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Sustainability in action at www.raytheon.com
Keyword: Sustainability

The unveiling of new solar panels at Raytheon Integrated Defense Systems' Andover, Mass., facility furthered the company's commitment to utilizing energy sources that are cleaner, more efficient and more environmentally sustainable. The panels generate enough clean electricity to power over 8,000 homes. By embracing solar energy, Raytheon is employing a solution that helps the planet and results in substantial cost savings.

Energy and the Environment

Reducing Consumption and Waste

Raytheon is committed to sustainability, including protection of the environment and conservation of natural resources. We operate our facilities, and engineer our processes and products, with the goal of maximizing efficiency and reducing environmental impacts.
We apply waste minimization strategies to eliminate, reuse and recycle our wastes. We work tirelessly to reduce energy consumption and greenhouse gas emissions. We strive to exceed regulatory compliance standards and to integrate energy efficiency and environmentally friendly processes into the daily practices of every Raytheon location.

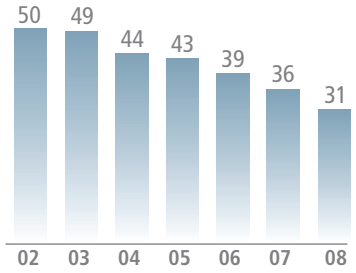
CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

Climate change and the effect of greenhouse gas emissions are important issues that have gained worldwide attention. Raytheon recognizes these pressing issues and is taking steps to reduce its greenhouse gas emissions. In 2002, Raytheon became a charter member of the Climate Leaders program created by the U.S. Environmental Protection Agency (EPA). Climate Leaders is a voluntary industry/government initiative that requires participating companies to set long-term greenhouse gas emission reduction goals, develop reduction strategies and annually report on their greenhouse gas emissions. Raytheon set an aggressive long-term goal to reduce greenhouse gas emissions by 33 percent from 2002 to 2009, normalized by revenue and adjusted for inflation.

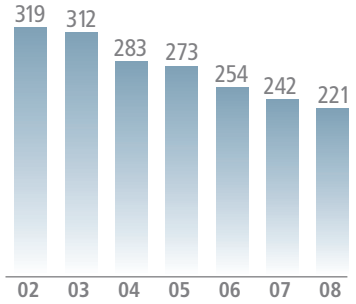
Raytheon achieved its seven-year greenhouse gas reduction goal one year ahead of schedule. By the end of 2008, the company had exceeded the original 33 percent goal by reducing its emissions 38 percent, normalized by revenue and adjusted for inflation. The company is proud of this significant accomplishment. Our emissions dropped from 50,073 metric tons of carbon dioxide equivalent (CO_2e) emissions per billion dollars of revenue in 2002 to 30,997 metric tons per billion dollars of revenue in 2008. This reduction equates to 275,000 metric tons of greenhouse gas emissions avoided cumulatively between 2002 and 2008, which is equivalent to the emissions from the electricity use of 36,400 homes for a year. In 2008, Raytheon's total U.S. greenhouse gas emissions were 610,018 metric tons of CO_2 equivalents.

Raytheon is committed to further reducing its carbon footprint and is working with the EPA to set a new long-term greenhouse gas emission reduction goal.

GREENHOUSE GAS EMISSIONS (THOUSANDS OF METRIC TONS/ $B REVENUE)



ENERGY CONSUMPTION (BILLIONS OF BTUs/$B REVENUE)



Note: Revenue dollars are adjusted for inflation per EPA guidelines

Energy and the Environment

Raytheon Energy Citizen
By engaging in energy conservation efforts at both work and home, 30 percent of Raytheon employees qualified as 2008 Energy Citizens.

ENVIRONMENTAL HEALTH & SAFETY

Raytheon Environmental, Health & Safety pursues the highest standards for the safe operation of company facilities and the preservation of natural resources. These principles are integrated into all aspects of Raytheon's business.

Raytheon Sustainability

Raytheon's Sustainability initiative encompasses all we do as an organization. In developing and following best practices toward sustainability, corporate responsibility and the environment, we benefit our workplace, our communities and our world.

ENERGY MANAGEMENT AT RAYTHEON

Approximately 90 percent of Raytheon's greenhouse gas emissions result from energy consumption. Therefore, energy conservation and improved energy efficiency are key elements in Raytheon's strategy to reduce greenhouse gas emissions. Raytheon has had a strong energy program for many years and continually seeks improvements.

Since 2002, energy consumption per dollar of revenue at Raytheon's major locations has declined over 30 percent. Energy consumption is continually analyzed to identify reduction opportunities, and Raytheon has completed hundreds of energy conservation and efficiency projects. Metrics on energy consumption are collected and reported to company leaders on a regular basis.

The company has invested millions of dollars in its facility infrastructure in order to save energy and, thereby, reduce our greenhouse gas emissions. The projects have included high-efficiency lighting; variable speed drives for motors, pumps and fans; premium-efficiency motors; and state-of-the-art automated energy management and control systems. In 2008 alone, the company reduced its energy usage 9 percent, normalized for revenue, saving approximately $3 million in energy costs.

ENERGY STAR® PARTNERSHIP AND AWARDS

Raytheon has actively participated in the ENERGY STAR program since joining in 1999. ENERGY STAR is a joint program of the EPA and U.S. Department of Energy that offers a proven energy management strategy that helps in measuring current energy performance, setting goals, tracking savings and rewarding improvements. Raytheon received a 2009 ENERGY STAR Award for Sustained Excellence in Energy Management on March 31, 2009, at a ceremony in Washington, D.C. The award is the highest honor given to an ENERGY STAR partner. Raytheon was recognized for its successful strategies and programs to reduce energy consumption, improve energy efficiency and cut greenhouse gas emissions. This is the second consecutive year Raytheon has received a Sustained Excellence Award, and the fifth time in nine years that Raytheon has been recognized under the ENERGY STAR program.

RENEWABLE ENERGY

During 2008, Raytheon explored "greening" our energy portfolio through renewable energy sources such as solar, wind, fuel cells and geothermal heat pumps. Colorado and Indiana facilities purchased off-site green power in 2008, and the company is evaluating options for on-site renewable energy projects in five other states. In June of 2008, the Integrated Air Defense Center in Andover, Mass., installed a 100 kilowatt photovoltaic rooftop system.

POLLUTION PREVENTION

In our companywide effort to prevent pollution and preserve natural resources, we continue to work toward zero waste generation and the recycling or reuse of waste that has not been eliminated. Since 1998, Raytheon has reduced the amount of hazardous waste it generates by 87 percent per billion dollars of revenue. In 2008 alone, we reduced hazardous waste by 13 percent, to 39 tons per billion dollars of revenue. We generated approximately 990 tons of hazardous waste in total, of which 82 percent was recycled or otherwise diverted from a landfill.

RECYCLING PROGRAMS

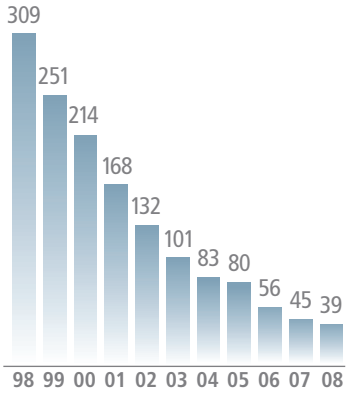
Raytheon has a long history of effective recycling programs. During 2008, our operations collected more than 11,000 tons of recyclable material, including glass, wood, paper, scrap metal, electronic scrap, plastics, cardboard and organic materials. Since 1998, Raytheon has reduced the volume of solid waste generated per billion dollars of revenue by 55 percent, with a 10 percent reduction for the last year alone. In 2008, we generated 19,160 tons of solid waste, of which 59 percent was recycled.

ENVIRONMENTALLY RESPONSIBLE RESTORATION

Raytheon invests significant resources in the responsible cleanup of past environmental contamination. An established Remediation Leadership Team of company professionals continually evaluates remediation technologies to limit the risks to human health and the environment and to reduce program costs. Raytheon is involved in 44 active remediation sites, with a future combined cost estimate of $157 million (present value of $105 million before recovery). The 44 sites include 24 former and ten current operating locations, as well as ten third-party landfill and recycling locations. Nine of the 44 sites are classified as Federal Superfund sites (eight third-party landfill/recycling locations and one former operating location).

A recycled water system at Raytheon Space and Airborne Systems headquarters will conserve 27 million gallons of potable water annually, enough to meet the needs of 160 families.

HAZARDOUS WASTE GENERATION (TONS PER $B REVENUE)



SOLID WASTE GENERATION (TONS PER $B REVENUE)