

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

TEXTRON INC.

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	7/8
2. Internal Controls	6	6/12
3. Support to Employees	7	7/14
4. Conflict of Interest	4	2/8
5. Customer Engagement	7	3/14
6. Supply Chain Management	5	3/10
7. Agents, Intermediaries and Joint Ventures	10	2/20
8. Offsets	4	1/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	0	N/A
TOTAL		34/102
BAND		D

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
1
Comments
<p>There is evidence that the company's Chief Executive Officer makes a public statement in support of the company's ethics and compliance programme. However, the company receives a score of '1' because there is no evidence that the CEO's public statement directly addresses and mentions the company's stance against bribery and corruption.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.2] A LETTER FROM THE CHIEF EXECUTIVE OFFICER</p> <p>Colleagues, Shareholders and Friends,</p> <p>Textron's 35,000 global employees develop and deliver leading-edge products and services for customers around the world. We are committed to acting responsibly, safely and ethically as we conduct our business and build and maintain relationships with our customers, employees, business partners, suppliers, shareholders and our communities. In this report, you'll find details about our activities in 2018 to improve the communities in which we work and live, minimize our company's environmental footprint, champion the health, safety, career development and engagement of our employees and steer our business on the right legal and ethical course. Specifically, our key focus areas of corporate responsibility are:</p> <p>[...]</p> <ul style="list-style-type: none"> • Ethics and Compliance: Our high ethical standards stem from our values of integrity, respect, trust and the pursuit of excellence. We are committed to conducting our business with these values in mind at all times. <p>Our commitment to each of these focus areas is driven by our belief that good business and good citizenship go hand in hand. Just as we continue to improve the ways in which we deliver for our customers, we will strive to enhance the lives of our employees and the quality of life in our communities.</p> <p>Scott C. Donnelly</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.5] Textron's Commitment to Integrity</p> <p>A MESSAGE FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SCOTT C. DONNELLY</p> <p>I would like to take this opportunity to emphasize that compliance remains a very important issue for all of us at Textron. I believe that we hire good people whose integrity and ethics are above question. Clearly, we expect our employees to demonstrate these values in all of their professional interactions.</p> <p>However, it's also important to recognize that we live in complex times. All of us have read about companies whose behaviors have jeopardized their organizations, their employees and even whole communities. When we fail to live up to the standards that we have set for ourselves we are at serious risk of damaging our businesses, our brands and our credibility. What it comes down to is this: Doing the right thing matters.</p>

Behaving ethically matters in our relationships with our co-workers. It matters in our dealings with suppliers. It certainly matters to our customers. It matters to our future. That's why I ask each of you to review and personally commit to our Business Conduct Guidelines. In an increasingly regulated and changing business environment, it may be difficult to always know the right thing to do. The Business Conduct Guidelines are a valuable resource that serves as a road map for every one of our employees around the world. If you are ever in doubt about whether some action will violate Textron standards or the laws of the countries where we do business, consult our Ethics HelpLine or talk to one of our attorneys or compliance officers.

I am proud to be part of a company with a strong Ethics & Compliance Program — one that has served its employees well for more than 30 years. As you go about your day to day work, I trust that you will continue to value responsible, ethical conduct and our core values of trust, respect, integrity and pursuit of excellence as much as I do.

Sincerely,

Scott

[p.6] As Textron employees, we are expected to carry out the Company's business with fairness, honesty, integrity and high ethical standards, and in compliance with the laws and regulations of the countries in which we conduct business. These standards must govern our conduct when making decisions which affect Textron.

[p.24] Payment or acceptance of bribes, kickbacks or other improper payments while conducting Textron business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, representatives, consultants or other business partners seeking to establish a relationship with Textron. Many countries have enacted laws prohibiting bribery of Government Officials as well as commercial bribery. The laws of many U.S. states also prohibit bribery in the private (commercial) sector. As Textron is incorporated in the U.S., our employees around the world must also comply with the requirements of the U.S. Foreign Corrupt Practices Act ("FCPA"), which prohibits bribery of non-U.S. government and political party officials. The FCPA also requires proper record keeping and internal accounting controls in the Company's operations worldwide. For more information, please see the Textron Global Anti-Corruption Compliance Policy.

Question
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
2
Comments
<p>There is evidence that the company publishes an anti-bribery and corruption policy, which specifically prohibits bribery, payments to public officials, commercial bribery, and facilitation payments. There is evidence that this policy applies to all employees and board members as described in (a) and (b) in the question.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf <p>[p.24] Improper Payments</p> <p>Payment or acceptance of bribes, kickbacks or other improper payments while conducting Textron business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, representatives, consultants or other business partners seeking to establish a relationship with Textron. Many countries have enacted laws prohibiting bribery of Government Officials as well as commercial bribery. The laws of many U.S. states also prohibit bribery in the private (commercial) sector. As Textron is incorporated in the U.S., our employees around the world must also comply with the requirements of the U.S. Foreign Corrupt Practices Act ("FCPA"), which prohibits bribery of non-U.S. government and political party officials. The FCPA also requires proper record keeping and internal accounting controls in the Company's operations worldwide. For more information, please see the Textron Global Anti-Corruption Compliance Policy.</p> <p>QUESTION</p> <p>Your Business Unit is bidding on a large government procurement in a market where it has not previously made sales. Your local sales representative suggests giving a five-year consulting contract equal to 15% of the value of the procurement to a company owned by the brother and sister of the Minister of Tourism, who is the head of the selection committee for the procurement. The brother and sister have only recently entered the business world. What should you do?</p> <p>ANSWER</p> <p>The proposal for a consulting contract requires an assessment of the nature of the services to be rendered, the value of those services in relation to their cost, and whether there is a real need for them. The consulting contract in question is suspicious for several reasons, including the fact that the consultants are relatives of the head of the procurement committee, the fact that the compensation looks suspiciously like a sales commission, and the fact that the parties offering the consulting services are unlikely to have business experience of substantial value. You should report any such request to Business Unit management and Company legal counsel.</p> <p>[p.26] QUESTION</p> <p>You have proposed that your Business Unit appoint a new representative in a country where you have conducted business on behalf of a prior employer. After the paperwork appointing the representative has been sent for approval, you meet an old colleague from your former company, who tells you that he has heard that the company you are proposing to appoint has a reputation for paying off Government Officials. What should you do?</p> <p>ANSWER</p> <p>Although the information you received may be nothing more than a rumor, it is essential that you report any such information to Business Unit management and to Company legal counsel immediately for assessment and follow-up. Failure to do so could result in disciplinary action.</p> <p>[p.32] Textron is a U.S.-based company, committed to complying with all applicable laws and regulations, wherever we do business. Our employees around the world must be familiar with and comply with U.S. and international laws that impact our global operations, as well as with the standards set out in the Business Conduct Guidelines.</p> </p>

[1] Ethics and Compliance Homepage (Webpage)**Accessed 15/10/2019**<https://www.textron.com/CorpResponsibility/Ethics>

LIVING THE TEXTRON VALUES

Earning the trust and respect of our customers, shareholders, employees and the communities where we live and work is serious business. At Textron, and throughout our business units, we adhere to a strict standard of ethics and compliance.

TEXTRON'S BUSINESS CONDUCT GUIDELINES

Our values - integrity, respect, trust and the pursuit of excellence - fuel ethical behavior in our business and community interactions. Our strategy is to prevent, detect and correct unethical or non-compliant behavior. Noncompliance with Textron's Business Conduct Guidelines is subject to disciplinary action up to and including termination of employment. All Textron employees - regardless of position or title - are accountable for safeguarding and furthering the high ethical standards associated with our company in the global marketplace.

[14] 2019 Proxy Statement (Webpage)**Accessed 13/11/2019**https://s1.q4cdn.com/535492436/files/doc_financials/annual/2018/a9b65f0d-f49d-4c4a-b92b-a8616f2b3b26.pdf

[p.19] CODE OF ETHICS

Textron's Business Conduct Guidelines, originally adopted in 1979 and most recently revised in September 2010, are applicable to all employees of Textron, including the principal executive officer, the principal financial officer and the principal accounting officer. The Business Conduct Guidelines are also applicable to directors with respect to their responsibilities as members of the Board of Directors.

[6] Corporate Governance Guidelines (Document)**Accessed 12/11/2019**[https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-\(190227-for-posting\).pdf](https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-(190227-for-posting).pdf)

[p.2] 3. Ethics and Conflicts of Interest

The Board expects its Directors, officers and other employees to act ethically at all times and to adhere to the Textron Business Conduct Guidelines which apply to all of the Company's Directors, officers, employees and representatives. The Business Conduct Guidelines form the basis for the Company's ethics and compliance procedures and cover a wide range of areas; they are available on the Company's website. The Board will not permit any waiver of the Business Conduct Guidelines or any other Company ethics policy for any Director or executive officer. Textron will not make any personal loans or extensions of credit to Directors or executive officers.

[4] 2018 Corporate Responsibility Report (Document)**Accessed 12/11/2019**https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf

[p.23] Integrity is the cornerstone of the way we do business at Textron. Our adherence to a strict standard of ethical behavior is not only the right thing to do but has earned us the trust and respect of our customers, shareholders, employees and the communities where we live and work.

All Textron employees - regardless of position or title - are accountable for safeguarding and furthering the high ethical standards associated with our company in the global marketplace. Adherence to our policies and the laws and regulations of each country within which we conduct business is expected.

Our values of integrity, respect, trust and the pursuit of excellence are the foundation of our culture of responsible and ethical behavior. For more than 30 years, Textron's Ethics and Compliance Program has provided a road map and resources for our employees and has continued to evolve with changes in our business and regulations.

[...]

Textron's Business Conduct Guidelines reflect our philosophy and best practices in providing ethics and compliance guidance. Our Business Conduct Guidelines apply to our Board of Directors and every Textron employee around the world. They define our values and our code of conduct and point the way for all of us.

[p.24] OUR COMMITMENT TO ETHICS & COMPLIANCE (Continued)

BUSINESS CONDUCT GUIDELINES AND COMPLIANCE CERTIFICATIONS

All new employees are asked to review and acknowledge receipt of Textron's Business Conduct Guidelines, which constitute our Code of Conduct, and we administer annual employee compliance certifications for both our Business Conduct Guidelines and our Global Anti-Corruption Compliance Policy.

GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

Textron's Global Anti-Corruption Compliance Policy applies to our Board of Directors and every Textron employee. It provides detailed standards and processes related to interaction with government officials and onboarding and monitoring of third-party business partners. The Policy prohibits improper payments to government officials and commercial bribery, and it strictly restricts facilitating payments to extremely limited situations where they are necessary to ensure the safety, health or well-being of Textron employees or their family members.

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company's Audit Committee, a designated board committee, is responsible for oversight of the company's ethics and compliance programme. There is evidence that this includes reviewing reports from management on the programme's performance and that the committee has authority to require that changes are made.</p> <p>The company also states that its Ethics & Compliance steering committee provides oversight of the ethics and compliance programme. There is evidence that the committee is comprised of senior managers and is chaired by the Executive Vice President, General Counsel and Chief Compliance Officer of Textron, who also reports to the Audit Committee.</p>
Evidence
<p>[8] Audit Committee Charter (Document) Accessed 12/11/2019 https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2017/Charter-Audit-(Dec-2017-final-for-posting).pdf [p.1] Charter of the Audit Committee of the Textron Inc. Board of Directors</p> <p>[...]</p> <p>the Committee shall have the following duties and responsibilities:</p> <p>[p.2] 16. To oversee and review the Company's legal, ethical and regulatory compliance program, including the Company's Business Conduct Guidelines, and to at least annually meet to review the implementation and effectiveness of the Company's legal, ethical and regulatory compliance program with the General Counsel, who shall have the authority to communicate directly to the Audit Committee, promptly, about actual and alleged violations of the Business Conduct Guidelines, including any matters involving criminal or potential criminal conduct.</p> <p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics Textron's ethics and compliance program is structured to reinforce ethical and legally compliant behavior. Our Ethics and Compliance (E&C) steering committees focus on the prevention of noncompliant and unethical behavior through risk assessment, risk mitigation, monitoring and education. Our program has been active for more than 30 years and has evolved to reflect changes in the business world and regulatory environment. E&C's plans and initiatives follow a rigorous process.</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.32] Textron's Ethics & Compliance Program has been established to prevent, detect and correct unethical or non-compliant behavior to ensure that our business is always on the right legal and ethical course. As part of the program, each Business Unit prepares and carries out an annual Ethics & Compliance Action Plan.</p> <p>The Enterprise and each Business Unit has an Ethics & Compliance Steering Committee that is responsible for ensuring that Textron's commitment to complying with all applicable laws and regulations, as well as with the objectives of the Business Conduct Guidelines, are being met. The Ethics & Compliance Steering Committee is chaired by the Business Unit President and includes senior management from key business functions. The Ethics & Compliance Steering Committee meets at least quarterly to monitor the progress of the Ethics & Compliance Program.</p> <p>The Enterprise and each of our Business Units has an Ethics & Compliance Officer who oversees the implementation of the E&C Program and who serves as the primary resource to whom employees can turn for help</p>

and guidance on questions about ethics and compliance issues, the Business Conduct Guidelines, Company policies, procedures and laws.

[4] 2018 Corporate Responsibility Report (Document)

Accessed 12/11/2019

https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf

[p.23] Oversight of Textron's Ethics and Compliance Program resides at the highest levels of the organization.

The Textron Steering Committee on Corporate Ethics and Compliance Program is responsible for oversight and review of the Program as well as its implementation and effectiveness. The Committee meets quarterly, and its members include Textron's Chairman and Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Executive Vice President, Human Resources.

The Committee is chaired by the Executive Vice President, General Counsel and Chief Compliance Officer of Textron Inc., who also reports to the Audit Committee of the Board of Directors on legal, ethics and compliance matters at each Audit Committee meeting.

Question
1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?
Score
2
Comments
<p>Based on publicly available information, there is evidence that a designated senior executive – the Executive Vice President, General Counsel and Chief Compliance Officer - has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. There is evidence that this person has a direct reporting line to the Audit Committee, which provides oversight of the anti-bribery and corruption programme. There is also evidence of reporting and feedback activities between this person and the Audit Committee as part of the company's reporting structure.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.23] Oversight of Textron's Ethics and Compliance Program resides at the highest levels of the organization. The Textron Steering Committee on Corporate Ethics and Compliance Program is responsible for oversight and review of the Program as well as its implementation and effectiveness. The Committee meets quarterly, and its members include Textron's Chairman and Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Executive Vice President, Human Resources. The Committee is chaired by the Executive Vice President, General Counsel and Chief Compliance Officer of Textron Inc., who also reports to the Audit Committee of the Board of Directors on legal, ethics and compliance matters at each Audit Committee meeting.</p> <p>[13] General Counsel Corporate Biography (Webpage) Accessed 13/11/2019 https://investor.textron.com/investors/corporate-governance/corporate-leadership/person-details/default.aspx?ItemId=48aab9d8-884e-415c-ab1f-566f49a49eeb Executive Vice President, General Counsel and Secretary, Textron Inc.</p> <p>E. Robert Lupone joined Textron in February 2012 as executive vice president, general counsel, secretary and chief compliance officer. He is responsible for Textron's legal, ethics and compliance, secretary and environmental health and safety functions. He also oversees Textron Innovations Inc., the enterprise intellectual property management and licensing organization. Lupone is a member of Textron's Executive Leadership Team.</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.32] Textron's Ethics & Compliance Program has been established to prevent, detect and correct unethical or non-compliant behavior to ensure that our business is always on the right legal and ethical course. As part of the program, each Business Unit prepares and carries out an annual Ethics & Compliance Action Plan.</p> <p>The Enterprise and each Business Unit has an Ethics & Compliance Steering Committee that is responsible for ensuring that Textron's commitment to complying with all applicable laws and regulations, as well as with the objectives of the Business Conduct Guidelines, are being met. The Ethics & Compliance Steering Committee is chaired by the Business Unit President and includes senior management from key business functions. The Ethics & Compliance Steering Committee meets at least quarterly to monitor the progress of the Ethics & Compliance Program.</p> <p>The Enterprise and each of our Business Units has an Ethics & Compliance Officer who oversees the implementation of the E&C Program and who serves as the primary resource to whom employees can turn for help and guidance on questions about ethics and compliance issues, the Business Conduct Guidelines, Company policies, procedures and laws.</p> <p>[8] Audit Committee Charter (Document)</p>

Accessed 12/11/2019

[https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2017/Charter-Audit-\(Dec-2017-final-for-posting\).pdf](https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2017/Charter-Audit-(Dec-2017-final-for-posting).pdf)

[p.1] Charter of the Audit Committee of the Textron Inc. Board of Directors

[...]

the Committee shall have the following duties and responsibilities:

[p.2] 16. To oversee and review the Company's legal, ethical and regulatory compliance program, including the Company's Business Conduct Guidelines, and to at least annually meet to review the implementation and effectiveness of the Company's legal, ethical and regulatory compliance program with the General Counsel, who shall have the authority to communicate directly to the Audit Committee, promptly, about actual and alleged violations of the Business Conduct Guidelines, including any matters involving criminal or potential criminal conduct.

2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company conducts annual assessments of its business units based on ethics and compliance risks. There is evidence that the results of these reviews are used to develop tailored mitigation plans. There is evidence that the results of such assessments are reported to, and reviewed by, the Audit Committee, which provides oversight of the company's compliance programme.</p>
Evidence
<p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics Textron's ethics and compliance program is structured to reinforce ethical and legally compliant behavior. Our Ethics and Compliance (E&C) steering committees focus on the prevention of noncompliant and unethical behavior through risk assessment, risk mitigation, monitoring and education. Our program has been active for more than 30 years and has evolved to reflect changes in the business world and regulatory environment. E&C's plans and initiatives follow a rigorous process.</p> <p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.23] For more than 30 years, Textron's Ethics and Compliance Program has provided a road map and resources for our employees and has continued to evolve with changes in our business and regulations.</p> <p>The Program requires each of our business units to assess ethics and compliance risks annually and, based upon changes in the business, the operating environment and other factors, prepare annual risk-based Ethics and Compliance Action Plans which include action steps for risk mitigation.</p> <p>[...]</p> <p>Oversight of Textron's Ethics and Compliance Program resides at the highest levels of the organization. The Textron Steering Committee on Corporate Ethics and Compliance Program is responsible for oversight and review of the Program as well as its implementation and effectiveness. The Committee meets quarterly, and its members include Textron's Chairman and Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Executive Vice President, Human Resources. The Committee is chaired by the Executive Vice President, General Counsel and Chief Compliance Officer of Textron Inc., who also reports to the Audit Committee of the Board of Directors on legal, ethics and compliance matters at each Audit Committee meeting.</p>

Question
2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company's ethics and compliance programme is subject to regular audit. There is evidence indicating that the programme is audited to ensure that it is consistent with the business risks facing the company and that the results are used to update the ethics and compliance programme. The company indicates that this process takes place as part of an annual review, and there is evidence that findings are presented to the board-level Audit Committee. There is evidence that ownership of the process to implement updates and improvements to the programme rests with the Steering Committee on Corporate Ethics and Compliance Program.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.23] For more than 30 years, Textron's Ethics and Compliance Program has provided a road map and resources for our employees and has continued to evolve with changes in our business and regulations.</p> <p>The Program requires each of our business units to assess ethics and compliance risks annually and, based upon changes in the business, the operating environment and other factors, prepare annual risk-based Ethics and Compliance Action Plans which include action steps for risk mitigation.</p> <p>A variety of rigorous processes, ongoing monitoring, audits to detect violations, self-assessments by each Textron business unit and other performance checks are in place to ensure we are on the right course. Where appropriate, we incorporate lessons learned from these performance checks into our Ethics and Compliance Actions Plans and use them to otherwise improve our Program.</p> <p>Oversight of Textron's Ethics and Compliance Program resides at the highest levels of the organization. The Textron Steering Committee on Corporate Ethics and Compliance Program is responsible for oversight and review of the Program as well as its implementation and effectiveness. The Committee meets quarterly, and its members include Textron's Chairman and Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Executive Vice President, Human Resources. The Committee is chaired by the Executive Vice President, General Counsel and Chief Compliance Officer of Textron Inc., who also reports to the Audit Committee of the Board of Directors on legal, ethics and compliance matters at each Audit Committee meeting.</p> <p>[8] Audit Committee Charter (Document) Accessed 12/11/2019 https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2017/Charter-Audit-(Dec-2017-final-for-posting).pdf [p.1] Charter of the Audit Committee of the Textron Inc. Board of Directors</p> <p>[...]</p> <p>the Committee shall have the following duties and responsibilities:</p> <p>[p.2] 16. To oversee and review the Company's legal, ethical and regulatory compliance program, including the Company's Business Conduct Guidelines, and to at least annually meet to review the implementation and effectiveness of the Company's legal, ethical and regulatory compliance program with the General Counsel, who shall have the authority to communicate directly to the Audit Committee, promptly, about actual and alleged violations of the Business Conduct Guidelines, including any matters involving criminal or potential criminal conduct.</p>

Question

2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
1
Comments
<p>There is evidence that the company publicly commits to investigating incidents, and that there is a specific procedure in place to deal with whistleblowing cases.</p> <p>However, the company receives a score of '1' because publicly available information on the investigatory procedure does not describe the whole investigation process from receipt to final outcome. There is also no clear evidence that investigations are handled by an independent team or report to an independent board member. Additionally, there is no evidence that the company makes a commitment to providing whistleblowers with updates on the outcome of investigations, nor that summary information on all investigations is reviewed by a central body on at least an annual basis.</p>
Evidence
<p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics ETHICS HELPLINE</p> <p>Our values and culture support an E&C program that is based on self-reporting and acceptance of personal responsibility for ethical behavior. Textron provides and publicizes multiple channels for employees to ask questions, raise concerns or report violations without fear of retribution.</p> <p>Suspected violations are investigated by appropriate Corporate and/or business unit personnel. If an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures.</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.34] Multiple Reporting Channels are Available</p> <p>[...]</p> <p>Concerns about accounting, internal accounting controls, auditing matters or other concerns can also be reported by mailing the concern to the Board of Directors or the Audit Committee at the address listed below. Suspected issues will be investigated by appropriate Corporate and/or Business Unit personnel.</p> <p>Where an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures. Breaches of the Business Conduct Guidelines are subject to disciplinary action up to and including termination of employment. In many instances, a breach of these Guidelines may also have legal implications, subjecting the employee and Textron to civil or criminal penalties, fines or other sanctions.</p> <p>[9] 2018 Annual Report (Document) Accessed 12/11/2019 https://s1.q4cdn.com/535492436/files/doc_financials/annual/2018/Textron_Annual_Report_2018.pdf [p.1] Charter of the Audit Committee of the Textron Inc. Board of Directors</p> <p>[...]</p> <p>the Committee shall have the following duties and responsibilities:</p> <p>[p.2] 16. To oversee and review the Company's legal, ethical and regulatory compliance program, including the Company's Business Conduct Guidelines, and to at least annually meet to review the implementation and effectiveness of the Company's legal, ethical and regulatory compliance program with the General Counsel, who</p>

shall have the authority to communicate directly to the Audit Committee, promptly, about actual and alleged violations of the Business Conduct Guidelines, including any matters involving criminal or potential criminal conduct.

[p.3] The Committee shall have the authority to investigate any matter brought to its attention that it determines to be within the scope of its authority with full access to all books, records, facilities and personnel of the Company.

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
0
Comments
Based on publicly available information, there is no evidence that the company assures itself of the quality of its internal investigations.
Evidence
<p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics ETHICS HELPLINE</p> <p>Our values and culture support an E&C program that is based on self-reporting and acceptance of personal responsibility for ethical behavior. Textron provides and publicizes multiple channels for employees to ask questions, raise concerns or report violations without fear of retribution. Suspected violations are investigated by appropriate Corporate and/or business unit personnel. If an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures.</p>

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
1
Comments
Based on publicly available information, there is evidence indicating that the company commits to report material findings of bribery and corruption from investigations to Audit Committee. However, there is no evidence that an appropriate senior individual is responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if necessary.
Evidence
<p>[8] Audit Committee Charter (Document) Accessed 12/11/2019 https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2017/Charter-Audit-(Dec-2017-final-for-posting).pdf [p.1] Charter of the Audit Committee of the Textron Inc. Board of Directors</p> <p>[...]</p> <p>the Committee shall have the following duties and responsibilities:</p> <p>[p.2] 16. To oversee and review the Company's legal, ethical and regulatory compliance program, including the Company's Business Conduct Guidelines, and to at least annually meet to review the implementation and effectiveness of the Company's legal, ethical and regulatory compliance program with the General Counsel, who shall have the authority to communicate directly to the Audit Committee, promptly, about actual and alleged violations of the Business Conduct Guidelines, including any matters involving criminal or potential criminal conduct.</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.34] Suspected issues will be investigated by appropriate Corporate and/or Business Unit personnel. Where an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures. Breaches of the Business Conduct Guidelines are subject to disciplinary action up to and including termination of employment.</p> <p>In many instances, a breach of these Guidelines may also have legal implications, subjecting the employee and Textron to civil or criminal penalties, fines or other sanctions.</p>

Question
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption investigations or disciplinary actions involving its employees.
Evidence
No evidence found.

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company provides a training module for employees that outlines the basic principles of its ethics and compliance programme. There is evidence that training is provided for all employees across the company's operations and geographies, and in all relevant languages.</p> <p>However, the company receives a score of '1' because it is not clear how often employees are required to refresh their training on this subject. There is also no clear evidence that the company's training includes an overview of the whistleblowing options available to employees.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.23] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>The Policy provides detailed approval processes that govern gifts, entertainment, hospitality, and travel expenses for government officials, as well as non-U.S. charitable donations and non-U.S. political contributions. It also requires periodic training, certification, and background checks for employees in high risk positions.</p> <p>[p.24] COMPLIANCE TRAINING MODULES</p> <p>Training and awareness are an integral part of the Ethics and Compliance Program. Live and/or online compliance training are required for employees, including management. More than 126,000 online training modules on various ethics and compliance topics were completed by our employees in 2018.</p> <p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics Textron's ethics and compliance program is structured to reinforce ethical and legally compliant behavior. Our Ethics and Compliance (E&C) steering committees focus on the prevention of noncompliant and unethical behavior through risk assessment, risk mitigation, monitoring and education. Our program has been active for more than 30 years and has evolved to reflect changes in the business world and regulatory environment. E&C's plans and initiatives follow a rigorous process.</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.32] THE ETHICS AND COMPLIANCE RESOURCE CENTER</p> <p>If you would like to learn more about our Ethics & Compliance Program, please visit the Ethics & Compliance Resource Center on ERIC. You will find useful information about the Ethics & Compliance Program, how to file a HelpLine report, a listing of Ethics & Compliance Officers and Subject Matter Experts, articles on Ethics & Compliance issues, access to a wide variety of on-line learning materials available in many different languages, and Frequently Asked Questions about various topics covered in the Business Conduct Guidelines</p>

Question

3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:
a) Employees in high risk positions,
b) Middle management,
c) Board members.

Score

1

Comments

There is some evidence that the company provides tailored anti-bribery and corruption training for employees in different positions based on an assessment of their role and exposure to corruption risk. There is evidence that training is provided to employees in management positions, and the company indicates that employees in high risk positions must undertake periodic training.

However, the company receives a score of '1' because there is no clear evidence that it provides tailored anti-bribery and corruption training to its board members. It is also not clear from publicly available information that employees in high risk positions specifically are required to refresh their training on an annual basis.

Evidence

[4] 2018 Corporate Responsibility Report (Document)

Accessed 12/11/2019

https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf

[p.23] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

[...]

The Policy provides detailed approval processes that govern gifts, entertainment, hospitality, and travel expenses for government officials, as well as non-U.S. charitable donations and non-U.S. political contributions. It also requires periodic training, certification, and background checks for employees in high risk positions.

[p.24] COMPLIANCE TRAINING MODULES

Training and awareness are an integral part of the Ethics and Compliance Program. Live and/or online compliance training are required for employees, including management.

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
1
Comments
<p>There is some evidence that the company measures the effectiveness of its anti-bribery and corruption communications and training programme, by indicating that it monitors the completion rates of its online training modules.</p> <p>However, the company receives a score of '1' because there is no evidence that it measures or reviews the effectiveness of its initiatives beyond completion rates, for example through dedicated questions in staff surveys or audits, on a regular basis.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] COMPLIANCE TRAINING MODULES</p> <p>Training and awareness are an integral part of the Ethics and Compliance Program. Live and/or online compliance training are required for employees, including management. More than 126,000 online training modules on various ethics and compliance topics were completed by our employees in 2018.</p>

Question	
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?	
Score	
0	
Comments	
Based on publicly available information, there is no evidence that the company's incentive schemes for employees incorporate ethical or anti-bribery and corruption principles.	
Evidence	
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] RECOGNIZING OUR EMPLOYEES</p> <p>Textron employees are recognized for their achievements in ethics and compliance in one of three categories – Culture of Compliance, Standards and Procedures, and Communication and Training – through Textron's annual Ethics and Compliance Award for Excellence. Positive reinforcement of best practices encourages our employees to make ethics and compliance a priority.</p> <p>[14] 2019 Proxy Statement (Webpage) Accessed 13/11/2019 https://s1.q4cdn.com/535492436/files/doc_financials/annual/2018/a9b65f0d-f49d-4c4a-b92b-a8616f2b3b26.pdf [p.13]</p>	
ORGANIZATION AND COMPENSATION COMMITTEE	
Meetings in 2018: 5	
James L. Ziemer (Chair) Lawrence K. Fish Paul E. Gagné Ralph D. Heath Lloyd G. Trotter Maria T. Zuber	<p>Primary Responsibilities:</p> <ul style="list-style-type: none"> • Approves compensation arrangements, including merit salary increases and any annual and long-term incentive compensation, with respect to the Chief Executive Officer and other executive officers of the Company • Oversees and, where appropriate, approves compensation arrangements applicable to other corporate officers • Amends any executive compensation plan or nonqualified deferred compensation plan of the Company and its subsidiaries to the same extent that the plan may be amended by the Board • Administers the executive compensation plans and nonqualified deferred compensation plans of the Company and its subsidiaries • Approves the Chief Executive Officer's and other executive officers' responsibilities and performance against pre-established performance goals • Plans for the succession of the Company's management
<p>[p.22] Executive Compensation Highlights</p> <p>Executive compensation decisions at Textron are made by our Board's Organization and Compensation Committee (the "Committee"). The Committee strives to keep pace with evolving best practices in executive compensation. The following summarizes key aspects of our executive compensation program:</p> <p>Practices we employ</p> <p>‡ Pay for performance - substantial portion of executives' compensation tied to Company performance against pre-established goals set by the Committee</p>	

- ‡ Pay aligned with shareholder interests' over 75% of CEO's target compensation is in the form of equity-based long-term incentives
- ‡ Caps on annual incentive compensation and performance share unit payouts
- ‡ Double-trigger change in control provisions for equity awards and severance arrangements
- ‡ Clawback policy applies to all annual and long-term incentive compensation
- ‡ Committee annually conducts a pay-for-performance analysis against a performance peer group utilizing operating metrics used in our annual incentive awards
- ‡ Committee annually conducts compensation-related risk assessment with assistance from an independent compensation consultant
- ‡ Robust stock ownership requirements

Practices we avoid

- ‡ No payouts on annual incentive compensation or performance share units for below threshold performance
- ‡ No single-trigger vesting of long-term incentive awards upon a change in control of the Company
- ‡ No tax gross-ups for officers hired after 2008
- ‡ No employment contracts guaranteeing fixed term employment or bonuses to executives and no individually negotiated termination protection since 2008
- ‡ No excessive executive perquisites
- ‡ No hedging or pledging Textron securities
- ‡ No repricing or exchanging stock options without shareholder approval

[Document further discusses executive compensation]

[p.51] Textron's compensation philosophy is to establish target total pay with reference to a talent peer group and to tie a substantial portion of our executives' compensation to performance against objective business goals and stock price performance. This approach helps us to recruit and retain talented executives, incentivizes our executives to achieve desired business goals and aligns their interests with the interests of our shareholders. For a full discussion of our executive compensation programs and compensation decisions made by the Committee, see "Compensation Discussion and Analysis" beginning on page 21.

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company commits to support employees who refuse to act unethically, even when it might result in a loss of business. However, the company receives a score of '1' because there is no evidence that the company assures itself of its employees' confidence in this statement specifically through anonymised surveys or other clearly stated means.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.7] Question Does management really expect employees to adhere to the Textron Business Conduct Guidelines if that could mean losing business or reducing profitability?</p> <p>Answer Yes. Our reputation and our ethics outweigh financial considerations. Conducting Textron's business with honesty, integrity and high ethical standards, and in compliance with applicable laws, is essential to our business and profitability in the long term. Textron pays close attention not only to financial performance, but also to how each employee makes business decisions and executes the daily tasks of his or her job.</p> <p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.23] TEXTRON'S 2018 ETHICS & COMPLIANCE SURVEY</p> <p>In 2018, Textron conducted a confidential, enterprise-wide survey targeted to more than half of our workforce to measure our efforts in creating and sustaining a culture of compliance. When asked to respond to the statement "Textron expects me to conduct Textron business with high ethical standards and in compliance with all applicable laws and regulations," 99% of responding employees agreed.</p>

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company promotes a policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. There is also evidence indicating that this commitment extends to the company's business partners.</p> <p>However, the company receives a score of '1' because there is no evidence that the company assures itself of its employees' confidence in this commitment specifically through surveys, usage data, or other clearly stated means.</p>
Evidence
<p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics ETHICS HELPLINE</p> <p>Our values and culture support an E&C program that is based on self-reporting and acceptance of personal responsibility for ethical behavior. Textron provides and publicizes multiple channels for employees to ask questions, raise concerns or report violations without fear of retribution.</p> <p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.34] MULTIPLE REPORTING CHANNELS ARE AVAILABLE</p> <p>Each of us has a responsibility to promptly report suspected or known violations of the Business Conduct Guidelines, law or Company policy. An employee may choose to make a report to the Business Unit Ethics & Compliance Officer, the Executive Vice President and General Counsel of Textron, Company legal counsel, your supervisor, HR Business Partner, or through the toll free Textron Ethics & Compliance HelpLine.</p> <p>There will be no reprisals or retaliation against any employee for reporting in good faith a suspected or known violation.</p> <p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.23] TEXTRON'S 2018 ETHICS & COMPLIANCE SURVEY</p> <p>In 2018, Textron conducted a confidential, enterprise-wide survey targeted to more than half of our workforce to measure our efforts in creating and sustaining a culture of compliance. When asked to respond to the statement "Textron expects me to conduct Textron business with high ethical standards and in compliance with all applicable laws and regulations," 99% of responding employees agreed.</p> <p>[p.24] ETHICS HELPLINE</p> <p>Multiple avenues exist to raise issues, ask questions or report violations without fear of retaliation, including through our confidential Ethics and Compliance HelpLine.</p> <p>[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document) Accessed 14/11/2019 https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf [p.1] Textron Code of Conduct for Suppliers and Other Business Partners Textron (including its business units) expects suppliers, consultants, sales and service representatives, agents, distributors and other business partners (collectively, "Business Partners") to conduct business in accordance with the highest ethical standards.</p> <p>[...]</p>

Business Partners must:

[p.2] • provide their employees with avenues for raising legal or ethical concerns without fear of retaliation

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
2
Comments
<p>There is evidence that the company has multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme, including an external whistleblowing service operated by a third party. There is evidence that the company's channels allow for confidential and, wherever possible, anonymous reporting and are available and accessible to all employees in all jurisdictions where the company operates. There is also evidence that the company's channels are available in all relevant languages and to the company's business partners.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] ETHICS HELPLINE</p> <p>Multiple avenues exist to raise issues, ask questions or report violations without fear of retaliation, including through our confidential Ethics and Compliance HelpLine.</p> <p>[1] Ethics and Compliance Homepage (Webpage) Accessed 15/10/2019 https://www.textron.com/CorpResponsibility/Ethics ETHICS HELPLINE</p> <p>Our values and culture support an E&C program that is based on self-reporting and acceptance of personal responsibility for ethical behavior. Textron provides and publicizes multiple channels for employees to ask questions, raise concerns or report violations without fear of retribution. Suspected violations are investigated by appropriate Corporate and/or business unit personnel. If an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures.</p> <p>Textron Ethics Helpline telephone numbers:</p> <ul style="list-style-type: none"> • +1 (800) 892-9871 (Toll Free in U.S. and Canada) • +1 (401) 457-6006 (Local - Providence, RI, USA) • Toll-free International Helplines (PDF) <p>[3] Ethics Helpline International Phone Numbers (Document) Accessed 12/11/2019 https://www.textron.com/assets/BCGs/TextronInternationalHelplineNumbers.pdf [p.1] The network</p> <p>Integrated GRC Solutions</p> <p>[...]</p> <p>International Toll-free Service (ITFS) and Global International Service (GIS)</p> <ol style="list-style-type: none"> 1. Dial your country/carrier-specific telephone number. This call is free. 2. You will be given the option to make your report in English or your own language. You will hear a recorded message in your own language explaining the call process. 3. The first person who speaks to you will be an English-speaking interviewer. He or she will bring into the conference call a translator who speaks your language to assist you in reporting your concern. This may take a few minutes. Please be patient.

International

Country	Carrier	Service Type	Access Code	Restrictions	Phone	Language	VDN
Australia		ITFS		M, M	1-800-06-2158	English	2201452
Belgium		ITFS		F, N	0800-7-3633	Dutch	2205322

[p.2]

Belgium		ATTD	0-800-100-10	27, A	8009137401	Dutch	2205322
Brazil		ITFS		M, P	0800-892-0635	Portuguese	2205545
Brazil		ATTD	0-800-888-8288	27	8009137401	Portuguese	2205545
Brazil		ATTD	0-800-890-0288	04	8009137401	Portuguese	2205545
China		GIS Shared Cost		No restrictions	4008801043	Chinese (Mandarin)	2225107
China		GIS Shared Cost		No restrictions	4008801043	English	2225108
China	China Unicom	ITFS		11, D, N, Q, T	10-800-711-0671	Chinese (Mandarin)	2205328
China	China Telecom	ITFS		11, D, L, O, Q, T	10-800-110-0614	Chinese (Mandarin)	2205328
Czech Republic		ITFS		J, P	800-143-756	Czech	2205321
Czech Republic		ATTD	00-800-222-55288	04, D	8009137401	Czech	2205321
France		ITFS		M	0800-90-0362	French	2205332
Germany		ITFS		F, N	0800-186-2077	German	2205323
Germany		GIS Domestic		DTF5	08007243601	German	2226183
Germany		ATTD	0-800-225-5288	27	8009137401	German	2205323
India		ATTD	000-117	13	8009137401	English	2201452
Italy		ITFS		A, M	800-788524	Italian	2205325
Japan	KDDI	ATTD	00-539-111	A, D	8009137401	Japanese	2205326

[the list continues onto page 3]

[2] Business Conduct Guidelines (Document)**Accessed 15/10/2019**https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf

[p.32] THE ETHICS AND COMPLIANCE RESOURCE CENTER

If you would like to learn more about our Ethics & Compliance Program, please visit the Ethics & Compliance Resource Center on ERIC. You will find useful information about the Ethics & Compliance Program, how to file a HelpLine report, a listing of Ethics & Compliance Officers and Subject Matter Experts, articles on Ethics & Compliance issues, access to a wide variety of on-line learning materials available in many different languages, and Frequently Asked Questions about various topics covered in the Business Conduct Guidelines

[p.33] ADDITIONAL RESOURCES AND POLICIES

In addition to the Business Conduct Guidelines, detailed Textron and Business Unit policies and procedures have been issued on many subjects, including those referenced in the Guidelines. These policies and procedures supplement the Business Conduct Guidelines. Your Ethics & Compliance Officer and Company legal counsel have access to these and other policies and procedures.

ETHICS AND DEALING WITH AMBIGUITY

Sometimes, it is not easy to determine the ethical or "right" direction to take in a particular work situation. There are many complex rules and regulations that govern the way we must conduct our business. One purpose of the Business Conduct Guidelines is to provide guidance that will help direct an employee in making the right decision. When the answer is not clear, ask.

[p.34] MULTIPLE REPORTING CHANNELS ARE AVAILABLE

Each of us has a responsibility to promptly report suspected or known violations of the Business Conduct Guidelines, law or Company policy. An employee may choose to make a report to the Business Unit Ethics & Compliance Officer, the Executive Vice President and General Counsel of Textron, Company legal counsel, your supervisor, HR Business Partner, or through the toll free Textron Ethics & Compliance HelpLine.

There will be no reprisals or retaliation against any employee for reporting in good faith a suspected or known violation. We will strive to maintain the confidentiality of the source. Additionally, reports can be made on an anonymous basis, where local law permits this. Concerns about accounting, internal accounting controls, auditing matters or other concerns can also be reported by mailing the concern to the Board of Directors or the Audit Committee at the address listed below. Suspected issues will be investigated by appropriate Corporate and/or Business Unit personnel. Where an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures. Breaches of the Business Conduct Guidelines are subject to disciplinary action up to and including termination of employment. In many instances, a breach of these Guidelines may also have legal implications, subjecting the employee and Textron to civil or criminal penalties, fines or other sanctions

[p.35] THE TEXTRON HELPLINE IS: 1-800-892-9871 (Toll free in U.S. and Canada) Our toll free number is answered by a independent third party and is available 24 hours a day, 7 days a week. For additional international Toll Free HelpLine numbers, information regarding how the HelpLine works, or how to report a matter, please see the Ethics & Compliance Resource Center on ERIC 1-401-457-6006 This number is staffed by a member of Textron's Ethics & Compliance Team. You can leave a message for us and we will return your call.

CONTACT THE TEXTRON BOARD OF DIRECTORS

WRITE TO: Board of Directors Textron Inc. 40 Westminster Street Providence, RI 02903

[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document)

Accessed 14/11/2019

https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf

[p.1] Textron (including its business units) expects suppliers, consultants, sales and service representatives, agents, distributors and other business partners (collectively, "Business Partners") to conduct business in accordance with the highest ethical standards.

Textron's Business Partners are an extension of the company and must not conduct business in a manner that could damage Textron's reputation or cause Textron to be in violation of any law or regulation. Textron requires its Business Partners to follow this Code of Conduct. Please make your employees aware of it.

[...]

[p.2] If you have any questions on this Textron Code of Conduct for Suppliers and other Business Partners or need to report a suspected or known violation, you may contact Textron at 1-800-892-9871 (Toll free in U.S. and Canada) or 1-401-457-6006, or at <http://www.reportlineweb.com/textron>

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has policies for conflicts of interest which apply to all employees and board members, and refer to actual, potential and perceived conflicts. The publicly available policies make specific reference to conflicts related to employee relationships, outside employment and financial interests.</p> <p>However, the company receives a score of '1' because there is no evidence that its policies make specific reference to conflicts of interest concerning government relationships.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf <p>[p.7] Conflicts of Interest</p> <p>Textron respects the right of all employees to engage in personal activities outside of work. However, each of us has the responsibility to avoid activities which conflict or appear to conflict with our job responsibilities or the interests of Textron. Any employee activity which may involve a conflict of interest or even the appearance of a conflict of interest must first be approved by the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel.</p> <p>THE FOLLOWING ARE EXAMPLES OF CONFLICTS OF INTEREST:</p> <ul style="list-style-type: none"> • Engaging in employment or any other activity that interferes with our ability to devote the required time and attention to our job responsibilities at Textron. • Holding a significant financial interest in a current or prospective customer, supplier or competitor of Textron, or serving as an employee, consultant or director of that business. • Directing Textron business to a supplier owned or managed by a relative. • Supervising the job performance or compensation of a relative. • Using confidential Company information or improperly using Company assets for personal benefit or the benefit of others. <p>QUESTION You are a tool designer and have been approached by another company to moonlight on tool design work for them at a very attractive hourly rate. You could use the extra money. Since the work you will be doing is similar to what you do for Textron, is there a conflict of interest?</p> <p>ANSWER</p> <p>There may be. Even if this work is not for a Textron supplier, customer or competitor, outside work could be a conflict of interest and requires a prior conflict of interest determination by your supervisor with the assistance of your Ethics & Compliance Officer or Company legal counsel. The work might also lead to improper disclosure of proprietary Textron information.</p> <p>[p.8] QUESTION</p> </p>

There is a manager level job opening at your Business Unit, and you are asked to identify qualified candidates for the position. A member of the management team at the Business Unit recommends his/her relative for the position. What should you do?

ANSWER

This could be a sensitive issue. You may consider the relative along with all of the other candidates identified, provided (i) the relative is otherwise qualified for the position; (ii) hiring the relative would not constitute a breach of a contract with a third party or a violation of applicable law or regulations or of a policy in effect at your Business Unit; (iii) the person reviewing the candidates is made aware of the relationship to the management team member; (iv) the management team member is not involved in the hiring decision; (v) the hiring decision is not made by a person who reports directly or indirectly to the management team member; and (vi) if the relative is hired, the management team member must not, directly or indirectly, supervise the job performance or compensation of the relative.

QUESTION

Would it be a conflict of interest for a Textron employee to invest in another company with which Textron does business?

ANSWER

An investment in the stock of a widely-held, public corporation listed on a national stock exchange, where Textron's transactions with that corporation would not affect the value of such stock, would not be in violation of this Guideline. But an investment or interest in a smaller supplier, customer, contractor or other firm dealing, or seeking to deal, with Textron, where Textron business might be significant to that company, could be in violation of this Guideline. Prior disclosure to your Ethics & Compliance Officer of the proposed investment is required under this Guideline

QUESTION

Your spouse/partner has a financial interest in a small, privately-owned supplier of the Business Unit you work for. Are you required to report this matter?

ANSWER

Yes. All employees are required to report any conflict or appearance of a conflict. Even though you may not deal directly with this supplier and the value of the interest may not create an actual conflict, there could be the appearance of an impropriety. However, with appropriate disclosure and safeguards, it may be possible for the relationship to continue.

[6] Corporate Governance Guidelines (Document)

Accessed 12/11/2019

[https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-\(190227-for-posting\).pdf](https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-(190227-for-posting).pdf)

[p.2] 3. Ethics and Conflicts of Interest

[...]

In addition to complying with the Business Conduct Guidelines and other applicable Company policies, Directors are expected to avoid any action, position or interest that conflicts with an interest of Textron or that gives the appearance of a conflict. If any actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chairman, the CEO and the chair of the Nominating and Corporate Governance Committee. If a significant conflict exists and cannot be resolved, the Director should resign. Directors will recuse themselves from discussions or decisions affecting their personal, business or professional interests.

[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document)

Accessed 14/11/2019

https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf

[p.1] Business Partners must:

- conduct business in full compliance with all applicable laws and regulations
- avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Textron

[7] Textron Inc. By-Laws (Document)

Accessed 12/11/2019

https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2016/Corporate-By-laws.pdf

[p.4] if elected as a director, shall comply with all of the Corporation's corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines, and any other Corporation policies and guidelines applicable to directors;

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has procedures to identify and declare conflicts of interest, including actual, potential and perceived conflicts. For employees, the company states that the employee's Ethics & Compliance Officer or Company Legal Counsel must approve conflicts. There is evidence that Directors must report potential conflicts to the board Chairman, the CEO and the chair of the Nominating and Corporate Governance Committee. Additionally, the company makes publicly available examples of criteria for recusals of directors. The company states that breaches of its Business Conduct Guidelines, which contain policies covering conflicts of interest, will lead to disciplinary action.</p> <p>The company receives a score of '1' because there is no evidence that employees and directors are required to make conflict declarations that are held in a dedicated register or central depository that is accessible to those responsible for oversight of the process.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf <p>[p.7] Conflicts of Interest</p> <p>Textron respects the right of all employees to engage in personal activities outside of work. However, each of us has the responsibility to avoid activities which conflict or appear to conflict with our job responsibilities or the interests of Textron. Any employee activity which may involve a conflict of interest or even the appearance of a conflict of interest must first be approved by the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel.</p> <p>THE FOLLOWING ARE EXAMPLES OF CONFLICTS OF INTEREST:</p> <ul style="list-style-type: none"> • Engaging in employment or any other activity that interferes with our ability to devote the required time and attention to our job responsibilities at Textron. • Holding a significant financial interest in a current or prospective customer, supplier or competitor of Textron, or serving as an employee, consultant or director of that business. • Directing Textron business to a supplier owned or managed by a relative. • Supervising the job performance or compensation of a relative. • Using confidential Company information or improperly using Company assets for personal benefit or the benefit of others. <p>QUESTION You are a tool designer and have been approached by another company to moonlight on tool design work for them at a very attractive hourly rate. You could use the extra money. Since the work you will be doing is similar to what you do for Textron, is there a conflict of interest?</p> <p>ANSWER There may be. Even if this work is not for a Textron supplier, customer or competitor, outside work could be a conflict of interest and requires a prior conflict of interest determination by your supervisor with the assistance of your Ethics & Compliance Officer or Company legal counsel. The work might also lead to improper disclosure of proprietary Textron information.</p> <p>[p.8] QUESTION</p> </p>

There is a manager level job opening at your Business Unit, and you are asked to identify qualified candidates for the position. A member of the management team at the Business Unit recommends his/her relative for the position. What should you do?

ANSWER

This could be a sensitive issue. You may consider the relative along with all of the other candidates identified, provided (i) the relative is otherwise qualified for the position; (ii) hiring the relative would not constitute a breach of a contract with a third party or a violation of applicable law or regulations or of a policy in effect at your Business Unit; (iii) the person reviewing the candidates is made aware of the relationship to the management team member; (iv) the management team member is not involved in the hiring decision; (v) the hiring decision is not made by a person who reports directly or indirectly to the management team member; and (vi) if the relative is hired, the management team member must not, directly or indirectly, supervise the job performance or compensation of the relative.

QUESTION

Would it be a conflict of interest for a Textron employee to invest in another company with which Textron does business?

ANSWER

An investment in the stock of a widely-held, public corporation listed on a national stock exchange, where Textron's transactions with that corporation would not affect the value of such stock, would not be in violation of this Guideline. But an investment or interest in a smaller supplier, customer, contractor or other firm dealing, or seeking to deal, with Textron, where Textron business might be significant to that company, could be in violation of this Guideline. Prior disclosure to your Ethics & Compliance Officer of the proposed investment is required under this Guideline

QUESTION

Your spouse/partner has a financial interest in a small, privately-owned supplier of the Business Unit you work for. Are you required to report this matter?

ANSWER

Yes. All employees are required to report any conflict or appearance of a conflict. Even though you may not deal directly with this supplier and the value of the interest may not create an actual conflict, there could be the appearance of an impropriety. However, with appropriate disclosure and safeguards, it may be possible for the relationship to continue.

[p.34] Breaches of the Business Conduct Guidelines are subject to disciplinary action up to and including termination of employment. In many instances, a breach of these Guidelines may also have legal implications, subjecting the employee and Textron to civil or criminal penalties, fines or other sanctions.

[6] Corporate Governance Guidelines (Document)

Accessed 12/11/2019

[https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-\(190227-for-posting\).pdf](https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-(190227-for-posting).pdf)

[p.2] 3. Ethics and Conflicts of Interest

[...]

In addition to complying with the Business Conduct Guidelines and other applicable Company policies, Directors are expected to avoid any action, position or interest that conflicts with an interest of Textron or that gives the appearance of a conflict. If any actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chairman, the CEO and the chair of the Nominating and Corporate Governance Committee. If a significant conflict exists and cannot be resolved, the Director should resign. Directors will recuse themselves from discussions or decisions affecting their personal, business or professional interests.

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a policy regulating the employment of current or former public officials.
Evidence
No evidence found

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company publishes details of the contracted services of politicians.
Evidence
No evidence found

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on corporate political contributions. The company's policy indicates that it may make political contributions when approved by individuals with legal expertise. In addition, there is evidence that the company is associated with a Political Action Committee (PAC) in the United States.</p> <p>Since the company does not prohibit political donations and is associated with a PAC, it receives a score of '0' in line with the scoring criteria.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.20] Contributions of Company funds or the use of Company assets or facilities for the benefit of political parties or candidates anywhere in the world is prohibited unless approved in advance by the Textron Government Affairs Department in Washington, D.C. and Company legal counsel. Textron encourages all employees to participate personally in the political process and to support political parties and candidates of their choice.</p> <p>QUESTION Is it permissible for the Company to contribute goods or services to a political party or candidate or their election committees in connection with a political campaign, so long as no cash is involved?</p> <p>ANSWER The contribution of any goods or services (such as free use of office space, aircraft transportation, secretarial assistance, stationery or postal machines) for the benefit of political parties or candidates or their election committees is prohibited unless approved in advance by the Textron Government Affairs Department and Company legal counsel.</p> <p>QUESTION A candidate for political office in your region wishes to make a plant visit and address your business unit's employees. Is this allowable?</p> <p>ANSWER Yes, if approved in advance by the Textron Government Affairs Department and Company legal counsel.</p> <p>[p.26] When agents, sales representatives, dealers, distributors, consultants and joint venture partners are engaged in Textron business, they are required to comply with applicable laws and to adhere to standards of business conduct consistent with the Textron Business Conduct Guidelines.</p> <p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p>

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no evidence that the company publishes any details of its political contributions or Political Action Committee (PAC) disbursements, nor a statement that it has not made any political contributions in the last 12 months.
Evidence
No evidence found.

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
0
Comments
<p>Based on publicly available information, there is evidence that the company has procedures governing charitable donations and sponsorships. There is evidence that the company publishes some information covering its charitable donations, including the recipients and amounts of donations in its annual Corporate Responsibility Report.</p> <p>However, the company receives a score of '0' because there is no clear evidence that the procedures governing charitable donations or sponsorships include measures to ensure donations are not used as vehicles for bribery and corruption. It is noted that further details may be contained in the company's Global Anti-Corruption Compliance Policy but this document is not publicly available.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf</p> <p>[p.4] Textron is more than a family of businesses and powerful brands. We realize the talented workforce that creates our innovative products is deeply connected to the communities where we live and work. Our company's continued success depends on acting responsibly, sustainably, safely and ethically.</p> <p>We uphold our commitment by:</p> <ul style="list-style-type: none"> • Supporting non-profit organizations through partnerships with local charities, active volunteerism, philanthropic giving and our non-profit Textron Charitable Trust. <p>[p.5] OUR COMMITMENT TO OUR COMMUNITIES</p> <p>Textron is committed to responsible corporate citizenship and helping improve the quality of life in communities where our employees live and work. Volunteerism and support of local non-profit organizations are part of our culture across the Textron enterprise and strengthen our community relationships. Below are some examples of employee volunteerism and our businesses' efforts supporting local communities in 2018:</p> <p>BELL</p> <p>Bell supports military veterans. In 2018, the company was a sponsor of the American Airlines Sky Ball, the premier fundraising event for the Airpower Foundation, which supports active duty, reserve and National Guard families, as well as projects to assist wounded, ill, or injured service members and children of fallen military veterans. Bell also sponsored the Gary Sinise Foundation, the George W. Bush Institute and Team Rubicon, each of which are organizations which support veterans and our communities, with both funding and volunteers. Bell is committed to education and our future workforce development. Employees volunteered nearly 2,000 hours in programs such as the Bell "Mission Possible" STEM challenge, a program to encourage local middle-school students to pursue STEM career pathways, robotics and drone competitions with several area school districts, and numerous mentoring relationships. Bell also supported local chapters of the Boy Scouts of America in hosting a composite merit badge course and a mini-drone competition with Girl Scouts.</p> <p>In Amarillo and Fort Worth, Texas, employees come together every year to raise money to buy bikes for Toys for Tots. In 2018, they purchased over 500 bikes, and the Amarillo team assembled 350 of them. Bell makes charitable contributions and employees volunteer regularly with Presbyterian Night Shelter and Tarrant Area Food Bank to focus on basic needs and tackle homelessness and hunger in the Dallas-Fort Worth area. Bell also helps provide more affordable housing for the community through its 15-year partnership with Habitat for Humanity. Bell employee teams sponsor and help build two homes annually for families in need.</p> <p>KAUTEX</p>

In Guararema, Brazil, Kautex trains employees to become ambassadors in the community through the Qualification Program for Employees, Children and Community. This program prepares local youth for professional life and is taught by employees from functions such as engineering, environmental health and safety, finance, human resources, information technology, logistics, maintenance, manufacturing, procurement, quality and sales. In addition, the program promotes employee engagement at that business, increasing pride in being part of the Kautex Textron team. Six new apprentices have been hired from the pool of program participants. Four employees at Kautex's facility in Detroit promoted interest in STEM activities by volunteering to participate in the FIRST Robotics Competition, sponsored by the Detroit Hispanic Development Corporation. The employees spent four hours during each week of the program to mentor local high school students until they were ready for the April competition. Kautex's facility in Bonn, Germany sponsored the Formula Student Germany (FSG) competition held in August at the Hockenheimring Baden-Württemberg motor racing circuit.

FSG is an international design competition sponsored by the Association of German Engineers. Students from around the world compete by building a single-seat formula race car with either a combustion engine or electric powertrain. Kautex employees staffed a refuelling and refreshment station and helped to judge the students' business plan presentations.

[p.6] OUR COMMITMENT TO OUR COMMUNITIES (Continued)

TEXTRON AVIATION

Textron Aviation led a collaboration between the Kansas Department of Education, Wichita Public Schools and WSU Tech to form Aviation Pathway, the first aviation technical education pathway for Kansas high school students. Through the program, high school students can receive their high school diploma and technical certificate at graduation, creating the potential for immediate employment within the aviation industry.

[pages 6 to 8 of the document continue to list community projects supported by the company in the last financial year]

OUR COMMITMENT TO CHARITABLE GIVING

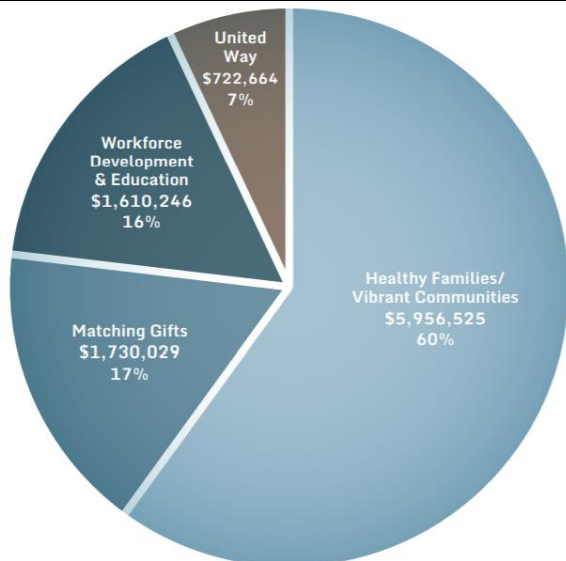
Textron works diligently to build better communities and to be a responsible corporate citizen. Through active volunteerism and philanthropic giving, we work alongside non-profit organizations that address needs within our local communities. In 2018, Textron, including its business units and the Textron Charitable Trust, gave more than \$10 million to support the work these organizations do to better our communities.

Textron's charitable giving comes from two sources: Textron Inc., including its business units, and the Textron Charitable Trust. Our direct charitable giving, which comprised three-quarters of our total 2018 charitable giving of more than \$10 million, was made in the form of grants, event sponsorships and general funding, and is largely focused in two areas: Workforce Development & Education and Healthy Families/Vibrant Communities. Within these areas of focus, we support non-profit organizations that address issues related to workforce development, education, arts and culture, community revitalization and health and human services programs in communities where Textron has a major business presence.

THE TEXTRON CHARITABLE TRUST

The Textron Charitable Trust is a private, nonprofit charitable trust funded and operated by Textron Inc. The Trust provides philanthropic support for charitable or educational purposes as determined by its Contributions Committee which is comprised of several Textron officers and employees.

2018 Charitable Contributions Total: \$10,019,464



[p.9] OUR COMMITMENT TO CHARITABLE GIVING (Continued)

60% | HEALTHY FAMILIES/VIBRANT COMMUNITIES | \$5,956,525

The focus of these programs is to invest in the quality of life in the communities where we do business. A wide range of organizations fit this description, encompassing arts and culture, community revitalization and/or health and human services.

16% | WORKFORCE DEVELOPMENT & EDUCATION | \$1,610,246

These programs help develop our communities' future workforce, providing educational experiences for people of all ages and socioeconomic backgrounds. They include job training and employment development, educational enrichment and mentoring programs for youth and college/university assistance.

17% | MATCHING GIFTS | \$1,730,029

Through the Textron Matching Gifts program, full time employee donations to 501(c)(3) organizations are matched dollar for dollar up to \$7,500 per individual per calendar year. This program supports our employees by investing in the charitable organizations to which they choose to donate. The Textron Charitable Trust provides funding for the program. Approximately 1,700 employees made a charitable gift which was matched by Textron through the program in 2018.

7% | UNITED WAY | \$722,664

This amount reflects annual grants to the United Way made by Textron business units and the Textron Charitable Trust. The United Way partners with member agencies to support initiatives in education, employment, health and the creation of strong neighborhoods. In addition, each year, Textron businesses organize United Way employee giving campaigns to facilitate contributions to non-profit organizations that address local needs within our communities.

[p.10] 2018 CHARITABLE GIVING HIGHLIGHTS

TEXTRON SUPPORTS SMITHSONIAN'S NATIONAL AIR AND SPACE MUSEUM WITH A \$10 MILLION GIFT
Textron pledged a \$10 million gift (to be paid over 5 years), \$4 million of which was paid in 2018, to support the transformation of the "How Things Fly" exhibition at the National Air and Space Museum's flagship building in Washington, D.C. Construction on the gallery is scheduled to begin in 2022.

BELL'S UNITED WAY CAMPAIGN Bell's United Way Campaign raised over \$636,000 in nine days in Fort Worth and Amarillo with company-sponsored events such as silent auctions, firetruck pulls, cookouts and other activities.

TEXTRON AVIATION'S UPLIFT ORGANIZATION – AN EMPLOYEE-MANAGED NOT-FOR-PROFIT

Uplift is an employee-managed, 501(c)(3) not-for-profit organization created to offer assistance to employees in financial need and to improve the community. While the majority of fundraising efforts support United Way or similar organizations, some funds are retained to assist Textron Aviation employees in times of catastrophic need or are contributed to support additional non-profit organizations. In 2018, Textron Aviation and its employees showed tremendous generosity through the annual UPLIFT fundraising campaign by generating nearly \$2.5 million in total pledges.

TEXTRON SYSTEMS PLEDGES SUPPORT FOR OUR MILITARY AND VETERANS

In 2018, Textron Systems pledged \$20,000 in support of three organizations: K9 for Warriors, which provides service dogs to former military recovering from post-service trauma; Boulder Crest Retreat, which supports military, first responders and their family members; and Dog Tag Bakery, which offers a work-study program that gives veterans skills, education and experience to succeed as civilians.

[4] 2018 Corporate Responsibility Report (Document)

Accessed 12/11/2019

https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf

[p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

[...]

The Policy provides detailed approval processes that govern gifts, entertainment, hospitality, and travel expenses for government officials, as well as non-U.S. charitable donations and non-U.S. political contributions.

[24] Charitable Giving (Webpage)

Accessed 29/05/2020

<https://www.textron.com/CorpResponsibility/Charitable-Giving>

GIVING BACK TO OUR COMMUNITIES

Textron is committed to responsible corporate citizenship and helping improve the quality of life in communities where our employees live and work. The Textron Charitable Trust provides philanthropic support for nonprofit agencies that align with our giving focus and involve the volunteer efforts of our employees.

GRANT HIGHLIGHTS

To make the most effective use of Textron resources, we focus our philanthropic giving in the following areas:

Workforce Development and Education

Textron is committed to helping prepare both adults and young people to achieve gainful employment and ultimately, success in the workplace. We support education programs from middle school to higher education and a variety of innovative job training programs for people of all ages and socio-economic backgrounds.

Specifically, in this area we focus on:

Job Training and Employment Development - including school-to-work and welfare-to-work programs, job training for underserved audiences, literacy and ESL (English as a Second Language) programs

Enrichment and Mentoring Programs for Youth - such as quality after-school programs and youth development programs

College/University Support - including scholarships and internships for women and minorities (with emphasis on technology, manufacturing and engineering)

Healthy Families/Vibrant Communities

An important complement to educational opportunities is the support of arts and culture, community revitalization and health and human service programs. This area allows Textron to fund a variety of programs, initiatives and organizations that are important to the quality of life in the communities where we have a business presence.

Specifically, we focus on:

Arts and Culture - with emphasis on outreach programs that enhance learning and target low and moderate income individuals

Community Revitalization - such as affordable housing and economic development in low-income areas

Health and Human Service Organizations - such as food pantries, homeless shelters, health education and services for low-income residents

Sponsorships

Responsible corporate citizenship also means both volunteerism at and sponsorship of worthwhile events that benefit the communities where our employees live and work. At Textron, our alignment with cause-related events and activities is an essential part of giving back and is reflected across the entire enterprise. Apply for an event sponsorship.

Corporate Responsibility

Our Corporate Responsibility Report summarizes our activities to minimize our company's impact on the environment, champion the health, safety and career development of our employees, and steer our business on the right legal and ethical course.

2018 Textron Charitable Giving

\$10,019,464

Textron works alongside nonprofit organizations that address needs within our local communities. Textron's total charitable giving comes from two sources: Textron Inc., including its business units, and the Textron Charitable Trust.

Grants and Event Sponsorships

Making a positive impact on our local communities around the globe where we do business is an important pillar of our corporate mission. We support organizations that share our concerns and areas of focus. To apply for a grant or event sponsorship, complete this online form.

The Textron Charitable Trust

The Textron Charitable Trust is a private, nonprofit foundation sponsored by Textron Inc. The Trust provides philanthropic support for nonprofit agencies that focus on workforce development, education, arts and culture, community revitalization, and health and human service programs where Textron has a business presence.

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
0
Comments
Based on publicly available information, there is no clear evidence that the company has a policy or procedure on lobbying. A summary of its Global Anti-Corruption Compliance policy refers to risk-based due diligence and oversight of lobbyists, but there is no publicly available evidence that the company has policies and controls in place to ensure that lobbying activities are conducted responsibly.
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p>

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
1
Comments
<p>There is some evidence that the company provides information on its lobbying topics and activities, by providing a direct link to the United States House of Representatives Office of the Clerk website where its official disclosures can be found.</p> <p>However, there is no evidence that the company publishes details about its broader public policy aims or positions, nor that it discloses any further information on its own website. The company also does not publish any information about its lobbying activities outside of the United States, nor a statement that it does not lobby outside of the United States.</p>
Evidence
<p>[25] Lobbying Disclosure Act Filings Accessed 14/06/2020 https://investor.textron.com/investors/corporate-governance/Textrons-Federal-Lobbying-Disclosure-Act-Filings/default.aspx TEXTRON'S FEDERAL LOBBYING DISCLOSURE ACT FILINGS</p> <p>Textron's Federal Lobbying Disclosure Act filings can be found at the U.S. House of Representatives Office of the Clerk website.</p>

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
1
Comments
<p>The company provides some details of its lobbying expenditure, by providing a direct link to the United States House of Representatives Office of the Clerk website where its official disclosures can be found.</p> <p>However, this expenditure data is not broken down into internal, external or association lobbyists and does not include an explanation of how these figures have been calculated. Furthermore, the company does not publish its lobbying expenditure worldwide.</p>
Evidence
<p>[25] Lobbying Disclosure Act Filings Accessed 14/06/2020 https://investor.textron.com/investors/corporate-governance/Textrons-Federal-Lobbying-Disclosure-Act-Filings/default.aspx TEXTRON'S FEDERAL LOBBYING DISCLOSURE ACT FILINGS</p> <p>Textron's Federal Lobbying Disclosure Act filings can be found at the U.S. House of Representatives Office of the Clerk website.</p>

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on the giving and receipt of gifts and hospitality. There is evidence that this policy establishes financial limits, along with an approval procedure, for the different types of promotional expense that employees may encounter, and also that it explicitly addresses the risks associated with gifts and hospitality given to public officials.</p> <p>However, the company receives a score of '1' because there is no evidence that all gifts and hospitality above certain thresholds are recorded in a dedicated register or central depository that is accessible to those responsible for oversight of the process.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.21] GIFTS</p> <p>Unless properly approved, Textron employees should not give (or receive) business gifts of more than nominal value to or from people or entities with whom the Company does business, since such gifts can affect or might appear intended to affect the judgment of the person receiving the gift. Where laws or Business Unit policy do not provide otherwise, gifts having a value of U.S. \$75 or less are permitted.</p> <p>The giving or receiving of gifts of a value in excess of U.S. \$75 requires the approval of the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel. Any gifts, which are not permitted or have not been approved should be declined or turned over to the Company. Gifts to Government Officials in the United States and abroad are governed by law and regulation and should not be made without first understanding what is legally permissible. Consultation with Company legal counsel will ensure that you do not violate these laws and regulations. For more information, please see the Textron Global Anti-Corruption Compliance Policy.</p> <p>CASH GIFTS</p> <p>A gift or receipt of cash (or cash equivalent, such as a Visa card) to an employee of a business partner or family member of such an employee, in connection with a Textron business transaction, is strictly prohibited. Questions about gifts or entertainment should be resolved by the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel. Please see the Guideline sections on Improper Payments and Business Partners, and the Textron Global Anti-Corruption Compliance Policy, for further information.</p> <p>GIVING OF GIFTS OF A CEREMONIAL OR COMMEMORATIVE NATURE</p> <p>Gifts of a ceremonial or commemorative nature in excess of the US \$75 limit may be appropriate under certain circumstances. Factors to consider are whether the item is reasonable and customary, is in accordance with local laws, and is either to be given at a delivery of the product or service, or commemorates the conclusion of a sale, or other ceremony, where there is little risk that such item will create an expectation of something in return and/or has limited resale value (e.g. inscribed with customer's name or date of ceremony).</p> <p>As always, gifts of this nature should not be given for the purposes of affecting the judgment of the receiving party.</p> <p>[p.22] Gifts and Entertainment - continued</p>

QUESTION

You receive a fruit basket and a bottle of wine from a supplier as a holiday present. The value of the gift exceeds U.S. \$75. You have a long-standing business relationship with the supplier, and are afraid she would be offended if you refuse. What should you do?

ANSWER

The handling of the gift should be approved by your supervisor with the assistance of your Ethics & Compliance Officer or Company legal counsel. Many Textron Business Units have their own policies which would apply in these situations. Some Textron Business Units solve this issue by sending out letters to suppliers at holiday times, asking suppliers not to offer gifts, and explaining why. Others contribute the items to a charitable organization where practicable. Alternatively in this situation, it may be appropriate for the gift to be shared with co-workers; this handling of the gift should be approved by the employee's supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel. In any case, an acknowledgment of the gift should be sent to the supplier together with an explanation of our policy and of the disposition of the gift.

QUESTION

A government inspector makes a special effort to visit a plant and provides a quick and helpful response. Is it permissible to thank him with a gift of a bottle of wine?

ANSWER

Probably not. You must check with Company legal counsel to ensure you know the applicable law or regulation before providing gifts or entertainment to Government Officials.

[p.23] ENTERTAINMENT

The giving or receiving of reasonable and customary meals and entertainment in the normal course of business is permitted in instances where laws or Business Unit policy do not provide otherwise. Lavish meals or inappropriate entertainment should always be avoided. Textron employees must know and comply with all applicable restrictions on providing meals, entertainment, gifts or gratuities to employees or agents of any government. Special care must be given when Government Officials are involved as the laws pertaining to Government Officials vary from country to country and even within a given country. In the United States, for example, we must comply with federal, state and local or municipal law regarding the provision of things of value to Government Officials. In some jurisdictions virtually all gifts and entertainment of Government Officials are prohibited. Check with Company legal counsel to make sure you know what is permitted and what is prohibited.

QUESTION

You are working on a Company business project with employees of another Textron Business Unit. Is it permissible to take them out to dinner in the course of your work?

ANSWER

The policies stated above for meals and entertainment also apply to this situation. Reasonable and customary business entertainment is acceptable. Meals or entertainment, whether paid for by Textron employees or another party, should be in conjunction with business activity. The expense involved, the identity of the participants and the duration and extent of the entertainment should be reasonable in relation to the business conducted and the business purpose. Lavish or extravagant entertainment must always be avoided. This Guideline is explicitly subject to any applicable laws or Business Unit policies which are more restrictive.

QUESTION

A group representing a customer is visiting a Textron factory for product demonstrations and the management of the Textron facility provides meals and entertainment for the visitors during the visit. Is there a violation of this Guideline?

ANSWER

No, provided the meals and entertainment are reasonable, in good taste and in compliance with applicable law and Business Unit policy.

[4] 2018 Corporate Responsibility Report (Document)

Accessed 12/11/2019

https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf

[p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

[...]

The Policy provides detailed approval processes that govern gifts, entertainment, hospitality, and travel expenses for government officials, as well as non-U.S. charitable donations and non-U.S. political contributions.

[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document)

Accessed 14/11/2019

https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf

[p.1] Textron requires its Business Partners to follow this Code of Conduct. Please make your employees aware of it. Business Partners must:

[...]

not give or receive business gifts unless of nominal value and permitted by law, regulation and the rules and standards of the recipient's organization, and never in cash (or cash equivalent such as a prepaid credit or debit card)

[p.2] • provide meals and entertainment to customers and others only if permitted by applicable laws and regulations, and, to the extent legally permissible, in a manner that is reasonable and customary, never lavish or inappropriate

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company's business units have specialised procurement departments which are involved, in some capacity, in the establishment and oversight of supplier relationships.</p> <p>However, the company receives a score of '1' because there is no evidence that its business units require the involvement of the procurement departments for establishing new suppliers over a certain threshold. It is also unclear whether these bodies are the main bodies in charge of managing the company's supplier base and procurement activities. In addition, there is no evidence that the company assures itself of the involvement of its procurement departments at least every three years.</p>
Evidence
<p>[20] Supplying to Textron's Business Units (Webpage) Accessed 14/11/2019 https://www.textron.com/Suppliers</p> <p>Textron is comprised of many business units, each with its own procurement managers who have industry-specific supply chain knowledge. Direct or indirect suppliers are welcome to contact our business units by following these links to the business units' supplier pages:</p> <p>Bell Suppliers Textron Aviation Suppliers E-Z-GO Suppliers Jacobsen Suppliers Kautex Suppliers Textron GSE Suppliers Textron Systems Suppliers Lycoming Suppliers</p> <p>[21] Bell – Suppliers Home (Webpage) Accessed 14/11/2019 https://www.bellflight.com/suppliers</p> <p>Sell2Bell is Bell supplier portal—the gateway for doing business with Bell which allows you to better manage the way that you interact with Bell. Sell2Bell contains links to Purchase Orders, RFQs, Forms and Technical Data. It also includes training materials and other helpful documents.</p> <p>[...]</p> <p>STEP 1 Does your company match our business needs? See Our Needs section below.</p> <p>STEP 2 Register Non-Production Suppliers: Register at discovery.ariba.com Production Suppliers: Register your company's capabilities at supplierregistration.bh.com</p> <p>STEP 3 If your capabilities meet our needs.</p>

Your company will be sent a Level 2 Supplier Assessment Form for completion. (If there is interest in further capability/needs match making)
Your company will be sent a Level 3 Supplier Assessment Form for completion which will be followed up with a visit from representatives of Bell Helicopter to validate the assessment. (If there is further intent to work toward supplier approval)

STEP 4

After all 3 Supplier Assessments are complete and the appropriate Bell Helicopter quality approvals are in place, your company can begin receiving quotes from Bell Helicopter.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
0
Comments
Based on publicly available information, there is no evidence that the company conducts risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers.
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf [p.26] Textron's business partners are an extension of our Company and should be chosen and monitored carefully. When agents, sales representatives, dealers, distributors, consultants and joint venture partners are engaged in Textron business, they are required to comply with applicable laws and to adhere to standards of business conduct consistent with the Textron Business Conduct Guidelines. The proposed appointment or termination by Textron of persons acting in connection with non-U.S. business is subject to approval requirements stated in the Textron Global Anti-Corruption Compliance Policy. The proposed appointment of certain U.S. consultants also is subject to approval under the Textron Delegation of Authority document.</p>

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company requires its suppliers to have adequate anti-bribery and corruption policies and procedures in place. There is evidence that the company requires suppliers to abide by its Code of Conduct for Suppliers and Other Business Partners, which prohibits bribery and facilitation payments and includes policies that cover conflicts of interest, gifts & hospitality and whistleblowing.</p> <p>However, the company receives a score of '1' because there is no evidence to suggest that the company takes active steps to ensure that its suppliers abide by its code or have adequate anti-bribery and corruption policies and procedures in place.</p>
Evidence
<p>[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document) Accessed 14/11/2019 https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf</p> <p>[p.1] Textron Code of Conduct for Suppliers and Other Business Partners Textron (including its business units) expects suppliers, consultants, sales and service representatives, agents, distributors and other business partners (collectively, "Business Partners") to conduct business in accordance with the highest ethical standards.</p> <p>Textron's Business Partners are an extension of the company and must not conduct business in a manner that could damage Textron's reputation or cause Textron to be in violation of any law or regulation. Textron requires its Business Partners to follow this Code of Conduct. Please make your employees aware of it.</p> <p>Business Partners must:</p> <ul style="list-style-type: none"> • conduct business in full compliance with all applicable laws and regulations • avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Textron <p>[...]</p> <ul style="list-style-type: none"> • not give or receive business gifts unless of nominal value and permitted by law, regulation and the rules and standards of the recipient's organization, and never in cash (or cash equivalent such as a prepaid credit or debit card) <p>[p.2] • provide meals and entertainment to customers and others only if permitted by applicable laws and regulations, and, to the extent legally permissible, in a manner that is reasonable and customary, never lavish or inappropriate</p> <ul style="list-style-type: none"> • never pay or accept bribes, kickbacks or other improper payments of money or anything of value or make facilitation payments to speed up the performance of a function or activity to which the Business Partner is legally entitled (for example, the release of goods held in customs at a port, the issuance of permits or licenses or the provision of utilities such as electricity) even in locations where such activities may not violate local law • act with honesty and integrity and in compliance with all applicable laws and regulations in doing business with government officials in any country, including personnel employed by government-controlled or state-owned enterprises • not engage in anti-competitive behavior such as price-fixing, bid-rigging and other forms of illegal collusion by businesses • obtain Textron's written approval before using Textron's name or logo in any advertising, marketing materials or other publicity

- not use material, non-publicly disclosed information obtained in the course of their business relationships with Textron as a basis for trading or enabling others to trade in securities
- co-operate with Textron by providing information and certifications upon request
- use reasonable efforts to promote among their business partners adherence to this Code of Conduct, and exercise due diligence to prevent and detect corruption in all business arrangements
- provide their employees with avenues for raising legal or ethical concerns without fear of retaliation

If a Business Partner enters into a contract with Textron that contains additional or more stringent terms and conditions, those terms and conditions shall prevail.

[2] Business Conduct Guidelines (Document)

Accessed 15/10/2019

https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf

[p.24] Payment or acceptance of bribes, kickbacks or other improper payments while conducting Textron business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, representatives, consultants or other business partners seeking to establish a relationship with Textron.

[5] Corporate Responsibility Report – Home (Webpage)

Accessed 12/11/2019

<https://www.textron.com/content/corporate-responsibility-report>

We are committed to acting responsibly, safely and ethically as we conduct our business and build and maintain relationships with our customers, employees, business partners, suppliers, shareholders and our communities.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
1
Comments
Based on publicly available information, there is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain. However, the company receives a score of '1' because this evidence is in the form of a simple statement and it is unclear how the company ensures this in practice.
Evidence
<p>[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document) Accessed 14/11/2019 https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf</p> <p>[p.1] Textron Code of Conduct for Suppliers and Other Business Partners Textron (including its business units) expects suppliers, consultants, sales and service representatives, agents, distributors and other business partners (collectively, "Business Partners") to conduct business in accordance with the highest ethical standards.</p> <p>Textron's Business Partners are an extension of the company and must not conduct business in a manner that could damage Textron's reputation or cause Textron to be in violation of any law or regulation. Textron requires its Business Partners to follow this Code of Conduct. Please make your employees aware of it.</p> <p>Business Partners must:</p> <p>[p.2] • use reasonable efforts to promote among their business partners adherence to this Code of Conduct, and exercise due diligence to prevent and detect corruption in all business arrangements</p>

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers, or the associated disciplinary actions.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy covering the use of agents. There is evidence that the company provides limited details of the controls it has in place to mitigate the risks associated with agents.</p> <p>However, the company receives a score of '1' because there is no evidence that it makes a clear commitment to establishing and verifying that the use of agents is, in each case, necessary to perform a legitimate business function, nor that it provides details of the corruption risks associated with the use of agents. There is also no evidence that the company specifies that its policy covering agents applies to subsidiaries and joint ventures.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p>

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
In publicly available evidence, the company states that it conducts risk-based due diligence on agents. However, the information provided is insufficiently detailed to satisfy the requirements for score '1'.
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p>

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
Based on publicly available information, there is no evidence that the company aims to establish the ultimate beneficial ownership of its agents and intermediaries.
Evidence
No evidence found

Question
7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
<p>Based on publicly available information, there is evidence that the company requires agents to adhere to its Code of Conduct for Suppliers and Other Business Partners. There is also evidence that the company includes anti-bribery and corruption compliance clauses in its contracts with these entities.</p> <p>However, the company receives a score of '0' because there is no evidence that it includes audit and termination rights in its contracts with agents and intermediaries.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf <p>[p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p> <p>[19] Textron Code of Conduct for Suppliers and Other Business Partners (Document) Accessed 14/11/2019 https://www.textron.com/assets/BCGs/Textron_Code_of_Conduct_Suppliers_Business_Partners.pdf <p>[p.1] Textron Code of Conduct for Suppliers and Other Business Partners Textron (including its business units) expects suppliers, consultants, sales and service representatives, agents, distributors and other business partners (collectively, "Business Partners") to conduct business in accordance with the highest ethical standards.</p> <p>Textron's Business Partners are an extension of the company and must not conduct business in a manner that could damage Textron's reputation or cause Textron to be in violation of any law or regulation. Textron requires its Business Partners to follow this Code of Conduct. Please make your employees aware of it.</p> <p>Business Partners must:</p> <ul style="list-style-type: none"> • conduct business in full compliance with all applicable laws and regulations • avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Textron <p>[...]</p> <ul style="list-style-type: none"> • not give or receive business gifts unless of nominal value and permitted by law, regulation and the rules and standards of the recipient's organization, and never in cash (or cash equivalent such as a prepaid credit or debit card) <p>[p.2] • provide meals and entertainment to customers and others only if permitted by applicable laws and regulations, and, to the extent legally permissible, in a manner that is reasonable and customary, never lavish or inappropriate</p> <ul style="list-style-type: none"> • never pay or accept bribes, kickbacks or other improper payments of money or anything of value or make facilitation payments to speed up the performance of a function or activity to which the Business Partner is legally </p></p>

entitled (for example, the release of goods held in customs at a port, the issuance of permits or licenses or the provision of utilities such as electricity) even in locations where such activities may not violate local law

- act with honesty and integrity and in compliance with all applicable laws and regulations in doing business with government officials in any country, including personnel employed by government-controlled or state-owned enterprises
- not engage in anti-competitive behavior such as price-fixing, bid-rigging and other forms of illegal collusion by businesses
- obtain Textron's written approval before using Textron's name or logo in any advertising, marketing materials or other publicity
- not use material, non-publicly disclosed information obtained in the course of their business relationships with Textron as a basis for trading or enabling others to trade in securities
- co-operate with Textron by providing information and certifications upon request
- use reasonable efforts to promote among their business partners adherence to this Code of Conduct, and exercise due diligence to prevent and detect corruption in all business arrangements
- provide their employees with avenues for raising legal or ethical concerns without fear of retaliation

If a Business Partner enters into a contract with Textron that contains additional or more stringent terms and conditions, those terms and conditions shall prevail.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
Based on publicly available information, there is no evidence that the company recognises incentive structures as a risk factor in agent behaviour.
Evidence
No evidence found.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for or and on behalf of the company.
Evidence
No evidence found

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
In publicly available evidence, the company states that it conducts risk-based due diligence on joint venture partners. However, the information provided is insufficiently detailed to satisfy the requirements for score '1'.
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p>

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company requires joint venture partners to comply with its Business Conduct Guidelines. There is also evidence that the company requires anti-bribery and corruption clauses in its contracts with joint venture partners.</p> <p>However, the company scores '1' as it is unclear based on publicly available information how it ensures that these standards are implemented by joint venture partners in practice. There is also no evidence that the company includes audit and termination rights in its contracts with joint venture partners.</p>
Evidence
<p>[2] Business Conduct Guidelines (Document) Accessed 15/10/2019 https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf</p> <p>[p.24] Payment or acceptance of bribes, kickbacks or other improper payments while conducting Textron business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, representatives, consultants or other business partners seeking to establish a relationship with Textron.</p> <p>[p.26] Textron's business partners are an extension of our Company and should be chosen and monitored carefully. When agents, sales representatives, dealers, distributors, consultants and joint venture partners are engaged in Textron business, they are required to comply with applicable laws and to adhere to standards of business conduct consistent with the Textron Business Conduct Guidelines. The proposed appointment or termination by Textron of persons acting in connection with non-U.S. business is subject to approval requirements stated in the Textron Global Anti-Corruption Compliance Policy. The proposed appointment of certain U.S. consultants also is subject to approval under the Textron Delegation of Authority document.</p> <p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf</p> <p>[p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p>

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
Based on publicly available information, there is no evidence that the company makes a clear commitment to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
No evidence found.

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
There is no evidence that the company addresses the corruption risks associated with offset contracting, nor is there evidence that that the company has a dedicated body, department or team responsible for monitoring of its offset activities.
Evidence
No evidence found.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
1
Comments
<p>There is some evidence that the company conducts risk-based anti-bribery and corruption due diligence on its offset providers and partners. However, the company receives a score of '1' because there is no further evidence that this process includes checks on beneficial ownership or that it seeks to assure itself of the legitimacy of the investment.</p>
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.24] GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY</p> <p>[...]</p> <p>With respect to third parties, the Global Anti-Corruption Compliance Policy establishes risk-based due diligence, review and approval requirements for the appointment of certain third parties acting on behalf of Textron outside the U.S., such as sales agents, representatives, dealers, distributors, consultants, customs brokers, freight forwarders, lobbyists, joint venture partners, offset providers and teaming partners. Additionally, it establishes procedures for payments to, contractual compliance provisions for agreements with, and continuing oversight of, such parties.</p>

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company's offset programme.
Evidence
No evidence found

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of its offset obligations or contracts.
Evidence
No evidence found

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
Based on publicly available information, there is no evidence that the company acknowledges the corruption risks of operating in different markets, nor that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
No evidence found.

Question																																																																																																																
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?																																																																																																																
Score																																																																																																																
1																																																																																																																
Comments																																																																																																																
<p>There is evidence that the company publishes a list of its subsidiaries in its annual 10-K regulatory filing. The company discloses information on its percentage ownership of each subsidiary and its country of incorporation.</p> <p>However, the company scores '1' as the list only covers certain subsidiaries and there is no evidence that the company discloses details of all of its holdings. There is also no evidence that the company discloses the countries of operation for each entity in its list.</p>																																																																																																																
Evidence																																																																																																																
<p>[10] Form 10-K 2018 (Document) Accessed 12/11/2019 http://d18rn0p25nwr6d.cloudfront.net/CIK-0000217346/53aa3fdc-912e-4894-b63a-0544123c70fc.pdf Exhibit 21</p> <p style="text-align: center;">Certain Subsidiaries of Textron Inc.* (Unless indicated otherwise, all entities listed are wholly-owned.) * Other subsidiaries, which considered in the aggregate do not constitute a significant subsidiary, are omitted from this list.</p> <table><tr><th>Name</th><th>Jurisdiction</th></tr><tr><td>TEXTRON INC.</td><td>Delaware</td></tr><tr><td>Avco Corporation</td><td>Delaware</td></tr><tr><td>International Product Support Inc.</td><td>Delaware</td></tr><tr><td>United Industrial Corporation</td><td>Delaware</td></tr><tr><td>AAI Corporation</td><td>Maryland</td></tr><tr><td>AAI Services Corporation</td><td>Maryland</td></tr><tr><td>Overwatch Systems, Ltd.</td><td>Delaware</td></tr><tr><td>Medical Numerics, Inc.</td><td>Virginia</td></tr><tr><td>Textron Systems Corporation</td><td>Delaware</td></tr><tr><td>Textron Systems Electronic Systems UK (Holdings) Limited</td><td>England</td></tr><tr><td>Textron Systems Electronic Systems UK Limited</td><td>England</td></tr><tr><td>Textron Systems Australia Holding Pty Ltd</td><td>Australia</td></tr><tr><td>Textron Systems Australia Pty Ltd</td><td>Australia</td></tr><tr><td>Bell Helicopter KK</td><td>Japan</td></tr><tr><td>Bell Helicopter GK</td><td>Japan</td></tr><tr><td>Bell Helicopter Textron Inc.</td><td>Delaware</td></tr><tr><td>Aeronautical Accessories LLC</td><td>Tennessee</td></tr><tr><td>Bell Helicopter Miami Inc.</td><td>Delaware</td></tr><tr><td>Bell Helicopter Rhode Island Inc.</td><td>Delaware</td></tr><tr><td>Bell Helicopter Services Inc.</td><td>Delaware</td></tr><tr><td>Bell Helicopter Asia (Pte) Ltd.</td><td>Singapore</td></tr><tr><td>Bell Helicopter India Inc.</td><td>Delaware</td></tr><tr><td>Bell Helicopter Korea Inc.</td><td>Delaware</td></tr><tr><td>Bell Technical Services Inc.</td><td>Delaware</td></tr><tr><td>B/K Navigational Equipment sro</td><td>Czech Republic</td></tr><tr><td>Bell Helicopter Prague, a.s. (67%; 33% - Bell Helicopter Services Inc.)</td><td>Czech Republic</td></tr><tr><td>Aviation Service servis letal, doo, Ljubljana</td><td>Slovenia</td></tr><tr><td>Klauke Polska Sp. z o.o.</td><td>Poland</td></tr><tr><td>McTurbine Inc.</td><td>Texas</td></tr><tr><td>Cadillac Gage Textron Inc.</td><td>Michigan</td></tr><tr><td>Greenlee Textron Inc.</td><td>Delaware</td></tr><tr><td>HD Electric Company</td><td>Illinois</td></tr><tr><td>Sherman + Reilly, Inc.</td><td>Tennessee</td></tr><tr><td>Jacobsen Professional Lawn Care Inc.</td><td>Delaware</td></tr><tr><td>Kautex Inc.</td><td>Delaware</td></tr><tr><td>McCord Corporation</td><td>Michigan</td></tr><tr><td>Kautex of Georgia Inc.</td><td>Massachusetts</td></tr><tr><td>King Atmosphere General & Industrial Services and Project Management, LLC</td><td>Iraq</td></tr><tr><td>MillenWorks</td><td>California</td></tr><tr><td>Textron Airborne Solutions Inc.</td><td>Delaware</td></tr><tr><td>Airborne Tactical Advantage Company, LLC</td><td>Colorado</td></tr><tr><td>Textron Atlantic LLC</td><td>Delaware</td></tr><tr><td>E-Z-GO Canada Limited</td><td>Canada</td></tr><tr><td>TekGPS Engineering Srl</td><td>Romania</td></tr><tr><td>Kautex Poland Sp. z o.o.</td><td>Poland</td></tr><tr><td>Klauke Handelsgesellschaft m.b.H.</td><td>Austria</td></tr><tr><td>Ransomes Investment LLC</td><td>Delaware</td></tr><tr><td>Ransomes America Corporation</td><td>Delaware</td></tr><tr><td>Cushman Inc.</td><td>Delaware</td></tr><tr><td>Ransomes Inc.</td><td>Wisconsin</td></tr><tr><td>STE Holding Inc.</td><td>Wisconsin</td></tr><tr><td>Textron Acquisition Limited</td><td>England</td></tr><tr><td>Doncaster Citation Service Centre Limited</td><td>England</td></tr><tr><td>Rotor Blades Limited</td><td>England</td></tr><tr><td>Textron Ground Support Equipment UK Limited</td><td>England</td></tr></table>	Name	Jurisdiction	TEXTRON INC.	Delaware	Avco Corporation	Delaware	International Product Support Inc.	Delaware	United Industrial Corporation	Delaware	AAI Corporation	Maryland	AAI Services Corporation	Maryland	Overwatch Systems, Ltd.	Delaware	Medical Numerics, Inc.	Virginia	Textron Systems Corporation	Delaware	Textron Systems Electronic Systems UK (Holdings) Limited	England	Textron Systems Electronic Systems UK Limited	England	Textron Systems Australia Holding Pty Ltd	Australia	Textron Systems Australia Pty Ltd	Australia	Bell Helicopter KK	Japan	Bell Helicopter GK	Japan	Bell Helicopter Textron Inc.	Delaware	Aeronautical Accessories LLC	Tennessee	Bell Helicopter Miami Inc.	Delaware	Bell Helicopter Rhode Island Inc.	Delaware	Bell Helicopter Services Inc.	Delaware	Bell Helicopter Asia (Pte) Ltd.	Singapore	Bell Helicopter India Inc.	Delaware	Bell Helicopter Korea Inc.	Delaware	Bell Technical Services Inc.	Delaware	B/K Navigational Equipment sro	Czech Republic	Bell Helicopter Prague, a.s. (67%; 33% - Bell Helicopter Services Inc.)	Czech Republic	Aviation Service servis letal, doo, Ljubljana	Slovenia	Klauke Polska Sp. z o.o.	Poland	McTurbine Inc.	Texas	Cadillac Gage Textron Inc.	Michigan	Greenlee Textron Inc.	Delaware	HD Electric Company	Illinois	Sherman + Reilly, Inc.	Tennessee	Jacobsen Professional Lawn Care Inc.	Delaware	Kautex Inc.	Delaware	McCord Corporation	Michigan	Kautex of Georgia Inc.	Massachusetts	King Atmosphere General & Industrial Services and Project Management, LLC	Iraq	MillenWorks	California	Textron Airborne Solutions Inc.	Delaware	Airborne Tactical Advantage Company, LLC	Colorado	Textron Atlantic LLC	Delaware	E-Z-GO Canada Limited	Canada	TekGPS Engineering Srl	Romania	Kautex Poland Sp. z o.o.	Poland	Klauke Handelsgesellschaft m.b.H.	Austria	Ransomes Investment LLC	Delaware	Ransomes America Corporation	Delaware	Cushman Inc.	Delaware	Ransomes Inc.	Wisconsin	STE Holding Inc.	Wisconsin	Textron Acquisition Limited	England	Doncaster Citation Service Centre Limited	England	Rotor Blades Limited	England	Textron Ground Support Equipment UK Limited	England
Name	Jurisdiction																																																																																																															
TEXTRON INC.	Delaware																																																																																																															
Avco Corporation	Delaware																																																																																																															
International Product Support Inc.	Delaware																																																																																																															
United Industrial Corporation	Delaware																																																																																																															
AAI Corporation	Maryland																																																																																																															
AAI Services Corporation	Maryland																																																																																																															
Overwatch Systems, Ltd.	Delaware																																																																																																															
Medical Numerics, Inc.	Virginia																																																																																																															
Textron Systems Corporation	Delaware																																																																																																															
Textron Systems Electronic Systems UK (Holdings) Limited	England																																																																																																															
Textron Systems Electronic Systems UK Limited	England																																																																																																															
Textron Systems Australia Holding Pty Ltd	Australia																																																																																																															
Textron Systems Australia Pty Ltd	Australia																																																																																																															
Bell Helicopter KK	Japan																																																																																																															
Bell Helicopter GK	Japan																																																																																																															
Bell Helicopter Textron Inc.	Delaware																																																																																																															
Aeronautical Accessories LLC	Tennessee																																																																																																															
Bell Helicopter Miami Inc.	Delaware																																																																																																															
Bell Helicopter Rhode Island Inc.	Delaware																																																																																																															
Bell Helicopter Services Inc.	Delaware																																																																																																															
Bell Helicopter Asia (Pte) Ltd.	Singapore																																																																																																															
Bell Helicopter India Inc.	Delaware																																																																																																															
Bell Helicopter Korea Inc.	Delaware																																																																																																															
Bell Technical Services Inc.	Delaware																																																																																																															
B/K Navigational Equipment sro	Czech Republic																																																																																																															
Bell Helicopter Prague, a.s. (67%; 33% - Bell Helicopter Services Inc.)	Czech Republic																																																																																																															
Aviation Service servis letal, doo, Ljubljana	Slovenia																																																																																																															
Klauke Polska Sp. z o.o.	Poland																																																																																																															
McTurbine Inc.	Texas																																																																																																															
Cadillac Gage Textron Inc.	Michigan																																																																																																															
Greenlee Textron Inc.	Delaware																																																																																																															
HD Electric Company	Illinois																																																																																																															
Sherman + Reilly, Inc.	Tennessee																																																																																																															
Jacobsen Professional Lawn Care Inc.	Delaware																																																																																																															
Kautex Inc.	Delaware																																																																																																															
McCord Corporation	Michigan																																																																																																															
Kautex of Georgia Inc.	Massachusetts																																																																																																															
King Atmosphere General & Industrial Services and Project Management, LLC	Iraq																																																																																																															
MillenWorks	California																																																																																																															
Textron Airborne Solutions Inc.	Delaware																																																																																																															
Airborne Tactical Advantage Company, LLC	Colorado																																																																																																															
Textron Atlantic LLC	Delaware																																																																																																															
E-Z-GO Canada Limited	Canada																																																																																																															
TekGPS Engineering Srl	Romania																																																																																																															
Kautex Poland Sp. z o.o.	Poland																																																																																																															
Klauke Handelsgesellschaft m.b.H.	Austria																																																																																																															
Ransomes Investment LLC	Delaware																																																																																																															
Ransomes America Corporation	Delaware																																																																																																															
Cushman Inc.	Delaware																																																																																																															
Ransomes Inc.	Wisconsin																																																																																																															
STE Holding Inc.	Wisconsin																																																																																																															
Textron Acquisition Limited	England																																																																																																															
Doncaster Citation Service Centre Limited	England																																																																																																															
Rotor Blades Limited	England																																																																																																															
Textron Ground Support Equipment UK Limited	England																																																																																																															

[List continues for 3 pages]

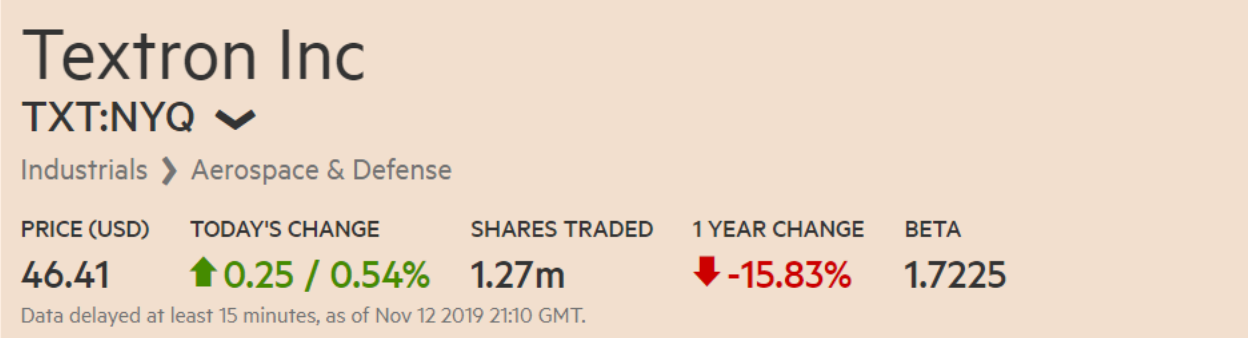
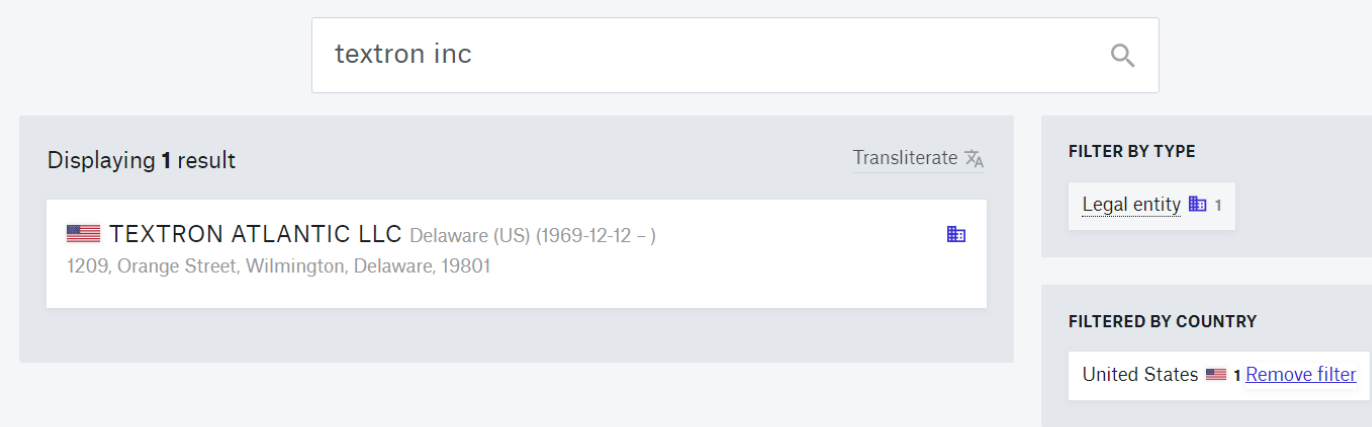
[23] Legal Entities (Webpage)

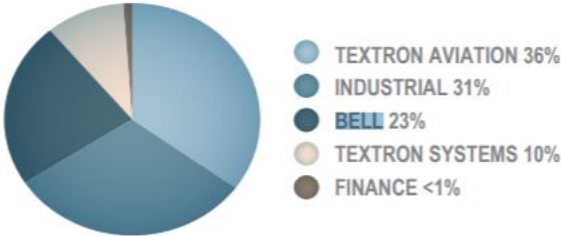
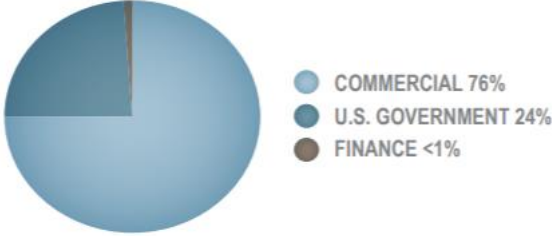
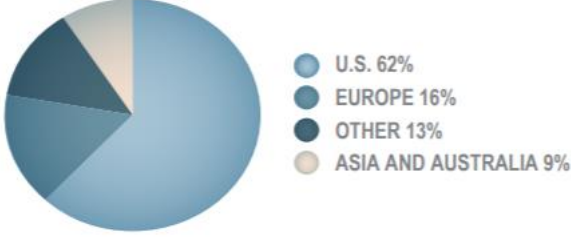
Accessed 18/11/2019

<https://www.textron.com/Legal/Legal-Entity-Disclaimer>

Textron Inc. consists of numerous subsidiaries and operating divisions which may be referred to on this website as Textron businesses, business units or operating units. The subsidiaries are charged with the day-to-day responsibility for their operations and are separate and distinct legal entities. The operating divisions are also separately managed with regard to day-to-day operations.

Textron Inc., through its Corporate Office, provides oversight, broad direction and assistance when necessary to its business units consistent with legal requirements and sound and generally accepted corporate governance practices.

Question
9.3 Does the company disclose its beneficial ownership and control structure?
Score
2
Comments
The company is a publicly listed company trading on the New York Stock Exchange and therefore is automatically awarded a score of '2'.
Evidence
<p>[4] 2018 Corporate Responsibility Report (Document) Accessed 12/11/2019 https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf [p.3] NYSE Symbol</p> <p>TXT</p> <p>[12] Financial Times Markets Data (Webpage) Accessed 12/11/2019 https://markets.ft.com/data/equities/tearsheet/summary?s=TXT:NYQ</p>  <p>[11] Open Ownership Search (Webpage) Accessed 12/11/2019 https://register.openownership.org/search?country=US&q=textron+inc</p> 

Question
9.4 Does the company publish a percentage breakdown of its defence sales by customer?
Score
0
Comments
<p>The company publicly discloses that sales to the United States Department of Defense constituted approximately 24% of its consolidated revenues in 2018. However, the company receives a score of '0' because there is no evidence that it publishes information on the customers of at least 50% of its defence sales.</p>
Evidence
<p>[9] 2018 Annual Report (Document) Accessed 12/11/2019 https://s1.q4cdn.com/535492436/files/doc_financials/annual/2018/Textron_Annual_Report_2018.pdf <p>[p.5]</p> <p>TOTAL REVENUE BY SEGMENT</p>  <ul style="list-style-type: none"> TEXTRON AVIATION 36% INDUSTRIAL 31% BELL 23% TEXTRON SYSTEMS 10% FINANCE <1% <p>TOTAL REVENUE BY TYPE</p>  <ul style="list-style-type: none"> COMMERCIAL 76% U.S. GOVERNMENT 24% FINANCE <1% <p>TOTAL REVENUE BY REGION</p>  <ul style="list-style-type: none"> U.S. 62% EUROPE 16% OTHER 13% ASIA AND AUSTRALIA 9% <p>[p.13] We conduct our business through five operating segments: Textron Aviation, Bell, Textron Systems and Industrial, which represent our manufacturing businesses, and Finance, which represents our finance business.</p> <p>[...]</p> <p>Textron Aviation Segment</p> </p>

Textron Aviation is a leader in general aviation. Textron Aviation manufactures, sells and services Beechcraft and Cessna aircraft, and services the Hawker brand of business jets. The segment has two principal product lines:

aircraft and aftermarket parts and services. Aircraft includes sales of business jets, turboprop aircraft, piston engine aircraft, and military trainer and defense aircraft. Aftermarket parts and services includes commercial parts sales, and maintenance, inspection and repair services. Revenues in the Textron Aviation segment accounted for 36%, 33% and 36% of our total revenues in 2018, 2017 and 2016, respectively.

[p.14] Bell Segment

Bell Helicopter is one of the leading suppliers of military and commercial helicopters, tiltrotor aircraft, and related spare parts and services in the world. Revenues for Bell accounted for 23%, 23% and 23% of our total revenues in 2018, 2017 and 2016, respectively. Bell supplies advanced military helicopters and support to the U.S. Government and to military customers outside the United States.

Bell's primary U.S. Government programs are the V-22 tiltrotor aircraft and the H-1 helicopters. Bell is one of the leading suppliers of helicopters to the U.S. Government and, in association with The Boeing Company (Boeing), the only supplier of military tiltrotor aircraft. Tiltrotor aircraft are designed to provide the benefits of both helicopters and fixed-wing aircraft. Through its strategic alliance with Boeing, Bell produces and supports the V-22 tiltrotor aircraft for the U.S. Department of Defense (DoD), and also for Japan under the U.S. Government-sponsored foreign military sales program.

In 2018, the Bell Boeing V-22 program was awarded a third multi-year contract for the production and delivery of an additional 63 units along with related supplies and services through 2024. The H-1 helicopter program includes a utility model, the UH-1Y, and an advanced attack model, the AH-1Z, which have 84% parts commonality between them. While the U.S. Marine Corps is the primary customer for H-1 helicopters, we also sell H-1 helicopters under the U.S. Government-sponsored foreign military sales program.

[...]

Textron Systems Segment

Textron Systems' product lines consist of Unmanned Systems, Marine and Land systems, and Simulation, Training and Other. Textron Systems is a supplier to the defense, aerospace and general aviation markets, and represents 10%, 13% and 13% of our total revenues in 2018, 2017 and 2016, respectively. This segment sells products to U.S. Government customers and to customers outside the U.S. through foreign military sales sponsored by the U.S. Government and directly through commercial sales channels. Textron Systems competes on the basis of technology, contract performance, price, product quality and reliability, product support and reputation.

[p.16] U.S. Government Contracts

In 2018, approximately 24% of our consolidated revenues were generated by or resulted from contracts with the U.S. Government, including those contracts under the U.S. Government-sponsored foreign military sales program. This business is subject to competition, changes in procurement policies and regulations, the continuing availability of funding, which is dependent upon congressional appropriations, national and international priorities for defense spending, world events, and the size and timing of programs in which we may participate.

[p.19] Item 1A. Risk Factors

Our business, financial condition and results of operations are subject to various risks, including those discussed below, which may affect the value of our securities. The risks discussed below are those that we believe currently are the most significant to our business.

We have customer concentration with the U.S. Government; reduction in U.S. Government defense spending may adversely affect our results of operations and financial condition. During 2018, we derived approximately 24% of our revenues from sales to a variety of U.S. Government entities. Our revenues from the U.S. Government largely result from contracts awarded to us under various U.S. Government defense-related programs.

[10] Form 10-K 2018 (Document)

Accessed 12/11/2019

<http://d18rn0p25nwr6d.cloudfront.net/CIK-0000217346/53aa3fdc-912e-4894-b63a-0544123c70fc.pdf>

[p.6] U.S. Government Contracts

In 2018, approximately 24% of our consolidated revenues were generated by or resulted from contracts with the U.S. Government, including those contracts under the U.S. Government-sponsored foreign military sales program.

[p.59]

Geographic Data

Presented below is selected financial information of our continuing operations by geographic area:

(In millions)	Revenues*			Property, Plant and Equipment, net**	
	2018	2017	2016	December 29, 2018	December 30, 2017
United States	\$ 8,667	\$ 8,786	\$ 8,574	\$ 2,115	\$ 2,172
Europe	2,187	1,962	1,954	267	328
Asia and Australia	1,253	1,206	998	88	84
Other international	1,865	2,244	2,262	145	137
Total	\$ 13,972	\$ 14,198	\$ 13,788	\$ 2,615	\$ 2,721

* Revenues are attributed to countries based on the location of the customer.

** Property, plant and equipment, net is based on the location of the asset.

[p.60] Our 2018 revenues for our segments by customer type and geographic location are presented below:

(In millions)	Textron Aviation		Bell	Textron Systems		Industrial	Finance	Total
Customer type:								
Commercial	\$ 4,734	\$ 1,114	\$ 431	\$ 4,277	\$ 66	\$ 10,622		
U.S. Government	237	2,066	1,033	14	—	3,350		
Total revenues	\$ 4,971	\$ 3,180	\$ 1,464	\$ 4,291	\$ 66	\$ 13,972		
Geographic location:								
United States	\$ 3,379	\$ 2,186	\$ 1,118	\$ 1,957	\$ 27	\$ 8,667		
Europe	612	162	74	1,333	6	2,187		
Asia and Australia	336	427	127	357	6	1,253		
Other international	644	405	145	644	27	1,865		
Total revenues	\$ 4,971	\$ 3,180	\$ 1,464	\$ 4,291	\$ 66	\$ 13,972		

In 2017 and 2016, our revenues included sales to the U.S. Government of approximately \$3.1 billion and \$3.4 billion, respectively, primarily in the Bell and Textron Systems segments.

10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Webpage	Ethics and Compliance Homepage	15/10/19	https://www.textron.com/CorpResponsibility/Ethics
02	Document	Business Conduct Guidelines	15/10/19	https://www.textron.com/assets/BCGs/Textron_BCG_English.pdf
03	Document	Ethics Helpline International Phone Numbers	12/11/2019	https://www.textron.com/assets/BCGs/TextronInternationalHelplineNumbers.pdf
04	Document	2018 Corporate Responsibility Report	12/11/19	https://www.textron.com/assets/CR/2018/Textron_2018_Corporate_Responsibility_Report.pdf
05	Webpage	Corporate Responsibility Report – Home	12/11/19	https://www.textron.com/content/corporate-responsibility-report
06	Document	Corporate Governance Guidelines	12/11/19	https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2019/Corporate-Governance-Guidelines-(190227-for-posting).pdf
07	Document	Textron Inc. By-Laws	12/11/19	https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2016/Corporate-By-laws.pdf
08	Document	Audit Committee Charter	12/11/19	https://s1.q4cdn.com/535492436/files/doc_downloads/gov_doc/2017/Charter-Audit-(Dec-2017-final-for-posting).pdf
09	Document	2018 Annual Report	12/11/19	https://s1.q4cdn.com/535492436/files/doc_financials/annual/2018/Textron_Annual_Report_2018.pdf
10	Document	Form 10-K 2018	12/11/19	https://www.textron.com/assets/AR/2018/2099_proof.pdf
11	Webpage	Open Ownership Search	12/11/19	https://register.openownership.org/search?country=US&q=textron+inc
12	Webpage	Financial Times Markets Data	12/11/19	https://markets.ft.com/data/equities/tearsheet/summary?s=TEXT:NYQ
13	Webpage	General Counsel Corporate Biography	13/11/19	https://investor.textron.com/investors/corporate-governance/corporate-leadership/person-details/default.aspx?ItemId=48aab9d8-884e-415c-ab1f-566f49a49eeb
14	Webpage	2019 Proxy Statement	13/11/19	https://s1.q4cdn.com/535492436/files/doc_financials/annual/2018/a9b65f0d-f49d-4c4a-b92b-a8616f2b3b26.pdf
15	Webpage	Federal Lobbying Disclosure Act Filings	13/11/19	https://investor.textron.com/investors/corporate-governance/Textrons-Federal-

				Lobbying-Disclosure-Act-Filings/default.aspx
16	Webpage	Office of the Clerk – Lobbying Disclosures Website	13/11/19	http://disclosures.house.gov/ld/ldsearch.aspx
17	Webpage	Q1 Federal Lobbying Report 2019	13/11/19	http://disclosures.house.gov/ld/ldxmlrelease/2019/Q1/301036944.xml
18	Webpage	Q2 Federal Lobbying Report 2019	13/11/19	http://disclosures.house.gov/ld/ldxmlrelease/2019/Q2/301048133.xml
19	Document	Textron Code of Conduct for Suppliers and Other Business Partners	14/11/19	https://www.textron.com/assets/BCGs/Texttron_Code_of_Conduct_Suppliers_Business_Partners.pdf
20	Webpage	Supplying to Textron's Business Units	14/11/19	https://www.textron.com/Suppliers
21	Webpage	Bell – Suppliers Home	14/11/19	https://www.bellflight.com/suppliers
22	Document	10-K 2017	18/11/19	https://www.google.com/url?client=internal-element-cse&cx=009258837660656939231:95aqrb_o_tgs&q=https://www.textron.com/assets/10-K/2017/HTML/&sa=U&ved=2ahUKEwjroqC0ifTIAhVth-AKHbx0Bq4QFjAAegQIARAB&usg=AOvVaw1ZRRFhtXERXUAAxh2P4fe7
23	Webpage	Legal Entities	18/11/19	https://www.textron.com/Legal/Legal-Entity-Disclaimer
24	Webpage	Charitable Giving	29/05/20	https://www.textron.com/CorpResponsibility/Charitable-Giving
25	Webpage	Lobbying Disclosure Act Filings	14/06/20	https://investor.textron.com/investors/corporate-governance/Texttrons-Federal-Lobbying-Disclosure-Act-Filings/default.aspx
26	Webpage	OpenSecrets Textron PAC Summary	20/10/2020	https://www.opensecrets.org/pacs/lookup2.php?strID=C00123612