



# **Standards Of Business Conduct**

**for Suppliers and Other Trading Partners**

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# NORTHROP GRUMMAN VALUES

## **WE DO THE RIGHT THING**

We earn trust, act with ethics, integrity, and transparency, treat everyone with respect, value diversity and foster safe and inclusive environments.

## **WE DO WHAT WE PROMISE**

We own the delivery of results, focused on quality outcomes.

## **WE COMMIT TO COLLECTIVE SUCCESS**

We work together to focus on the mission and take accountability for the sustainable success for our people, customers, shareholders, suppliers, and communities.

## **WE PIONEER**

We pioneer with fierce curiosity, dedication, and innovation, we seek to solve the world's most challenging problems.

# INTRODUCTION

## OUR SUPPLIER STANDARDS OF BUSINESS CONDUCT

**This Standards of Business Conduct for Suppliers and Other Trading Partners (“Supplier Code”) is aligned with the recommendations of the Defense Industry Initiative (DII) and sets forth our expectation that Suppliers will:**

- Conduct business ethically and in compliance with all applicable laws and regulations.
- Support the human rights of workers.
- Treat people with respect.
- Maintain safe and healthy working conditions.
- Safeguard assets entrusted to them.
- Strive to protect the environment.

Northrop Grumman is committed to achieving the highest standards of ethics, integrity and performance to provide the products and solutions necessary for our customers. This document sets forth the fundamental expectations of our Suppliers and Other Trading Partners (“Suppliers”) (and those who work for them, including employees and subcontract labor) to comply with at all tiers.

For the purposes of this document, other trading partners include Northrop Grumman’s resellers/distributors, teaming partners and other companies Northrop Grumman may conduct business with.

Northrop Grumman expects our Suppliers to maintain the highest standards of ethics and integrity and, fully comply with all applicable laws and regulations, their contractual obligations with us and this Supplier Code. Our Suppliers must ensure the integrity of their operations, which means being accountable for the highest standards of behavior.

Unless incorporated by reference into the agreement, this Supplier Code not intended to conflict with, or modify, the terms and

conditions of any existing contract, Order, subcontract, or agreement. In the event of a conflict, Suppliers must first adhere to applicable laws and regulations, then the contract terms, followed by this Supplier Code. Notwithstanding the foregoing, if applicable law and regulations provide for standards that are less strict than those stated in this Supplier Code, we require our Suppliers to comply with this Supplier Code.

### Consequences for Violating this Supplier Code

If a Supplier violates our Supplier Code, Northrop Grumman 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 the matter to the appropriate authorities. We reserve the right to terminate our relationship or take any other appropriate action with any Supplier under the terms of the existing contract/transaction.

## ETHICS AND COMPLIANCE PROGRAM

We require Suppliers to maintain an effective ethics and compliance program that is commensurate with the size and nature of their business including policies and other processes to ensure compliance with laws, regulations, and the expectations related to, or addressed expressly within, this Supplier Code. Suppliers are expected to include systems to monitor their compliance with these standards and take appropriate action to correct identified deficiencies or incidences of noncompliance.

We also encourage our Suppliers to be familiar with the business practices of their Suppliers, subcontractors, and other business partners to ensure compliance with law or regulation and this Supplier Code for any activity performed on behalf of our company. Suppliers are expected to proactively manage and mitigate risk in their supply chain; and are required, as appropriate, to report risk back to Northrop Grumman to

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ensure that those risks are appropriately mitigated.

## **Whistleblower Protection**

We expect our Suppliers to provide their employees with avenues or reporting channels for raising legal or ethical issues or concerns without fear of retaliation. We expect that anonymous reporting is available where permitted by local law and that our Suppliers

take action to prevent, detect, and correct any retaliatory actions.

Suppliers may also ask questions or raise concerns directly to our company as indicated in the Resources section of this Supplier Code. Northrop Grumman prohibits retaliation against anyone for raising a concern in good faith or for participating in an investigation of possible wrongdoing.

# OUR EXPECTATIONS

## SUPPORT HUMAN RIGHTS

We fully support the elimination of human trafficking and slavery from the supply chain and do not tolerate trafficking in persons anywhere in the world.

**This means we require our Suppliers to:**

- Ensure all employment is freely chosen and prohibit all forms of slavery and human trafficking.
- Ensure that child labor 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.
- 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 whatever premium rate as is legally required.
- 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.
- Refrain from violating the human rights of others and address any adverse human rights impacts of their operations.
- Adhere to all applicable regulations prohibiting human trafficking and forced labor.
- Comply with all contractual clauses and applicable local laws in the country or countries in which they operate.

For More information, please refer to our [Northrop Grumman Human Rights Policy | Northrop Grumman](#), review our [Supplier Anti-Trafficking Requirements Overview Training](#).

## TREAT PEOPLE WITH DIGNITY AND RESPECT

We expect our Suppliers to treat people with respect and dignity, encourage diversity and equality, promote equal opportunity for all, and foster an inclusive and ethical culture.

**This means we require our Suppliers to:**

- Be inclusive, support others and remain open and receptive to different ideas and opinions.
- Ensure that their employees are afforded an employment environment that is free from physical, psychological and verbal harassment or other abusive conduct.
- Provide equal employment opportunity to all employees and applicants for employment, without unlawful discrimination.

## MAINTAIN A SAFE AND HEALTHY WORKPLACE

Suppliers should protect the health, safety and welfare of their employees, visitors and others who may be affected by their activities.

**This means we require our Suppliers to:**

- Maintain safe, healthy, and humane working conditions at all locations.
- Comply with all applicable health and safety laws, regulations, and directives.
- Maintain a workplace free from the illegal use, possession, sale, or distribution of controlled substances.

## PROHIBIT BRIBERY AND CORRUPTION

Our Suppliers must comply with all applicable anticorruption laws, directives, and regulations, such as the US Foreign Corrupt Practices Act and the UK Bribery Act.

# OUR EXPECTATIONS

## **This means 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 charities, or other business-related parties that could be considered to improperly influence a business decision.
- Prohibit facilitating payments intended to expedite or secure performance of a routine governmental action that the government official is already obligated to perform, such as processing a visa or clearing goods through customs, 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 such payment must be properly recorded in the Supplier's books and records and reported to the buyer representative as promptly as possible under the circumstances.
- Conduct appropriate due diligence to prevent and detect corruption in all business arrangements, including partnerships, subcontracts, joint ventures, offset agreements and the hiring of intermediaries such as agents or consultants.

## **SOURCE RESPONSIBLY**

Suppliers must comply with any applicable laws and regulations regarding conflict minerals and to meet 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, also known as 3TG) 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.

## **This means we require our Suppliers whose products contain these minerals to:**

- Conduct due diligence on the source and chain of custody of these minerals.
- Support our efforts to conduct due diligence on the use of conflict minerals in our supply chain by maintaining accurate records and providing access to those records upon request. This includes the identification of products in their supply chain that contain conflict minerals and validating the country of origin of these minerals.

## **COMPETE FAIRLY**

Suppliers must compete on the merits of their products and services rather than by any illegal or unethical business practice.

## **This means we require our Suppliers to:**

- Comply with competition and antitrust laws.
- Never make agreements with competitors to fix prices, rig bids, allocate customers or markets, or exchange any pricing information.
- Never use the exchange of business gifts and hospitality or other illegal or improper means to gain an unfair competitive advantage.

## **COMPLY WITH GLOBAL TRADE REQUIREMENTS**

### **Imports, Exports and Sanctions**

Our Suppliers must understand and comply with all applicable international trade laws, regulations, trade sanctions and/or embargoes governing the export/import or transfer of parts, components, software, and information (technical data or technology). We require our Suppliers to obtain consent for transfers of Northrop Grumman-controlled data where necessary, all appropriate licenses for exports/imports and to provide accurate information, including country/region of origin and proposed off-shore manufacture. We also require our Suppliers to comply with all applicable laws, regulations, sanctions and/or embargoes related to the procurement or use of prohibited articles and articles produced or provided by prohibited sources.

# OUR EXPECTATIONS

## Anti-Boycott

Northrop Grumman will not participate in any unsanctioned economic boycott, in accordance with the US 1977 Export Administration Act and the US 1976 Tax Reform Act and regulations (the "Anti-Boycott Laws"). Our Suppliers must not participate in, cooperate with or otherwise agree to do anything in violation of, or that would be penalized under, the Anti-Boycott Laws. We require our Suppliers to report any requests received to comply with or take actions supporting an unsanctioned boycott.

## Anti-Money Laundering

Suppliers must also comply with anti-money laundering laws and regulations. Suppliers must not engage with any entity or in any activity that would involve our company in money-laundering schemes.

## Security

In addition to complying with our security requirements, Suppliers are expected 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.

## 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.

## AVOID CONFLICTS OF INTEREST

Conflicts of interest may arise when personal or business interests interfere or appear to interfere with a person's ability to make objective business decisions or perform their duties without bias.

### This means we require our Suppliers to:

- Avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Northrop Grumman.
- 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.
- Provide notification to affected parties if an actual or potential conflict of interest arises, including conflicts between the interests of Northrop Grumman and the personal interests of a Supplier's or other trading partner's employees or those of close relatives, friends or business associates of a Supplier or its employees.

## ENSURE PRODUCT QUALITY

Suppliers must take due care to ensure their work product meets our company's quality standards.

### This means we require our Suppliers to have effective processes in place to:

- Identify defects and implement corrective actions, and to facilitate the delivery of a quality product that meets or exceeds the contract requirements.
- Minimize the risk of introducing counterfeit parts and materials into deliverable products.
- Detect counterfeit parts and materials, as applicable, and exclude them from the delivered product.



# OUR EXPECTATIONS

## FOLLOW THE RULES FOR CONTRACTING WITH THE GOVERNMENT

Suppliers for our U.S. Government contracts must comply with the specific rules that apply to contracting with the U.S. Government.

**This means we require Suppliers who work with us in support of a U.S. Government contract to:**

- Follow the U.S. Government's rules for competing fairly.
- Honor restrictions applying to U.S. Government employees, including those related to gifts, hospitality and offers of employment.
- Deliver products and services that conform to specifications, certifications, laws and regulations.
- Adhere to government accounting and pricing requirements.
- Ensure the accuracy of data submitted.
- Comply with all other applicable U.S. Government requirements.
- Promptly report any suspected violations of the Code, law, or regulations.

## COMMIT TO THE RESPONSIBLE AND ETHICAL USE OF ARTIFICIAL INTELLIGENCE

We are committed to the responsible and ethical use of artificial intelligence.

**This means we require our Suppliers to:**

- Review, support and, if required, implement the [United States Department of Defense Ethical Artificial Intelligence Principles](#) when developing, delivering, or using artificial intelligence solutions on our behalf.
- Ensure meaningful human control or supervision of artificial intelligence solutions and use artificial intelligence to augment, rather than replace, human intelligence.
- Ensure artificial intelligence solutions are secure and protect any sensitive information,

including classified, controlled, proprietary information, intellectual property, and personal information.

- Investigate and document potential harms and unintended consequences from artificial intelligence solutions and provide transparency and accountability for artificial intelligence development and operations.
- Test artificial intelligence solutions for accuracy, consistency, and security, and create safeguards to protect against risks and potential failures.
- Actively identify and mitigate potential sources of improper bias in artificial intelligence solutions.

## SAFEGUARD ASSETS AND INFORMATION

Suppliers must maintain the confidentiality of all sensitive information entrusted to them by Northrop Grumman, our customers and/or other third parties, except where disclosure is authorized or legally required (and then only after notice).

Northrop Grumman's sensitive and confidential Information may not be used for any purpose (e.g., advertisement, publicity) other than the business purpose for which it was provided, unless there is prior written authorization from Northrop Grumman.

**This means we require our Suppliers to:**

- Properly handle and protect from improper disclosure any sensitive information, including classified, controlled, proprietary information, intellectual property, and personal information.
- Comply with all applicable data privacy/data protection laws.
- Comply with all applicable laws and other binding obligations governing Intellectual Property (IP) and to respect the IP of both Northrop Grumman and others. IP includes, but is not limited to, technical data, software, trade secrets, inventions, patents, trademarks, and copyrighted materials.
- Not use material or non-publicly disclosed information ("inside information:") obtained in

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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.

- Not improperly use competitors' confidential or proprietary information for their own benefit. If a Supplier or other trading partner becomes aware of any such confidential or proprietary information, they should promptly take steps to avoid its improper use and inform Northrop Grumman as appropriate.
- Maintain information security programs designed to mitigate cybersecurity risks and protect information entrusted to them and information generated or developed by them in support of our systems from unauthorized access, destruction, use, modification, or disclosure.
- Have risk-based cybersecurity arrangements 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.
- Promptly inform us, and comply with all applicable reporting requirements under law or regulation, of any unauthorized use of these assets or potential unauthorized access or compromise of its systems or data.

## PROTECT THE ENVIRONMENT

We are committed to protecting the environment and sustainable business practices and expect our Suppliers to operate in a manner that conserves natural resources and protects people and the

environment. This includes measuring, managing, and wherever practicable, reducing greenhouse gas emissions, improving efficiency of energy, water and natural resource usage, minimizing hazardous waste materials, and responsibly managing air emissions.

We encourage Suppliers to apply environmental management system principles, ISO 14001 or equivalent, to systematically approach the management of risks and opportunities associated with the environment, including regulatory compliance, reputation, and business growth through operational excellence and product stewardship.

## THE NORTHROP GRUMMAN OPENLINE

The Northrop Grumman OpenLine is a means to raise concerns or report a suspected violation and is available to our employees, 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.

### Northrop Grumman OpenLine:

[www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/northrop-grumman-openline](http://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/northrop-grumman-openline)

### Internet Reporting:

<http://northrop-grumman-openline.listeningline.com/>