

# **SUPPLIER**

## STANDARDS OF **BUSINESS CONDUCT**



**ETHICS**  
OWN IT  
LIVE IT  
LEAD IT

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## Our Values

We, the women and men of Northrop Grumman, are guided by the following Values. We want our decisions and actions to demonstrate these Values. We believe that putting our Values into practice creates long-term benefits for shareholders, customers, employees, suppliers and the communities we serve.

### We take responsibility for **QUALITY**...

Our products and services are “best in class” in terms of value received for money paid. We deliver excellence, strive for continuous improvement and respond vigorously to change. Each of us is responsible for the quality of whatever we do.

### We deliver **CUSTOMER SATISFACTION**...

We are dedicated to satisfying our customers. We believe in respecting our customers, listening to their requests and understanding their expectations. We strive to exceed their expectations in affordability, quality and on-time delivery.

### We provide **LEADERSHIP** as a company and as individuals...

Northrop Grumman’s leadership is founded on talented employees effectively applying advanced technology, innovative manufacturing and sound business management. We add more value at a lower cost with a faster response. We each lead through our competence, creativity and teamwork.

### We act with **INTEGRITY** in all we do...

We are each personally accountable for the highest standards of behaviour, including honesty and fairness in all aspects of our work. We fulfil our commitments as responsible citizens and employees. We treat customers and company resources with the respect they deserve. We comply with all applicable laws and regulations.

### We value **PEOPLE**...

We treat one another with respect and take pride in the significant contributions that come from the diversity of individuals and ideas. Our continued success requires us to provide the education and development needed to help our people to grow. We are committed to openness and trust in all relationships.

### We regard our **SUPPLIERS** as essential team members...

We owe our suppliers the same type of respect that we show to our customers. Our suppliers deserve fair and equitable treatment, clear agreements and honest feedback on performance. We consider our suppliers’ needs in conducting our business.

**NORTHROP GRUMMAN**

## Introduction

Northrop Grumman is committed to achieving the highest standards of ethics, integrity and performance to provide the products and solutions necessary for our customers. These Supplier Standards of Business Conduct set forth the fundamental requirements that we expect our suppliers (and those who work for them, including employees and subcontract labour) to comply with on all levels. These Supplier Standards of Business Conduct also apply to our third party resellers, contract laborers and any other third parties performing or providing services on our behalf.

## A supplier must maintain the highest standards of ethics and integrity and comply with laws, regulations, its contractual obligations with us and these Supplier Standards of Business Conduct

Our suppliers must act ethically at all times and ensure the integrity of their operations. Acting with integrity means being accountable for the highest standards of behaviour. In addition, our suppliers must comply fully with all applicable laws and regulations, their contractual obligations with us and these Supplier Standards of Business Conduct.



## A Supplier Must Treat People with Dignity and Respect

We expect our suppliers to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture. Suppliers must refrain from violating the rights of others and address any adverse human rights impacts of their operations.

### Child Labour

Suppliers must ensure that child labour is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed.

### Human Trafficking

We fully support the elimination of human trafficking and slavery from the supply chain and do not tolerate any trafficking in persons, both in the US and globally. Suppliers must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. For more information, please refer to our Human Rights Policy at <http://www.northropgrumman.com/CorporateResponsibility/Pages/HumanRightsPolicy.aspx>.

### Harassment

Our suppliers should ensure that their employees are afforded an employment environment that is free from physical, psychological and verbal harassment or other abusive conduct.



### Non-discrimination

Our suppliers should provide equal employment opportunity to all employees and applicants for employment, without any unlawful discrimination.

### Wage and Benefits

Our suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required.

### Social Dialogue

We expect our suppliers to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

Suppliers are expected to recognise and respect the ability of workers to exercise lawful rights of free association, including joining or not joining any association of their choosing.

## A Supplier Must Take Responsibility for Quality

### Quality

Suppliers must take due care to ensure their work product meets our company’s quality standards. We expect our suppliers to have in place quality assurance processes to identify defects and implement corrective actions and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements.

### Counterfeit Parts

We expect our suppliers to develop, implement and maintain methods and processes appropriate to their products to prevent the introduction of counterfeit parts and materials into deliverable products. Suppliers must ensure that effective processes are in place to detect counterfeit parts and materials, as applicable, and exclude them from the delivered product.



## A Supplier Must Not Use Unethical or Illegal Business Practices

Our suppliers must not seek to gain advantages through unfair, unethical or illegal business practices.

### Anti-Corruption Laws

Our suppliers must comply with all applicable anti-corruption laws, directives and regulations, such as the US Foreign Corrupt Practices Act and the UK Bribery Act.

We require our suppliers to refrain from offering or making any improper payments of money (or anything of value) to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure the performance of a routine governmental action that the government official is already obligated to perform, such as obtaining a visa or customs clearance, even in locations where such activity may not violate local law. Payments made to protect

personal safety are permitted where there is an imminent threat to health or safety but must be properly recorded and reported to the buyer representative as promptly as possible under the circumstances.

We require our suppliers to use due diligence to prevent and detect corruption in all business arrangements, including:

- Partnerships
- Subcontracts
- Joint ventures
- Offset agreements
- The hiring of intermediaries such as agents or consultants

### Illegal Payments

Our suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of monies or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.

### Anti-Trust

Our suppliers must not engage in anti-competitive practices in violation of applicable law, regulation or contractual requirements.





### Gifts/Business Courtesies

We believe our suppliers should compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage or exercise improper influence. In any business relationship, our suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation and complies with any contractual obligations, and that any exchanges do not violate the rules and standards of the recipient's organisation, and are consistent with reasonable marketplace customs and practices.

### Conflict of Interest

Our suppliers must avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with us. We require our suppliers to provide notification to affected parties if an actual or potential conflict of interest arises, including conflicts between the interests of our company and the personal interests of a supplier's employees or those of close relatives, friends or business associates of a supplier or its employees.

### Insider Trading

Our suppliers and their personnel must not use material, non-publicly disclosed information obtained in the course of their business relationship with us as the basis for trading or for enabling others to trade in the stock or securities of our company or those of any other company.

### Procurement Integrity

Our suppliers must maintain the integrity of our procurement and acquisition processes. Suppliers may not improperly use competitors' confidential or proprietary information for their own benefit. If a supplier becomes aware of any such confidential or proprietary information, they should promptly take steps to avoid its improper use and inform our Company as appropriate.

## A Supplier Must Exhibit Good Trade Practices

### Import

Our suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components and technical data. We require our suppliers to provide truthful and accurate information and obtain appropriate licences and/or consents where necessary.

### Export

Our suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components and technical data. We require our suppliers to provide truthful and accurate information and obtain appropriate licences and/or consents where necessary.

### Anti-Boycott

Our suppliers must not participate in, cooperate with, or further the cause of any unsanctioned foreign economic boycott, in accordance with the US 1977 Export Administration Act and the US 1976 Tax Reform Act, or similar legislation or regulations.



### Responsible Sourcing of Minerals

Suppliers must comply with any applicable laws and regulations regarding conflict minerals and assist us in meeting our obligations under law and regulation. We report annually to the United States Securities and Exchange Commission on our use of conflict minerals (tantalum, tin, tungsten and gold) originating in the Democratic Republic of Congo (DRC) or any of the DRC's adjoining countries in products manufactured or contracted to be manufactured by the company, and are required to conduct due diligence on the use of conflict minerals in our supply chain. Our suppliers must support our efforts to conduct due diligence on the use of conflict minerals in our supply chain, including identifying products in their supply chain that contain conflict minerals and validating the country of origin of these minerals.

# A Supplier Must Protect Information, Intellectual Property and the Supply Chain

## Confidentiality of Sensitive Information

Suppliers must maintain the confidentiality of all information entrusted to them by us, our customers or other third parties, except where disclosure is authorized or legally required (and then only after notice). We require our suppliers properly to handle and protect from improper disclosure any sensitive information, including classified, controlled, proprietary and personal information, competition-sensitive information and intellectual property. Information should not be used for any purpose (e.g., advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner. Suppliers must comply with all contractual obligations and applicable laws, including data privacy laws.

## Intellectual Property

We require our suppliers to respect and comply with all applicable laws and other binding obligations governing intellectual property rights, including protection regarding:

- Disclosure
- Patents
- Copyrights
- Trademarks

## Cybersecurity

Suppliers must take care to safeguard and protect information entrusted to them and information generated or developed by them in support of our programs from unauthorized access, destruction, use, modification or disclosure. We expect suppliers to have risk-based cybersecurity programs designed to mitigate emerging threats to their information systems, products and services and supply chain and to comply with all applicable contractual and legal requirements.

## Security of Supply Chain

In addition to complying with our security requirements, suppliers are encouraged to implement practices and procedures to ensure the security of their people, property and other assets, including their supply chain. Suppliers are encouraged to participate in the Customs-Trade Partnership Against Terrorism initiative of the United States Department of Homeland Security.



# A Supplier Must Maintain Accurate Records

Suppliers must create and maintain accurate records. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. When a record is no longer needed to conduct current business, records should still be retained based on the applicable retention requirements. Suppliers must not falsify or provide fraudulent records, billings or other statements to us or our customers.





## A Supplier Must Maintain a Safe and Healthy Workplace

### Health and Safety

We require our suppliers to comply with all applicable health and safety laws, regulations and directives. Suppliers should protect the health, safety and welfare of their people, visitors and others who may be affected by their activities.

### Environment and Sustainability

Our suppliers must comply with all applicable environmental laws, regulations and directives and operate as responsible stewards of the environment.



## Ethics Programme Expectations

### Compliance

We require suppliers to maintain an effective ethics and compliance programme and to meet the requirements of these Supplier Standards of Business Conduct.

### Whistleblower Protection

Our suppliers should provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Our suppliers should also take action to prevent, detect and correct any retaliatory actions.

### Consequences of Violating Code

In the event of a violation of these Supplier Standards of Business Conduct, we may pursue corrective action to remedy the situation. In the case of an actual or possible violation of law or regulation, we may be required to report to the proper authorities. We reserve the right to terminate our relationship or take any other appropriate action with any supplier under the terms of the existing procurement/purchasing contract.

# The Northrop Grumman OpenLine

The Northrop Grumman OpenLine is a means to raise concerns or report a suspected violation, and is available to not only employees, but suppliers and other external stakeholders. The OpenLine is available 24 hours a day, seven days a week, and is administered by an external company. You can call the OpenLine via a toll-free telephone number or access the OpenLine via the Internet. Regardless of which method you choose, reports to the OpenLine can be made anonymously if allowed by local laws.

For the most current contact information, please refer to the following link:

<http://www.northropgrumman.com/CorporateResponsibility/Ethics/Pages/Openline.aspx>

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## Northrop Grumman OpenLine Numbers

### North America

United States 1-800-247-4952

### Europe

France, Germany, Italy, Netherlands 0041 43 300 6805

Belgium 0-800-100-10 ID (844) 286-0069

Denmark 800-100-10 ID (844) 286-0069

Norway 800-12049

Switzerland 0-800-890011 ID (844) 286-0069

United Kingdom 0808-234-6456

### Asia

China 10-800-711-1007 or 10-800-110-0935

Japan 00531-11-2025, 0066-33-830278 or 0034-800-900365

South Korea 00798-14-800-6599, 00308-110-480 or 00798-1-1-009-8084

Taiwan 00801-10-4175

### Middle East

Saudi Arabia 1-800-10-966 ID (844) 286-0069

UAE 800-555-66 or 8000-021 ID (844) 286-0069

Australia 1-800-07-9315

For Internet reporting: [www.northropgrumman.ethicspoint.com](http://www.northropgrumman.ethicspoint.com)