

TICKER: RTN
GICS SUB-INDUSTRY: Aerospace & Defense
COUNTRY: US
LAST UPDATE: Sep 15, 2018
MEDIA REVIEW: Conducted weekly; no new updates since date of Last Update *

LOWEST SCORE

LOWEST FLAG

5/10



PERFORMANCE DASHBOARD

Significant Controversies by Indicator

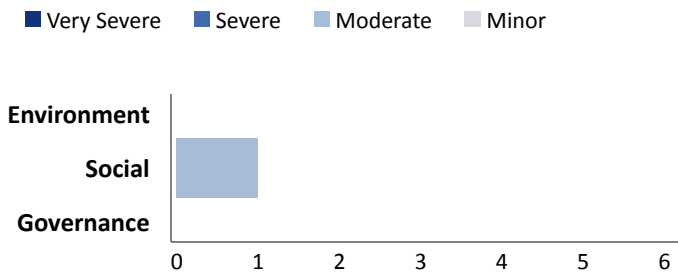
	Flag	Score	Global Compact Status
Environment	G	10	
No controversies were uncovered.			
Social	G	5	
Customers	G	10	
No controversies were uncovered.			
Human Rights & Community	G	5	
The company is involved in moderate and minor controversies.			
Labor Rights & Supply Chain	G	10	
No controversies were uncovered.			
Governance	G	10	
No controversies were uncovered.			

Summary

RAYTHEON COMPANY is involved in controversies related to Human Rights Concerns.

Global Compact Compliance: Pass

of Controversy Cases by ESG Pillar (1 in total)



MOST RECENT UPDATES (past 12 months)

Controversy Headline	Type of Update	Assessment	Indicator	Last Reviewed
Criticisms over Alleged Involvement in Yemeni War		Moderate	Human Rights Concerns	August 2018

MOST SIGNIFICANT CONTROVERSIES

Controversy Headline	Assessment	Indicator
Criticisms over Alleged Involvement in Yemeni War	Moderate	Human Rights Concerns

* For symbols and terms used in this report, refer to the "Glossary of Symbols and Terms" section.

Environment

Controversies

G10

ENVIRONMENT CONTROVERSIES

G10

Indicators	Flag	Score	Assessment
Biodiversity & Land Use	G	10	No Controversies
Energy & Climate Change	G	10	No Controversies
Operational Waste (Non-Hazardous)	G	10	No Controversies
Other (Environment)	G	10	No Controversies
Supply Chain Management	G	10	No Controversies
Toxic Emissions & Waste	G	10	No Controversies
Water Stress	G	10	No Controversies

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Social

Controversies

G 5

CUSTOMERS CONTROVERSIES G 10

Indicators	Flag	Score	Assessment
Anticompetitive Practices	G	10	No Controversies
Customer Relations	G	10	No Controversies
Marketing & Advertising	G	10	No Controversies
Other (Customers)	G	10	No Controversies
Privacy & Data Security	G	10	No Controversies
Product Safety & Quality	G	10	No Controversies

HUMAN RIGHTS & COMMUNITY CONTROVERSIES G 5

Indicators	Flag	Score	Assessment
Civil Liberties	G	10	No Controversies
Human Rights Concerns	G	5	Moderate
Impact on Local Communities	G	10	No Controversies
Other (Human Rights & Community)	G	10	No Controversies

Human Rights Concerns

	Very Severe	Severe	Moderate	Minor	Flag	Score*	Type	Assessment
# of Cases:	0	0	1	0	G	5	Non-Structural	Moderate

Moderate Cases:

Last Reviewed:	August 2018
Date Initiated:	August 2018
Assessment:	Moderate
Type:	Non-Structural
Status:	Ongoing
Flag: G	Score: 5
Global Compact Compliance:	Pass

Criticisms over Alleged Involvement in Yemeni War

Impact & Basis of Assessment

Scale of Impact: Extensive
Nature of Harm: Serious
Extenuating Circumstance: Yes

In August 2018, the remnant of a warhead manufactured by Raytheon Company was allegedly found at an airstrike site where 40 Yemeni children were killed. The company had been criticized in media for allegedly receiving up to GBP 185,000 (approximately USD 232,000) between 2014 to 2018 for the sale of arms allegedly used in the war in Yemen.

Several human rights NGOs including the Human Rights Watch and Amnesty International had been describing the war in Yemen as a humanitarian crisis. According to reports, since February 2015, up to 6,000 civilians had been killed and almost 10,000 wounded in the fighting including those caught in air strikes which had hit up to 1,500 residential areas. The increasing number of deaths and people displaced had been cited by the NGOs in calls for both EU and U.S. governments to stop supporting the war since 2015.

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UPDATES:

20 Aug 2018: Firm given £185,000 linked to deadly missile strike. (THE HERALD (GLASGOW))

Source: 20 Aug 2018_ THE HERALD (GLASGOW)

LABOR RIGHTS & SUPPLY CHAIN CONTROVERSIES

G

10

Indicators	Flag	Score	Assessment
Child Labor	G	10	No Controversies
Collective Bargaining & Union	G	10	No Controversies
Discrimination & Workforce Diversity	G	10	No Controversies
Health & Safety	G	10	No Controversies
Labor Management Relations	G	10	No Controversies
Other (Labor Rights & Supply Chain)	G	10	No Controversies
Supply Chain Labor Standards	G	10	No Controversies

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Governance	Controversies
	<div>G10</div>

GOVERNANCE CONTROVERSIES

G

10

Indicators	Flag	Score	Assessment
Bribery & Fraud	<div>G</div>	10	No Controversies
Controversial Investments	<div>G</div>	10	No Controversies
Governance Structures	<div>G</div>	10	No Controversies
Other (Governance)	<div>G</div>	10	No Controversies

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PERFORMANCE SUMMARY

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GLOSSARY OF SYMBOLS & TERMS

The following are short definitions of some of the symbols and terms used in this report. Please refer to the methodology document for more information.

INDICATOR LEVEL SCORE: When there are three or more non-Minor assessed controversies, indicating a pattern, the Indicator Score is 1 point lower than the lowest assessed controversy case. If the lowest scored controversy case is 1, no additional points are deducted from the Indicator Score.





LAST UPDATE: Available on Page 1, LAST UPDATE indicates the date a substantive update was made to the company report, either to one or multiple controversy cases. MSCI ESG Research monitors the news on a regular basis (See MEDIA REVIEW PROCESS), but the date is updated on the report only when changes are made to the data.

MEDIA REVIEW PROCESS: MSCI ESG Research reviews major global news publications daily for significant controversies that concern companies in the MSCI coverage universe. In addition, on a weekly basis MSCI ESG Research reviews important regional news publications. Finally on a monthly basis, the MSCI ESG Research team reviews an additional set of important local and other general news publications, business news sources, and industry and trade periodicals, and other publications that have been identified as important sources of ESG performance information. Updates to company reports are prioritized by company size and the assessment level of existing controversies.

LAST REVIEWED: Available for each controversy case, the LAST REVIEWED date is the date of the most recent information related to the controversy.

OVERALL PERFORMANCE: SCORE AND FLAG:

Each company receives an overall score and flag based on our assessment of performance across the three pillars (E, S, and G), with the score driven by the lowest scoring indicator.

Flag	Score	Description
	0	RED: Indicates that a company has been involved in one or more recent very severe controversies
	1	ORANGE: Indicates that a company has been involved in one or more recent severe structural controversies that are ongoing
	2	YELLOW: Indicates that the company has been involved in recent moderate-to-severe level controversies
	3	
	4	
	5	GREEN: Indicates that the company is not involved in major recent controversies
	7	
	8	
	10	

GLOBAL COMPACT COMPLIANCE SIGNALS:

Fail	A Fail signal indicates that the company is implicated in one or more very severe controversy cases for the issues covered under the United Nations Global Compact framework. The Fail signal maybe applied to cases that are either ongoing or concluded within the last three years.
Watch List	A Watch List signal indicates that the company is implicated in one or more severe ongoing controversy cases for the issues covered under the United Nations Global Compact framework. The controversy in question is systemic in nature. Concluded cases are not eligible for the Watch List signal.
Pass	A Pass signal indicates that the company has not been implicated (within the last three years) in any controversy case constituting a breach or near-breach of the United Nations Global Compact framework. Any company not receiving a Fail or Watch List signal receives a Pass signal.

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CONTACT US

esgclientservice@msci.com

Americas

+1.212.804.5299

Europe, Middle East & Africa

+44.20.7618.2510

Asia Pacific

+612.9033.9339

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