

Safety and Wellness: Improving Life for Employees and Their Families

Nowhere is Raytheon’s principle of respect more evident than in its comprehensive array of programs to ensure employees’ safety, promote health and wellness, and help employees and families balance work and home commitments. The goal of these programs is to enhance the quality of life for the entire Raytheon community. Internal studies, employee survey responses and external benchmarks show that the programs are achieving this goal.

PROTECTING PEOPLE

Worker safety is critically important in everything we do. Raytheon’s safety programs are driven by a strong commitment from top-level management, and safety practices are a core component of every business. Leaders and employees at all levels are actively involved and held accountable for fulfilling their safety responsibilities.

Raytheon has made significant progress toward the ultimate goal of an injury-free workplace by implementing world-class safety programs and processes. Since 1998, we have reduced our Occupational Safety and Health Administration (OSHA) recordable injury rate by 75 percent and our lost workday injury rate by 66 percent. For 2007, our OSHA recordable injury rate was 0.77 per 100 employees, and our lost workday injury rate was 0.22 per 100 employees. In 2007, we had 564 recorded injuries and of those, 160 were categorized as lost workday injuries. We are determined to continue to improve these numbers. Steps taken in 2007 included:

> **Hazard Risk Assessments:** Musculoskeletal or “soft tissue” injury is by far the most common type of injury. These injuries typically result from repetitive motion, lifting, lowering, carrying or pushing/pulling.

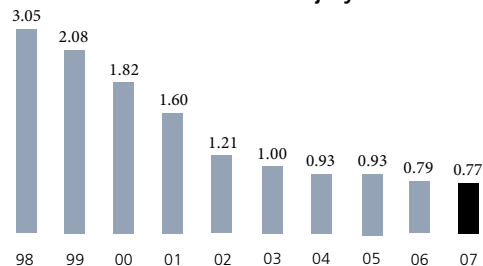
In 2007, online ergonomic risk assessment surveys were conducted spanning 15,000 computer workstations and 1,300 industrial tasks. To assess other risks, we undertook a web-based, enterprise-wide Job Hazard Analysis process based on internally developed protocols. More than 1,700 Job Hazard Assessments were conducted in 2007. In addition, we partnered with Liberty Mutual to conduct Qualitative Risk Assessments of certain chemical processes. More than 1,900 Qualitative Risk Assessments were completed in 2007 with the potential to reduce chemical exposure risks for over 12,000 employees.

We are now working to resolve risks identified in all three types of assessments, and we are tracking mitigation measures for review by senior management and the Board of Directors.

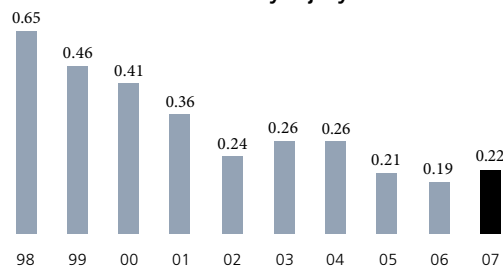
> **Employee Opinion Survey:** In the 2007 Employee Survey, 87 percent of all respondents agreed that safety is a priority at Raytheon. We are pleased with the result, but we are not yet satisfied. We feel participating in OSHA’s Voluntary Protection Program (VPP) will help us drive continuous improvement in our safety performance.

> **OSHA Voluntary Protection Program:** A new dimension of our safety program is the pursuit of OSHA VPP certification for selected locations, which entails a rigorous process and proactive employee involvement. In 2007, we achieved OSHA VPP Star Certification at our third company site, the Missile Systems Rita Road facility in Tucson, Ariz. The first two sites are the Raytheon Technical Services Company site at the Houston Space Center and the Intelligence and Information Systems Facility in Aurora, Colo.

OSHA Recordable Injury Rate



Lost Workday Injury Rate





Children can be powerful advocates for responsible conduct, as shown by two poster contests sponsored by Raytheon businesses in 2007. Workplace safety was the focus in Krasnoyarsky Krai, Siberia, where a Raytheon Technical Services team partnered with local school children to promote safe practices at the construction site for a new power plant. The program proved so successful that it is now expanding to all the schools in the surrounding area. A separate environmental poster campaign in the U.S. drew more than 250 entries from children of Raytheon Integrated Defense Systems employees, which were then made available for viewing on an external website.

> **Ensuring compliance:** Our global responsibility is to ensure full compliance with all environmental, health and safety laws and regulations, as well as internal Raytheon policies and standards. In 2007, federal, state and local regulatory agencies conducted 79 environmental and safety inspections of Raytheon operating locations. Eighteen notices of violations (NOVs) were issued, 11 related to environmental management and seven related to safety issues. Two of the safety NOVs resulted in fines totaling \$2,600 and an environmental NOV resulted in a fine of \$12,000. Corrective actions for all the NOVs have been completed. We perform a thorough root-cause analysis for each NOV and share “lessons learned” across the company to prevent recurrence.

RESOURCES FOR A HEALTHIER LIFE

Raytheon Wellness is a comprehensive health and wellness initiative offered to Raytheon employees and their families to encourage healthy lifestyle choices. Our wellness solution has three components: Assess, Act, Achieve.

> **Assess:** All employees have access to a free, confidential health risk assessment, *HealthQuotient™ (HQ)*, which includes an in-depth report on their personal health risks and the potential benefits of new choices in areas such as nutrition, exercise and weight management.



Active for Life is a 10-week program that promotes health awareness and physical fitness. It's designed for people at all levels of activity — from someone who is inactive to someone who goes to the gym regularly. Active for Life combines individual and group strategies to help people make lifestyle changes.

> **Act:** Once participants have assessed their health risks, they have access to numerous programs and resources to help them take charge of their health. Examples include:

FITNESS - On-site fitness centers and off-site discounts, walking routes, online exercise programs, Active for Life and other annual campaigns.

NUTRITION - Healthy choices in dining centers and vending machines plus an online nutrition program.

WEIGHT MANAGEMENT - Many sites offer Weight Watchers® At Work, as well as At Home kits, local meeting vouchers and online weight management through WebMD®.

STRESS MANAGEMENT – LifeResources coaching and counseling, and online tools through WebMD.

TOBACCO CESSATION – The Quit for Life™ program combines telephonic counseling and nicotine replacement therapy for employees and their spouses.

GENERAL PREVENTION - The WebMD *health manager*® website offers a free online HealthQuotient risk assessment, which can be completed in just 15 minutes and provides guidance to targeted wellness programs in the areas of stress management, weight management, exercise, nutrition and tobacco cessation. With prize incentives for participation, WebMD *health manager* makes it easier than ever for employees to make healthy lifestyle choices. In addition to employees, family members may also be eligible for coverage under several popular programs, including the American Cancer Society Quitline® and Weight Watchers as well as WebMD *health manager*.

> **Achieve:** Raytheon offers a variety of incentives to promote participation and employee engagement in managing their health. In 2007, six employees won special awards for participating in HealthQuotient.

INTERNATIONAL TRAVEL AND DEPLOYMENT

Through the Travel Health Program, Raytheon Global Health Resources (GHR) consults with employees traveling internationally and recommends preventive measures. In 2007, GHR provided travel counseling to over 800 employees, with additional counseling to those traveling to high-risk countries.

GHR provides support to Raytheon businesses that deploy employees internationally to ensure fitness for duty and access to high standards of care while they are abroad, as well as meeting contract medical requirements. GHR also actively manages international cases involving disability or medical evacuations—including, in 2007, 37 international disability cases and four medical evacuations. All totaled, GHR handled 622 international deployments last year.

EXPANDED WORK/LIFE PROGRAMS

Raytheon's robust offering of work/life resources and services has grown over the past year with new programs addressing the diverse needs of employees and their families.

LifeResources Coaching has rapidly become a very popular program, as employees have embraced its easy access and flexible array of free services to help manage personal and professional concerns.

September 2007 marked the debut of *Connect and Join*, a new online resource for families of military personnel deployed overseas. Features include secure e-mail, journals, a secure web page for posting photos, and other convenient services to help families stay in touch. To date, 140 families have participated.

Finally, in cooperation with Bright Horizons, Raytheon launched the *Back-Up Care Advantage Program*, with a New England pilot in 2007 and a companywide rollout in early 2008. Back-Up Care provides subsidized emergency care for families whose regular arrangements for children or elders break down. The program provides replacement care within three to four hours so that employees don't have to use personal time off when their regular care arrangements aren't available. The pilot study surpassed its goal of a 90 percent success rate.