

CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

The California Transparency in Supply Chains Act requires certain manufacturers doing business in the State of California to disclose their efforts to eliminate the use of slave labor and human trafficking from their supply chains.

Raytheon is committed in our business practices to reflect our company's values, including treating people with respect and dignity. Raytheon's values set the foundation for its Code of Business Ethics and Conduct (the "Code") and its policies, procedures and business practices.

Our Code and our terms and conditions with domestic and international suppliers, require compliance with all applicable governmental laws, rules and regulations (including laws prohibiting human trafficking and forced labor). Suppliers are expected to act proactively, raising concerns about ethical issues, violations of the Code, or governmental rules and regulations.

The United States Government has adopted a zero tolerance policy regarding trafficking in persons. Accordingly, Government contracts for acquisitions of goods and services:

(a) Prohibit contractors, contractor employees, suppliers, and supplier employees from—

(1) Engaging in severe forms of trafficking in persons during the period of performance of the contract;

(2) Procuring commercial sex acts during the period of performance of the contract; or

(3) Using forced labor in the performance of the contract;

(b) Require contractors and suppliers to notify employees of the prohibited activities and the actions that may be taken against them for violations; and

(c) Impose suitable remedies, including termination, for failure to comply with these Government contracting requirements.

In accordance with its Code and terms and conditions in applicable Government contracts, Raytheon complies with these requirements regarding trafficking in persons and forced labor and it "flows down" such requirements to Raytheon's suppliers.

Training on Trafficking and Forced Labor Issues: Raytheon has taken steps to ensure that our employees are aware of these critical issues so that they may communicate such information to Raytheon's suppliers. Raytheon also provides its suppliers with access to a toll-free Ethics Line, which enables suppliers to communicate questions and concerns about compliance with applicable governmental laws, rules and regulations

(including laws prohibiting human trafficking and forced labor), when the proper course of action may appear to be unclear.

Supplier Accountability: Raytheon has retained the right under its contracts with its suppliers to terminate a contract with its supplier for the supplier's failure to comply with the requirements of Raytheon's Code. For international procurements, Raytheon also reserves the right to gain access to supplier records and facilities for the purpose of auditing the supplier's compliance with Raytheon's Code requirements and compliance with law requirements under the contract.

We are proud of our efforts in this area as reflected in our 2010 Corporate Responsibility Report. It states "We have recently expanded our Code of Business Ethics and Conduct to underscore our commitment to protection of human rights in our global business activities."