controls, monitoring, self-assessments, investigation process, and evaluating progress against goals and lessons learned. The CST reports to the corporate-level Compliance Oversight Team (comprised of members of the Raytheon Senior Leadership Team) at least twice per year.

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
1
Comments
Based on publicly available information, there is some evidence that the company incorporates accountability principles and adherence to the company's values in its employee performance reviews. The company indicates that only those who meet these expectations are eligible for performance-based compensation. However, the company receives a score of '1' because it does not provide further information on how such assessments impact the company's bonus or reward schemes. There is also no clear evidence to indicate that, where financial rewards are part of incentive schemes, there are procedures in place to ensure that they are proportionate to the base salary in the case of high risk employees.
Evidence
[39] Anti-Corruption Overview – Updated (Webpage) **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Ethical Conduct and Performance-Based Compensation – Every year, Raytheon employees are required to establish goals that reflect Raytheon's values of Trust, Respect, Collaboration, Innovation, and Accountability. Throughout the year, employees are assessed based on these goals, and performance-based compensation is only offered to those employees who have met or exceeded expectations. Employees under a Performance Improvement Plan and those who provide "Ineffective Contribution" are not eligible for performance-based incentive compensation. Additionally, in cases of substantiated misconduct, potential disciplinary action includes a reduction in compensation. **[38] Corporate Responsibility – Benefits: Total Rewards** **Accessed 10/10/2019** https://www.raytheon.com/responsibility/talent/total-rewards Raytheon has created a comprehensive Total Rewards program designed to meet the diverse needs of our multigenerational global workforce. This program creates value for Raytheon by enabling us to attract, motivate and retain the market's best talent, and by helping our people to be their best both at work and at home, giving their best efforts to support customers. Total Rewards creates value for employees and families by providing them the pay and benefits programs and flexibility they value. Our Total Rewards Packaged Includes: • Competitive compensation programs (base pay, bonus programs and equity programs) • Rewards and recognition plans (achievement awards, spot awards, service awards and various other professional awards programs) • […] **[3] Corporate Responsibility Report (Document)** **Accessed 30/08/2019** https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf [p.19-20, same evidence as above]

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
2
Comments
There is publicly available evidence that the company commits to support employees to maintain high ethical standards and speak up about unethical conduct, even when it might result in a loss of business. There is evidence that the company assures itself of its employees' confidence in this commitment through biennial anonymised surveys across the whole company.
Evidence
[39] Anti-Corruption Overview – Updated (Webpage) **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Zero Tolerance – Raytheon has a zero tolerance policy for corrupt behavior. We take pride in our ethical culture and expect employees to do the right thing. Business objectives cannot be met by sacrificing Raytheon's integrity. We follow the maxim, "if it's gray, walk away." […] Raytheon employees increasingly seek advice from the Ethics Office about a variety of workplace issues. In 2018, 92% of all contacts with Ethics were of this nature. The Ethics Office responds to these inquiries by counseling employees about potential conflicts of interest, post- U.S. government employment restrictions, gifts and gratuities, and a wide range of other topics. Employees have confidence in our processes, as over 97% choose to identify themselves when contacting Ethics. **[20] Anti-Corruption Overview (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption The company competes based on price, the quality of our products and services, and the skills of our employees and subcontractors, not on the basis of any improper advantage outside the rules establishing fair competition. We take pride in our ethical culture and expect employees to do the right thing. Business objectives cannot be met by sacrificing Raytheon's integrity. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Raytheon solicits feedback on the effectiveness of training through employee surveys. We assess our employees' confidence in Raytheon's "Raise Your Hand" culture and our non-retaliation commitment through all-employee biennial company-wide employee surveys, which include questions on ethics, business practices, and reporting comfort, in addition to tracking trends in the volume of reports to Ethics.

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
2
Comments
Based on publicly available information, there is evidence the company promotes a policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. This policy explicitly applies to all employees across the organisation, including those engaged by the group as third parties and business partners. There is evidence that the company commits to assure itself of its employees' confidence in this commitment through employee surveys and monitoring the number of reports to the company's ethics department.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-ETH-004: PREVENTION OF RETALIATION Raytheon's anti-retaliation policy reinforces Raytheon's longstanding commitment to prevent all forms of retaliation. Raytheon is committed to fostering a free and open atmosphere that encourages employees, business partners and others to make inquiries, express work-related concerns about ethics issues, and/or report violations or suspected violations of laws or regulations, Company policies and procedures, or Raytheon's Code of Conduct. The policy is intended to encourage employees, business partners, and others to actively participate in any internal investigation without fear of retaliation. The Company also prohibits retaliation against an employee, business partner, or other person who expresses a concern or files a complaint with a regulatory or other governmental agency or court. **[39] Anti-Corruption Overview – Updated (Webpage)** **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Anonymous Reporting & No Retaliation Commitment – Multiple reporting systems are available to Raytheon personnel and third parties, including the ability to make an anonymous report. Our Ethics telephone hotline and web-based hot-line are outsourced to a third party vendor to ensure anonymity in reporting if so desired by the reporter. Qualified personnel process reports in a timely manner and provide feedback at the conclusion of the investigation. Raytheon maintains a zero tolerance policy toward any act of retaliation against an employee, business partner, or other person who has raised an issue or filed an internal complaint, or complaint with a regulatory or other government agency, or has participated in the investigation of a complaint. We assess our employees' confidence in Raytheon's "Raise Your Hand" culture and our non-retaliation commitment through all-employee biennial company-wide employee surveys, which include questions on ethics, business practices, and reporting comfort, in addition to tracking trends in the volume of reports to Ethics. Raytheon employees increasingly seek advice from the Ethics Office about a variety of workplace issues. In 2018, 92% of all contacts with Ethics were of this nature. The Ethics Office responds to these inquiries by counseling employees about potential conflicts of interest, post- U.S. government employment restrictions, gifts and gratuities, and a wide range of other topics. Employees have confidence in our processes, as over 97% choose to identify themselves when contacting Ethics. **[14] Anti-Corruption Policy (Document)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf [p.4] 4.7.3 Raytheon will not tolerate retaliation against anyone who reports potential misconduct in good faith. See Raytheon policy RP-OGC-ETH-004 for more information on this topic. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Anonymous Reporting – Multiple reporting systems are available to Raytheon personnel and third parties, including the ability to make an anonymous report. Qualified personnel process reports in a timely manner and provide feedback at the conclusion of the investigation. Raytheon maintains a zero tolerance policy toward any act of

retaliation against an employee, business partner, or other person who has raised an issue or filed an internal complaint, or complaint with a regulatory or other government agency, or has participated in the investigation of a complaint. We assess our employees' confidence in Raytheon's non-retaliation commitment through company-wide employee surveys and by tracking trends in the volume of reports to Ethics.

[21] Whistleblowing Site (Webpage)
Accessed 24/09/2019
https://raytheonethicscheckline.webline.saiglobal.com/?Area=
You are encouraged to submit your concerns confidentially, without fear of retaliation. You may remain anonymous as all issues of concern will be investigated.

[11] Message From The Office Of The General Counsel (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/ogcmessage
"We continuously push for improvement in key areas of Ethics and Compliance, and provide safe channels where individuals may ask questions and raise concerns without fear of retaliation."

Alan Levesque
Vice President, Chief Ethics & Compliance Officer

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.4] Code of Conduct - Summary

Responsibilities of Leaders

- Foster an open work environment where employees are comfortable raising questions or concerns without fear of retaliation

[p.10] No Retaliation

An employee who makes a good-faith report of a suspected violation of the Code of Conduct will not be penalized, even if investigators do not find evidence of a violation. Raytheon leaders at all levels have a special responsibility to cultivate a safe and secure workplace, where any of us can raise issues or concerns without fear of retaliation. All reports are taken seriously, and adverse actions or discrimination for making a report will not be tolerated.

[p.15] No Retaliation

Raytheon is committed to fostering a free and open atmosphere that encourages employees, business partners and others to make inquiries, express work-related concerns about ethical issues, and / or report violations or suspected violations of laws, regulations, Company policies and procedures, or the Code. Raytheon will ensure the protection from any form of retribution or retaliation, of an employee who in good faith alleges a violation of the Code of Conduct or law. In addition, the Company will respect the request for confidentiality unless disclosure is compelled by law. Our reporting options allow a reporter to remain anonymous. In support of that commitment, Raytheon maintains a zero tolerance policy toward any act of retaliation against an employee who has raised an issue or filed an internal complaint, or complaint with a regulatory or other government agency, or has participated in the investigation of a complaint. All Raytheon leaders have a responsibility to promote an environment where employees feel comfortable raising concerns.

It is strictly prohibited to take any adverse action against anyone who reports conduct that he or she reasonably believes is illegal or otherwise violates the Code, even if the report is ultimately mistaken. An employee will not be discharged, demoted, suspended, threatened, harassed or in any way subject to adverse treatment in the terms and conditions of employment because of any such report, including reports made to government agencies or other branches of government. A number of laws in countries in which Raytheon does business specifically protect individuals from retaliation as the result of the individual exercising legally recognized rights. An employee found to have retaliated against a reporting individual will face disciplinary action and possible termination of employment.

To help prevent retaliation, the Ethics Office has outsourced to a third party, our toll-free Ethics Line and online Ethics CheckLine so that the reporter has the option to remain anonymous and, if reporting via the Ethics CheckLine, to opt to receive updates on the status of the reported matter while remaining anonymous. Raytheon and its third-party contractor are obligated to protect confidentiality.

Q: I filed a complaint with the Ethics Office and an employee was disciplined as a result. I was just given an undesirable work assignment and told I was a troublemaker by my boss. Is that retaliation?

A: Retaliation for contacting the Ethics Office in good faith will not be tolerated. The Ethics Office would take your concern seriously and investigate. While your work assignment and the comment could possibly be unrelated to your filing the original complaint, if it was determined that your supervisor made the assignment because you contacted the Ethics Office, the supervisor would face disciplinary action.

[p.45] Raytheon managers and supervisors are responsible for maintaining an “open door” policy to welcome and support employees who raise issues of a potential legal or ethical nature. This duty includes encouraging employees to come forward with concerns and to prevent retaliation against anyone who does so. Raytheon will ensure the protection from any form of retribution or retaliation, of an employee who in good faith alleges a violation of the Code of Conduct or law. In addition, the Company will respect the request for confidentiality unless disclosure is compelled by law. Our reporting options allow a reporter to remain anonymous.

[p.49] If you choose to identify yourself when making a report, you will be provided feedback when the Ethics Office has completed its review, although the feedback provided may not fully disclose all details of the disposition of the Ethics Office review. Retaliation against an employee for filing an ethics complaint is prohibited and is a serious violation of company policy.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.3] Raytheon’s corporate culture is grounded in our company values: trust, respect, collaboration, innovation and accountability. These values drive a culture known for:

- Ethics and accountability, encouraging reporting and ensuring non-retaliation

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
2
Comments
Based on publicly available information, there is evidence that the company has multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. Channels are sufficiently varied to allow employees to raise concerns across the management chain, as well as through an external channel operated by an independent third party. These channels allow for confidential and, wherever possible, anonymous reporting. In addition, there is evidence to indicate that these channels are available and accessible to all employees in all jurisdictions where the company operates, including those employed by the group as third parties, and in all relevant languages.
Evidence
[1] Code of Conduct (Document) **Accessed 30/08/2019** https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf [p.3] seek advice from appropriate company resources, including the Ethics Office, to resolve questions or concerns about a course of action Report instances of observed or suspected misconduct to supervisors and/or the Ethics Office. [p.9] Getting help. Whenever you have questions about the legal requirements that may affect you, or if you need to report a possible violation, contact Legal or the Ethics Office for assistance. […] Getting Assistance If you seek guidance or want to report an ethical concern, your supervisor is most often the best place to start. You may also contact another manager, Legal or the Ethics Office to help determine the best course of action. You may contact Raytheon's Corporate Ethics Office by: EthicsLine: 800.423.0210 Email: comments-ethics@raytheon.com Ethics CheckLine Portal: https://raytheonethicscheckline.webline.saiglobal.com/ You may remain anonymous when contacting the Ethics Office. [p.15] Raytheon will ensure the protection from any form of retribution or retaliation, of an employee who in good faith alleges a violation of the Code of Conduct or law. In addition, the Company will respect the request for confidentiality unless disclosure is compelled by law. […] To help prevent retaliation, the Ethics Office has outsourced to a third party, our toll-free EthicsLine and online Ethics CheckLine so that the reporter has the option to remain anonymous and, if reporting via the Ethics CheckLine, to opt to receive updates on the status of the reported matter while remaining anonymous. Raytheon and its third party contractor are obligated to protect confidentiality. [p.45] Report Any Illegal or Unethical Behavior

Observed potential illegal or unethical behavior believed to violate the Code of Conduct must be reported to a supervisor, to Human Resources, to a Corporate or Business Ethics Officer or to the Office of the General Counsel. Anonymous reports may be made to the Ethics Office. Anonymous reports may be made by calling the toll-free corporate EthicsLine (800.423.0210), which is outsourced to a third party and does not have a caller identification feature. The anonymous reporting feature is also an option using the reporting channel of our third party managed Raytheon Ethics CheckLine web portal.

Reports of alleged misconduct will be investigated, and employees are expected to cooperate with internal investigations. Substantiated allegations are resolved through appropriate corrective action and/or discipline. Directors, officers and employees are also expected to seek advice from management, the Ethics Office or the Office of the General Counsel to determine the best course of action when in doubt about how to respond ethically in a particular situation. Raytheon managers and supervisors are responsible for maintaining an “open door” policy to welcome and support employees who raise issues of a potential legal or ethical nature. This duty includes encouraging employees to come forward with concerns and to prevent retaliation against anyone who does so. Raytheon will ensure the protection from any form of retribution or retaliation, of an employee who in good faith alleges a violation of the Code of Conduct or law. In addition, the Company will respect the request for confidentiality unless disclosure is compelled by law. Our reporting options allow a reporter to remain anonymous.

[p.49] Contact Information

Raytheon has many resources available to assist employees in meeting their responsibilities and asserting their rights under the Code of Conduct. Questions and concerns related to the Code may be addressed to supervisors, managers and leaders. Subject matter experts and leaders in the matrix organization are available to assist in resolving questions or concerns involving issues specific to a particular function, especially regarding processes and topics unique to a specific function. All employees are encouraged to raise issues so that they may be addressed.

Additionally, Ethics officers at Corporate headquarters and at the businesses are available to advise and help employees regarding questions and issues related to the Code of Conduct. Employees have an obligation to raise issues of concern. All reports, including anonymous reports, will be investigated, and if substantiated, resolved through appropriate corrective action. Employees are expected to cooperate in internal investigations. Those found to have violated the Code will be subject to disciplinary action, including in certain cases, termination of employment. If you choose to identify yourself when making a report, you will be provided feedback when the Ethics Office has completed its review, although the feedback provided may not fully disclose all details of the disposition of the Ethics Office review. Retaliation against an employee for filing an ethics complaint is prohibited and is a serious violation of company policy.

For those who wish to report a concern or alleged violation anonymously, reports may be submitted through written communication. Additionally, Raytheon has outsourced its EthicsLine telephonic contact line and its Ethics CheckLine web portal to a third party to ensure that confidentiality is maintained. When a reporter self-identifies and requests confidentiality, Raytheon and its third-party provider will maintain confidentiality unless disclosure is compelled by law. In such cases, Raytheon will undertake to advise the reporter confidentially in advance.

Contact Information and Resources:

The Corporate Ethics Office You may contact Raytheon’s Corporate Ethics Office by:

EthicsLine: 800.423.0210 Email: comments-ethics@raytheon.com
Mail: Raytheon Company Ethics Office 870 Winter Street Waltham, MA 02451-1449
Ethics CheckLine Portal: https://raytheonethicscheckline.webline.saiglobal.com/

[p.50] For additional Ethics information, resources and education visit our: Internal website:

http://web.onertn.ray.com/ethics

External website:

https://www.raytheon.com/ourcompany/ourculture/ethics/index.html

To Contact the Raytheon Audit Committee and Lead Director Complaints or concerns regarding Raytheon's accounting, internal accounting controls or auditing matters are referred to the Audit Committee of the Board of Directors.

You may write to the Audit Committee at: Raytheon Audit Committee Raytheon Company 870 Winter Street Waltham, MA 02451-1449 You may also submit a concern to the Audit Committee, or communicate with the lead director electronically, by visiting the Raytheon Corporate Governance website at www.raytheon.com/ourcompany/communicate.

[p.51] Contact the Office of Ethics and Business Conduct with questions or concerns about business practices, policies or standards of conduct.

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ENT 2019-04/10 Raytheon Company Office of Ethics and Business Conduct EthicsLine: 800.423.0210

Toll free fax: 800.706.0882

Ethics CheckLine Portal: https://raytheonethicscheckline.webline.saiglobal.com/

Email: comments-ethics@raytheon.com Company Website: www.raytheon.com

[11] Message From The Office Of The General Counsel (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/ogcmessage
"We continuously push for improvement in key areas of Ethics and Compliance, and provide safe channels where individuals may ask questions and raise concerns without fear of retaliation."

Alan Levesque
Vice President, Chief Ethics & Compliance Officer

[21] Whistleblowing Site (Webpage)
Accessed 24/09/2019
https://raytheonethicscheckline.webline.saiglobal.com/?Area=
Reporting a Concern

Submissions to Raytheon's Ethics Check Line are documented by an independent, third-party service and then promptly referred to the Raytheon Ethics Office for review. You are encouraged to submit your concerns confidentially, without fear of retaliation. You may remain anonymous as all issues of concern will be investigated.

MAKE A REPORT

FOLLOW UP ON A REPORT

[20] Anti-Corruption Overview (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption
ANONYMOUS REPORTING

Report online: Raytheon Ethics CheckLine or call the EthicsLine

General Questions

Ask an anti-corruption question FCPA@raytheon.com

[23] Corporate Governance Principles (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/governance-principle
Conflict of interest. Directors, officers and employees may report matters of concern through the Company's anonymous, confidential toll-free hotline. Anyone may report accounting, internal controls or auditing matters by mail or a secure web-based communication method to the Chair of the Audit Committee. These matters will be

investigated in due course by the Ethics Office with assistance from the Office of the General Counsel unless otherwise instructed by the Audit Committee. Other matters may be reported in writing by mail or a secure web-based communication method to the Lead Director on behalf of the non-management directors. These matters will be referred to the Lead Director (or the non-management directors if a Lead Director has not been designated by the Board) and tracked by the Office of the General Counsel.

[16] Anti-Corruption Awareness Compliance and Education (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Continuous Training and Advice – Raytheon personnel with high-risk positions are provided enhanced multimedia and in-person training by subject matter experts within the company. ACIA has dedicated personnel who provide advice across the enterprise.

Anonymous Reporting – Multiple reporting systems are available to Raytheon personnel and third parties, including the ability to make an anonymous report. Qualified personnel process reports in a timely manner and provide feedback at the conclusion of the investigation.

Investigations – The Company conducts investigations of suspected corruption, working with relevant personnel from across Raytheon's programs and functions to complete investigations, identify root causes of anti-corruption related incidents, and take appropriate corrective action. ACIA and the Litigation team of the OGC collaborate with the Office of Ethics and Business Conduct to investigate corruption/bribery related matters, including whistleblower reports, received by Ethics through the reporting channels outlined in the Code of Conduct. Investigation findings and any corrective/remedial actions are documented in ACIA's case management tool and, where necessary, coordinated with Raytheon's Litigation and Global Security Services departments to ensure reporting of misconduct to relevant authorities.

The ACIA Senior Director reviews matters of suspected corruption with the CECO, General Counsel, and Corporate Controller & Chief Accounting Officer to ensure timely notification to Management of the investigation and status of remediation. At least annually, briefings on anti-corruption violations, including results of alleged misconduct investigations, status of investigations, and corrective and disciplinary actions taken, are presented to the Public Policy & Corporate Responsibility Committee of the Board of Directors. In addition, anti-corruption investigations and allegations involving significant financial improprieties are reported to the Audit Committee of the Board of Directors.

[13] Supplier Terms and Conditions (Document)
Accessed 19/09/2019
https://www.raytheon.com/sites/default/files/2019-08/tc_001_1017.pdf
[p.11] A. THE FOLLOWING FAR CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER ALL GOVERNMENT CONTRACTS:

[…] 4. 52.203-17 "Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights" (Applicable to Purchase Orders over the simplified

[p.12] acquisition threshold under prime contracts awarded by civilian agencies other than NASA and the Coast Guard.)

[3] Corporate Responsibility Report (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf
[p.7] ETHICS AND ACCOUNTABILITY

Across Raytheon, transparency means holding each other, and ourselves, accountable. This commitment to ethics begins with our board and senior leadership team and extends to every employee. We expect full adherence to our code of conduct and give employees the training and resources to understand compliance risks and regulations and to use our protected phone and online channels to speak up when they have a question or notice a problem.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.2] 3.4 The Anti-Corruption & International Agreements group (ACIA) within the Office of the General Counsel (OGC);

3.4.1 Maintains this policy.

3.4.2 Provides education and guidance about the policy.

3.4.3 Resolves questions about its application.

[p.4] 4.7.1 Our Ethics and Business Conduct website lists several ways to report ethics and compliance matters. You may do so anonymously.

4.7.2 We encourage open communication about these matters. If you have any questions, contact the Anti-Corruption & International Agreements office.

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-OGC-ETH-004: PREVENTION OF RETALIATION

Raytheon's anti-retaliation policy reinforces Raytheon's longstanding commitment to prevent all forms of retaliation. Raytheon is committed to fostering a free and open atmosphere that encourages employees, business partners and others to make inquiries, express work-related concerns about ethics issues, and/or report violations or suspected violations of laws or regulations, Company policies and procedures, or Raytheon's Code of Conduct. The policy is intended to encourage employees, business partners, and others to actively participate in any internal investigation without fear of retaliation. The Company also prohibits retaliation against an employee, business partner, or other person who expresses a concern or files a complaint with a regulatory or other governmental agency or court.

[4] Corporate Governance (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/corporate-governance
Ethics Office

Employees and others may contact the Ethics office at any time and may remain anonymous. They also may consult our code of conduct and our anti-corruption policy for guidance. In 2018, we finished migrating our ethics helpline/hotline to a third-party service provider and also created a new, two-way online reporting channel employees can use to report suspected misconduct anonymously. As a result, Raytheon's Ethics office has fielded an increased number of contacts. In 2018, nearly 12,000 employees used one of these channels to seek policy advice or express concern about suspected misconduct. According to our 2018 Employee Connect survey, the number of employees who reported misconduct increased by 4.9 percent since the previous survey in 2016. This finding reflects the increased confidence employees feel in speaking up and reporting concerns.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.28] Under our Conflict of Interest Policy, directors, officers and employees are expected to bring to the attention of the Vice President, General Counsel and Secretary or the Vice President – Chief Ethics and Compliance Officer any actual or potential conflict of interest.

There are four ways that anyone may report matters of concern to Raytheon's Ethics Office:

1. through our anonymous, confidential toll-free EthicsLine at 1-800-423-0210;

2. on-line through the anonymous, confidential Raytheon Ethics Check Line,

https://raytheonethicscheckline.webline.saiglobal.com;

3. by writing to the Ethics Office, Raytheon Company, 870 Winter Street, Waltham, Massachusetts 02451; or

4. by submitting comments on our website at www.raytheon.com in the section entitled "Contact the Ethics Office," under the heading "Investors/Corporate Governance/Contact the Company."

[2] Statement on the Code of Conduct (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/ourcompany/ourculture/code
TRANSLATIONS

Arabic

Chinese

German

Polish

Romanian

Spanish

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
2
Comments
Based on publicly available information, there is evidence that the company has a policy that defines conflicts of interest, including actual, potential and perceived conflicts. The company's policy explicitly covers conflicts of interest concerning employee relationships, financial interests and external employment, as well as government relationships. In addition, there is evidence that its conflict of interest policy applies to all employees and board members, as well as to all employees of subsidiaries and other controlled entities.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-ETH-003: CONFLICT OF INTEREST It is Raytheon's policy is to ensure a companywide, consistent approach with respect to the identification, disclosure, and resolution of conflicts of interest. Raytheon is committed to conducting its business with propriety, and our directors, employees, contractors, consultants and international business development partners must act fairly, impartially, and never place personal interests over their obligations to Raytheon. Directors, employees, consultants, contractors, and international business development partners engaged by the company are responsible for recognizing and avoiding activities, investments or relationships which involve or could result in a conflict of interest or the appearance of a conflict of interest. Potential and actual conflict of interest disclosure requirements are imposed to enable the company to independently evaluate and determine whether a conflict of Interest may be properly managed or may disqualify the individual from engaging in specific duties or responsibilities, and to ensure that company standards of ethical conduct are maintained by its directors, employees, contractors, consultants, and international business development partners. Raytheon's Conflict of Interest policy applies to all Raytheon organizations, including all direct and indirect subsidiaries other than Forcepoint entities, and requires company directors, employees, contractors, consultants, and international business development partners to avoid conflicts of interest, or the appearance of such, between their obligations to the company and their personal affairs and to disclose certain matters identified in the policy should they arise. Raytheon's Ethics and Business Conduct Office is responsible for reviewing potential conflict of interest submissions, devising mitigation strategies where appropriate, and maintaining such records in a centralized tool. Failure to comply with Raytheon's Conflict of Interest policy may result in termination of employment or termination of a business relationship with Raytheon. […] RP-OGC-005: EMPLOYMENT OF CURRENT AND FORMER U.S. GOVERNMENT EMPLOYEES The Company complies with laws and regulations concerning the employment of current and former U.S. government employees, including restrictions on employment discussions with certain personnel. A legal review is conducted to avoid any conflict of interest in connection with the employment of current or former U.S. government personnel. The legal review determines whether a candidate for employment who is a current or former government employee may be hired by the Company, and, if so, whether any conflict of interest restrictions under various laws and regulations would apply to the job applicant. Similar reviews are conducted for job applicants who are current or former employees of governments other than the U.S.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.4] Avoid Conflicts of Interest

Raytheon expects that we will avoid any actual or potential conflicts that might arise when our loyalties are split between our personal interests and the interests of the company. Appearances are important, so we must avoid even the appearance of a conflict of interest. Some situations that may raise conflicts of interest include:

- Dual or prior employment with a customer, competitor, or supplier
- Placing business where the employee or a family member has a financial stake
- Acting independently as a consultant to a Raytheon customer or supplier
- Accepting an item of value from a supplier or potential supplier without proper approvals

[p.25] Avoid Conflicts of Interest, Disclose Potential Conflicts

Directors, officers, employees, suppliers, consultants, representatives and agents are required to avoid conflicts of interest between their obligations to the company and their personal affairs, or other business interests or relationships. Any relationship or activity which may influence, or appear to influence, performance of one's duties to the company must be disclosed to the Ethics Office or the Office of the General Counsel for review and resolution. A competing personal interest could interfere with the company's interest; for example, where an individual has a direct and personal interest in a transaction or situation that could affect his or her judgment and divide loyalty to the company with loyalty to one's own interest.

Examples of such conflicts include: dual or prior employment by a customer, competitor or supplier; placement of business where the employee, family member or close friend has a financial stake; acting independently as a consultant to a customer or supplier of Raytheon; or accepting anything of value not approved pursuant to policy from a supplier or potential supplier. Appearances are important, and avoiding the appearance of a conflict of interest should be our guide in this area.

Directors, officers and employees are prohibited from personally taking opportunities for themselves discovered through the use of company information, position or property without the consent of the Board of Directors. No company information, position or property may be used for improper personal gain, and no director, officer or employee may compete with the company directly or indirectly. Actual or potential conflicts of interest must be disclosed and resolved in accordance with company policy in consultation with the Ethics Office, the Office of the General Counsel, or, in certain cases, with the Board of Directors.

Q: I want to take a part-time job, but a coworker said I need to have that reviewed and approved by the company. This is my business, why does the company need to know?

A: The company needs to be sure your part-time work does not interfere with your Raytheon work or with any Raytheon business interest. We need to conduct a conflict of interest review to be sure your part-time work doesn't involve a competitor, supplier or customer, or otherwise create issues of concern. Finally, the company may want to remind you that no company time or resources may be used for secondary employment. If there are no issues, or if any concerns can be effectively addressed, your proposed part-time job with another organization would likely be approved.

[p.26] Q: I have a relative who works for a supplier to the company. Is that a problem?

A: Not necessarily. If you have no involvement in making procurement decisions concerning this supplier, there probably is no issue. However, you are required to disclose this situation to management and the Ethics Office so that the company can ensure that placing or continuing business with the supplier is not influenced in any way by your family relationship and your position at the company.

Q: I have a family member who works for Raytheon; do I need to disclose that relationship?

A: Yes. Disclosure should be made through the Conflict of Interest certification tool. This allows the company to ensure that no conflict of interest, such as supervising a family member, exists.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.28] Under our Conflict of Interest Policy, directors, officers and employees are expected to bring to the attention of the Vice President, General Counsel and Secretary or the Vice President – Chief Ethics and Compliance Officer any actual or potential conflict of interest.

[22] Raytheon Australia Job Advertisement (Webpage)
Accessed 24/09/2019
https://jobs.raytheon.com/au-candidate-information
If you are currently, or previously have been, employed within the Australian Defence Force, please note that Raytheon Australia has special requirements in relation to the recruitment of current or ex-defence employees, to avoid any real or perceived conflicts of interest. Defence employees must also obtain post-separation employment approvals. For more information click here: http://www.defence.gov.au/AGSVA/.

[23] Corporate Governance Principles (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/governance-principle
15. Ethics and Conflicts of Interest

Ethics. The Board expects all directors, officers, employees and representatives to act ethically at all times and to avoid conflicts of interest or the appearance of a conflict of interest. The Company has adopted a Code of Business Ethics and Conduct and a Conflicts of Interest Policy which apply to all directors, officers, employees and representatives. The Code, as well as the Policy, form the basis for the Company's ethics and compliance procedures and cover a wide range of areas.

[…]

Conflicts of Interest.

In addition to complying with the Code of Conduct and other applicable Company policies, directors are required to bring to the attention of the Senior Vice President and General Counsel any actual or potential conflict of interest. Officers and employees are expected to report actual or potential conflicts of interest to the Vice President of Ethics.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
2
Comments

Based on publicly available information, there is evidence the company has procedures to identify, declare and manage conflicts of interest. The company states that all employee and board member declarations of actual and potential conflicts of interest are recorded in a dedicated tool that is accessible to those responsible for oversight of the process.

There is evidence that potential or actual conflict of interest declarations are reviewed and overseen by a designated body, namely the company's Ethics and Business Conduct Office, which holds ultimate accountability for its implementation and the handling of individual cases. The company's description of conflicts of interest procedures also includes termination as a potential punitive measure for breach of the policy.

Evidence

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.28] Under our Conflict of Interest Policy, directors, officers and employees are expected to bring to the attention of the Vice President, General Counsel and Secretary or the Vice President – Chief Ethics and Compliance Officer any actual or potential conflict of interest.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.4] Avoid Conflicts of Interest

Raytheon expects that we will avoid any actual or potential conflicts that might arise when our loyalties are split between our personal interests and the interests of the company. Appearances are important, so we must avoid even the appearance of a conflict of interest. Some situations that may raise conflicts of interest include:

- Dual or prior employment with a customer, competitor, or supplier
- Placing business where the employee or a family member has a financial stake
- Acting independently as a consultant to a Raytheon customer or supplier
- Accepting an item of value from a supplier or potential supplier without proper approvals

[p.25] Avoid Conflicts of Interest, Disclose Potential Conflicts

Directors, officers and employees are prohibited from personally taking opportunities for themselves discovered through the use of company information, position or property without the consent of the Board of Directors. No company information, position or property may be used for improper personal gain, and no director, officer or employee may compete with the company directly or indirectly. Actual or potential conflicts of interest must be disclosed and resolved in accordance with company policy in consultation with the Ethics Office, the Office of the General Counsel, or, in certain cases, with the Board of Directors.

Q: I want to take a part-time job, but a coworker said I need to have that reviewed and approved by the company. This is my business, why does the company need to know?

A: The company needs to be sure your part-time work does not interfere with your Raytheon work or with any Raytheon business interest. We need to conduct a conflict of interest review to be sure your part-time work doesn't involve a competitor, supplier or customer, or otherwise create issues of concern. Finally, the company may want to remind you that no company time or resources may be used for secondary employment. If there are no issues, or if any concerns can be effectively addressed, your proposed part-time job with another organization would likely be approved.

[p.26] Q: I have a relative who works for a supplier to the company. Is that a problem?

Not necessarily. If you have no involvement in making procurement decisions concerning this supplier, there probably is no issue. However, you are required to disclose this situation to management and the Ethics Office so that the company can ensure that placing or continuing business with the supplier is not influenced in any way by your family relationship and your position at the company.

Q: I have a family member who works for Raytheon; do I need to disclose that relationship?

A: Yes. Disclosure should be made through the Conflict of Interest certification tool. This allows the company to ensure that no conflict of interest, such as supervising a family member, exists.

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
Potential and actual conflict of interest disclosure requirements are imposed to enable the company to independently evaluate and determine whether a conflict of Interest may be properly managed or may disqualify the individual from engaging in specific duties or responsibilities, and to ensure that company standards of ethical conduct are maintained by its directors, employees, contractors, consultants, and international business development partners.

Raytheon's Conflict of Interest policy applies to all Raytheon organizations, including all direct and indirect subsidiaries other than Forcepoint entities, and requires company directors, employees, contractors, consultants, and international business development partners to avoid conflicts of interest, or the appearance of such, between their obligations to the company and their personal affairs and to disclose certain matters identified in the policy should they arise. Raytheon's Ethics and Business Conduct Office is responsible for reviewing potential conflict of interest submissions, devising mitigation strategies where appropriate, and maintaining such records in a centralized tool. Failure to comply with Raytheon's Conflict of Interest policy may result in termination of employment or termination of a business relationship with Raytheon.

[23] Corporate Governance Principles (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/governance-principle
Conflicts of Interest. In addition to complying with the Code of Conduct and other applicable Company policies, directors are required to bring to the attention of the Senior Vice President and General Counsel any actual or potential conflict of interest. Officers and employees are expected to report actual or potential conflicts of interest to the Vice President of Ethics. Directors, officers and employees may report matters of concern through the Company's anonymous, confidential toll-free hotline. Anyone may report accounting, internal controls or auditing matters by mail or a secure web-based communication method to the Chair of the Audit Committee. These matters will be investigated in due course by the Ethics Office with assistance from the Office of the General Counsel unless otherwise instructed by the Audit Committee. Other matters may be reported in writing by mail or a secure web-based communication method to the Lead Director on behalf of the non-management directors. These matters will be referred to the Lead Director (or the non-management directors if a Lead Director has not been designated by the Board) and tracked by the Office of the General Counsel.

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
2
Comments
Based on publicly available information, there is evidence that the company has a policy which outlines controls to assess and regulate employment, offers of employment and consultancy engagement with current and recently departed public officials. The company requires approval from the office of the General Counsel or Ethics Office prior to the initiation of any employment discussions with former or current public officials, as well as requiring a review of actual, potential or perceived conflicts of interest. There is also evidence that the company's policy includes placing restrictions on their activities if such conflicts of interest are identified, which is understood to include restrictions on job functions as well as implementing a potential cooling off period.
Evidence
[41] Anti-Corruption Policies – Updated (Webpage) **Accessed 06/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-005: EMPLOYMENT OF CURRENT AND FORMER U.S. GOVERNMENT EMPLOYEES The purpose of this policy is to ensure compliance with laws and regulations concerning the employment of current and former U.S. government employees (including members of Congress) and avoid any conflict of interest when hiring or contracting with such employees. Applicants are screened for current and former U.S. government employment, and procedures include restrictions on employment discussions with certain personnel and "cooling off" periods and other restrictions in conformity with laws and regulations. Raytheon policies RP-OGC-024 and RP-SCM-001, summarized on this page, outline further safeguards with respect to the engagement of International Business Development Partners and Domestic Consultants. A legal review is conducted to avoid any conflict of interest in connection with the employment of current or former U.S. Government personnel. The legal review determines whether a candidate for employment who is a current or former government employee may be hired by the Company, and, if so, whether any conflict of interest restrictions under various laws and regulations would apply to the job applicant. Raytheon complies with all hiring restrictions and cooling off periods required by law and regulation. Similar reviews are conducted for job applicants who are current or former employees of governments other than the U.S. Please also see the description of RP-OGC-ETH-003 on this page, which outlines Raytheon's Conflict of Interest policy. […] RP-SCM-001: RETENTION AND UTILIZATION OF U.S. DOMESTIC CONSULTANTS The purpose of this policy is to protect the company's interests when hiring outside Domestic Consultants. This includes conducting adequate due diligence to protect from the perception or reality of conflicts of interests and to protect from violations of law applicable to our business. It further establishes uniform practices in the acquisition of services from U.S. Domestic Consultants. If the proposed Domestic Consultant is a former U.S. Government employee who left Government service within two years of engagement or was a 'senior person' under 18 U.S.C. 207(c) (2), a legal opinion that addresses post-employment work and tasking restrictions under Federal procurement integrity and conflict of interest laws and regulations must be obtained from the relevant agency ethics counselor at the former U.S. Government proposed employee's last agency of assignment prior to engagement. **[15] Anti-Corruption Policies (Webpage)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-005: EMPLOYMENT OF CURRENT AND FORMER U.S. GOVERNMENT EMPLOYEES The Company complies with laws and regulations concerning the employment of current and former U.S. government employees, including restrictions on employment discussions with certain personnel. A legal review is conducted to avoid any conflict of interest in connection with the employment of current or former U.S. government personnel. The legal review determines whether a candidate for employment who is a current or former government employee may be hired by the Company, and, if so, whether any conflict of interest restrictions under various laws

and regulations would apply to the job applicant. Similar reviews are conducted for job applicants who are current or former employees of governments other than the U.S.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.4] Follow the rules when hiring former government or competitor employees If we don't follow the rules, we may unintentionally create conflicts of interest. If that happens, the new employee may be prohibited from tasks and duties that relate to her prior employment.

[p.27] Follow the Rules When Hiring Former Government or Competitor Employees

Any discussions or contacts with current or former government employees (military or civilian) for the purpose of exploring potential employment or consulting opportunities with the company are subject to conflict of interest laws and regulations. Similarly, once hired or retained, these individuals may be prohibited from certain tasks and duties that relate to their prior responsibilities. Before entering into employment discussions with U.S. government employees or non-U.S. government employees, the Ethics Office or the Office of the General Counsel must be consulted to ensure compliance with the law and company policy.

Also, when hiring an employee who has worked for a competitor or certain other third parties, we must ensure that proprietary information and intellectual property from a prior employer is not brought into the company or used by Raytheon in violation of an employee's obligations to his or her former employer. Likewise, when leaving the company, employees are not permitted to take any Raytheon proprietary information, or proprietary information belonging to any Raytheon customer or business partner.

Q: I have been working with a U. S. government employee and discussed the possibility of her working for the company. She is a perfect candidate for a job with us. What steps do we need to take to hire her?

A: Contact the Ethics Office or Office of the General Counsel immediately, because your employment discussion may already have violated conflict of interest rules. A U.S. government employee engaging in prospective employment discussions with the company typically needs to notify her leadership and recuse herself from handling any matters involving the company. It is often necessary for the government employee to then obtain, from a lawyer in the branch of government where she is employed, a letter that sets forth the laws involving certain post-government employment restrictions that might apply if the company should hire her. Human Resources and the Ethics Office or the Office of the General Counsel need to be involved at every stage of the process to ensure the rules are followed because serious penalties for noncompliance, including criminal penalties, could otherwise result.

[p.28] Q: We just hired someone who recently worked for a competitor and he worked on a program which we are currently trying to capture. Can we use his program knowledge to help us win?

A: No, unless his former employer has given us authorization to do so, which is highly unlikely. The new employee's program knowledge belongs to his former employer, not to him. Using the employee on the procurement could result in a conflict and protest if we were to win the program award. We need to monitor the employee's work assignments to be sure a conflict does not arise. Similarly, if a company employee with unique program knowledge leaves Raytheon, he or she may not take that program-specific knowledge to another employer unless the company consents.

[22] Raytheon Australia Job Advertisement (Webpage)
Accessed 24/09/2019
https://jobs.raytheon.com/au-candidate-information
If you are currently, or previously have been, employed within the Australian Defence Force, please note that Raytheon Australia has special requirements in relation to the recruitment of current or ex-defence employees, to avoid any real or perceived conflicts of interest. Defence employees must also obtain post-separation employment approvals. For more information click here: http://www.defence.gov.au/AGSVA/.

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
Based on publicly available information, there is no evidence that the company reports details of the contracted services of serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
Based on publicly available information, there is evidence that the company has a policy on political contributions. The company states that it has not made direct corporate political donations since 2015 and does not intend to do so in the future. However, the company scores '0' because there is evidence that contributions may be permissible in certain circumstances with appropriate authorisation. There is also evidence that the company is associated with a Political Action Committee (PAC) in the United States.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-BD-002: DOMESTIC POLITICAL CONTRIBUTIONS, AND ACTIVITIES Raytheon Company participates in the political process to serve its best interests on behalf of its shareholders and employees. In all such activities, the Company complies with all relevant laws and regulations and adheres to the highest standards of ethical conduct. It is Raytheon policy that Company funds, assets, property, or other things of value will be contributed, loaned, or made available directly or indirectly (i.e., through the use of intermediaries, consultants, subsidiaries, affiliates, or otherwise) to any party, committee, or candidate in the United States only if such activities are permissible under relevant Federal, state and / or local laws and regulations. Where contributions from Company funds are permissible by law, the policy requires any such contribution to have the approval of Raytheon's Political Expenditure Review Committee. For additional details on political contributions, please refer to the Corporate Governance section of this website. **[1] Code of Conduct (Document)** **Accessed 30/08/2019** https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf [p.37] Engage Only in Lawful and Authorized Political Activity Voluntary involvement of employees in the political process is encouraged by the company, but participation must be on an employee's own time, at the employee's expense and without use of company information or assets, including laptops, mobile telephones and similar devices issued by the company to an individual employee. Raytheon contributions or expenditures on behalf of any candidate or political party are made in full compliance with relevant laws and regulations. Raytheon policy provides a lawful approval process for any political expenditure made on the company's behalf. Q: A co-worker and I want to stay late at the office and make telephone calls on behalf of a political candidate we are supporting. May we do that? A: No. You may not use company resources, such as company facilities or office telephones, to conduct activity in support of political candidates. **[25] Political Contributions and Lobbying Expenditures (Webpage)** **Accessed 24/09/2019** http://investor.raytheon.com/political-contributions-and-lobbying-expenditures Raytheon participates in the U.S. political process to ensure that the Company's interests as a leading member of the aerospace and defense industry, and as a significant employer and taxpayer, are appropriately represented.

The Company maintains detailed policies and oversight procedures to ensure that political contributions and lobbying expenditures are made in a legal, ethical, and transparent manner. In all such activities, Raytheon complies with all relevant laws and regulations and adheres to the highest standards of ethical conduct consistent with its Code of Conduct.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

Relevant Policy

Raytheon has established a Domestic Political Contributions and Activities Policy (Political Contributions Policy) to assure that any contributions made with Company funds and political action committee activities comply with all relevant federal, state and/or local laws, as well as Raytheon's governance processes and procedures. Among other things, this policy establishes the Raytheon Political Action Committee (RAYPAC) operating in accordance with Federal Election Commission (FEC) standards as the only federal PAC empowered to solicit employees for political contributions. It also prohibits Company employees from volunteering their services to a candidate or political committee during work hours and sets forth a specific approval process required in connection with any political contribution from Company funds.

Raytheon Political Action Committee

The Company offers eligible employees an opportunity to make voluntary political contributions to RAYPAC which, in turn, supports candidates for federal office and some state offices, and organizations operated in accordance with Internal Revenue Code (IRC) Section 527. RAYPAC is governed by a Steering Committee comprised of senior management from each of the Company's business units as well as representatives from its government relations and legal functions selected in accordance with the RAYPAC by-laws. In 2018, the Steering Committee was led by an Executive Committee, the membership of which included the following Company officers: the President, Intelligence, Information and Services; the Vice President, Government Relations; the Vice President, Legal, International and Washington Operations; the Company's PAC Manager; and a representative from Corporate Finance.

RAYPAC is registered with the FEC, and its activities are reported per the FEC's required filing schedule. RAYPAC contribution information is available at www.fec.gov. RAYPAC contributions for the years 2014-2018 are enumerated in the RAYPAC Historical Summary.

In addition to RAYPAC, in 2018, Raytheon also sponsored one state political action committee (PAC) in California. State PACs operate under, and comply with, the statutes and regulations in effect in the state in which they operate. Within Raytheon, state PACs are governed by the same individuals who, at any given point in time, are responsible for RAYPAC governance. Reports are available on the state agency website: California Secretary of State.

Direct Corporate Political Contributions

In 2018, no contributions were made from Company funds to any individual candidate or Section 527 organization. This has been the Company’s practice since 2015. The Company currently has no plans to make direct political contributions from Company funds in the future. In the event that the Company makes any direct political contributions from Company funds in the future, it would disclose such contributions.

Pursuant to the Political Contributions Policy, no contributions will be made from Company funds to any candidate, political committee or political party without the approval of Raytheon's Chairman and CEO and the Political Expenditure Review Committee (PERC). In 2018, the PERC membership included the following Company officers: the President, Intelligence, Information and Services; the Vice President, Government Relations; the Vice President, Legal, International and Washington Operations; the Company's PAC Manager; and a representative from Corporate Finance.

BOARD OVERSIGHT
The Public Policy and Corporate Responsibility Committee of the Board of Directors, which is composed entirely of independent directors, periodically receives reports on political and lobbying activities in accordance with its Charter.

Question

5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?

Score

2

Comments

The company states publicly that it has not made any corporate political contributions since 2015. In addition, there is evidence that the company publishes details of the contributions and disbursements made through its Political Action Committee (PAC) in the United States, by providing this information on its website. There is evidence that this information includes details of the recipient, amount and state of the recipient and that it is updated and released on a regular basis.

Evidence

[25] Political Contributions and Lobbying Expenditures (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/political-contributions-and-lobbying-expenditures
Direct Corporate Political Contributions

In 2018, no contributions were made from Company funds to any individual candidate or Section 527 organization. This has been the Company's practice since 2015. The Company currently has no plans to make direct political contributions from Company funds in the future. In the event that the Company makes any direct political contributions from Company funds in the future, it would disclose such contributions.

Pursuant to the Political Contributions Policy, no contributions will be made from Company funds to any candidate, political committee or political party without the approval of Raytheon's Chairman and CEO and the Political Expenditure Review Committee (PERC). In 2018, the PERC membership included the following Company officers: the President, Intelligence, Information and Services; the Vice President, Government Relations; the Vice President, Legal, International and Washington Operations; the Company's PAC Manager; and a representative from Corporate Finance. Direct corporate contributions for the years 2014-2018 are summarized below.

Direct Corporate Contributions 2014-2018

YEAR	SECTION 527 CONTRIBUTIONS	STATE & LOCAL CONTRIBUTIONS	TOTAL CORPORATE CONTRIBUTIONS
2018	$0	$0	**$0**
2017	$0	$0	**$0**
2016	$0	$0	**$0**
2015	$0	$0	**$0**
2014	$0	$6,000	**$6,000**

Expenditures to the Public in Support of Political Campaigns and Ballot Measures

Raytheon does not spend Company funds on communications to the general public in support of political campaigns or ballot initiatives. In the event that the Company makes any expenditures from Company funds in support of political campaigns or ballot initiatives in the future, it would disclose such expenditures.

[26] RAYPAC Summary History 2018 (Document)
Accessed 24/09/2019
http://investor.raytheon.com/static-files/9e832a9f-d5cc-4ac8-a0fc-8e268ed6d2f1
[p.1]

2018 Federal Contributions

Candidate	State	Chamber	Party	Disbursement
Young, Don	AK	H	R	$4,000.00
Sullivan, Daniel	AK	S	R	$3,000.00
Byrne, Bradley	AL	H	R	$6,000.00
Roby, Martha	AL	H	R	$7,000.00
Rogers, Mike	AL	H	R	$8,000.00
Aderholt, Robert	AL	H	R	$7,000.00
Brooks, Mo	AL	H	R	$1,000.00
Sewell, Terri	AL	H	D	$1,000.00
Crawford, Rick	AR	H	R	$1,000.00
Hill, French	AR	H	R	$1,000.00

[This document continues over 17 pages, with the same level of detail]

[24] RAYPAC Summary History 2017 (Document)
Accessed 24/09/2019
http://investor.raytheon.com/static-files/9e832a9f-d5cc-4ac8-a0fc-8e268ed6d2f1
[p.1]

2017 Federal Contributions

Candidate	State	Chamber	Party	Contribution
Sullivan, Daniel	AK	S	R	$1,500.00
Young, Don	AK	H	R	$1,000.00
Aderholt, Robert	AL	H	R	$3,000.00
Brooks, Mo	AL	H	R	$2,000.00
Byrne, Bradley	AL	H	R	$4,000.00
Roby, Martha	AL	H	R	$6,000.00
Rogers, Mike	AL	H	R	$2,000.00
Sewell, Terri	AL	H	D	$5,500.00
Strange, Luther	AL	S	R	$15,000.00
Cotton, Tom	AR	S	R	$1,500.00
Crawford, Rick	AR	H	R	$1,000.00

[This document continues over 17 pages, with the same level of detail]

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
1
Comments
Based on publicly available information, there is evidence that the company has policies covering both charitable donations and sponsorships to ensure that they are not used for corrupt purposes. There is evidence that the company's policies include measures to ensure proper oversight. The company discloses some details of both its charitable contributions and sponsorship activities but receives a score of '1' because it does not publish comprehensive details of these donations, including data on the amount donated, the recipient entity and the corporate entity which made the donation.
Evidence
[41] Anti-Corruption Policies – Updated (Webpage) **Accessed 06/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-COMM-001: CORPORATE CONTRIBUTIONS, AND MATCHING GIFTS POLICY Charitable contributions and gifts of property or services made by the company to non-profit organizations qualified under Section 501(c) of the Internal Revenue Code must be made in accordance with Raytheon policies, applicable legal and ethical standards. Raytheon's Corporate Contributions, and Matching Gifts policy sets forth the management and approval of charitable contributions and gifts of property or services to non-profit organizations, including grants made at the request of members of the board of directors and corporate management leadership team. Requests for charitable contributions and grants are managed by an enterprise-wide web-based tool. For additional details on corporate contributions, please refer to the Corporate Governance section of this website. **[6] Proxy Statement 2019 (Document)** **Accessed 30/08/2019** http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf [p.11] RESPONSIBLE LEADERSHIP Our Board of Directors and senior leadership team promote integrity, accountability, transparency and the highest ethical standards. The Board's Public Policy and Corporate Responsibility Committee reviews environmental stewardship and sustainability, employee health and safety, ethics, charitable contributions and community relations, and government contracting and defense procurement policies. **[14] Anti-Corruption Policy (Document)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf [p.3] 4.2.5 See these related Raytheon policies: a. RP-OGC-ETH-002 covers gifts, hospitality, and courtesies generally. b. RP-COMM-001 covers corporate charity. **[15] Anti-Corruption Policies (Webpage)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-COMM-001: CORPORATE CONTRIBUTIONS, AND MATCHING GIFTS POLICY Charitable contributions and gifts of property or services made by the company to non-profit organizations qualified under Section 501(c) of the Internal Revenue Code must be made in accordance with Raytheon policies, applicable legal and ethical standards. Raytheon's Corporate Contributions, and Matching Gifts policy sets forth the management and approval of charitable contributions and gifts of property or services to non-profit organizations,

including grants made at the request of members of the board of directors and corporate management leadership team. For additional details on corporate contributions, please refer to the Corporate Governance section of this website.

[28] Other Contributions (Webpage)
Accessed 25/09/2019
http://investor.raytheon.com/other-contributions
In its role as an engaged, responsible corporate citizen, Raytheon makes contributions to an array of non-profit organizations that advance the interests of the Company, its employees and other stakeholders. A prime example of these activities is Raytheon's support for education. The Company actively promotes science, technology, engineering and math (STEM) education and the interest by young people in pursuing STEM careers both directly and through partnerships with and contributions to numerous organizations. The Company also has in place a matching gift program under which it matches the gifts of employees and directors to qualifying educational institutions and certain diversity-related scholarship funds. Additionally, the Company contributes to various education and research institutions which use the funding to advance activities relevant to the Company's business.

Another key focus area for Raytheon is the support of members of the U.S. Military. Raytheon makes contributions to organizations that provide health, academic, skills training and social services, as well as financial aid, to current and former members of the U.S. Military and their families. The Company recently has extended its matching gift program to certain qualifying U.S. Military support organizations.

Raytheon corporate giving also extends to communities in which the Company operates and its employees live. The Company makes contributions and provides other support to agencies that provide an array of services, including disaster relief, to these communities. All of these activities are governed by an enterprise-wide policy on corporate giving and matching gifts, and related oversight processes and procedures.

Raytheon also engages with certain U.S. public policy research organizations tax-exempt under section 501(c)(3) of the Internal Revenue Code ("think tanks") and similar types of organizations internationally. The Company has detailed policies and oversight procedures governing these think tank engagements, including a policy of only contributing to think tanks that publicly disclose their donors or otherwise provide sufficient information in their published research to identify applicable sources of funding.

The Public Affairs Committee of the Board of Directors, which is comprised entirely of independent directors, periodically receives reports on the Company's contributions activities.

[3] Corporate Responsibility Report (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf
[p.9] EDUCATION

Training and knowledge are critically important in today's business environment — and for future generations preparing to enter the workforce. Raytheon's many investments in STEM education include initiatives to attract more women to careers in computer science and cybersecurity and international efforts to develop local work forces that can support knowledge-based economies and a global supply chain.

Raytheon and Girl Scouts Open STEM Career Paths for Girls
Raytheon is sponsoring programs to help feed the talent pipeline for future STEM jobs and encourage the next generation of female innovators. The "Think Like a Programmer" Journey, piloted with five Councils in 2018, will ultimately encourage as many as half a million girls to pursue careers in computer sciences such as cybersecurity, robotics, data science and artificial intelligence. In 2019 Raytheon will also sponsor the inaugural Cyber Challenge, the first-ever challenge event for Girl Scouts of the USA.

MATHCOUNTS®
Encourages Problem-Solving For the past decade, Raytheon has been the title sponsor of MATHCOUNTS, a national competition program that promotes math achievement and gives middle school students a forum to display their math and problem-solving skills. In 2018, the program attracted more than 150,000 middle school students and more than 17,000 volunteers. We have renewed our commitment to MATHCOUNTS through 2025.

FIRST®
Robotics Teaches Vital STEM Skills Raytheon sponsored nearly 70 teams for the 2018 FIRST (For Inspiration and Recognition of Science and Technology) Robotics Championship. In addition to providing mentors and volunteers,

we annually award $1,000 FIRST Scholarships to 40 high school seniors and college students who participate in the competition and pursue undergraduate education as STEM majors.

MathAlive! Reveals Math at Work
Since 2012, Raytheon has sponsored MathAlive!, our traveling museum exhibit that reveals math at work in the world around us — and its endless possibilities. In 2018 we added two new interactive experiences — "Extreme Weather Alert" and "Cyber Security" — and brought MathAlive! to Australia's National Science and Technology Centre.

[p.10] VETERANS AND MILITARY FAMILIES

Raytheon empowers today's veterans through continuing education programs that prepare them for new careers. We also inspire their children to become tomorrow's drivers of technology and innovation through programs that nurture an interest in STEM education.

Building STEM Centers of Innovation
Our $5 million commitment to Boys & Girls Clubs of America provides for 22 Centers of Innovation and supports after-school STEM programming for children of military families. In 2018 these Centers served more than 4,000 teens, in part through the four new Centers we opened. We also provided 8,000 K–12 children in military families with backpacks, notebooks, pencils, paper and the chance to participate in hands-on STEM activities through a back-to-school initiative called Fill the Pack.

Empowering Student Veterans of America
Since 2015, our $5 million partnership with the world's largest peer network of student veterans has helped SVA scale to more than 1,500 campus chapters representing nearly 700,000 student veterans, an increase of 26 percent. In 2019 Raytheon will launch a pilot program focused on female veterans whose military experience positions them for engineering careers.

[27] Press Release - Raytheon Sponsors Futuristic Research Center (Webpage)
Accessed 25/09/2019
https://www.raytheon.com/news/feature/future_of_autonomy
The California Institute of Technology has opened the Center for Autonomous Systems and Technology in Pasadena, California. Raytheon is lead sponsor the new center that will advance research on drones, robots and machine learning.

Raytheon and Caltech are building the future together.

The company is lead sponsor for the new Center for Autonomous Systems and Technology, or CAST, a research facility at Caltech advancing the science of bio-inspired systems and autonomous technologies like drones. The mission: Improve the working relationship between robots and the human operators that control them.

CAST is a 10,000-square-foot lab that will employ dozens of researchers and scientists from Caltech and the Jet Propulsion Laboratory. It includes an assembly room with an 85-foot track for walking robots, an aerospace robotics control lab and a three-story, enclosed aerodrome for testing drones.

"Making smart investments in autonomy is an imperative for the aerospace and defense industry," said Dr. Taylor W. Lawrence, a Raytheon Company vice president and president of its Missile Systems business. "While we have made great strides, our work with Caltech CAST and JPL will be structured to transition autonomous systems from concept to creation in some new and exciting applications."

Some research will be directed to topics of high interest to Raytheon, including autonomous navigation, artificial intelligence, machine learning, machine vision, hypersonics and communications. The company has assembled a team of senior engineers to adapt CAST-developed technologies for the company.
"The goal of this new initiative is to teach autonomous systems to think independently and react accordingly, preparing them for the rigors of the world outside of the lab," said CAST Director Mory Gharib in a release.
As part of the sponsorship, Caltech graduate students and researchers may participate in work performed at Raytheon.

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
2
Comments
Based on publicly available information, there is evidence that the company has a policy on responsible lobbying which applies to all employees, board members and any third parties engaged in lobbying activities on the company's behalf. The company indicates that its Public Policy and Corporate Responsibility Committee is responsible for reviewing and providing oversight of all lobbying activities. There is evidence that the company conducts due diligence on lobbyists, which are required to act in accordance with its Code of Conduct.
Evidence

[25] Political Contributions and Lobbying Expenditures (Webpage)
Accessed 24/09/2019
http://investor.raytheon.com/political-contributions-and-lobbying-expenditures
LOBBYING EXPENDITURES
Relevant Policies

The Company has several policies in place related to its lobbying activities (Lobbying-Related Policies) to assure:

- Compliance with federal laws relating to lobbying, including complete and accurate reporting of lobbying activities under the Lobbying Disclosure Act (LDA);
- Compliance with state and local laws relating to lobbying, including complete and accurate reporting of lobbying activities where required; and
- Approval from the Vice President, Government Relations, or his designee prior to engaging in any contact or communication with elected officials, or their staff, on behalf of the Company.

Lobbying Activities

Raytheon responsibly and lawfully engages in the legislative process to communicate its views on legislative and regulatory matters affecting the Company's business and its various constituencies. In full compliance with the LDA and the Lobbying-Related Policies, the Company's lobbying activities and expenses, as defined by Section 162(e) of the Internal Revenue Code, are disclosed to the U.S. Congress on a quarterly basis. In addition, the Company files semi-annual reports detailing certain Federal Election Commission Act (FECA) contributions, honorary contributions, presidential library contributions, and payments for event costs. These reports are publicly accessible at the U. S. House of Representatives Office of the Clerk website.

BOARD OVERSIGHT

The Public Policy and Corporate Responsibility Committee of the Board of Directors, which is composed entirely of independent directors, periodically receives reports on political and lobbying activities in accordance with its Charter.

[41] Anti-Corruption Policies – Updated (Webpage)
Accessed 06/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-OGC-011: FEDERAL LOBBYING ACTIVITIES - UNALLOWABILITY, REPORTING, AND DISCLOSURE
This policy, which applies to all Raytheon entities and their employees, consultants, and sale representatives, is designed to ensure compliance by Raytheon Company with all laws and ethics regulations applicable to the company's federal lobbying activities and to ensure complete and accurate reporting of such activities under the Federal Lobbying Disclosure Act (LDA) of 1995, as amended by the Honest Leadership and Open Government Act of 2007. v

Raytheon's Federal Lobbying Activities – Unallowability, Reporting and Disclosure policy provides guidance to ensure timely and accurate record-keeping, reporting, and certifications concerning the company's lobbying activities and the giving of gifts and payment of travel expenses of Members of the House or the Senate, all as required by the LDA. All lobbyists undergo due diligence in conformity with RP-SCM-001 and are required to act in accordance with Raytheon's Code of Conduct and demonstrate behaviors consistent with Raytheon's values. For additional details, including lobbying expenditures, please refer to the Corporate Governance section of this website. Raytheon monitors the activities via mechanisms such as regular activity reporting, deposit and expenditure reviews, and in-person meetings.

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-OGC-011: FEDERAL LOBBYING ACTIVITIES - UNALLOWABILITY, REPORTING, AND DISCLOSURE

This policy, which applies to all Raytheon entities and their employees, consultants, and sale representatives, is designed to ensure compliance by Raytheon Company with all laws and ethics regulations applicable to the company's federal lobbying activities and to ensure complete and accurate reporting of such activities under the Federal Lobbying Disclosure Act (LDA) of 1995, as amended by the Honest Leadership and Open Government Act of 2007. Raytheon's Federal Lobbying Activities – Unallowability, Reporting and Disclosure policy provides guidance to ensure timely and accurate record-keeping, reporting, and certifications concerning the company's lobbying activities and the giving of gifts and payment of travel expenses of Members of the House or the Senate, all as required by the LDA. For additional details, including lobbying expenditures, please refer to the Corporate Governance section of this website.

[9] Public Policy and Corporate Responsibility Committee Charter (Webpage)
Accessed 30/08/2019
https://raytheon.gcs-web.com/committee-details/public-affairs-committee
The Committee shall have the following authority and responsibilities:

1. Review Company policies and practices and monitor compliance in areas of legal and social responsibility, and when appropriate report and make recommendations to the Board with respect to policies and practices including those involving:

- political contributions and lobbying

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.3] 4.2.5 See these related Raytheon policies:

c. RP-OGC-011 covers lobbying and political activities

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
1
Comments
There is evidence that the company discloses some details about its lobbying activities, by providing a direct link to its quarterly Federal Lobbying Reports. These reports indicate the legislative topics on which the company conducts lobbying in the United States. However, the company receives a score of '1' because it does not provide details about its broader public policy aims or positions. The company also does not publish any information about its lobbying activities outside of the United States.
Evidence
[25] Political Contributions and Lobbying Expenditures (Webpage) **Accessed 24/09/2019** http://investor.raytheon.com/political-contributions-and-lobbying-expenditures Lobbying Activities Raytheon responsibly and lawfully engages in the legislative process to communicate its views on legislative and regulatory matters affecting the Company's business and its various constituencies. In full compliance with the LDA and the Lobbying-Related Policies, the Company's lobbying activities and expenses, as defined by Section 162(e) of the Internal Revenue Code, are disclosed to the U.S. Congress on a quarterly basis. […] Raytheon's quarterly federal lobbying reports for the years 2014 – 2018 are set forth below. Q1 2018 Federal Lobbying Report Q2 2018 Federal Lobbying Report Q3 2018 Federal Lobbying Report Q4 2018 Federal Lobbying Report […] **[29] Q4 2018 Federal Lobbying Report (Webpage)** **Accessed 25/09/2019** http://disclosures.house.gov/ld/ldxmlrelease/2018/Q4/301016220.xml 15. General issue area code AER [Aerospace] 16. Specific lobbying issues John S. McCain National Defense Authorization Act for FY19 (H.R. 5515, S. 2987), Department of Defense Appropriations Act, 2019 (H.R. 6157, S. 3159), and Matthew Young Pollard Intelligence Authorization Act for FY 2018 and 2019 (H.R. 6237, S. 3153); provisions relating to acquisition policy, force protection, military space and intelligence, command and control, simulation and training, self-defense systems and decoys, missile defense, sensors and radars, missiles, sequestration, munitions and artillery, advanced technology programs, naval shipbuilding and systems and cooperative threat reduction. […] 15. General issue area code BUD [Budget/Appropriations] 16. Specific lobbying issues Transportation-HUD and Related Agencies Appropriations Act, 2019 (H.R.6072, S. 3023, H.R. 6147), provisions relating to the funding of the Administration's budget request for air traffic control modernization. Commerce, Justice, Science and Related Agencies Appropriations Act, 2019 (H.R. 5952, S. 3072), provisions relating to NASA space exploration, earth science, remote sensing, earth observing systems, Joint Polar Satellite System, and Suomi NPP satellite.

Department of Homeland Security Appropriations Act, 2019 (H.R. 6776, S. 3109), provisions for aviation, maritime, border, and cyber security.

John S. McCain National Defense Authorization Act for FY19 (H.R. 5515, S. 2987), Department of Defense Appropriations Act, 2019 (H.R. 6157, S. 3159), and Matthew Young Pollard Intelligence Authorization Act for FY 2018 and 2019 (H.R. 6237, S. 3153); provisions relating to acquisition policy, force protection, military space and intelligence, command and control, simulation and training, self-defense systems and decoys, missile defense, sensors and radars, missiles, sequestration, munitions and artillery, advanced technology programs, naval shipbuilding and systems and cooperative threat reduction.

[…]

15. General issue area code DEF [Defense]

16. Specific lobbying issues

John S. McCain National Defense Authorization Act for FY19 (H.R. 5515, S. 2987), Department of Defense Appropriations Act, 2019 (H.R. 6157, S 3159), and Matthew Young Pollard Intelligence Authorization Act for FY 2018 and 2019 (H.R. 6237, S. 3153); provisions relating to acquisition policy, force protection, military space and intelligence, command and control, simulation and training, self-defense systems and decoys, missile defense, sensors and radars, missiles, sequestration, munitions and artillery, advanced technology programs, naval shipbuilding and systems and cooperative threat reduction.

Modernizing the Trusted Workforce for the 21st Century Act of 2018 (S.3724), provisions related to security clearances. Developing the National Security Workforce Act, (H.R. 6684), workforce development provisions.

[…]

15. General issue area code FOR [Foreign Affairs]

16. Specific lobbying issues

Issues associated with Congressional notifications of proposed foreign military and direct commercial sales; Export control reform; U.S. defense cooperation with countries in Asia, Europe, the Americas, and the Middle East; and Department of State, Foreign Operations, and Related Programs Appropriations Act, 2019 (H.R. 6385, S. 3108).

Palestinian International Terrorism Support Prevention Act of 2017 (H.R. 2712), provisions relating to Qatar.

[…]

15. General issue area code HOM [Homeland Security]

16. Specific lobbying issues

Department of Homeland Security Appropriations Act, 2019 (H.R. 6776,S. 3109), provisions relating to aviation, maritime, border, and cyber security.

Border Security and Immigration Reform Act of 2018 (H.R. 6136) and Border Security for America Act of 2017 (H.R. 3548), provisions relating to border security technology.

[…]

15. General issue area code TRD [Trade]

16. Specific lobbying issues

General issues pertaining to export control reform and defense trade.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
1
Comments
There is evidence that the company publishes some details of its lobbying expenditure, by providing direct links on its website to its Federal Lobbying Reports up to the most recently reported financial year. This expenditure data is broken down by corporate entity, geography, and internal, external and association lobbying. However, the company receives a score of '1' because the data provided only accounts for company's lobbying activities in the United States and therefore it is not clear that this covers all of the company's lobbying activities in all applicable jurisdictions.
Evidence
[25] Political Contributions and Lobbying Expenditures (Webpage) **Accessed 24/09/2019** http://investor.raytheon.com/political-contributions-and-lobbying-expenditures Lobbying Activities Raytheon responsibly and lawfully engages in the legislative process to communicate its views on legislative and regulatory matters affecting the Company's business and its various constituencies. In full compliance with the LDA and the Lobbying-Related Policies, the Company's lobbying activities and expenses, as defined by Section 162(e) of the Internal Revenue Code, are disclosed to the U.S. Congress on a quarterly basis. In addition, the Company files semi-annual reports detailing certain Federal Election Commission Act (FECA) contributions, honorary contributions, presidential library contributions, and payments for event costs. These reports are publicly accessible at the U. S. House of Representatives Office of the Clerk website. Raytheon's quarterly federal lobbying reports for the years 2014 – 2018 are set forth below. Q1 2018 Federal Lobbying Report Q2 2018 Federal Lobbying Report Q3 2018 Federal Lobbying Report Q4 2018 Federal Lobbying Report Q1 2017 Federal Lobbying Report Q2 2017 Federal Lobbying Report Q3 2017 Federal Lobbying Report Q4 2017 Federal Lobbying Report Q1 2016 Federal Lobbying Report Q2 2016 Federal Lobbying Report Q3 2016 Federal Lobbying Report Q4 2016 Federal Lobbying Report […] The Company also files periodic reports with state and local agencies reflecting lobbying activities as required by relevant state and local laws. For the jurisdictions that provide online availability, the Company's filed reports, as of December 31, 2018, can be found at the following linked websites: • Alabama • Arizona • Indiana • Massachusetts • Mississippi • Texas • Virginia

[29] Q4 2018 Federal Lobbying Report (Webpage)
Accessed 25/09/2019
http://disclosures.house.gov/ld/ldxmlrelease/2018/Q4/301016220.xml
Registrant Name: Raytheon Company

TYPE OF REPORT 8. Year 2018 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☐ Q4 (10/1 - 12/31) ☑

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ Termination Date _____ 11. No Lobbying Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying	13. Organizations
INCOME relating to lobbying activities for this reporting period was:	**EXPENSE** relating to lobbying activities for this reporting period were:
Less than $5,000 ☐	Less than $5,000 ☐
$5,000 or more ☐ $ _____	$5,000 or more ☑ $ 1,480,000.00
Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).	**14. REPORTING** Check box to indicate expense accounting method. See instructions for description of options.
	☐ **Method A.** Reporting amounts using LDA definitions only
	☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
	☑ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Edward Fortunato **Date** 1/22/2019 4:21:23 PM

[30] Q3 2018 Federal Lobbying Report (Webpage)
Accessed 25/09/2019
http://disclosures.house.gov/ld/ldxmlrelease/2018/Q3/300998252.xml
Registrant Name: Raytheon Company

[…]

TYPE OF REPORT 8. Year 2018 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☑ Q4 (10/1 - 12/31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ Termination Date _____ 11. No Lobbying Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying	13. Organizations
INCOME relating to lobbying activities for this reporting period was:	**EXPENSE** relating to lobbying activities for this reporting period were:
Less than $5,000 ☐	Less than $5,000 ☐
$5,000 or more ☐ $ _____	$5,000 or more ☑ $ 870,000.00
Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).	**14. REPORTING** Check box to indicate expense accounting method. See instructions for description of options.
	☐ **Method A.** Reporting amounts using LDA definitions only
	☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
	☑ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Edward Fortunato **Date** 10/22/2018 6:13:03 PM

[The company publishes many quarterly lobbying reports similar in content and format to evidence [29] and [30]]

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
2
Comments
Based on publicly available information, there is evidence that the company has policies and procedures on gifts and hospitality, which include clear procedures designed to ensure that promotional expenses are bona fide and not used for bribery. The company's policies establish financial limits and approval procedures for the different types of promotional expense that employees may encounter. In addition, there is evidence that the company's policies address the risks associated with gifts and hospitality given to and/or received from domestic and foreign public officials by establishing different financial thresholds. The company indicates that all gifts and hospitality above certain thresholds are recorded in a dedicated central register that is accessible to those responsible for oversight of the process.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-ETH-002: BUSINESS-RELATED GIFTS, HOSPITALITY AND SPONSORSHIPS Business courtesies are occasionally appropriate in building and maintaining business relationships with government and commercial customers. However, when conducting company business Raytheon employees must avoid even the appearance of currying favor, or any other misconduct, that may have an adverse impact on the reputation of Raytheon. Raytheon's Offering and Accepting Business Courtesies, Gifts and Other Gratuities policy sets forth the process employees must follow before offering, giving, or receiving a business courtesy, gift, or other gratuity. While the dollar limits and approval procedures are set forth in that policy all employees must ensure that any business courtesy: i) is modest and appropriate for the occasion; ii) is necessary for a bona fide business purpose; iii) is in compliance with all applicable laws, policies and regulations. Policy requirements and approval procedures differ depending upon the type of recipient and the nature and/or value of the gift or hospitality. It is never permissible to offer or extend a business courtesy that could be reasonably interpreted as an attempt to obtain or retain an improper business advantage or that could embarrass, or negatively reflect on, Raytheon's reputation. Where approval of a gift or hospitality is required, such requests and determinations are recorded in an online Business Courtesy Approval Request tool. RP-COMM-001: CORPORATE CONTRIBUTIONS, AND MATCHING GIFTS POLICY Charitable contributions and gifts of property or services made by the company to non-profit organizations qualified under Section 501(c) of the Internal Revenue Code must be made in accordance with Raytheon policies, applicable legal and ethical standards. Raytheon's Corporate Contributions, and Matching Gifts policy sets forth the management and approval of charitable contributions and gifts of property or services to non-profit organizations, including grants made at the request of members of the board of directors and corporate management leadership team. For additional details on corporate contributions, please refer to the Corporate Governance section of this website. **[1] Code of Conduct (Document)** **Accessed 30/08/2019** https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf [p.4] Steer clear of accepting or giving improper gifts by accepting an expensive gift from a customer, vendor, supplier, or other stakeholder, you could create a conflict of interest between yourself and the company—whether you mean to or not. Even the appearance of impropriety can damage a business's reputation and bottom line. So avoid gift giving that might raise questions about the company's intentions or integrity.

[p.31] Q: When foreign government customers visit our facility for a product demonstration, may I pay for their meals at a restaurant and for tickets to a professional sporting event?

A: We compete fairly and not on the basis of any improper advantage. You will need to obtain pre-approval of proposed business courtesies with the Office of the General Counsel and the Ethics Office, because the answer to your request may vary depending on the laws of the particular country of the customer. The request also must be assessed for compliance with other applicable laws such as the FCPA and the U.K. Bribery Act. In some instances, providing the requested courtesies is lawful and may be approved by the Office of the General Counsel and the Ethics Office. Requests should be made using the Business Courtesy Authorization Request (BCAR) online tool.

[p.35] Steer Clear of Accepting or Giving Improper Gifts

The company's business courtesy and conflict of interest policies require compliance with all applicable laws and the use of good judgment concerning giving or accepting gifts and other "things of value." Employees involved in purchasing goods and services for the company should not accept gifts from suppliers of more than nominal value (more than $20), such as promotional items, in order to avoid the appearance of favoritism. Gifts offered by employees to commercial customers must be reasonable and are also governed by company policy. With supervisory approval and where there is no conflict of interest, other employees may accept gifts and other business courtesies up to $100 (U.S.) in value. Acceptance of any gift or hospitality above $100 in value must be reviewed with and approved by the Ethics Office. Company policy allows accepting meals or entertainment so long as it is infrequent, not lavish, and supports company business interests (such as relationship building with business partners).

It is never permissible for Raytheon employees to solicit gifts or business courtesies. Government employees, both in the U.S. and in other countries, are subject to varied and complex rules that often prohibit them from accepting any items of value except as specifically provided under relevant regulations. For example, U.S. Government Executive Branch employees typically may only accept gifts (including food and refreshments) valued at $20 or less on a single occasion, and not exceeding $50 in a calendar year. Gifts to any elected officials may only be given in strict conformance with applicable laws and subject to advance approvals specified by company policy. Consult the Ethics Office or Office of the General Counsel if you are considering offering or receiving gifts or other business courtesies to or from government employees of any nation. We also comply with the U.S. Anti-Kickback Act, which similarly prohibits giving anything of value to an employee of a prime U.S. government contractor in order to obtain or reward favorable treatment. Similar laws and regulations apply to Raytheon international subsidiaries in their host countries.

Q: I am on a team evaluating bids from potential suppliers and one of the suppliers has offered to take me out sport fishing this weekend. May I accept the offer?

A: No. You must decline because the supplier's offer of the fishing trip has created a conflict of interest for you during the procurement process. The supplier's offer gives the appearance that it is intended to influence a favorable evaluation from you in return.

[p.36] Q: A service provider has offered me two tickets to a sporting event I'd love to attend. We do a fair amount of business with this service provider and I am a key point of contact with them. We are in the middle of a three-year agreement with the service provider

A: Our gift and conflict of interest policies permit you to accept the tickets under these circumstances. Positive relationship-building in this instance can benefit the company, so long as the business courtesy accepted is not lavish or frequent. If the tickets exceed $100 in value, you must review with and obtain approval from the Ethics Office.

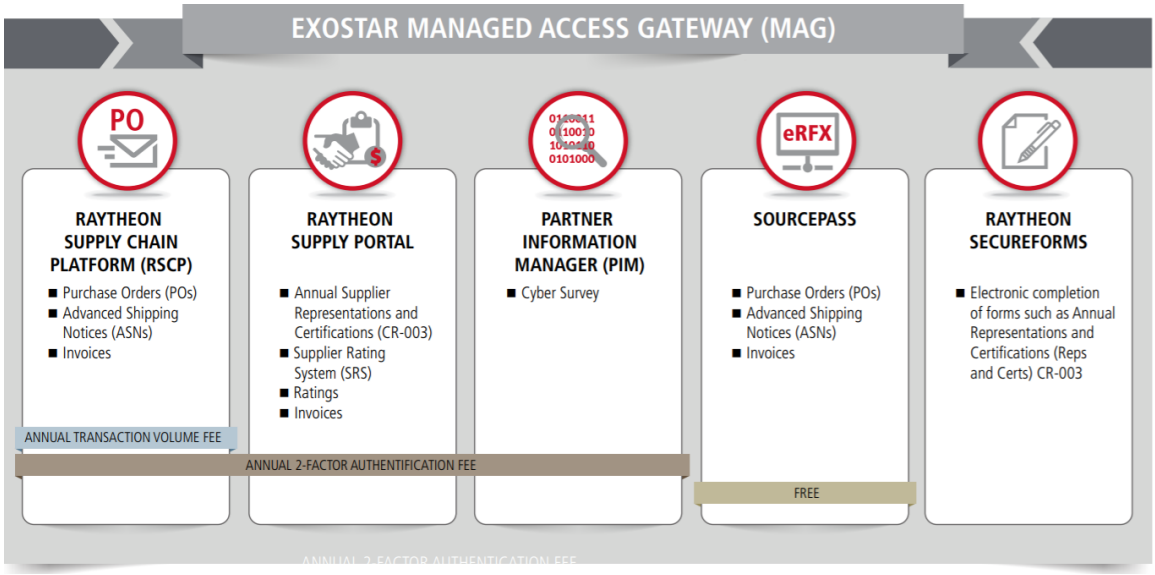
Q: I've become friends with a foreign military officer who is our customer. The officer is moving on to a new assignment, and I'd like to give him a commemorative plaque and also a beautiful coffee table book of photographs of our lovely local area.

A: The Office of the General Counsel or the Ethics Office will need to review your request. There is a reasonable chance your request may be approved, but a legal analysis will have to be completed first.

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
2
Comments
Based on publicly available information, there is evidence that the company requires the involvement of its procurement department in the establishment of new supplier relationships and that this department is responsible for providing oversight of the company's supplier base. There is evidence indicating that the company assures itself that proper procedures regarding the onboarding of suppliers are followed on at least an annual basis.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-SCM-005: SUPPLY CHAIN RESPONSIBILITY AND AUTHORITY, AND AUTHORZED PROCUREMENT AND PAYMENT METHODS This policy, which applies to all Raytheon organizations and personnel, establishes accepted methods to procure and pay for goods, materials, and services. The policy mandates that Supply Chain is the sole organization authorized to commit Raytheon to buy goods, materials, and services, except for limited, specified categories of expenditures made by Finance and Treasury, Human Resources, Legal, Real Estate, and Meetings, Events, and Trade Shows Planners. Requests for policy exceptions must be approved by the Business Chief Financial Officer, Business Functional Vice President, Business Supply Chain Vice President, and Business Director of Environmental, Health, Safety and Sustainability. Due diligence is performed on suppliers prior to making them active in Raytheon's Enterprise Supplier Data Master (ESDM) file or in the local vendor master file, and suppliers must be active in ESDM to receive payments from Raytheon. Where a one-time supplier payment outside of ESDM is required, Business Controller approval is required except for merger and acquisition transactions, job applicant out-of-pocket expenses, and legal settlements. In collaboration with Finance, Supply Chain monitors procurement activity and compliance with this policy. For more information regarding Raytheon's supply chain management, please see the Suppliers section of this website. **[5] Annual Report 2018 (Document)** **Accessed 30/08/2019** http://investor.raytheon.com/static-files/9f429227-9d18-4a7e-a2f6-12d5d71388d2 [p.51] Focus on the Customer and Execution Our customer focus continues to be critical to the execution of our strategy—underpinned by a focus on performance, relationships and solutions. Performance means being able to meet customer commitments, which is ensured through strong processes, metrics and oversight. We maintain a "process architecture" that spans our defense businesses and our broad programs and pursuits. It consists of enterprise-wide processes and systems such as: […] Raytheon Enterprise Supplier Assessment (RESA) tool for Supply Chain Management. These processes and systems are linked to an array of front-end and back-end metrics. With this structure, we are able to track results and be alerted to potential issues through numerous oversight mechanisms, including operating reviews and annual operating plan reviews.

[31] Supplier Readiness Guide (Webpage)
Accessed 25/09/2019
https://www.raytheon.com/sites/default/files/suppliers/rtnwcm/groups/corporate/documents/content/suppier-readiness.pdf
[p.4] Exostar® Overview Exostar® was founded in 2000 by Raytheon, Boeing, Lockheed Martin, BAE Systems and Rolls Royce to facilitate electronic transactions among themselves, their customers and suppliers.



[p.7] The Raytheon Supplier Portal features:

ƒ Supplier Rating System
ƒ Invoicing information
ƒ Supplier contact information
ƒ Bulletin board
ƒ Polling information
ƒ Business specific information
ƒ FAQs/training
ƒ SCAR response guidelines

Supplier Rating System

The Supplier Rating System provides a consistent method of rating suppliers across Raytheon. Sharing ratings with our suppliers opens the lines of communication, leading to improved relationships and improved quality and delivery to the service member.

[33] Enterprise Supplier Assessment Guide (Document)
Accessed 25/09/2019
https://www.raytheon.com/sites/default/files/2019-02/RESA_Overview_Jan_2019.pdf
[p.2] Introduction to RESA

 Provides common RTN methodology for assessing suppliers at various contract phases throughout the product life cycle depending on complexity and risk

• Capability
• Compliance
• New or existing supplier
• New or existing design
• Design complexity and/or design maturity

 Facilitates Raytheon & Supplier Engagement

[p.3]

Raytheon
Customer Success Is Our Mission

Assessment Process (IPO)

INPUT → PROCESS → OUTPUT

- Contractual Requirements
- Trained Assessors
- Standard Assessment Tools
- Standard Process

RESA Assessment

- Planning
- Communicating
- Evaluating
- Reporting
- Action Item Management

- Risks Identified and Mitigated
- Supplier Capability Understood
- Improvement Opportunities Identified
- Supplier Management Cost Reduced
- RTN/Supplier Relationship Improved
- Compliance Evidence
- Key Processes Defined

[p.5]

Raytheon
Customer Success Is Our Mission

RESA Chapter Descriptions

Chapter	Description
0	Quality Management Systems (QMS) Audit – This tool is used to audit the Supplier's compliance to industry quality management system requirements.
1	New Supplier Capability Assessment (NSCA) – This tool is used to assess a potential Supplier's general capabilities and management in the areas of Business, Material, Quality, Manufacturing, Engineering / Technology, and Finance.
2	Existing Supplier Capability Assessment (ESCA) – This tool is used to assess an existing Supplier to sustain ongoing business or in consideration of new program or Business needs.
3	Supplier Total Business Assessment (STBA) – This tool is used to assess the business health of a new Supplier and the Supplier's abilities to meet Raytheon's expectations and requirements in areas such as Leadership / Management, Material, Quality, Manufacturing, Engineering / Technology, Finance, etc.

[p.6]

Raytheon
Customer Success Is Our Missior

RESA Chapters Descriptions

Chapter	Description
4	Pre-Work Authorization Review (PWAR) – This tool is used to gain alignment with the Supplier on contractual requirements for a specific procurement, prior to authorizing work to begin. Focus areas reviewed during PWARs include technical requirements, key product characteristics, delivery requirements, schedule expectations, quality requirements, terms and conditions, etc.
5	Post Award Review (PAR) – This tool is used to assess the Supplier's compliance to contractual requirements for a specific procurement within the Supplier's factory or processes. Focus areas reviewed during PARs include technical requirements, key product characteristics, elivery requirements, schedule expectations, quality requirements, terms and conditions, etc.
6	Periodic Total Business Assessment (PTBA) – This tool is used to assess the business health of an existing Supplier and that Supplier's on-going ability to meet Raytheon's expectations and requirements in areas such as Leadership / Management, Material, Quality, Manufacturing, Engineering / Technology, Finance, etc.

[32] Our Suppliers (Webpage)
Accessed 25/09/2019
https://www.raytheon.com/suppliers
One Team Accomplishing A Global Mission

We are one global team creating trusted, innovative solutions to make the world a safer place. Our suppliers are an important and valued part of that global team. Welcome to the mission.

Every day, we work with our suppliers to deliver customer solutions that meet the highest standards of quality, affordability and performance while safeguarding our global community. We take that responsibility seriously and look to develop strong strategic relationships with suppliers who hold the same values and commitment to customer success.

Question

6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?

Score

2

Comments

Based on publicly available information, there is evidence the company has formal procedures to conduct risk-based due diligence when engaging and re-engaging with any suppliers. The due diligence process includes establishing the ultimate beneficial ownership of the supplying company with the highest risk suppliers subject to enhanced due diligence. The company indicates that this process is conducted at least every two years or as a result of changes in the business relationship such as contract modifications. There is evidence that the company's due diligence procedure is accompanied by a clear statement that the company will terminate or not proceed with a supplier relationship if a red flag identified in due diligence cannot be mitigated.

Evidence

[41] Anti-Corruption Policies – Updated (Webpage)
Accessed 06/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-CON-016: DUE DILIGENCE FOR INTERNATIONAL THIRD PARTIES AND TRANSACTIONS
Raytheon's Due Diligence for International Third Parties and Transactions policy sets forth the disciplined risk-based due diligence that must be performed for all international parties including: customers, suppliers, JV partners, offset service providers, and other third parties; as well as for international transactions. This policy also provides guidance on doing business with countries under US or other applicable sanctions or restrictions (including requiring senior management review) and incorporates enhanced internal controls to ensure compliance with anti-corruption laws.

The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. Where a red flag cannot be mitigated, Raytheon will not engage with a third party or, if already engaged, will terminate the relationship with a third party. The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database, which provides company-wide access to the results of all due diligence for review by all Raytheon employees. Further, the due diligence process on international parties, including offset providers is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years.

[17] Due Diligence Policies (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence
DUE DILIGENCE

All Raytheon third-parties must undergo comprehensive, rigorous, and continuous risk-based due diligence screening and monitoring, with high risk transactions and parties receiving enhanced due diligence. Risk-based factors include, for example, the location of the party/transaction, size of the transaction, type of transaction, etc. The Raytheon due diligence process ensures that "red flags" are quickly identified and then ensures these concerns are addressed — with the assistance of legal counsel as appropriate — to mitigate potential corruption and other risks that might affect a relationship with a party generally or in the context of a specific transaction. The due diligence process includes analysis of ownership, to include identification of foreign government/foreign government agency ownership interest. A positive indication of foreign government/foreign government agency ownership interest is considered a "red flag" and escalated to the Office of General Counsel for review. The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database (3D), which provides companywide access to the results of all due diligence for review and use by all Raytheon employees. Further, due diligence on international parties is refreshed as change orders and contract modifications arise, but no less than every two years.

OUR DUE DILIGENCE PROCESSES INCLUDE:

International Party Due Diligence (IPDD) is a focused assessment of each non-U.S. supplier, person, company, representative, consultant, offset service provider, prime contractor, customer, teammate, joint venturer, or other

party, affiliated with a transaction in which Raytheon is considering entering into an international contractual relationship (International Party). IPDD focuses on the specific party to identify, resolve, or mitigate (if possible) legal, ethical, reputational, financial, or other risks that may adversely affect the proposed business relationship. IPDD provides reasonable assurances that the Company has adequate information to make an informed decision about the international party before entering into a contractual or business relationship.

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-SCM-005: SUPPLY CHAIN RESPONSIBILITY AND AUTHORITY, AND AUTHORZED PROCUREMENT AND PAYMENT METHODS

[…] Due diligence is performed on suppliers prior to making them active in Raytheon's Enterprise Supplier Data Master (ESDM) file or in the local vendor master file, and suppliers must be active in ESDM to receive payments from Raytheon. Where a one-time supplier payment outside of ESDM is required, Business Controller approval is required except for merger and acquisition transactions, job applicant out-of-pocket expenses, and legal settlements. In collaboration with Finance, Supply Chain monitors procurement activity and compliance with this policy.

RP-SCM-006: INTERNATIONAL SUPPLY CHAIN MANAGEMENT

[…] Raytheon's International Supply Chain Management policy mandates thorough due diligence of all foreign suppliers. The level of due diligence depends of the supplier's and transactional risk profile. The due diligence process includes analysis of ownership, to include identification of foreign government/foreign government agency ownership interest, and all parties that are foreign government owned or controlled are subject to enhanced due diligence. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's 3D database, which provides companywide access to the results of all due diligence for review by all Raytheon employees.

Terms and conditions of international purchase orders require warranties of compliance with applicable anti-corruption laws and breach of these warranties are grounds for cancellation of the purchase order and other remedies. The terms and conditions also include anti-corruption warranties with respect to the supplier's subcontractors. For more information, please refer to the International General Terms and Conditions of Purchase (TC-004) on the Suppliers section of this website.

RP-CON-016: DUE DILIGENCE FOR INTERNATIONAL THIRD PARTIES AND TRANSACTIONS

Raytheon's Due Diligence for International Third Parties and Transactions policy sets forth the disciplined risk-based due diligence that must be performed for all international parties including: customers, suppliers, JV partners, offset service providers, and other third parties; as well as for international transactions. This policy also provides guidance on doing business with countries under US or other applicable sanctions or restrictions (including requiring senior management review) and incorporates enhanced internal controls to ensure compliance with anti-corruption laws. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database, which provides companywide access to the results of all due diligence for review by all Raytheon employees. Further, the due diligence process on international parties, including offset providers is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years.

[4] Corporate Governance (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/corporate-governance
Anti-corruption

The Foreign Corrupt Practices Act requires strict internal controls to ensure employees, suppliers, consultants, representatives and agents comply with all applicable laws governing international business practices. This includes vetting of potential business partners and using accounting procedures to prevent concealment of bribery or other unlawful financial transactions.

[16] Anti-Corruption Awareness Compliance and Education (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Third-Party Due Diligence and Payments – Raytheon understands that third-parties pose the biggest anti-corruption risk and has dedicated significant resources to develop a strong due diligence process, which leverages payment controls as a check on potential corrupt activities.

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
2
Comments
Based on publicly available information, there is evidence that the company requires suppliers to have adequate anti-bribery and corruption policies and procedures in place. The company states that all suppliers must adhere to, or maintain its own policies equivalent to, its Code of Conduct. There is evidence that this document prohibits domestic and foreign bribery, corrupt activity and contains procedures to manage conflicts of interest, gifts and hospitality, and whistleblowing and reporting procedures. In addition, there is evidence that the company requires its suppliers to comply with the Code of Conduct as part of the contractual agreement. There is some evidence that the company conducts assurance when onboarding new suppliers and on an ongoing basis.
Evidence
[17] Due Diligence Policies (Webpage) **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence The Company's standard terms and conditions for purchase orders require suppliers to abide by Raytheon's Code of Conduct or the supplier's equivalent ethics and conduct standards. Additionally, the terms and conditions require warranties of compliance with applicable anti-corruption laws, and breach of these warranties are grounds for cancellation of the purchase order. **[13] Supplier Terms and Conditions (Document)** **Accessed 19/09/2019** https://www.raytheon.com/sites/default/files/2019-08/tc_001_1017.pdf [p.1] GENERAL TERMS AND CONDITIONS OF PURCHASE TC-001 (10/17) 1. Acceptance of Purchase Order Agreement by Seller to furnish the materials, parts, and products ("goods") or services, including the products resulting from services hereby ordered, or its commencement of such performance, or acceptance of any payment, shall constitute Seller's unqualified acceptance of this Purchase Order subject to these terms and conditions. [p.8] 19. Compliance with Law (a) Compliance with Laws. Seller warrants that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations, including but not limited to: 1. all U.S. laws and regulations; 2. the laws and regulations of Seller's place of performance; [p.9] 3. the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"), and other Anti-Corruption Requirements as defined in paragraph 19(b), below; 4. applicable international prohibitions on child labor; 5. the Fair Labor Standards Act of 1938, as amended (the "FLSA"), and of regulations and orders of the United States Department of Labor under the FLSA; 6. the Anti-Kickback Act of 1986; 7. the latest Occupational Safety and Health Act of 1970 (OSHA) requirements; and 8. U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations.

(b) Anti-Corruption Requirements. Seller acknowledges that its actions may subject it and Buyer to liability under the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"), the UK Bribery Act 2010, the anti-corruption laws, regulations, and policies of the home country of any supplier to this Purchase Order, the United States of America, and/or the anti-corruption laws, regulations, and policies of any other country with jurisdiction over the activities performed pursuant to this Purchase Order (together and individually hereinafter referred to as the "Anti-Corruption Requirements").

(c) Anti-Corruption Representation and Warranty. Seller represents and warrants to, and covenants and agrees with, Buyer that:

1. Seller is familiar with the prohibitions under the Anti-Corruption Requirements, and, in particular, it is familiar with the requirements described in clause 19(c)(3).

2. No compensation payable hereunder has been used, nor will be used, for any activity or purpose where a reasonable belief exists that the Anti-Corruption Requirements would be violated or that Seller or Buyer would be exposed to liability under the Anti-Corruption Requirements.

3. In connection with its performance of this Purchase Order, Seller has not, and has not either agreed to or directly or indirectly, offered, paid, given, promised to pay or give, or authorized the payment or giving of any money, gift, loan, fee, reward, advantage or anything of value, and will not either agree to or directly or indirectly, offer, pay, give, promise to pay or give, or authorize the payment or giving of any money, gift, loan, fee, reward, advantage, or anything of value to:

(i) (A) any officer or employee of a foreign government or any department or agency thereof, whether at the national, regional, or local level,

(B) any officer or employee of any entity, enterprise or organization that is owned or controlled by a foreign government or any department or agency thereof;

(C) any officer or employee of a public international organization,

(D) any person acting in an official capacity for or on behalf of any such government or department, agency, entity, enterprise, or organization, or

(E) any member of a political party or candidate for public office in a foreign country (together and individually hereinafter referred to as "Government Official");

(ii) any customer, or any officer, director, employee of a customer, or any shareholder or beneficial owner of shares in a customer or any affiliate of a customer or any person who has or exercises control over the customer or any affiliate of the customer (together and individually hereinafter referred to as "Customer Personnel").

(iii) any person while knowing or having reason to know that all or a portion of such money, gift, loan, fee, reward, advantage, or thing of value will be offered, paid, given or promised, directly or indirectly, to any Government Official or Customer Personnel ("Restricted Person"); or

[p.10] (iv) any relative, close associate, agent or representative of a Government Official, Customer Personnel, or Restricted Person, for the purpose of:

(A) influencing or attempting to influence any act or decision of any Government Official, Customer Personnel, or Restricted Person acting in an official capacity, or influencing or attempting to influence any Government Official, Customer Personnel, or Restricted Person to do or omit to do any act in violation of his, her or its lawful duty, obligation or responsibility;

(B) inducing or attempting to induce a Government Official, Customer Personnel or Restricted Person to use his, her, or its influence to affect or influence any act or decision of a customer, a foreign government, a foreign agency, a public international organization or department thereof, or any entity, enterprise or organization controlled by a foreign government, a foreign agency or a public international organization

(C) rewarding a Government Official, Customer Personnel, or Restricted Person for doing or forbearing to do anything in respect of any matter or transaction; or

(D) assisting Seller or Buyer in obtaining or retaining business, improving profitability or revenues of Buyer or Seller, or receiving any improper advantage by securing business, or directing business for, with, or to any person.

4. None of Seller's principals, consultants, subcontractors, officers, directors, shareholders, employees, or agents is a Government Official, Customer Personnel, or Restricted Person unless approved by Buyer. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees or agents has performed or will perform any act which Buyer could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which Buyer could reasonably believe would cause Buyer to be in violation of the Anti-Corruption Requirements, or present a credible risk, as determined by Buyer, of a violation of the Anti-Corruption Requirements.

[p.18] 25. Standards of Business Ethics and Conduct

By the acceptance of this Purchase Order, Seller represents that it has not participated in any conduct in connection with this Purchase Order that violates the Raytheon Code of Conduct (available at http://www.raytheon.com/ourcompany/ourculture/code/) or, alternatively, the equivalent business ethics and conduct standards of Seller. If, at any time, Buyer determines that Seller is in violation of the applicable Standards of Business Ethics and Conduct, Buyer may cancel this Purchase Order upon written notice to Seller and Buyer shall have no further obligation to Seller.

[2] Statement on the Code of Conduct (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/ourcompany/ourculture/code
Code Of Conduct

The Code applies to company directors, officers and employees, and in certain respects to suppliers, consultants, representatives and agents. The Code is fundamental to how we do business and reinforces the responsibilities we all share in protecting Raytheon's reputation.

[4] Corporate Governance (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/corporate-governance
At Raytheon, compliance is everyone's responsibility. It's at the core of our corporate reputation, embedded in the work we do to protect members of the military and critical to our growth strategy.

Anti-corruption
The Foreign Corrupt Practices Act requires strict internal controls to ensure employees, suppliers, consultants, representatives and agents comply with all applicable laws governing international business practices. This includes vetting of potential business partners and using accounting procedures to prevent concealment of bribery or other unlawful financial transactions.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.4] Avoid Conflicts of Interest
Raytheon expects that we will avoid any actual or potential conflicts that might arise when our loyalties are split between our personal interests and the interests of the company. Appearances are important, so we must avoid even the appearance of a conflict of interest. Some situations that may raise conflicts of interest include:

- Dual or prior employment with a customer, competitor, or supplier
- Placing business where the employee or a family member has a financial stake
- Acting independently as a consultant to a Raytheon customer or supplier
- Accepting an item of value from a supplier or potential supplier without proper approvals

[p.31] Protect Our Reputation in the Global Business Arena: Anti-corruption

Raytheon expects its leaders, employees, suppliers, consultants, representatives and agents to protect the company's reputation for integrity in the global marketplace. To reinforce this expectation, Raytheon prohibits improper international business practices and requires that Raytheon personnel comply with company policies, the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws of host nations, related anti-bribery conventions, and all

other applicable laws. Raytheon (i) prohibits offering anything of value to foreign officials for the purpose of influencing that foreign official or to secure any improper advantage in order to obtain or retain business, and (ii) maintains strict internal accounting controls to prevent concealment of bribery or other financial transactions. If you have any questions, please consult with the Anti-Corruption & International Agreements team to ensure compliance with all anti-corruption laws.

[p.32] Properly Engaging International Third Parties

Actions by those who conduct business on Raytheon's behalf affect the company's reputation. In some cases, Raytheon may even be legally accountable for actions taken by third parties (e.g. suppliers, offset providers, joint venture partners, and other parties with whom we work). Therefore, it is imperative that Raytheon properly engage all third parties. It is the policy of Raytheon to encourage and ensure compliance by third parties with Raytheon Values and policies, as well as the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws of host nations, related anti-bribery conventions, and all other applicable laws.

[p.35] The company's business courtesy and conflict of interest policies require compliance with all applicable laws and the use of good judgment concerning giving or accepting gifts and other "things of value." Employees involved in purchasing goods and services for the company should not accept gifts from suppliers of more than nominal value (more than $20), such as promotional items, in order to avoid the appearance of favoritism. Gifts offered by employees to commercial customers must be reasonable and are also governed by company policy. With supervisory approval and where there is no conflict of interest, other employees may accept gifts and other business courtesies up to $100 (U.S.) in value. Acceptance of any gift or hospitality above $100 in value must be reviewed with and approved by the Ethics Office. Company policy allows accepting meals or entertainment so long as it is infrequent, not lavish, and supports company business interests (such as relationship building with business partners). It is never permissible for Raytheon employees to solicit gifts or business courtesies. Government employees, both in the U.S. and in other countries, are subject to varied and complex rules that often prohibit them from accepting any items of value except as specifically provided under relevant regulations.

[The document goes on to list the details of various channels for reporting violations and concerns]

[10] Supplier Guide To Doing Business (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/sites/default/files/rtnwcm/groups/corporate/documents/content/supplier-guide-doing-business.pdf
[p.8] RAYTHEON'S VISION AND VALUES

Raytheon's vision and values are the foundation of our company. They serve as the roadmap for our accomplishments and the benchmark by which we measure our performance each year.

Learn more about our Code of Conduct and our commitment to ethics.

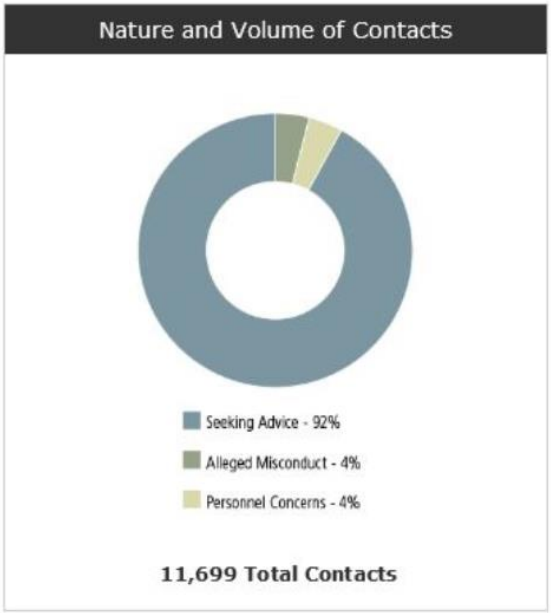
[41] Anti-Corruption Policies – Updated (Webpage)
Accessed 06/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-SCM-005: SUPPLY CHAIN RESPONSIBILITY AND AUTHORITY, AND AUTHORIZED PROCUREMENT AND PAYMENT METHODS
[...]

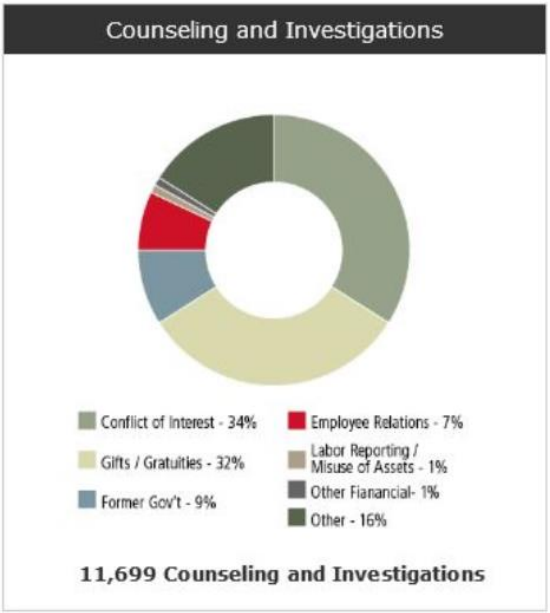
In collaboration with Finance, Supply Chain monitors procurement activity and compliance with this policy via mechanisms such as regular reporting, transaction reviews prior to issuance of payment, site visits, quality control checks, and exercise of audit rights, where applicable and appropriate. For more information regarding Raytheon's supply chain management, please see the Suppliers section of this website.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
2
Comments
Based on publicly available information, there is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain. There is evidence that the company includes a provision in its terms and conditions that none of the supplier's subcontractors are permitted to violate any of the anti-corruption regulations, laws or policies referenced in the supplier terms and conditions.
Evidence
[13] Supplier Terms and Conditions (Document) **Accessed 19/09/2019** https://www.raytheon.com/sites/default/files/2019-08/tc_001_1017.pdf [p.8] 19. Compliance with Law (a) Compliance with Laws. Seller warrants that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations, including but not limited to: 1. all U.S. laws and regulations; 2. the laws and regulations of Seller's place of performance; [p.9] 3. the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA"), and other Anti-Corruption Requirements as defined in paragraph 19(b), below; 4. applicable international prohibitions on child labor; 5. the Fair Labor Standards Act of 1938, as amended (the "FLSA"), and of regulations and orders of the United States Department of Labor under the FLSA; 6. the Anti-Kickback Act of 1986; 7. the latest Occupational Safety and Health Act of 1970 (OSHA) requirements; and 8. U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations. […] 4. None of Seller's principals, consultants, subcontractors, officers, directors, shareholders, employees, or agents is a Government Official, Customer Personnel, or Restricted Person unless approved by Buyer. Neither Seller nor any of its principals, consultants, subcontractors, shareholders, directors, officers, employees or agents has performed or will perform any act which Buyer could reasonably believe would constitute a violation of the Anti-Corruption Requirements or which Buyer could reasonably believe would cause Buyer to be in violation of the Anti-Corruption Requirements, or present a credible risk, as determined by Buyer, of a violation of the Anti-Corruption Requirements.

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
1
Comments
There is evidence that the company publishes high-level data from ethical incidents and investigations, and that this includes reports from and about suppliers and contractors. The data includes the number of allegations made and the number of disciplinary actions as a result of investigation findings. This data is published at regular intervals, on at least an annual basis. However, the company receives a score of '1' because the data is not disaggregated to show supplier data as separate from other types of individuals, such as company employees.
Evidence

[39] Anti-Corruption Overview – Updated (Webpage)
Accessed 05/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Raytheon employees increasingly seek advice from the Ethics Office about a variety of workplace issues. In 2018, 92% of all contacts with Ethics were of this nature. The Ethics Office responds to these inquiries by counseling employees about potential conflicts of interest, post- U.S. government employment restrictions, gifts and gratuities, and a wide range of other topics. Employees have confidence in our processes, as over 97% choose to identify themselves when contacting Ethics. Our 2018 Ethics metrics, which include contacts and reports of alleged misconduct received through Ethics reporting channels from both internal and external sources, are as follows.





Any Ethics investigation into third parties, such as suppliers, are included in these metrics. Of the investigations into misconduct completed in 2018, 49% resulted in disciplinary action, which included verbal reprimand, written reprimand, suspension, compensation reduction, and/or termination.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
2
Comments
There is publicly available evidence that the company has a policy to control the use of agents, which addresses the associated corruption risks and provides details of specific controls to mitigate these risks. As part of this policy, the company commits to establishing and verifying that the use of an agent is, in each case, based on a legitimate business need. The company states that this policy applies to all divisions within the organisation which might employ agents, including subsidiaries and joint ventures where the company has a controlling interest.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-003: INTERNATIONAL BUSINESS DEVELOPMENT PARTNER COSTS, BIDDING, ACCOUNTING AND PAYMENT OF The company recognizes the need for international representatives and consultants to complement the company's business development efforts in achieving a cost-efficient, international marketing network for the company's products and services. It is company policy to comply with all laws and regulations governing the company's domestic and foreign operations, and to conduct its international marketing efforts in keeping with the highest moral, legal and ethical standards. Raytheon's Authorization and Processing of International Representative and Consultant Agreements policy sets forth direction on the appointment and use of International representatives and consultants; provides direction on due diligence review procedures applicable to all international representatives and consultants; and ensures that all international representatives and consultants are fully trained in, and comply with, the company's Code of Conduct, other applicable policies and procedures, the Foreign Corrupt Practices Act, as amended (FCPA), and all other applicable U.S. and foreign laws. In addition, Raytheon's International Sales Representative and Consultant Costs, Bidding, Accounting and Payment of policy establishes uniform practices and controls for the bidding, accounting and payment of international sales representative and consultant costs. RP-OGC-024: AUTHORIZATION, PROCESSING, AND MONITORING OF INTERNATIONAL BUSINESS DEVELOPMENT PARTNER AGREEMENTS This policy, which applies to all Raytheon organizations, wholly-owned subsidiaries and landed companies, and any other entity where Raytheon has a controlling ownership interest, other than Forcepoint entities, outlines Raytheon's process for engaging and monitoring international business development partners (IBDPs) including representatives, consultants and business advisors. (Note that offset providers are covered in RP-CON-016 above). All international business development partner engagements and renewal activities undergo enhanced due diligence conducted by ACIA. The process includes a requirement to document the business need for a third party and dynamic screening during the life-cycle of an IBDP agreement. ACIA's due diligence includes an in person interview, Restricted Party and Politically Exposed Person screenings, financial records review, key person analysis, review of company background reports from commercial sources, and expanded due diligence for high-risk engagements.

Raytheon will not engage an IBDP where Raytheon does not have sufficient information to determine whether there is a foreign government ownership interest. This review and approval process is rooted in the Foreign Corrupt Practices Act and similar anti-corruption laws and aided by the Raytheon Due Diligence Guidebook, the Raytheon Due Diligence Database, the TI Corruption Perceptions Index, Restricted Party Screening, a robust approval matrix, and standardized agreements with anti-corruption terms and auditing rights and contractual rights to enforce our anti-corruption standards. All new IBDPs are approved by the Business Unit Office of General Counsel, ACIA, Raytheon Washington Office General Counsel, Raytheon International, and the Senior Vice-President of Business Development. Further, the due diligence process is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years. The policy requires that compensation for any IBDP is reasonable, economically justified, commensurate with the services rendered, and in compliance with anti-corruption laws. Raytheon monitors IBDP activities on a periodic basis to ensure compliance with Raytheon requirements and anti-corruption laws and regulations.

[16] Anti-Corruption Awareness Compliance and Education (Webpage)
Accessed 20/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
IBDP Training – Raytheon's International Business Development Partners (IBDPs) must complete anti-corruption training provided by the Company. At a minimum, IBDPs receive face-to-face training by qualified Raytheon personnel at least every two years. ACIA tracks IBDPs' completion of anti-corruption training, and Raytheon will not renew an IBDP agreement unless required training is completed. Raytheon assigns additional on-line training modules to the IBDPs on an annual basis.

[19] Risk Assessment and Sustainment Process (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment
INTERNATIONAL BUSINESS DEVELOPMENT PARTNER APPROVAL & OVERSIGHT COMMITTEE (IBDP AOC):

The IBDP AOC is comprised of the following members or their delegates: General Counsel, President of Raytheon International, Chief Financial Officer, CECO, ACIA Senior Director, and Business Unit Vice Presidents on a rotating basis. The IBDP AOC meets at least twice a year and reviews and oversees higher-risk IBDP engagements, to include a review of requests to exceed standard compensation caps, review of engagements in higher-risk jurisdictions, and review and adjudication of significant issues on the terms and conditions of an IBDP engagement or renewal.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.1] 0B1. Purpose

1.1 This policy sets forth Raytheon's position of complete commitment to fight corruption and bribery, and our comprehensive approach to protect against corruption and bribery in any dealings related to our company.

1B2. Persons Affected

2.1 This policy applies to all organizations within Raytheon Company, as defined by Raytheon policy RP-AD-001. It governs our Board of Directors, all employees, and third parties who work for us, such as:

- Business partners
- Consultants
- Contractors
- Lobbyists
- Representatives

[p.3] 4.3 You also must not:

4.3.1 Request, seek, or accept anything of value if it creates even the appearance of seeking or providing an improper business advantage.

4.3.2 Help anyone engage in kickbacks, bribery, or any other corrupt activity.

4.4 You must use special care when dealing with non-Raytheon parties, such as consultants, representatives, contractors, partners, and suppliers, because we can be liable, as a company, if we fail to prevent their misconduct.

4.4.1 You must follow our rules for vetting and retaining such entities.

See these related Raytheon policies:

a. RP-CON-016 outlines our due diligence requirements and process.
b. RP-OGC-024 and RP-OGC-003 cover requirements for engagement of and payments to International Business Development Partners.
c. RP-SCM-006 covers foreign suppliers.
d. RP-BD-004 focuses on offset / industrial partner engagement requirements.
e. RP-SCM-001 covers Domestic Consultants with International Addendums.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
2
Comments
Based on publicly available information, there is evidence the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to engaging and re-engaging any agents and intermediaries, at least every two years, or when there is a significant change in the business relationship. There is evidence that agents and high-risk third parties and contractors are subject to enhanced due diligence. In addition, the company indicates that it will not employ agents in cases where due diligence cannot rule out a foreign-government ownership interest, which indicates – though indirectly – that it commits to potentially terminating engagement with third parties where a red flag cannot be mitigated.
Evidence
[17] Due Diligence Policies (Webpage) **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence DUE DILIGENCE All Raytheon third-parties must undergo comprehensive, rigorous, and continuous risk-based due diligence screening and monitoring, with high risk transactions and parties receiving enhanced due diligence. Risk-based factors include, for example, the location of the party/transaction, size of the transaction, type of transaction, etc. The Raytheon due diligence process ensures that “red flags” are quickly identified and then ensures these concerns are addressed — with the assistance of legal counsel as appropriate — to mitigate potential corruption and other risks that might affect a relationship with a party generally or in the context of a specific transaction. The due diligence process includes analysis of ownership, to include identification of foreign government/foreign government agency ownership interest. A positive indication of foreign government/foreign government agency ownership interest is considered a “red flag” and escalated to the Office of General Counsel for review. The results of all due diligence reviews are documented and recorded in Raytheon’s Due Diligence Database (3D), which provides companywide access to the results of all due diligence for review and use by all Raytheon employees. Further, due diligence on international parties is refreshed as change orders and contract modifications arise, but no less than every two years. OUR DUE DILIGENCE PROCESSES INCLUDE: International Party Due Diligence (IPDD) is a focused assessment of each non-U.S. supplier, person, company, representative, consultant, offset service provider, prime contractor, customer, teammate, joint venturer, or other party, affiliated with a transaction in which Raytheon is considering entering into an international contractual relationship (International Party). IPDD focuses on the specific party to identify, resolve, or mitigate (if possible) legal, ethical, reputational, financial, or other risks that may adversely affect the proposed business relationship. IPDD provides reasonable assurances that the Company has adequate information to make an informed decision about the international party before entering into a contractual or business relationship. **[15] Anti-Corruption Policies (Webpage)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-003: INTERNATIONAL BUSINESS DEVELOPMENT PARTNER COSTS, BIDDING, ACCOUNTING AND PAYMENT OF The company recognizes the need for international representatives and consultants to complement the company’s business development efforts in achieving a cost-efficient, international marketing network for the company’s products and services. It is company policy to comply with all laws and regulations governing the company’s domestic and foreign operations, and to conduct its international marketing efforts in keeping with the highest moral, legal and ethical standards.

Raytheon's Authorization and Processing of International Representative and Consultant Agreements policy sets forth direction on the appointment and use of International representatives and consultants; provides direction on due diligence review procedures applicable to all international representatives and consultants; and ensures that all international representatives and consultants are fully trained in, and comply with, the company's Code of Conduct, other applicable policies and procedures, the Foreign Corrupt Practices Act, as amended (FCPA), and all other applicable U.S. and foreign laws.

In addition, Raytheon's International Sales Representative and Consultant Costs, Bidding, Accounting and Payment of policy establishes uniform practices and controls for the bidding, accounting and payment of international sales representative and consultant costs.

RP-OGC-024: AUTHORIZATION, PROCESSING, AND MONITORING OF INTERNATIONAL BUSINESS DEVELOPMENT PARTNER AGREEMENTS

This policy, which applies to all Raytheon organizations, wholly-owned subsidiaries and landed companies, and any other entity where Raytheon has a controlling ownership interest, other than Forcepoint entities, outlines Raytheon's process for engaging and monitoring international business development partners (IBDPs) including representatives, consultants and business advisors. (Note that offset providers are covered in RP-CON-016 above). All international business development partner engagements and renewal activities undergo enhanced due diligence conducted by ACIA. The process includes a requirement to document the business need for a third party and dynamic screening during the life-cycle of an IBDP agreement. ACIA's due diligence includes an in person interview, Restricted Party and Politically Exposed Person screenings, financial records review, key person analysis, review of company background reports from commercial sources, and expanded due diligence for high-risk engagements.

Raytheon will not engage an IBDP where Raytheon does not have sufficient information to determine whether there is a foreign government ownership interest. This review and approval process is rooted in the Foreign Corrupt Practices Act and similar anti-corruption laws and aided by the Raytheon Due Diligence Guidebook, the Raytheon Due Diligence Database, the TI Corruption Perceptions Index, Restricted Party Screening, a robust approval matrix, and standardized agreements with anti-corruption terms and auditing rights and contractual rights to enforce our anti-corruption standards. All new IBDPs are approved by the Business Unit Office of General Counsel, ACIA, Raytheon Washington Office General Counsel, Raytheon International, and the Senior Vice-President of Business Development. Further, the due diligence process is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years.

[4] Corporate Governance (Webpage)
Accessed 30/08/2019
https://www.raytheon.com/responsibility/approach/corporate-governance
The Foreign Corrupt Practices Act requires strict internal controls to ensure employees, suppliers, consultants, representatives and agents comply with all applicable laws governing international business practices. This includes vetting of potential business partners and using accounting procedures to prevent concealment of bribery or other unlawful financial transactions.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.32] It is the policy of Raytheon to encourage and ensure compliance by third parties with Raytheon Values and policies, as well as the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws of host nations, related anti-bribery conventions, and all other applicable laws. Raytheon personnel conduct robust, risk-based due diligence when engaging third parties. The objective of Raytheon's due diligence process is to identify all "red flags" prior to engagement, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate potential corruption and other risks posed by a party generally or in the context of a specific transaction.

The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database (3D), which provides companywide access to due diligence results.

Raytheon also has a centralized and rigorous due diligence process for international business development partners (e.g. representatives and consultants). The review and approval process is rooted in U.S. and non-U.S. anti-corruption laws and aided by the Raytheon Due Diligence Guidebook, Raytheon's Compliance Operations Network (RECON), the Transparency International (TI) Corruption Perceptions Index, Restricted Party Screening,

defined approval matrices, and standardized agreements with auditing rights and contractual rights that allow us to enforce our standards. Raytheon refreshes its due diligence frequently as change orders and modifications arise, but in any event, no less than once every two years.

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
2
Comments
The company states that it has formal procedures to establish the beneficial ownership of agents prior to engaging them, and at least every two years and/or when there is a significant change in the business relationship. There is evidence that the company's due diligence involves checks on foreign government ownership interests of third parties, which is assumed to also apply to beneficial ownership in general. In addition, there is evidence that the company undertakes to independently verify this beneficial ownership information. There is some indication that the company commits to not engaging or terminating its engagement with agents or intermediaries where ultimate beneficial ownership cannot be established.
Evidence
[17] Due Diligence Policies (Webpage) **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence All Raytheon third-parties must undergo comprehensive, rigorous, and continuous risk-based due diligence screening and monitoring, with high risk transactions and parties receiving enhanced due diligence. Risk-based factors include, for example, the location of the party/transaction, size of the transaction, type of transaction, etc. The Raytheon due diligence process ensures that "red flags" are quickly identified and then ensures these concerns are addressed — with the assistance of legal counsel as appropriate — to mitigate potential corruption and other risks that might affect a relationship with a party generally or in the context of a specific transaction. The due diligence process includes analysis of ownership, to include identification of foreign government/foreign government agency ownership interest. A positive indication of foreign government/foreign government agency ownership interest is considered a "red flag" and escalated to the Office of General Counsel for review. The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database (3D), which provides companywide access to the results of all due diligence for review and use by all Raytheon employees. Further, due diligence on international parties is refreshed as change orders and contract modifications arise, but no less than every two years. **[15] Anti-Corruption Policies (Webpage)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-024: AUTHORIZATION, PROCESSING, AND MONITORING OF INTERNATIONAL BUSINESS DEVELOPMENT PARTNER AGREEMENTS This policy, which applies to all Raytheon organizations, wholly-owned subsidiaries and landed companies, and any other entity where Raytheon has a controlling ownership interest, other than Forcepoint entities, outlines Raytheon's process for engaging and monitoring international business development partners (IBDPs) including representatives, consultants and business advisors. (Note that offset providers are covered in RP-CON-016 above). All international business development partner engagements and renewal activities undergo enhanced due diligence conducted by ACIA. The process includes a requirement to document the business need for a third party and dynamic screening during the life-cycle of an IBDP agreement. ACIA's due diligence includes an in person interview, Restricted Party and Politically Exposed Person screenings, financial records review, key person analysis, review of company background reports from commercial sources, and expanded due diligence for high-risk engagements. Raytheon will not engage an IBDP where Raytheon does not have sufficient information to determine whether there is a foreign government ownership interest. This review and approval process is rooted in the Foreign Corrupt Practices Act and similar anti-corruption laws and aided by the Raytheon Due Diligence Guidebook, the Raytheon Due Diligence Database, the TI Corruption Perceptions Index, Restricted Party Screening, a robust approval matrix, and standardized agreements with anti-corruption terms and auditing rights and contractual rights to enforce our anti-corruption standards. All new IBDPs are approved by the Business Unit Office of General Counsel, ACIA, Raytheon Washington Office General Counsel, Raytheon International, and the Senior Vice-President of Business Development. Further, the due diligence process is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years.

Question
7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
2
Comments
Based on publicly available information, there is evidence the company's Anti-Corruption Policy and Code of Conduct apply to all agents and intermediaries acting for or on behalf of the company. The company states that all agents and intermediaries are subject to anti-bribery and corruption clauses in their contracts, which include audit and termination rights.
Evidence

[15] Anti-Corruption Policies (Webpage)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-OGC-003: INTERNATIONAL BUSINESS DEVELOPMENT PARTNER COSTS, BIDDING, ACCOUNTING AND PAYMENT OF

The company recognizes the need for international representatives and consultants to complement the company's business development efforts in achieving a cost-efficient, international marketing network for the company's products and services. It is company policy to comply with all laws and regulations governing the company's domestic and foreign operations, and to conduct its international marketing efforts in keeping with the highest moral, legal and ethical standards.

Raytheon's Authorization and Processing of International Representative and Consultant Agreements policy sets forth direction on the appointment and use of International representatives and consultants; provides direction on due diligence review procedures applicable to all international representatives and consultants; and ensures that all international representatives and consultants are fully trained in, and comply with, the company's Code of Conduct, other applicable policies and procedures, the Foreign Corrupt Practices Act, as amended (FCPA), and all other applicable U.S. and foreign laws.

In addition, Raytheon's International Sales Representative and Consultant Costs, Bidding, Accounting and Payment of policy establishes uniform practices and controls for the bidding, accounting and payment of international sales representative and consultant costs.

[17] Due Diligence Policies (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence
Raytheon incorporates strong anti-corruption provisions into its contractual documents. Raytheon also incorporates audit and termination provisions into contractual documents with international representatives and consultants. Third parties must agree to these terms prior to working with Raytheon.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.13] Raytheon's Values of Trust, Respect, Collaboration, Innovation and Accountability are the foundation for our Code of Conduct. The Code provides guidance about business behavior expected of the Raytheon community as we work and interact with fellow employees, customers, suppliers and other stakeholders. The Code applies to company directors, officers and employees, and in certain respects to suppliers, consultants, representatives and agents. The Code is fundamental to how we do business and reinforces the responsibilities we all share in protecting Raytheon's reputation.

[p.32] Properly Engaging International Third Parties

Actions by those who conduct business on Raytheon's behalf affect the company's reputation. In some cases, Raytheon may even be legally accountable for actions taken by third parties (e.g. suppliers, offset providers, joint venture partners, and other parties with whom we work). Therefore, it is imperative that Raytheon properly engage

all third parties. It is the policy of Raytheon to encourage and ensure compliance by third parties with Raytheon Values and policies, as well as the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws of host nations, related anti-bribery conventions, and all other applicable laws.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.1] 1. Purpose

1.1 This policy sets forth Raytheon's position of complete commitment to fight corruption and bribery, and our comprehensive approach to protect against corruption and bribery in any dealings related to our company.

1B2. Persons Affected

2.1 This policy applies to all organizations within Raytheon Company, as defined by Raytheon policy RP-AD-001. It governs our Board of Directors, all employees, and third parties who work for us, such as:

- Business partners
- Consultants
- Contractors
- Lobbyists
- Representatives

[p.4] 4.8 Violation of this policy may lead to termination of your employment or business relationship with Raytheon as well as fines and imprisonment.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
1
Comments
There is some publicly available evidence that the company addresses incentive structures for agents as a factor in bribery and corruption risk. There is evidence that there are oversight processes to ensure that incentive structures are reasonable and commensurate with the services rendered. The company, however, receives a score of '1' because there is no clear evidence that it imposes a threshold on the payment of sales commissions to agents. There is also no clear requirement that remuneration is paid in stages or into local bank accounts.
Evidence
[41] Anti-Corruption Policies – Updated (Webpage) **Accessed 06/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-024: AUTHORIZATION, PROCESSING, AND MONITORING OF INTERNATIONAL BUSINESS DEVELOPMENT PARTNER AGREEMENTS […] Raytheon ensures that compensation for any IBDP is reasonable, economically justified, commensurate with the services rendered, and in compliance with the FCPA and other Anti-Corruption Laws, and that related disbursements are accurately recorded on the Company's books and records. The policy establishes Business and Corporate approvals for commission rates and retainers, and provides that the processing and approval of proposed disbursement of a sales commission or retainer is governed by RP-OGC-003. Finally, Raytheon monitors IBDP activities on a periodic basis to ensure compliance with Raytheon requirements and anti-corruption laws and regulations. **[42] Risk Assessment Process – Updated (Webpage)** **Accessed 07/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment We also highlighted our International Business Development Partner (IBDP) Approval and Oversight Committee, which is the body responsible for assessing high-risk engagements, and updated the language: "The IBDP AOC is comprised of the following members or their delegates: General Counsel, President of Raytheon International, Chief Financial Officer, CECO, ACIA Senior Director, and Business Unit Vice Presidents on a rotating basis. The IBDP AOC meets at least twice a year and reviews and oversees higher-risk IBDP engagements, to include review of requests to exceed standard compensation caps, risks associated with compensation incentive structures, review of engagements in higher-risk jurisdictions, and review and adjudication of significant issues on the terms and conditions of an IBDP engagement or renewal." **[43] Due Diligence – Updated (Webpage)** **Accessed 07/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence International Party Due Diligence (IPDD) is a focused assessment of each non-U.S. supplier, person, company, representative, consultant, offset service provider, prime contractor, customer, teammate, joint venture, or other party, affiliated with a transaction in which Raytheon is considering entering into an international contractual relationship (International Party). IPDD focuses on the specific party to identify, resolve, or mitigate (if possible) legal, ethical, reputational, financial, or other risks that may adversely affect the proposed business relationship. IPDD provides reasonable assurances that the Company has adequate information to make an informed decision about the international party before entering into a contractual or business relationship. As part of the due diligence and approval process for third parties, Raytheon considers the risks associated with incentive structures. Raytheon uses compensation structures that are defined and standardized. Compensation for representatives and consultants that deviate from the standard compensation structure require approval from the International Business Development Partner Approval and Oversight Committee, which includes members of Raytheon's senior leadership in the Businesses and Corporate.

International Transactional Due Diligence (ITDD) is an assessment of the entire transaction that “connects the dots,” and ensures an overall understanding of the business deal, including verifying the credibility of the proposed business partner’s claims, flow of funds analysis and the overall business relationship and involving, as appropriate, specialized international tax, human resources, and civil works considerations. ITDD provides reasonable assurances that the company has adequate information to make an informed decision about the overall transaction (of which the international parties are one component part), before entering into the international contractual or business relationship.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for and/or on behalf of the company.
Evidence
No evidence found.

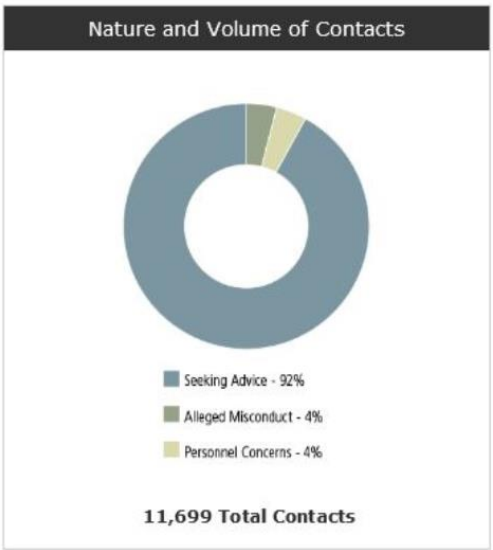
Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
1
Comments

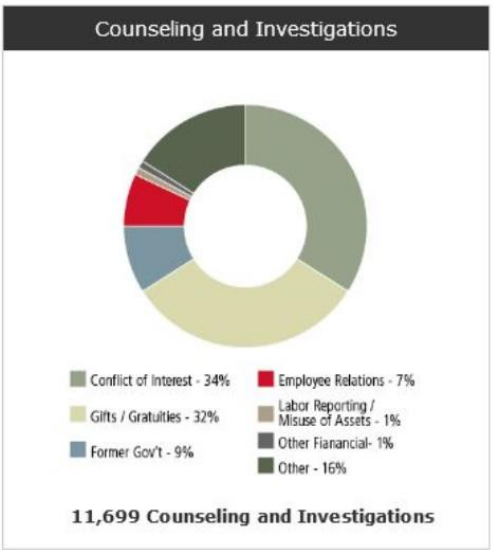
There is evidence that the company publishes high-level data from ethical incidents and investigations, and that this includes reports from and about third parties. The data includes the number of allegations made and the number of disciplinary actions as a result of investigation findings. This data is published at regular intervals, on at least an annual basis.

However, the company receives a score of '1' because the data is not disaggregated to show third party data as separate from other types of individuals, such as company employees.

Evidence

[39] Anti-Corruption Overview – Updated (Webpage)
Accessed 05/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa
Raytheon employees increasingly seek advice from the Ethics Office about a variety of workplace issues. In 2018, 92% of all contacts with Ethics were of this nature. The Ethics Office responds to these inquiries by counseling employees about potential conflicts of interest, post- U.S. government employment restrictions, gifts and gratuities, and a wide range of other topics. Employees have confidence in our processes, as over 97% choose to identify themselves when contacting Ethics. Our 2018 Ethics metrics, which include contacts and reports of alleged misconduct received through Ethics reporting channels from both internal and external sources, are as follows.





Any Ethics investigation into third parties, such as suppliers, are included in these metrics. Of the investigations into misconduct completed in 2018, 49% resulted in disciplinary action, which included verbal reprimand, written reprimand, suspension, compensation reduction, and/or termination.

[1] Code of Conduct (Document)
Accessed 30/08/2019
https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf
[p.45] Q: How do I know violations of the Code of Conduct are taken seriously?

A: The Ethics Office publishes metrics on our internal website showing that employees are held accountable for violating the Code. The number and nature of disciplinary actions taken when violations of the Code have been substantiated demonstrates that the company takes adherence to the Code and our Values very seriously.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
2
Comments
Based on publicly available information, there is evidence the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence on its joint ventures. For foreign joint ventures, this includes conducting anti-bribery and corruption due diligence on both the entity and its activities prior to entering into a partnership, and then every two years and/or when there is a significant change in the business relationship. There is also some indication that this due diligence process also applies to domestic joint venture partners (i.e. all prospective partners). In addition, the company states that this process includes establishing ultimate beneficial ownership. There is evidence that the company conducts enhanced due diligence for high-risk joint ventures.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-CON-016: DUE DILIGENCE FOR INTERNATIONAL THIRD PARTIES AND TRANSACTIONS Raytheon's Due Diligence for International Third Parties and Transactions policy sets forth the disciplined risk-based due diligence that must be performed for all international parties including: customers, suppliers, JV partners, offset service providers, and other third parties; as well as for international transactions. This policy also provides guidance on doing business with countries under US or other applicable sanctions or restrictions (including requiring senior management review) and incorporates enhanced internal controls to ensure compliance with anti-corruption laws. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database, which provides companywide access to the results of all due diligence for review by all Raytheon employees. Further, the due diligence process on international parties, including offset providers is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years. **[16] Anti-Corruption Awareness Compliance and Education (Webpage)** **Accessed 20/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Transaction Due Diligence – M&A is a critical part of Raytheon's business and as such, Raytheon has developed a comprehensive pre-acquisition and post-acquisition anti-corruption compliance process. Raytheon also conducts third party due diligence on all prospective joint venture partners. **[17] Due Diligence Policies (Webpage)** **Accessed 23/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence DUE DILIGENCE All Raytheon third-parties must undergo comprehensive, rigorous, and continuous risk-based due diligence screening and monitoring, with high risk transactions and parties receiving enhanced due diligence. Risk-based factors include, for example, the location of the party/transaction, size of the transaction, type of transaction, etc. The Raytheon due diligence process ensures that "red flags" are quickly identified and then ensures these concerns are addressed — with the assistance of legal counsel as appropriate — to mitigate potential corruption and other risks that might affect a relationship with a party generally or in the context of a specific transaction. The due diligence process includes analysis of ownership, to include identification of foreign government/foreign government agency ownership interest. A positive indication of foreign government/foreign government agency ownership

interest is considered a “red flag” and escalated to the Office of General Counsel for review. The results of all due diligence reviews are documented and recorded in Raytheon’s Due Diligence Database (3D), which provides companywide access to the results of all due diligence for review and use by all Raytheon employees. Further, due diligence on international parties is refreshed as change orders and contract modifications arise, but no less than every two years.

OUR DUE DILIGENCE PROCESSES INCLUDE:

International Party Due Diligence (IPDD) is a focused assessment of each non-U.S. supplier, person, company, representative, consultant, offset service provider, prime contractor, customer, teammate, joint venturer, or other party, affiliated with a transaction in which Raytheon is considering entering into an international contractual relationship (International Party). IPDD focuses on the specific party to identify, resolve, or mitigate (if possible) legal, ethical, reputational, financial, or other risks that may adversely affect the proposed business relationship. IPDD provides reasonable assurances that the Company has adequate information to make an informed decision about the international party before entering into a contractual or business relationship.

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
2
Comments
Based on publicly available information, there is evidence that the company's Anti-Corruption Policy applies to joint venture partners. The company also states that it includes anti-corruption clauses in its contracts with all business partners, which include audit and termination rights.
Evidence

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.1] 1.1 This policy sets forth Raytheon's position of complete commitment to fight corruption and bribery, and our comprehensive approach to protect against corruption and bribery in any dealings related to our company.

1B2. Persons Affected

2.1 This policy applies to all organizations within Raytheon Company, as defined by Raytheon policy RP-AD-001. It governs our Board of Directors, all employees, and third parties who work for us, such as:

- Business partners
- Consultants
- Contractors
- Lobbyists
- Representatives

[p.4] 4.8 Violation of this policy may lead to termination of your employment or business relationship with Raytheon as well as fines and imprisonment.

[41] Anti-Corruption Policies – Updated (Webpage)
Accessed 06/02/2020
https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
RP-BD-006: TEAMING AGREEMENTS AND OTHER COLLABORATIVE AGREEMENTS PROPOSAL PROCESS

This policy applies to all of Raytheon Company and governs the establishment of teaming agreements and other collaborative agreements, including project-specific joint ventures. The policy requires Raytheon personnel contemplating a teaming or other collaborative agreement complete a due diligence checklist. The checklist requires an assessment of the risks involved in the engagement (e.g. government ownership, relationships to political persons, locations involved in the engagement, beneficial ownership, overall capability and capacity to perform, ongoing litigation, etc.), which is refreshed on at least a biennial basis, and review by a cross-functional team of subject matter experts, including senior leadership. All teaming or other collaborative agreements with non-Raytheon entities are executed in accordance with RP-CON-002.

Once a teaming agreement or other collaborative agreement is executed, Raytheon monitors the activities via mechanisms such as regular activity reporting, deposit and expenditure reviews, site visits, quality control checks, and exercise of audit rights, where applicable and appropriate.

[17] Due Diligence Policies (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence
Raytheon has an overarching anti-corruption policy which articulates our zero tolerance for corruption; this policy appears at the link provided. The anti-corruption policy also describes related policies and procedures, which further detail how the Company's internal controls operate to detect, prevent and correct issues related to this critical area of governance. This policy covers all organizations within Raytheon Company, including direct and indirect

subsidiaries other than Forcepoint1 entities, and governs all members of our Board of Directors, all employees, and the parties who work with us, such as business partners, consultants, contractors, lobbyists, and representatives.

Note: Forcepoint is a joint venture cybersecurity business that establishes and maintains its own policies and procedures, including a comprehensive anti-corruption policy that is reviewed by Raytheon. Forcepoint has its own governance system for anti-corruption compliance, including the screening and management of third parties, which is designed to support its business model. Forcepoint participates in the bi-weekly Compliance Sustainment Team meetings and has periodic meetings with the Raytheon ACIA Senior Director to discuss Forcepoint's program and address any issues as required.

Raytheon incorporates strong anti-corruption provisions into its contractual documents. Raytheon also incorporates audit and termination provisions into contractual documents with international representatives and consultants.

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
2
Comments
Based on publicly available information, there is evidence that the company commits to take an active role in preventing bribery and corruption in all its joint ventures. There is evidence to support the company's commitment. The company states that it conducts regular activity reporting, deposit and expenditure reviews, site visits, quality control checks, and exercises its audit rights where appropriate.
Evidence
[41] Anti-Corruption Policies – Updated (Webpage) **Accessed 06/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies Raytheon has an overarching anti-corruption policy which articulates our zero tolerance for corruption; this policy appears at the link provided. The anti-corruption policy also describes related policies and procedures, which further detail how the Company's internal controls operate to detect, prevent and correct issues related to this critical area of governance. This policy covers all organizations within Raytheon Company, including direct and indirect subsidiaries other than Forcepoint1 entities, and governs all members of our Board of Directors, all employees, and the parties who work with us, such as business partners, consultants, contractors, lobbyists, and representatives. Where Raytheon has only a minority stake in any subsidiary or joint venture, Raytheon uses its considerable experience and influence to drive the adoption and implementation of Raytheon anti-corruption policies and procedures. […] Once a teaming agreement or other collaborative agreement is executed, Raytheon monitors the activities via mechanisms such as regular activity reporting, deposit and expenditure reviews, site visits, quality control checks, and exercise of audit rights, where applicable and appropriate, etc. **[1] Code of Conduct (Document)** **Accessed 30/08/2019** https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf [p.32] Properly Engaging International Third Parties Actions by those who conduct business on Raytheon's behalf affect the company's reputation. In some cases, Raytheon may even be legally accountable for actions taken by third parties (e.g. suppliers, offset providers, joint venture partners, and other parties with whom we work). Therefore, it is imperative that Raytheon properly engage all third parties. It is the policy of Raytheon to encourage and ensure compliance by third parties with Raytheon Values and policies, as well as the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws of host nations, related anti-bribery conventions, and all other applicable laws.

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
2
Comments
Based on publicly available information, there is evidence that the company has a policy and procedure in place to address the corruption risks associated with offset contracting and ensures any offset partners adhere to its anti-bribery and corruption standards through appropriate contractual clauses. There is evidence that the company has a dedicated department responsible for the monitoring and oversight of its offset activities throughout the lifecycle of each project. The company indicates that all employees within this department receive anti-bribery and corruption training.
Evidence
[15] Anti-Corruption Policies (Webpage) **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-BD-004: INTERNATIONAL INDUSTRIAL COOPERATION (OFFSETS) […] Further, the Global Partnering & Offsets functional organization in Corporate Business Development provides guidance and best practices on Offset issues, and coordinates Offset activities across the Company. Personnel within that function must complete the FCPA Aware anti-corruption training module. **[41] Anti-Corruption Policies – Updated (Webpage)** **Accessed 06/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-BD-004: INTERNATIONAL INDUSTRIAL COOPERATION (OFFSETS) It is the company's policy to satisfy all of its offset commitments in a manner which enhances the company's international growth objectives while ensuring reputational and compliance risks are addressed. Raytheon's International Industrial Cooperation (Offsets) policy sets forth the processes, responsibilities and procedures to satisfy international Offset requirements while complying with applicable laws and rules. Before entering into an offset arrangement, extensive party (including beneficial ownership and conflict of interest inquiries) and transactional due diligence (ensuring the legitimacy of an offset investment) is conducted on all potential offset providers. Furthermore, offset projects are managed by dedicated personnel who receive regular reporting on all on-going offset activities, and all payments made to offset partners are reviewed for consistency by the sponsoring business prior to disbursement. Higher risk offsets are subject to enhanced due diligence. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's 3D database, which provides company-wide access to the results of all due diligence for review by all Raytheon employees. All Offset Service Agreements and Appendices are approved by the Raytheon Washington Office, Office of General Counsel. Raytheon uses Offset Service Agreement and Appendix templates, which include required anti-corruption provisions. Further, the Global Partnering & Offsets functional organization in Corporate Business Development provides guidance and best practices on Offset issues, and coordinates Offset activities across the Company. Personnel within that function must complete the FCPA Aware anti-corruption training module. Additionally, Raytheon's introductory learning course for personnel working with offsets – PLIN001WB – "Introduction to International Offset" – provides a background on anti-corruption laws and highlights the need to review offsets for potential corruption risk, including through the due diligence process.

[5] Annual Report 2018 (Document)
Accessed 30/08/2019
http://investor.raytheon.com/static-files/9f429227-9d18-4a7e-a2f6-12d5d71388d2
[p.17] Our international contracts may include industrial cooperation agreements requiring specific local purchases, manufacturing agreements, technology transfer agreements or financial support obligations, sometimes in the form of either offset obligations or in-country industrial participation (ICIP) agreements. Approvals of offset or ICIP thresholds and requirements may be subjective and time-consuming and may delay contract awards. Offset requirements may, in certain countries, include the creation of a joint venture with a local company which may control the venture. This could result in liability for violations of law for actions taken by these entities, including laws related to anti-corruption, sanctions, export, or local laws which may differ from U.S. laws and requirements.

[p.100] We have entered into industrial cooperation agreements, sometimes in the form of either offset agreements or ICIP agreements, as a condition to obtaining orders for our products and services from certain customers in foreign countries. At December 31, 2018, the aggregate amount of our offset agreements, both agreed to and anticipated to be agreed to, had an outstanding notional value of approximately $9.7 billion. To the extent we have entered into purchase obligations that satisfy our offset agreements, those amounts are included within the table in Contractual Obligations. These agreements are designed to return economic value to the foreign country by requiring us to engage in activities supporting local defense or commercial industries, promoting a balance of trade, developing in-country technology capabilities or addressing other local development priorities.

Offset agreements may be satisfied through activities that do not require a direct cash payment, including transferring technology, providing manufacturing, training and other consulting support to in-country projects, and the purchase by third parties (e.g., our vendors) of supplies from in-country vendors. These agreements may also be satisfied through our use of cash for activities such as subcontracting with local partners, purchasing supplies from in-country vendors, providing financial support for in-country projects and making investments in local ventures. Such activities may also vary by country depending upon requirements as dictated by their governments. We typically do not commit to offset agreements until orders for our products or services are definitive. The amounts ultimately applied against our offset agreements are based on negotiations with the customers and typically require cash outlays that represent only a fraction of the notional value in the offset agreements. Offset programs usually extend over several or more years and may provide for penalties in the event we fail to perform in accordance with offset requirements. Historically, we have not been required to pay any penalties of significance.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.3] 4.4.1 You must follow our rules for vetting and retaining such entities.

See these related Raytheon policies:

a. RP-CON-016 outlines our due diligence requirements and process.
b. RP-OGC-024 and RP-OGC-003 cover requirements for engagement of and payments to International Business Development Partners.
c. RP-SCM-006 covers foreign suppliers.
d. RP-BD-004 focuses on offset / industrial partner engagement requirements.

[p.5] 6. Related Information

6.1 Policies.

[p.6] RP-BD-004 International Industrial Cooperation (Offsets)

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
2
Comments
Based on publicly available information, there is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations. The company indicates that it refreshes this due diligence once every two years, or whenever there is a significant change in the business relationship or nature of the offset partner. There is evidence that due diligence includes checks on beneficial ownership and conflicts of interest. As part of the process, the company also commits to assure itself of the legitimacy of the investment.
Evidence
[41] Anti-Corruption Policies – Updated (Webpage) **Accessed 06/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-BD-004: INTERNATIONAL INDUSTRIAL COOPERATION (OFFSETS) It is the company's policy to satisfy all of its offset commitments in a manner which enhances the company's international growth objectives while ensuring reputational and compliance risks are addressed. Raytheon's International Industrial Cooperation (Offsets) policy sets forth the processes, responsibilities and procedures to satisfy international Offset requirements while complying with applicable laws and rules. Before entering into an offset arrangement, extensive party (including beneficial ownership and conflict of interest inquiries) and transactional due diligence (ensuring the legitimacy of an offset investment) is conducted on all potential offset providers. Furthermore, offset projects are managed by dedicated personnel who receive regular reporting on all on-going offset activities, and all payments made to offset partners are reviewed for consistency by the sponsoring business prior to disbursement. Higher risk offsets are subject to enhanced due diligence. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's 3D database, which provides company-wide access to the results of all due diligence for review by all Raytheon employees. All Offset Service Agreements and Appendices are approved by the Raytheon Washington Office, Office of General Counsel. Raytheon uses Offset Service Agreement and Appendix templates, which include required anti-corruption provisions. Further, the Global Partnering & Offsets functional organization in Corporate Business Development provides guidance and best practices on Offset issues, and coordinates Offset activities across the Company. Personnel within that function must complete the FCPA Aware anti-corruption training module. Additionally, Raytheon's introductory learning course for personnel working with offsets – PLIN001WB – "Introduction to International Offset" – provides a background on anti-corruption laws and highlights the need to review offsets for potential corruption risk, including through the due diligence process. **[15] Anti-Corruption Policies (Webpage)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-BD-004: INTERNATIONAL INDUSTRIAL COOPERATION (OFFSETS) It is the company's policy to satisfy all of its offset commitments in a manner which enhances the company's international growth objectives while ensuring reputational and compliance risks are addressed. Raytheon's International Industrial Cooperation (Offsets) policy sets forth the processes, responsibilities and procedures to satisfy international Offset requirements while complying with applicable laws and rules. Before entering into an offset arrangement, extensive party and transactional due diligence is conducted on all potential offset providers. Higher risk offsets are subject to enhanced due diligence. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as

appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's 3D database, which provides companywide access to the results of all due diligence for review by all Raytheon employees. All Offset Service Agreements and Appendices are approved by the Raytheon Washington Office, Office of General Counsel. Raytheon uses Offset Service Agreement and Appendix templates, which include required anti-corruption provisions. Further, the Global Partnering & Offsets functional organization in Corporate Business Development provides guidance and best practices on Offset issues, and coordinates Offset activities across the Company.

RP-CON-016: DUE DILIGENCE FOR INTERNATIONAL THIRD PARTIES AND TRANSACTIONS

Raytheon's Due Diligence for International Third Parties and Transactions policy sets forth the disciplined risk-based due diligence that must be performed for all international parties including: customers, suppliers, JV partners, offset service providers, and other third parties; as well as for international transactions.

This policy also provides guidance on doing business with countries under US or other applicable sanctions or restrictions (including requiring senior management review) and incorporates enhanced internal controls to ensure compliance with anti-corruption laws. The cornerstone of Raytheon's due diligence process is to ensure that "red flags" are first identified through the diligence process, and then ensure these concerns are addressed — with the assistance of legal counsel as appropriate — in order to mitigate the potential corruption risks. The results of all due diligence reviews are documented and recorded in Raytheon's Due Diligence Database, which provides companywide access to the results of all due diligence for review by all Raytheon employees. Further, the due diligence process on international parties, including offset providers is refreshed frequently as change orders and modifications arise, but in any event, no less than once every two years.

[17] Due Diligence Policies (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence
OUR DUE DILIGENCE PROCESSES INCLUDE:

International Party Due Diligence (IPDD) is a focused assessment of each non-U.S. supplier, person, company, representative, consultant, offset service provider, prime contractor, customer, teammate, joint venturer, or other party, affiliated with a transaction in which Raytheon is considering entering into an international contractual relationship (International Party). IPDD focuses on the specific party to identify, resolve, or mitigate (if possible) legal, ethical, reputational, financial, or other risks that may adversely affect the proposed business relationship. IPDD provides reasonable assurances that the Company has adequate information to make an informed decision about the international party before entering into a contractual or business relationship.

[14] Anti-Corruption Policy (Document)
Accessed 19/09/2019
https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf
[p.3] 4.4.1 You must follow our rules for vetting and retaining such entities.

See these related Raytheon policies:

a. RP-CON-016 outlines our due diligence requirements and process.
b. RP-OGC-024 and RP-OGC-003 cover requirements for engagement of and payments to International Business Development Partners.
c. RP-SCM-006 covers foreign suppliers.
d. RP-BD-004 focuses on offset / industrial partner engagement requirements.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the offset agents or brokers contracted to act for or on behalf of its offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
1
Comments
The company publishes some information about the total size of its offset investment obligations, as well as some information concerning its indirect offset beneficiaries. However, the company receives a score of '1' because there is no evidence that it publishes data to cover all of its indirect offset obligations and/or contracts on a regular basis, such as the name of the company or organisation receiving the investment and the country in which the recipient entity is based.
Evidence
[5] Annual Report 2018 (Document) **Accessed 30/08/2019** http://investor.raytheon.com/static-files/9f429227-9d18-4a7e-a2f6-12d5d71388d2 [p.100] We have entered into industrial cooperation agreements, sometimes in the form of either offset agreements or ICIP agreements, as a condition to obtaining orders for our products and services from certain customers in foreign countries. At December 31, 2018, the aggregate amount of our offset agreements, both agreed to and anticipated to be agreed to, had an outstanding notional value of approximately $9.7 billion. These agreements are designed to return economic value to the foreign country by requiring us to engage in activities supporting local defense or commercial industries, promoting a balance of trade, developing in-country technology capabilities or addressing other local development priorities. Offset agreements may be satisfied through activities that do not require a direct cash payment, including transferring technology, providing manufacturing, training and other consulting support to in-country projects, and the purchase by third parties (e.g., our vendors) of supplies from in-country vendors. These agreements may also be satisfied through our use of cash for activities such as subcontracting with local partners, purchasing supplies from in-country vendors, providing financial support for in-country projects and making investments in local ventures. Such activities may also vary by country depending upon requirements as dictated by their governments. We typically do not commit to offset agreements until orders for our products or services are definitive. The amounts ultimately applied against our offset agreements are based on negotiations with the customers and typically require cash outlays that represent only a fraction of the notional value in the offset agreements. Offset programs usually extend over several or more years and may provide for penalties in the event we fail to perform in accordance with offset requirements. Historically, we have not been required to pay any penalties of significance. **[34] Saudi Offset Limited Partnership Program (Webpage)** **Accessed 25/09/2019** http://investor.raytheon.com/news-releases/news-release-details/raytheons-saudi-offset-limited-partnership-program-earns RAYTHEON'S SAUDI OFFSET LIMITED PARTNERSHIP PROGRAM EARNS INTERNATIONAL AWARD TEWKSBURY, Mass., March 27, 2006 /PRNewswire/ -- Raytheon Company's offset business venture into "shrimp aquaculture technology" earned it international acclaim for its work to develop the Arabian Shrimp Company in the Kingdom of Saudi Arabia. The Middle East and Northern Africa (MENA) Investment Program and Organization of Economic Cooperation and Development (OECD) presented members of Raytheon Integrated Defense Systems (IDS) Saudi Offset Limited Partnership (SOLP) the MENA-OECD Investor of the Year Award in the Innovative Entrepreneurship category. SOLP was honored for its collaborative efforts working with the Saudi government to introduce shrimp aquaculture technologies along with related training and education to the region. "We're very proud of our being recognized for work that highlights the close relationship we have with our customers in the MENA region," said Skip Garrett, vice president, Raytheon IDS International Operations business area. "Raytheon is committed to our customers and our offset obligations, and we work closely with our partners worldwide to develop innovative and creative offset program solutions to help countries with permanent economic development and job growth."

The award cited the SOLP program's efforts to create employment and industrial opportunities by training people in a new technology of shrimp farming in a developing region of Saudi Arabia. The Arabian Shrimp Company is expected to create hundreds of new jobs over the next five years and more as the business expands.

The SOLP program was nominated for the award by the Saudi Arabian General Investment Authority and was among hundreds of nominees submitted by all the countries in the Middle East region.

The MENA Investment Program is a regionally-driven program that aims to upgrade investment policy standards and help attract more and better investment and support capacities for policy makers in the MENA region. OECD designs and helps implement comprehensive regional and country-specific investment reform strategies.

Integrated Defense Systems is Raytheon's leader in Joint Battlespace Integration providing affordable, integrated solutions to a strong international and domestic customer base, including the U.S. Missile Defense Agency and the U.S. armed forces.

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
2
Comments
Based on publicly available information, there is evidence that the company acknowledges the corruption risks associated with operating in different markets, and that it has a risk assessment process in place to account for these specific risks, with clear risk management procedures in place. The company indicates that the results of risk assessments have a direct impact on business decisions and inform the development and implementation of additional controls, and the company provides examples of such controls.
Evidence
[39] Anti-Corruption Overview – Updated (Webpage) **Accessed 05/02/2020** https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa Continuous Improvement – ACIA and the cross-functional Compliance Sustainment Team (CST) are responsible for testing and reviewing Raytheon's anti-corruption process and training, and recommend improvements for implementation. The Company accomplishes this in principal part through the assessment of the key controls documented in the Anti-corruption Controls and Monitoring System discussed above. Information gathered as part of the risk assessment process is reviewed by the CST and incorporated into policy, guidance, training materials, and procedures to guide Raytheon activities in high risk markets. To ensure these risk assessments are ongoing, Raytheon utilizes a multi-step review process, known as the "Integrated Product Development System ("IPDS")," incorporating multi-function teams to assess a sales effort as it moves from initial concept into an active and ongoing sales pursuit. Each step incorporates a "Decision Gate," which is a higher-level management assessment of the business opportunity or program maturity and readiness to proceed to the next phase. A critical element of each Decision Gate is to ensure that key risks, including bribery and corruption risks, are understood and acceptable. If the team identifies a risk that is not acceptable, we will terminate the pursuit. **[4] Corporate Governance (Webpage)** **Accessed 30/08/2019** https://www.raytheon.com/responsibility/approach/corporate-governance The approach of our board and its committees has continued to evolve in line with the company's long-term strategy and ever-changing environment. With the support of the public policy and corporate responsibility committee, the company has established a world-class compliance organization and robust compliance programs in key areas that enable us to grow our international business while adhering fully to the laws of the United States and each of the countries where we do business. Raytheon has developed industry-leading export control and anti-corruption compliance programs, employing robust controls and monitoring systems embedded into the company's operations and innovative training. And the company is leveraging these capabilities to enhance other compliance programs, such as privacy. **[15] Anti-Corruption Policies (Webpage)** **Accessed 19/09/2019** https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies RP-OGC-GTC-001: EXPORT / IMPORT CONTROLS COMPLIANCE Raytheon is committed to long-term growth, including expansion of its international activities. In conducting such activities, Raytheon will comply with the export / import laws and regulations of the United States and each foreign country in which it conducts business or in which it is located. Raytheon's Export / Import Controls Compliance Policy provides a framework for achieving effective compliance with the involved regulations and the Company's growing global business model. All Raytheon employees are accountable for adherence to this policy.

[17] Due Diligence Policies (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence
All Raytheon third-parties must undergo comprehensive, rigorous, and continuous risk-based due diligence screening and monitoring, with high risk transactions and parties receiving enhanced due diligence. Risk-based factors include, for example, the location of the party/transaction.

[19] Risk Assessment and Sustainment Process (Webpage)
Accessed 23/09/2019
https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment
INTERNATIONAL BUSINESS DEVELOPMENT PARTNER APPROVAL & OVERSIGHT COMMITTEE (IBDP AOC):

The IBDP AOC is comprised of the following members or their delegates: General Counsel, President of Raytheon International, Chief Financial Officer, CECO, ACIA Senior Director, and Business Unit Vice Presidents on a rotating basis. The IBDP AOC meets at least twice a year and reviews and oversees higher-risk IBDP engagements, to include review of requests to exceed standard compensation caps, review of engagements in higher-risk jurisdictions, and review and adjudication of significant issues on the terms and conditions of an IBDP engagement or renewal.

Question
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?
Score
1
Comments
The company publishes some information about its significant subsidiaries as part of its annual regulatory filings in the United States. This information includes the name and country of incorporation of the subsidiary. However, the company receives a score of '1' because there is evidence to indicate that the company has other international subsidiaries not included on this list, which indicates that this does not represent a full list of all the company's holdings. There is also no evidence that the company discloses the country of operation nor its percentage ownership for each entity.
Evidence
[7] Form 10-K 2019 (Document) **Accessed 30/08/2019** http://investor.raytheon.com/static-files/39d2ff02-b944-4d1b-b507-d289381ac273 [p.8] International Sales Our international sales are conducted through Raytheon Company and certain U.S. and international subsidiaries. For example, Raytheon Systems Limited (RSL), a U.K. subsidiary, provides a wide range of products and services, most notably with our MS, SAS and IIS business segments, to commercial, defense and other government customers in the U.K. and globally. Raytheon Australia delivers integrated solutions to the Australian Defence Force, most notably with our IDS and IIS business segments. Generally, we internally fund our international subsidiary working capital requirements in the applicable countries. [p.142] Exhibit 21 SUBSIDIARIES OF RAYTHEON COMPANY Name of Subsidiary: Forcepoint LLC Jurisdiction: Delaware In accordance with Item 601(b)(21) of Regulation S-K, the Company has omitted from this Exhibit the names of its subsidiaries which, considered in the aggregate or as a single subsidiary, do not constitute a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X. The following entity is excluded from the above table because it is deemed to be in the same line of business as Forcepoint LLC: Raytheon Oakley Systems, LLC, which, together with its wholly-owned subsidiaries, wholly owns Forcepoint LLC. Raytheon Company, together with a wholly-owned subsidiary, holds 80.5% of all ownership interests in Raytheon Oakley Systems, LLC, and Vista Equity Partners holds the remaining 19.5% of ownership interests in Raytheon Oakley Systems, LLC. **[35] Form 10-K 2018 (Document)** **Accessed 25/09/2019** http://investor.raytheon.com/static-files/e78ca916-e3ac-439b-9fef-a2eea57a1ef8 [p.8] International Sales Our international sales are conducted through Raytheon Company and certain U.S. and international subsidiaries. For example, Raytheon Systems Limited (RSL), a U.K. subsidiary, provides a wide range of products and services, most notably with our MS, SAS and IIS business segments, to commercial, defense and other government customers in the U.K. and globally. Raytheon Australia delivers integrated solutions to the Australian Defence Force, most notably with our IDS and IIS business segments. Generally, we internally fund our international subsidiary working capital requirements in the applicable countries. [p.142] Exhibit 21 SUBSIDIARIES OF RAYTHEON COMPANY

Name of Subsidiary: Forcepoint LLC Jurisdiction: Delaware

In accordance with Item 601(b)(21) of Regulation S-K, the Company has omitted from this Exhibit the names of its subsidiaries which, considered in the aggregate or as a single subsidiary, do not constitute a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X. The following entity is excluded from the above table because it is deemed to be in the same line of business as Forcepoint LLC:

Raytheon Oakley Systems, LLC, which, together with its wholly-owned subsidiaries, wholly owns Forcepoint LLC. Raytheon Company, together with a wholly-owned subsidiary, holds 80.5% of all ownership interests in Raytheon Oakley Systems, LLC, and Vista Equity Partners holds the remaining 19.5% of ownership interests in Raytheon Oakley Systems, LLC.

[44] Global Presence (Webpage)
Accessed 07/02/2020
https://www.raytheon.com/ourcompany/global
Always There.
Raytheon is built on global partnerships. In nearly 80 countries around the world, we work with customers, suppliers and local industries to deliver solutions that help governments preserve their sovereignty and defend their national security.

Strategic Locations
Code of Conduct

MIDDLE EAST AND NORTH AFRICA
Raytheon in the Middle East and North Africa supports regional security and industry while employing local talent and teaching tomorrow's innovators. Across the region, we deliver technology for defense and security applications while helping sustain long-term economic growth.

Raytheon Emirates (English | عربى)

Raytheon Saudi Arabia

RAYTHEON IN THE INDO-PACIFIC REGION

INDO-PACIFIC
Modernize without compromise: that is our mission in the Indo-Pacific region, where we work across 16 countries to advance air and missile defense, air traffic management, global training, undersea warfare, precision-guided weapons and border security.

Raytheon Australia

RAYTHEON IN EUROPE

EUROPE
Raytheon works with 18 nations across Europe to preserve their sovereignty and is committed to partnering with allies to advance new technologies, drive innovation, foster local industry and increase protection across the full spectrum of threats.

Raytheon United Kingdom

Raytheon in Germany

Raytheon in Poland

RAYTHEON IN EUROPE

AMERICAS
Raytheon provides state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing; effects; and command, control, communication and intelligence systems; as well as a broad range of mission support services.

Raytheon Company

Raytheon in Canada

Question

9.3 Does the company disclose its beneficial ownership and control structure?

Score

2

Comments

There is evidence to indicate that the company is publicly traded on the New York Stock Exchange and it is therefore not required to disclose beneficial ownership further, so the company receives a score of '2'. There is also evidence that the company discloses details of its shareholders with a stake of 5 percent or more on its public website.

Evidence

[37] Financial Times Markets Data (Webpage)
Accessed 30/09/2019
https://markets.ft.com/data/equities/tearsheet/summary?s=RTN:NYQ

Raytheon Co
RTN:NYQ
Industrials › Aerospace & Defense

PRICE (USD)	TODAY'S CHANGE	SHARES TRADED	1 YEAR CHANGE	BETA
194.86	-0.66 / -0.34%	24.25k	-5.71%	0.8754

Data delayed at least 15 minutes, as of Sep 30 2019 14:32 BST.

[6] Proxy Statement 2019 (Document)
Accessed 30/08/2019
http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf
[p.93] Stock Ownership

FIVE PERCENT SHAREHOLDERS

The following table lists those persons or groups (based solely on our examination of Schedules 13G filed with the SEC or furnished to us) that are beneficial owners of more than 5% of our common stock as of December 31, 2018.

Name and Address of Beneficial Owner	Common Stock	Percent of Class
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	22,838,110	8.00%
The Vanguard Group 100 Vanguard Blvd., Malvern, PA 19355	23,246,646	8.16%

MANAGEMENT AND DIRECTORS

The following table contains information regarding the beneficial ownership of shares of our common stock as of February 28, 2019. Except as otherwise noted below, to Raytheon's knowledge, the named persons possessed sole voting and investment power over their shares, and the shares are not subject to any pledge. No individual director or nominee for director or NEO beneficially owns 1% or more of the outstanding shares of common stock. The directors and executive officers as a group own less than 1% of the outstanding shares of common stock.

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership
Each director and nominee for director, including Chairman and CEO	
Thomas A. Kennedy	101,864 (1)(2)(9)
Tracy A. Atkinson	4,856 (4)(5)
Robert E. Beauchamp	4,971 (4)
Adriane M. Brown	112 (3)(5)
Vernon E. Clark	7,500 (4)
Stephen J. Hadley	9,764 (4)
Letitia A. Long	2,851 (3)(5)
George R. Oliver	6,089 (4)
Dinesh C. Paliwal	2,939 (3)(5)

[Table lists a total of 23 directors and independent directors as shareholders of the company]

[36] Open Ownership Search (Webpage)
Accessed 25/09/2019
https://register.openownership.org/entities/59b977aa67e4ebf3407f2296

RAYTHEON COMPANY
Delaware (United States of America) Legal entity

COMPANY NUMBER
472015

TYPE
Corporation

OPTIONS | Transliterate | Report incorrect data

Beneficial owners of RAYTHEON COMPANY
View as graph

UNKNOWN
Interests unknown Details ›

Companies controlled by RAYTHEON COMPANY
View as graph

Displaying **all 4** companies

FORCEPOINT OVERSEAS LIMITED United Kingdom (2006-01-11 –)
420 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT

Started on 2016-04-06
Ownership of shares – 75% or more
Ownership of voting rights - 75% or more

ADDRESS
870, Winter Street, Waltham, United States, 02451

INCORPORATION DATE
1953-12-17

OFFICERS
THE CORPORATION TRUST COMPANY *Agent*

Data from opencorporates

MORE ON RAYTHEON COMPANY
Google

Report incorrect data

Question

9.4 Does the company publish a percentage breakdown of its defence sales by customer?

Score

2

Comments

Based on publicly available information, there is evidence that the company publishes details about its defence sales by customer. In its Annual Report, the company discloses that the United States government accounts for 69 percent of its sales in the most recently reported financial year; while an additional 13 percent of sales were made through the United States government to foreign militaries. The company indicates that the U.S. Department of Defence is its principal customer, noting that it also sells to U.S. intelligence agencies, the Department of Homeland Security, the Federal Aviation Authority and the National Aeronautics and Space Administration (NASA). The company also discloses that defence sales to Saudi Arabia constitute approximately five percent of its sales.

Evidence

[5] Annual Report 2018 (Document)
Accessed 30/08/2019
http://investor.raytheon.com/static-files/9f429227-9d18-4a7e-a2f6-12d5d71388d2
[p.27]

Sales to the U.S. Government

(In millions, except percentages)	2018	2017	2016
Sales to the U.S. government[1]	**$ 18,447**	$ 16,860	$ 16,083
Sales to the U.S. government as a percentage of Total Net Sales[1]	**68%**	67%	67%
Foreign military sales through the U.S. government	**$ 3,502**	$ 3,311	$ 2,899
Foreign military sales through the U.S. government as a percentage of Total Net Sales	**13%**	13%	12%

(1) Excludes foreign military sales through the U.S. government.

Our principal U.S. government customer is the DoD; other U.S. government customers include U.S. Intelligence Community agencies, NASA, the DHS and the FAA.

U.S. Government Contracts and Regulation

We act as a prime contractor or major subcontractor for numerous U.S. government programs. As a result, we are subject to extensive regulations and requirements of the U.S. government agencies and entities that govern these programs, including with respect to the award, administration and performance of contracts under such programs. We are also subject to certain unique business risks associated with U.S. government program funding and appropriations, U.S. government contracts, and supplying technologically-advanced, cutting-edge defense-related products and services to the U.S. government.

[p.37] In addition, recent events have caused increased attention on U.S. defense sales to the Kingdom of Saudi Arabia (KSA). Although we currently do not expect to be prevented from doing business in KSA, which represents nearly 5% of our sales, if government action impairs our ability to fulfill our contractual obligations or otherwise to continue to do business in KSA, it would have a material adverse effect on our financial results.

[p.61] Sales To Major Customers

(In millions, except percentages)	2018	2017	2016	% of Total Net Sales 2018	2017	2016
Sales to the U.S. government[1][2]	**$ 18,447**	$ 16,860	$ 16,083	**68%**	67%	67%
U.S. direct commercial sales and other U.S. sales	**506**	403	425	**2%**	2%	2%
Foreign military sales through the U.S. government	**3,502**	3,311	2,899	**13%**	13%	12%
Foreign direct commercial sales and other foreign sales[1]	**4,603**	4,774	4,717	**17%**	19%	20%
Total net sales	**$ 27,058**	$ 25,348	$ 24,124	**100%**	100%	100%

(1) Excludes foreign military sales through the U.S. government.
(2) Includes sales to the DoD of $17,628 million, or 65% of total net sales, in 2018, $16,152 million, or 64% of total net sales, in 2017 and $15,340 million, or 64% of total net sales, in 2016.

As described above in Domestic Considerations, U.S. defense spending levels are difficult to predict due to numerous factors, including U.S. government budget appropriation decisions, geopolitical events and macroeconomic conditions.

10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

No.	Type *(Webpage or Document)*	Name	Download Date	Link
01	Document	Code of Conduct	30/08/19	[https://www.raytheon.com/sites/default/files/pdf/conduct/Code_of_Conduct.pdf]
02	Webpage	Statement on the Code of Conduct	30/08/19	[https://www.raytheon.com/ourcompany/ourculture/code]
03	Document	Corporate Responsibility Report	30/08/19	[https://www.raytheon.com/sites/default/files/2019-05/raytheon-crr-2018.pdf]
04	Webpage	Corporate Governance	30/08/19	[https://www.raytheon.com/responsibility/approach/corporate-governance]
05	Document	Annual Report 2018	30/08/19	[http://investor.raytheon.com/static-files/9f429227-9d18-4a7e-a2f6-12d5d71388d2]
06	Document	Proxy Statement 2019	30/08/19	[http://www.corporate-ir.net/media_files/irol/84/84193/Raytheon_Company-Proxy_2019_ClientDL/images/Raytheon-Proxy2019.pdf]
07	Document	Form 10-K 2019	30/08/2019	[http://investor.raytheon.com/static-files/39d2ff02-b944-4d1b-b507-d289381ac273]
08	Webpage	Board Committees	30/08/19	[http://investor.raytheon.com/committees]
09	Webpage	Public Policy and Corporate Responsibility Committee Charter	30/08/19	[https://raytheon.gcs-web.com/committee-details/public-affairs-committee]
10	Webpage	Supplier Guide To Doing Business	20/09/19	[https://www.raytheon.com/sites/default/files/rtnwcm/groups/corporate/documents/content/supplier-guide-doing-business.pdf]
11	Webpage	Message From The Office Of The General Counsel	20/09/19	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/ogcmessage]
12	Webpage	Letter from the CEO	30/08/19	[https://www.raytheon.com/responsibility/approach/ceo-letter]
13	Document	Supplier Terms and Conditions	19/09/19	[https://www.raytheon.com/sites/default/files/2019-08/tc_001_1017.pdf]
14	Document	Anti-Corruption Policy	19/09/19	[https://www.raytheon.com/ourcompany/rtnwcm/groups/gallery/documents/digitalasset/rtn_160603.pdf]
15	Webpage	Anti-Corruption Policies	19/09/19	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies]
16	Webpage	Anti-Corruption Awareness Compliance and Education	20/09/19	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa]

17	Webpage	Due Diligence Policies	23/09/19	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence]
18	Webpage	Business Development Job Advert	23/09/19	[https://jobs.raytheon.com/job/tewksbury/mgr-ii-business-development/4679/13021580]
19	Webpage	Risk Assessment and Sustainment Process	23/09/19	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment]
20	Webpage	Anti-Corruption Overview	23/09/19	[https://www.raytheon.com/ourcompany/ourculture/anticorruption]
21	Webpage	Whistleblowing Site	24/09/19	[https://raytheonethicscheckline.webline.saiglobal.com/?Area=]
22	Webpage	Raytheon Australia Job Advertisement	24/09/2019	[https://jobs.raytheon.com/au-candidate-information]
23	Webpage	Corporate Governance Principles	24/09/19	[http://investor.raytheon.com/governance-principle]
24	Document	RAYPAC Summary History 2017	24/09/19	[http://investor.raytheon.com/static-files/9e832a9f-d5cc-4ac8-a0fc-8e268ed6d2f1]
25	Webpage	Political Contributions and Lobbying Expenditures	24/09/19	[http://investor.raytheon.com/political-contributions-and-lobbying-expenditures]
26	Document	RAYPAC Summary History 2018	24/09/19	[http://investor.raytheon.com/static-files/9e832a9f-d5cc-4ac8-a0fc-8e268ed6d2f1]
27	Webpage	Press Release - Raytheon Sponsors Futuristic Research Center	25/09/19	[https://www.raytheon.com/news/feature/future_of_autonomy]
28	Webpage	Other Contributions	25/09/19	[http://investor.raytheon.com/other-contributions]
29	Webpage	Q4 2018 Federal Lobbying Report	25/09/19	[http://disclosures.house.gov/ld/ldxmlrelease/2018/Q4/301016220.xml]
30	Webpage	Q3 2018 Federal Lobbying Report	25/09/19	[http://disclosures.house.gov/ld/ldxmlrelease/2018/Q3/300998252.xml]
31	Document	Supplier Readiness Guide	25/09/19	[https://www.raytheon.com/sites/default/files/suppliers/rtnwcm/groups/corporate/documents/content/suppier-readiness.pdf]
32	Webpage	Our Suppliers	25/09/19	[https://www.raytheon.com/suppliers]
33	Document	Enterprise Supplier Assessment Guide	25/09/19	[https://www.raytheon.com/sites/default/files/2019-02/RESA_Overview_Jan_2019.pdf]
34	Webpage	Saudi Offset Limited Partnership Program	25/09/19	[http://investor.raytheon.com/news-releases/news-release-details/raytheons-saudi-offset-limited-partnership-program-earns]
35	Document	Form 10-K 2018	25/09/19	[http://investor.raytheon.com/static-files/e78ca916-e3ac-439b-9fef-a2eea57a1ef8]

36	Webpage	Open Ownership Search	25/09/19	[https://register.openownership.org/entities/59b977aa67e4ebf3407f2296]
37	Webpage	Financial Times Markets Data	30/09/19	[https://markets.ft.com/data/equities/tearsheet/summary?s=RTN:NYQ]
38	Webpage	Corporate Responsibility – Benefits: Total Rewards	10/10/2019	[https://www.raytheon.com/responsibility/talent/total-rewards]
39	Webpage	Anti-Corruption Overview – Updated	05/02/2020	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/fcpa]
40	Webpage	Message From The CEO	05/02/20	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/message]
41	Webpage	Anti-Corruption Policies – Updated	06/02/2020	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/policies
42	Webpage	Risk Assessment Process – Updated	07/02/2020	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/riskassessmentsustainment]
43	Webpage	Due Diligence – Updated	07/02/2020	[https://www.raytheon.com/ourcompany/ourculture/anticorruption/duediligence]