

Raytheon

Transforming Tomorrow
2018 Corporate Responsibility Report



TRANSFORMING TOMORROW

Breakthrough technologies have been the driving force behind national security, economic strength and social cohesion. And they will continue to transform tomorrow.

At Raytheon, we're continually pushing the boundaries of technology, working at the forefront of quantum physics, artificial intelligence and machine learning, hypersonics, cybersecurity and much more. Together, we're advancing defense strategy, protecting people and infrastructure through proven solutions that make the world a safer place — faster than ever before.



Visible Infrared Imaging Radiometer Suite

HIGH STANDARDS. INSPIRED PERFORMANCE.

Raytheon's corporate culture is grounded in our company values: trust, respect, collaboration, innovation and accountability.

OUR VALUES



Trust

We take pride in our ethical culture, are honest and do the right thing.



Respect

We are inclusive, embrace diverse perspectives and value the role we all play in our shared vision.



Collaboration

We fuel more powerful ideas, deeper relationships and greater opportunities to achieve shared objectives together.



Innovation

We challenge the status quo and act with speed and agility to drive global growth.



Accountability

We honor our commitments, anticipate the needs of our customers, serve our communities and support each other.



DEAR RAYTHEON STAKEHOLDERS,

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.

Transformative People

Remaining a global innovation leader starts with our people. As our employee demographics shift, we are transforming the way we attract, develop and retain our world-class workforce.

By better understanding how millennial and Gen-Z employees want to work, we're adopting programs that allow for better work/life balance and ensure Raytheon is a welcoming, retaliation-free workplace.

These efforts are having an impact. The number of female vice presidents has grown by 41 percent since 2016, for example. And in 2018, I was proud to accept the Society of Women Engineers' Rodney D. Chipp Memorial Award, which is given to those who help support and advance women engineers.

Raytheon also keeps an eye toward developing the next generation of talent. In 2018, we piloted a new computer science program in partnership with Girl Scouts of the USA, and sponsored a summer program through MIT that taught high school students how to build drones equipped with synthetic aperture radar.

Our people — more than 10,000 of whom are veterans — play an important role in how we continue to honor and support veterans, service members and military families. They deliver the state-of-the-art defense systems that help members of the military complete their missions and return home safely. Many are also engaged in a new mentoring program we started with Student Veterans of America, which named us its 2018 Partner of the Year. Additionally, this past year Raytheon opened four new STEM Centers of Innovation at Boys & Girls Clubs serving U.S. military installations.

Our efforts to create a better workplace are driven from the top. Raytheon added three accomplished women to its board this year, and together, our five female directors were included on the 2018 Most Influential Corporate Directors list by *WomenInc.*®

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.

We also are transforming the way we design, manufacture and ship our products. Doing so helps us reduce our environmental impact and work toward our 2020 sustainability goals. In 2018, we achieved our highest waste diversion rate from landfills

WE ARE TRANSFORMING THE WAY WE ATTRACT, DEVELOP AND RETAIN OUR WORLD-CLASS WORKFORCE.

and incinerators through waste reduction, reuse and recycling efforts. We also incorporated energy-efficient designs in our buildings and completed numerous water reduction projects across the company.

Providing Security

Raytheon believes in our responsibility to use our technology to enhance safety. Our satellite-based sensors help meteorologists understand storms and changing weather patterns. And our advanced radar solutions are ready to help improve air traffic safety at our airports.

This sense of responsibility extends to making the cybersecurity technology and know-how we've accumulated over the years available not only to government and military customers, but also to commercial organizations to help them defend against the growing cyber threat.

These efforts help protect our way of life. The unprecedented layers of cybersecurity we've built into the ground system for the next generation of GPS satellites, for example, will keep the data that powers our financial systems and location devices accurate and secure for years to come.

Anticipating What's Next

These transformational efforts, combined with our culture of continuous improvement, have Raytheon well positioned for the challenges of tomorrow. Our team is already working at the cutting edge of technology, including areas such as quantum, artificial intelligence/machine learning, additive manufacturing and hypersonics.

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

APPROACH



Raytheon's "space factory" in Tucson, Arizona

We align our many corporate responsibility initiatives with our business strategy. As a technology leader, we have made commitments to build a future workforce with strong interest in science, technology, engineering and math (STEM); support veterans and military families; protect people, assets and infrastructure from growing cybersecurity threats; reduce our environmental impact; and give our people and partners the opportunity, training and support they need to nurture a diverse, inclusive and safe place to work and do business.

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.

ALIGNING CORPORATE RESPONSIBILITY TO BUSINESS STRATEGY

Our world-class sustainability program reflects the value we place on innovation, employee engagement and stakeholder collaboration. Over the years, it has created business value by making us more competitive, enhancing our reputation and boosting employee engagement.

SOCIAL COMMITMENT

Our evolving economy and future prosperity depend on building a world-class workforce. Raytheon focuses on two key social priorities: supporting veterans and military families, and promoting STEM education.

ENVIRONMENTAL IMPACT

Our energy, water, greenhouse gas and waste reduction programs reflect our close collaboration with stakeholders, the innovation and engagement of our people and our commitment to operational excellence.

EFFICIENT OPERATIONS

As a manufacturer and systems integrator, we incorporate sustainability into our planning, decision-making and day-to-day operations. We embrace the principles of Agile and DevOps to ensure fast flow, fast feedback and continuous improvement.

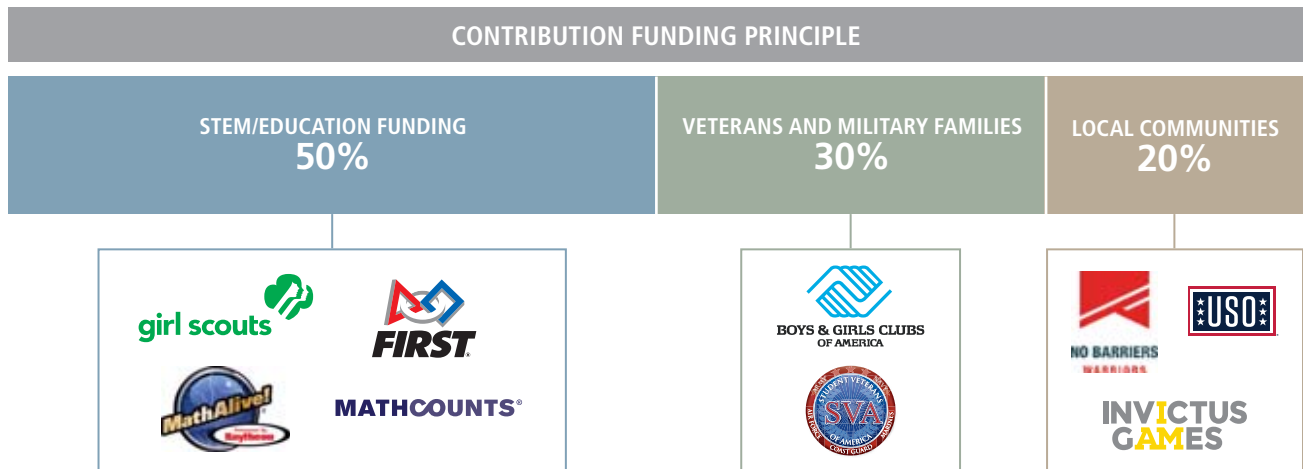
DIVERSE PERSPECTIVES

We foster an inclusive environment that honors our differences, encourages the exchange of information and new ideas and makes it possible for everyone to thrive and succeed.

SUSTAINABLE DESIGN

The trusted, innovative solutions Raytheon develops reflect our practice of integrating sustainability into product design and manufacturing, and engineering innovation and excellence into each product's entire life cycle.

RAYTHEON TAKES A DISCIPLINED APPROACH TO CORPORATE RESPONSIBILITY THAT ALIGNS OUR BUSINESS STRATEGY WITH OUR MANY INITIATIVES.



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.

CITIZENSHIP



Students compete during Engineers Week

Raytheon has established two key social priorities that align with our business imperatives of supporting armed service members and building a sustainable talent pipeline. We support veterans and military families by helping them succeed through education and meaningful employment in the private sector. And we cultivate future leaders in technology and innovation by promoting education in science, technology, engineering and math (STEM). Our funding is allocated strategically to support these goals.

EMPOWER

We empower veterans and military families to succeed through education.

EXPAND

We expand the future workforce by inspiring students to become tomorrow's drivers of technology and innovation.

ENGAGE

We engage employees in community efforts that support military families and inspire students in STEM.

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.



Girl Scouts visit Raytheon’s cyber CODE Center

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.



2018 MATHCOUNTS National Championship

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.



High school students design and build their own robots

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.



MathAlive! traveling STEM exhibit



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.



2018 Boys & Girls Clubs' Fill the Pack event

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.



2018 SVA National Conference



Veteran Wilderness Expedition in the Grand Canyon

EMPLOYEE SUPPORT

Employees donate to Raytheon’s Fund in Support of Our Troops, which disburses grants to organizations that deliver services and support to active-duty service members and veterans. Raytheon employees have given more than \$1.5 million through the fund.

Raytheon has teamed with the nonprofit organization No Barriers Warriors on a Veteran Wilderness Expedition that boosts their physical confidence and psychological well-being. In 2018, a team of disabled veterans from Alabama, Arizona, New Mexico and Texas — representing all branches of the armed forces — spent 10 days on the Colorado River, hiking deep inside the Grand Canyon. John Bishop, a retired U.S. Army lieutenant colonel who has worked at Raytheon for the last 20 years, volunteered as

an alumnus coach for the 2018 Veteran Wilderness Expedition team. “I want to help each veteran identify at least one future goal that they can accomplish within the first six months after the expedition,” Bishop said. “My hope is that with one accomplishment, it will encourage them to focus on the next one and next one.”

In Australia, Raytheon partners with Invictus Games, an international sporting event for wounded, injured and ill veterans and active service personnel. In addition to recognizing and honoring the commitment, leadership skills and strength of veterans, the partnership also enhances the recruitment, retention and support of Raytheon’s veteran employees and their families.

2018 EMPLOYEE VOLUNTEERISM BY THE NUMBERS

144,723



RECORDED VOLUNTEER HOURS

2,050



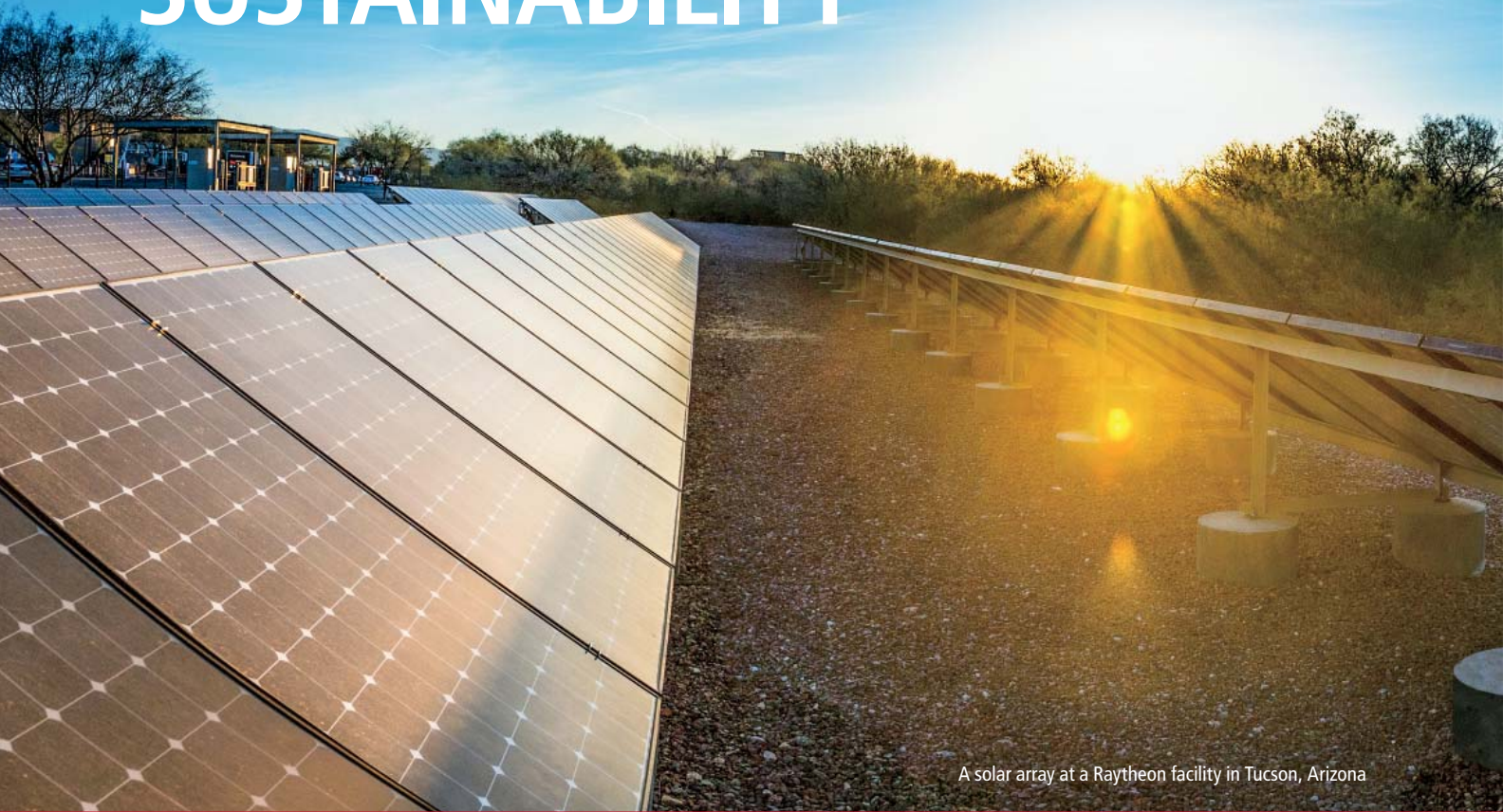
ORGANIZATIONS
ACROSS 31 STATES

402



EMPLOYEES QUALIFIED FOR
THE PRESIDENTIAL VOLUNTEER
SERVICE AWARD

SUSTAINABILITY



A solar array at a Raytheon facility in Tucson, Arizona

Raytheon’s sustainability program aligns our employees, customers, suppliers and communities around a single goal — to engineer a sustainable future by protecting the environment and conserving natural resources. Our sustainability principles extend across our company and influence everything we do — from operating our manufacturing plants to building our products and engineering innovative solutions.

FOUR PILLARS OF RAYTHEON SUSTAINABILITY

INTEGRATE

We integrate principles of sustainability into the design of our products, processes and services through their entire life cycle.

COLLABORATE

We collaborate with suppliers, customers, industry, academia and communities to develop and deploy sustainable solutions.

OPTIMIZE

We optimize environmental performance throughout the value chain by engaging in responsible resource management.

EMPOWER

We empower our employees and partners to work and live sustainably.

At Raytheon, sustainability is a shared commitment that engages every facet of our operations — from the ingenuity and focus of our people to our global operations and supply chain. Together, we are working to reduce our environmental footprint and build a sustainable future.

2020 SUSTAINABILITY GOALS

<p>Reduce energy consumption by 10%</p> 	<p>Decrease water use by 10%</p> 	<p>Reduce greenhouse gas emissions by 12%</p> 	<p>Increase solid waste diversion rate to 82%</p> 	<p>Achieve 5% renewable energy</p> 
<p>Obtain zero waste certification at 20 sites</p> 	<p>Reduce the environmental impact of supplier packaging by 10%</p> 	<p>Obtain sustainability commitment from 90% of key preferred suppliers</p> 	<p>Deploy advanced energy management at 100% of enterprise data centers</p> 	<p>Eliminate hexavalent chromium and cadmium from 99% of Raytheon's standard parts & materials list</p> 
<p>Deploy next-generation virtual collaboration environment to 100% of Raytheon locations</p> 	<p>Incorporate sustainability into 90% of targeted Raytheon enterprise supplier assessments</p> 	<p>Enhance capability to obtain / quantify substance content of parts in products to 78%</p> 	<p>Increase electronic transfers of technical data packages to 80%</p> 	

2020 SUSTAINABILITY GOALS

Raytheon sets ambitious targets for environmental protection and resource conservation. We are working on our second set of long-term sustainability goals. In early 2016, we established 14 sustainability goals for 2020 that address many different areas, including energy and water conservation, reduction of greenhouse gas emissions, solid waste diversion, supplier packaging, renewable energy, materials of concern and supplier commitment to sustainability. Raytheon is making steady progress toward these goals.

2018 GOAL PROGRESS

						
3.3%	15%	4%	SUSTAINABILITY	6.8%	83%	11 Zero Waste
<small>REDUCTION IN ENERGY CONSUMPTION SINCE 2015</small>	<small>REDUCTION IN GREENHOUSE GAS EMISSIONS SINCE 2015</small>	<small>RENEWABLE ENERGY IN 2018</small>		<small>REDUCTION IN WATER USE SINCE 2015</small>	<small>WASTE DIVERSION FROM LANDFILLS / INCINERATORS IN 2018</small>	<small>TRUE CERTIFIED SITES AT THE END OF 2018</small>

SUSTAINABLE ENGINEERING

We integrate sustainability into our engineering processes by designing and building our products with sustainable materials and by minimizing materials of concern that pose health, safety or environmental risks. Along with the Department of Defense, government agencies and international organizations, we're especially focused on reducing the use of two toxic materials — cadmium and hexavalent chromium. For the past several years, Raytheon has worked closely with universities, suppliers and third party organizations to develop, qualify and standardize cadmium-free and hexavalent chromium-free alternatives.

We also help ensure our suppliers are sourcing materials ethically and responsibly. This includes taking steps to responsibly source tin, tantalum, tungsten and gold (3TG minerals) that may originate in conflict regions. In addition, our direct contractual relationships with first-tier suppliers require them to monitor 3TG sourcing from their own suppliers.



Integrating energy efficiency into new building designs

"I applaud the 2019 ENERGY STAR Award Winners. Their innovation and leadership enhance America's economic competitiveness. Reducing costly energy waste improves air quality and public health while protecting the environment."

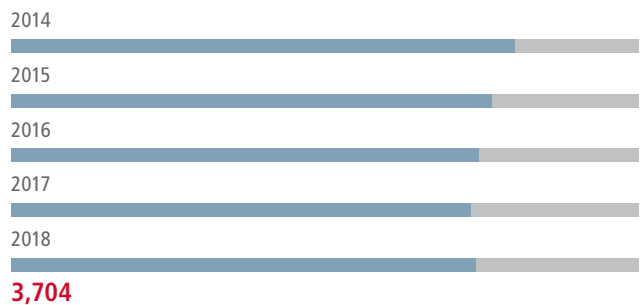
Bill Wehrum
Assistant Administrator for the Office of Air and Radiation
Environmental Protection Agency

REDUCING ENERGY

We advance our sustainability vision by conserving our planet's natural resources and by reducing energy-related greenhouse gas emissions and other pollutants. Our integrated energy management strategy spans our buildings, manufacturing processes, information technology, engineering design and communications. In 2018, we executed on projects that reduce energy consumption by 14,000 MMBtu annually. Specifically, we upgraded chillers, boilers and central plants, converted lighting to LEDs, upgraded building management systems and expanded our Smart Campus program.

ENERGY CONSUMPTION

MMBTUs



For more than 19 years, Raytheon has been a partner in ENERGY STAR®, a voluntary U.S. EPA program that promotes strategic energy management. For the 12th consecutive year, the U.S. EPA awarded Raytheon its ENERGY STAR® Partner of the Year — Sustained Excellence Award for our leadership in protecting the environment through superior energy efficiency accomplishments.



Raytheon's business grew significantly in 2018, and this expansion means new requirements — and new facilities and space to support them. For all new buildings, we specify envelope insulation and LED lighting to drive improvement over the ASHRAE 90.1 baseline. In 2018, we opened a new standardized data center at our Tucson, Arizona site. This new stand-alone building, which is designed specifically and only for use as a data center, utilizes a rack-mounted rear-door cooling system with chilled water and variable-speed fans to efficiently cool the computer equipment.

RENEWABLE ENERGY

Raytheon has been supporting the renewable energy market for the last 12 years. We've bought or generated more than 300 million kilowatt hours of renewable energy at many different Raytheon sites. Raytheon has three on-site solar projects. We installed the first project, a 100-kilowatt system, on the roof of a large building at our Andover facility in 2008. It has operated continuously through many storms with high winds, snow and rain. The other two solar projects are ground-mounted solar panel systems located on the U.S. Air Force Plant 44 at Raytheon's Tucson site.



Andover, Massachusetts solar project

RENEWABLE ENERGY BENEFITS

Our use of renewable energy over the last 12 years has reduced greenhouse gas emissions by a cumulative

208,500

METRIC TONS OF CARBON DIOXIDE EQUIVALENTS



This equates to the greenhouse gas emissions reduction from removing

44,268

CARS FROM THE ROAD FOR A YEAR

GREENHOUSE GAS EMISSIONS

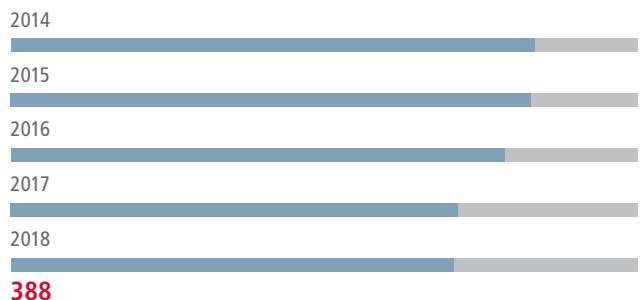
Since 2002 we have set and achieved three goals for the reduction of greenhouse gas emissions and are currently pursuing our fourth goal — a 12 percent reduction from 2015 levels by the end of 2020. Approximately 90 percent of Raytheon's greenhouse gas emissions relate to energy use. As such, our primary strategy for decreasing greenhouse gas emissions is to consume less energy. We continually identify and implement energy efficiency projects and our energy team analyzes monthly energy data, conducts energy audits, shares best practices, identifies candidate energy projects and works together to reduce energy consumption.

To this end, we have upgraded/optimized HVAC systems, installed energy-efficient measures in our data centers and server rooms, and installed LED lighting while making other changes to building infrastructure and equipment. We also monitor and track developments in alternative energy technologies, low-carbon energy solutions and other techniques for reducing greenhouse gas emissions.

SINCE 2008, RAYTHEON HAS CUT ITS GREENHOUSE GAS EMISSIONS BY 38 PERCENT.

GREENHOUSE GAS EMISSIONS

Thousands of metric tons of CO₂ equivalent





WATER CONSERVATION

Raytheon uses water in our air conditioning/heating systems, cafeterias, restrooms and outdoor irrigation systems. We also use it in manufacturing processes such as parts cleaning, electroplating and wastewater treatment. Although our business is not water-intensive, we've made water reduction a priority — especially in the water-scarce regions where we operate. Between 2008 and 2015, we reduced U.S. water consumption by 35 percent.

WATER USE

Millions of gallons



482

Since 2015, we've reduced our water use by 6.8 percent despite company growth and several large construction projects. Our many initiatives have included implementing changes to our manufacturing processes, installing low-flow plumbing fixtures in our buildings, reusing grey water for landscape irrigation and upgrading irrigation systems.

SINCE 2015, WE'VE REDUCED WATER CONSUMPTION BY 6.8 PERCENT DESPITE COMPANY GROWTH.

SUPPLY CHAIN SUSTAINABILITY

In recent years, Raytheon has taken steps to incorporate sustainability principles into our supply chain management processes. We've integrated sustainability content into our source selection documents, into certain supplier assessment tools and into many of our suppliers' quarterly business reviews. We're working with key suppliers to ensure they are committed to our sustainability values and have sustainability goals that they pursue.

Our Global Substances (GS) team also participates in industry groups focused on understanding how changing regulations impact global supply chains and working for common solutions. We chair the International Aerospace and Environmental Group (IAEG), a non-profit organization of global aerospace companies, and actively participate in the Aerospace Industry Association and IPC activities.



Drought-tolerant landscaping at our Goleta, California site

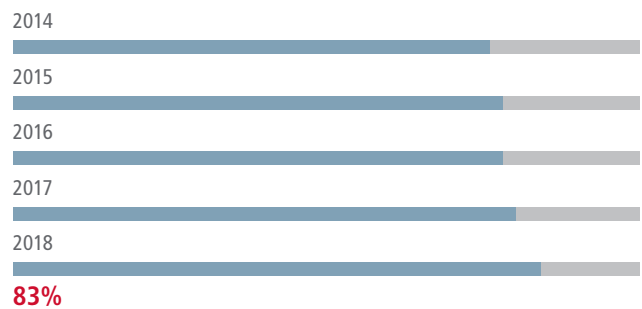
WASTE REDUCTION, REUSE AND RECYCLING

Raytheon is pursuing Total Resource Use and Efficiency (TRUE) zero waste certification at many of its facilities. This certification program is managed by Green Business Certification Inc. (GBCI). TRUE certification is a whole-systems approach to solid waste management that changes how materials are used and how they flow through their life cycle. It makes companies more resource efficient, cuts their carbon footprint to reduce their environmental impact and turns waste into savings. It goes beyond the traditional focus on recycling to embrace reduction, reuse, re-earth/composting, redesign and more. To qualify, sites must divert at least 90 percent of their waste from landfills and incinerators.

In 2015 Raytheon became the first aerospace and defense company to earn zero waste certification. In 2018, four Raytheon facilities obtained zero waste certification: El Segundo, California;

Portsmouth, Rhode Island; Cambridge, Massachusetts; and Camden, Arkansas. Three of these sites achieved the highest certification level of Platinum, while the fourth site scored the second highest level, Gold. To date, Raytheon has obtained TRUE zero waste certification at 11 sites.

SOLID WASTE DIVERSION



2018 RECYCLED/REUSED MATERIALS



2,750 TONS
OF METAL



1,900 TONS
OF SINGLE-STREAM
RECYCLING



2,000 TONS
OF PAPER AND
CARDBOARD



1,700 TONS
OF WOOD



1,000 TONS
OF COMPOST



4,300 TONS
OF GRASSCYCLING



1,000 TONS
OF REUSED
MATERIALS

TALENT



Raytheon gives employees the resources and training they need to excel in the workplace

Our strength comes from our diverse backgrounds and ideas; our values guide how we work together as one global team to support our inclusive culture.

Raytheon builds and maintains a global workforce of talented, motivated and inquisitive people. We support our employees by fostering a diverse and inclusive culture, investing in education and career development programs that keep employees at the leading edge, providing world-class health and wellness benefits and ensuring a safe and secure work environment where our talented team can find purpose, thrive and succeed.

Raytheon recognizes that talent is our competitive advantage — and the key to our success. Our people design and build the groundbreaking technical products and processes that support our customers' needs and help transform tomorrow.

TALENT STRATEGY

Young people today seek fulfilling, meaningful work — and opportunities to contribute to important assignments that make a difference. Attracting the top talent Raytheon needs to support international growth remains a high strategic priority — and requires innovative and effective outreach. This is especially true in an environment characterized by historically low unemployment rates and intense competition from nontraditional industries. STEM talent is essential given growing cybersecurity threats and opportunities to apply new technologies to the commercial sector.

IN 2018, WE RECRUITED MORE THAN 2,700 COLLEGE HIRES, INTERNS AND CO-OP PARTICIPANTS FROM MORE THAN 80 COLLEGES.

ATTRACTING TOP TALENT

Each year, tens of thousands of newly minted engineers with diverse backgrounds and perspectives join the ranks of professionals who use their problem-solving skills to address the great challenges of our day. At Raytheon, they can explore countless opportunities, from securing an interconnected world, to pushing the boundaries of weather forecasting, to safeguarding every side of cyber.

To attract new generations of talent, we invest in advocacy and leadership work at U.S. and international campuses that connects recruiting, research, learning and branding. We have developed multifaceted relationships with research universities that operate at the forefront of technology.

Talented technical graduates can apply for our two-year Rotational Engineering Leadership Development Program (RELDP), which develops them to become future leaders at the company. It provides rich development opportunities through targeted experiential and applied learning and participation on global teams supporting international customers and suppliers.

We also developed an Intentional On-boarding Program to help new hires acclimate to Raytheon. We create opportunities for them to meet face-to-face with colleagues, attend regional development and networking sessions, attend panel discussions, listen to Raytheon quarterly earnings calls and learn about diversity and inclusion. Participation has led to high levels of employee retention.



Raytheon is applying insights to develop new human resources strategies

DIVERSITY

We build diversity into our education and development programs to evolve our collective thinking about how diversity of ideas drives our success.

EXPERIENCE

We give current and future leaders the exposure and experience base they need to cultivate a global and inclusive mindset.

LEARNING

We develop focused learning initiatives to ensure that our global workforce accurately understands and represents the markets where we operate.

EDUCATION AND ENGAGEMENT

We maintain and evolve a rich set of individual development and team development resources to address the needs of our 67,000 employees. These include a development planning framework, a Global Mentoring Program and leadership courses and assessments. We also provide leadership development opportunities for high-potential employees early in their careers, followed by mid-level and executive training programs. And our focus on employee sponsorship and mentorship is helping people build networks and connect with mentors and advocates. In 2018, every member of Raytheon’s senior leadership team

served as a sponsor to protégés to build relationships, advocate placements and support talent in key roles.

Raytheon offers a variety of education and training programs, accessible through an online learning management system. To facilitate self-driven learning, we align these courses with specific competencies. In 2018, we revised and enhanced our educational systems program to create broader learning opportunities. Beyond earning graduate degrees, employees can now earn professional certifications and complete online courses that lead to micro master’s degrees.

DIVERSITY AND INCLUSION

A Business Imperative

We’re at our best when different perspectives and experiences energize our environment and fuel our passion for innovation. To meet the challenges we face — and develop the innovative solutions our global customers depend on — we need an environment where everyone feels included and can find purpose, thrive and succeed.

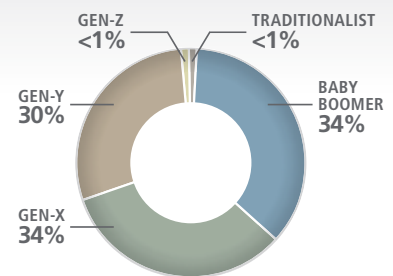
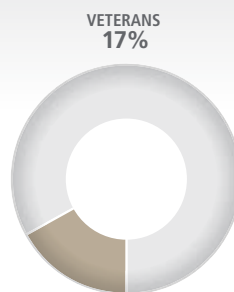
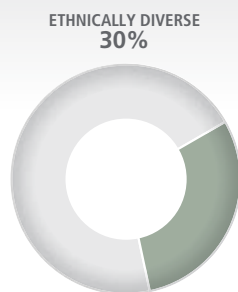
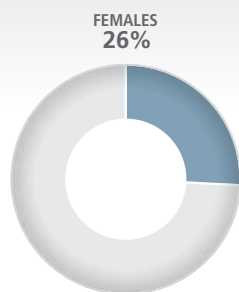
Raytheon’s commitment to diversity and inclusion starts at the top, with an actively engaged leadership team that’s spearheading a strategic, multiyear plan to improve diversity and inclusion. The plan incorporates researched, process- and culture-focused efforts to cultivate a richly diverse and inclusive workforce.

In 2018, we expanded this commitment through a number of initiatives. We used crowdsourcing to uncover new ideas for

how we can strengthen our diversity and inclusion programs at Raytheon. We held regional women’s forums to engage employees in honest, productive dialogue about the challenges faced by women in the workplace, and to identify specific actions to address those challenges. We advanced Diversity 2020, an employee engagement campaign backed by Raytheon’s senior leadership team. And we continued to broaden representation of women and people of color, especially in leadership positions.

We also follow a deliberate supplier diversity strategy that combines an acute focus on the specific solutions suppliers provide with a stratified approach to use companies of various sizes. This strategy drives innovation, agility and competitiveness within our supply chain. In 2018 we expanded our small business supply base by 5 percent over the previous year.

WORKFORCE DEMOGRAPHICS



Employee Resource Groups

Raytheon’s employee resource groups have been an integral part of our diversity and inclusion journey — and a key to maintaining a richly diverse talent base. Our ERGs have attracted members from 19 countries, in part because they provide cross-business networks that lead and contribute to projects at Raytheon and in the communities where we do business. We recently gave ERGs a new charter and structure that tightly align them with our strategies and priorities. Their commitment to making Raytheon a more inclusive

workplace for everyone is invaluable. For instance, in 2018, members of the Raytheon Black Employees Network (RAYBEN) held a summit to celebrate 35 years of commitment to diversity at Raytheon, and to renew their focus on building a sustainable pipeline of diverse leadership. From tapping into professional networks that serve women and people of color to supporting the development of all Raytheon employees, ERGs are indispensable to the long-term vitality of our workforce and business.



RAYTHEON’S ERGs REPRESENT MORE THAN 22,000 EMPLOYEES FROM 19 COUNTRIES.

OUR INCLUSIVE LEADER PROGRAM INSTRUCTS MANAGERS HOW TO LEAD IN A DIVERSE AND MULTICULTURAL WORKPLACE.

BENEFITS: 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 PACKAGE INCLUDES:

- Competitive compensation programs (base pay, bonus programs and equity programs)
- Rewards and recognition programs (achievement awards, spot awards, service awards and various other professional awards programs)
- 401(k) program, RISP plan and various legacy defined benefits pension plans
- Paid time off, holidays, 9/80 workweeks and flexible work arrangements
- Comprehensive health and welfare benefits (health, dental, vision, life, AD&D and coverage in areas like fertility and applied behavior analysis)
- Paid parental leave for mothers, fathers and adoptive parents
- Employee Assistance Program
- On-site health centers, online wellness portal and rewards-based wellness program
- Education assistance
- Backup care for children, adults and elders

HEALTH AND WELL-BEING

Our health benefits include comprehensive programs, services and resources that address the health needs of our employees and their families and promote a culture of well-being. These include a rewards-based, digital wellness program and a work/life resource and referral program that offers counseling and learning programs, plus parental leave and emergency backup care for children and adults. They can access immediate, on-the-job and at-home help to support their short- and long-term medical and well-being needs, including wellness, work/life balance and employee assistance programs.

Each year we review our programs and services and research new technology and best practices to enhance the Total Rewards program. In 2016, Raytheon became one of the first in our industry to offer paid parental leave. In 2017, we removed the preexisting condition limitation on disability benefits for newly hired employees

IN 2018, OVER 21,000 EMPLOYEES ENGAGED IN CLOSE TO 99,000 VISITS WITH RAYTHEON'S EMPLOYEE HEALTH CLINICS, COMPARED TO JUST OVER 88,000 IN 2017.

who are pregnant or become pregnant during their new hire enrollment period. In 2018, Raytheon partnered with College Coach to assist employees with all aspects of their children's college selection, application and finance processes. As our international workforce increases, we're examining regulatory requirements and market practices in several growth countries to find new healthy solutions for expatriates, local nationals and third-country nationals.

WORKPLACE SAFETY

Just as Raytheon's leading-edge technologies help make the world a safer place, we also work tirelessly to make our own workplaces and employees safe. The investments we've made in our safety programs make us more competitive, more productive and even more focused on health and safety.

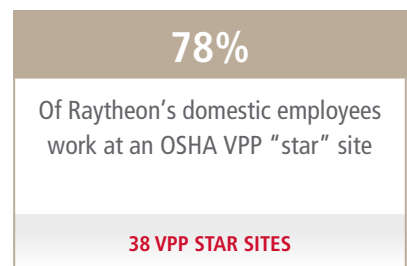
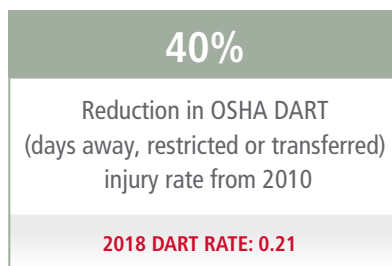
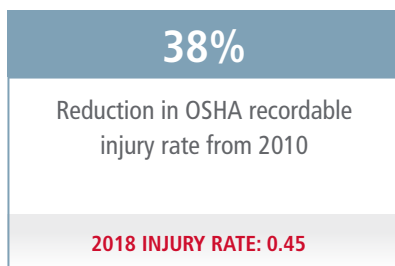
Safety Initiatives

Approximately 40 percent of Raytheon's workplace injuries result from ergonomic hazards, which include injuries from lifting, lowering, pushing or pulling objects, or from repetitive motion or awkward postures in both the manufacturing and office environments. Over the last couple of years, our enterprise ergonomics team has been on a journey to identify sites with elevated ergonomics risk, assess high-risk tasks and implement

creative control measures to ultimately reduce these risks. The team receives regular input from the employees who perform these tasks, and we often implement the innovative solutions they suggest.

IN 2018 *EHS TODAY* MAGAZINE NAMED RAYTHEON ONE OF AMERICA'S SAFEST COMPANIES. ONLY 13 COMPANIES ACHIEVED THIS RECOGNITION.

Environmental, Health and Safety (EHS)



Occupational Safety and Health Administration (OSHA) Voluntary Protection Programs (VPP)

BOARD OF DIRECTORS

Thomas A. Kennedy

Chairman and Chief Executive Officer,
Raytheon Company

Vernon E. Clark**

Retired Chief of U.S. Naval Operations

Tracy A. Atkinson

Executive Vice President and
Chief Compliance Officer,
State Street Corporation

Robert E. Beauchamp

Retired Chairman, BMC Software, Inc.

Adriane M. Brown

Retired President and Chief Operating
Officer, Intellectual Ventures, LLC

Stephen J. Hadley

Principal, RiceHadleyGates LLC

Letitia A. Long

Retired Director, National
Geospatial-Intelligence Agency

George R. Oliver

Chairman and Chief Executive Officer,
Johnson Controls International plc

Dinesh C. Paliwal

President and Chief Executive Officer,
Harman International Industries, Inc.

Ellen M. Pawlikowski

Retired U.S. Air Force General

William R. Spivey

Retired President and Chief Executive
Officer, Luminent, Inc.

Marta R. Stewart

Retired Executive Vice President and
Chief Financial Officer,
Norfolk Southern Corporation

James A. Winnefeld, Jr.

Retired Vice Chairman of the
Joint Chiefs of Staff

Robert O. Work

Retired Deputy Secretary of Defense

* Lead Director

† Mr. Clark will be retiring from the Board effective May 30, 2019.

LEADERSHIP TEAM

Thomas A. Kennedy

Chairman and Chief Executive Officer

Ralph H. Acaba

President, Integrated Defense Systems

Roy Azevedo

President, Space and Airborne Systems

John D. Harris II

Vice President, Business Development
Raytheon International, Inc.

Jeanette Hughes

Vice President, Internal Audit

Frank R. Jimenez

Vice President, General Counsel
and Secretary

Wesley D. Kremer

President, Missile Systems

Taylor W. Lawrence**

Vice President

Randa G. Newsome

Vice President, Human Resources
and Global Security

Anthony F. O'Brien

Vice President, Chief Financial Officer

Rebecca R. Rhoads

President, Global Business Services

Mark E. Russell

Vice President, Engineering, Technology
and Mission Assurance

David C. Wajsgras

President, Intelligence, Information
and Services

Pamela A. Wickham

Vice President, Corporate Affairs
and Communications

M. David Wilkins

Vice President, Contracts and
Supply Chain

** Dr. Lawrence will be retiring from the company
effective July 14, 2019.



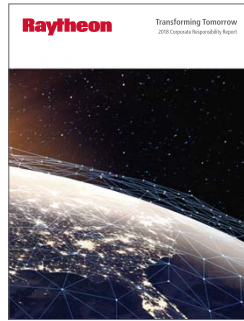
From left to right: Roy Azevedo, M. David Wilkins, Frank R. Jimenez, Pamela A. Wickham, David C. Wajsgras, Rebecca R. Rhoads, Anthony F. O'Brien, Thomas A. Kennedy, John D. Harris II, Mark E. Russell, Randa G. Newsome, Taylor W. Lawrence, Jeanette Hughes, Ralph H. Acaba, Wesley D. Kremer



2019 Proxy Statement



2018 Annual Report




2018 Corporate Responsibility Report

 **Raytheon.com**

 **@Raytheon**

 **Raytheon**

 **@RaytheonCompany**

 **Raytheon**

For further information about Raytheon, we invite you to review our investor communications at <https://www.raytheon.com>

Raytheon Company
870 Winter Street
Waltham, Massachusetts
02451-1449 USA

© 2019 Raytheon Company. All rights reserved. Approved for public release. Student Veterans of America is a registered trademark of Student Veterans of America, WomenInc. is a registered trademark of L.P. Green & Partners, Inc., Girl Scouts is a registered trademark of Girl Scouts of the USA, Boys & Girls Clubs of America is a registered trademark of Boys & Girls Clubs of America, USO is a registered trademark of United Service Organizations, Inc., No Barriers is a trademark of No Barriers USA, Invictus Games is a registered trademark of Invictus Games Foundation, Mathcounts is a registered trademark of Mathcounts Foundation, FIRST is a registered trademark of United States Foundation For Inspiration and Recognition of Science and Technology, MathAlive! is a registered trademark of Evergreen Exhibitions, Ltd., Energy Star and Energy Energy Star and design are registered trademarks of the Environmental Protection Agency, SWE Society of Women Engineers is a registered trademark of Society of Women Engineers, VPP and star design is a registered trademark of Voluntary Protection Programs Participants' Association, Inc., OSHA is a registered trademark of the Occupational Safety and Health Administration, EHS Today is a registered trademark of Penton Media, Inc., Raytheon, and Raytheon in red block letters are registered trademarks of Raytheon Company. Designed by Addison