

Standards of Business Conduct for Suppliers and Other Trading Partners



ETHICS
OWN IT
LIVE IT
LEAD IT



Northrop Grumman Values

We do the right thing

We earn trust, act with 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 and delighting our stakeholders.

We commit to collective success

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

We pioneer

With fierce curiosity and innovation, we seek to solve the world's most challenging problems.

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. This document sets forth the fundamental requirements that we expect our Suppliers and Other Trading Partners (“SOTPs”) (and those who work for them, including employees and subcontract labour) to comply with at all tiers.

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

Northrop Grumman expects our SOTPs to maintain the highest standards of ethics and integrity and, comply with laws, regulations, contractual obligations and standards of business conduct. Our SOTPs 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 SOTPs must comply fully with all applicable laws and regulations, their contractual obligations with us and this document.



Treat People with Dignity and Respect

We expect our SOTPs 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. SOTPs must refrain from violating the rights of others and address any adverse human rights impacts of their operations.

Child Labour

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

Wages and Benefits

Our SOTPs 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 whatever premium rate as is legally required.

Social Dialogue

We expect our SOTPs 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.

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

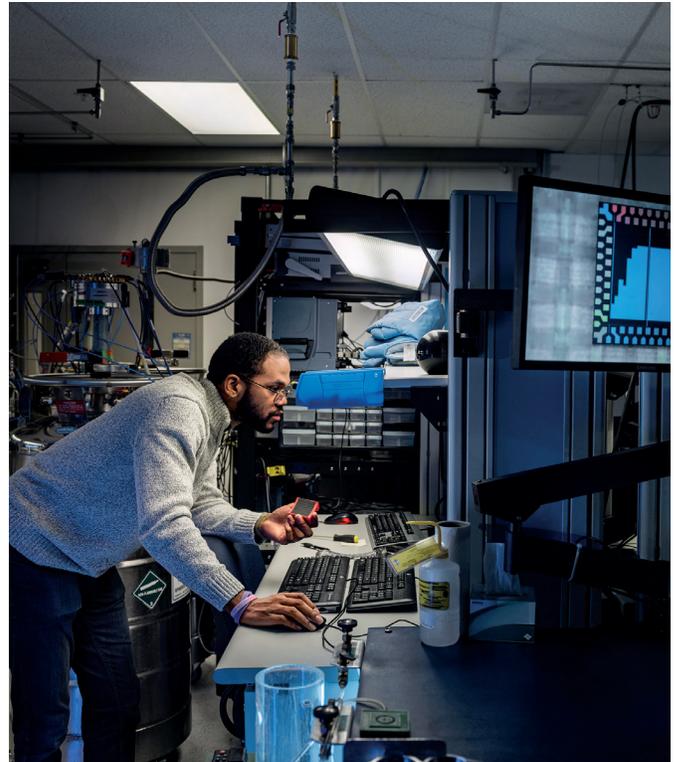
Take Responsibility for Quality

Quality

We expect our SOTPs 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. SOTPs must take due care to ensure that their work product meets our company's quality standards.

Counterfeit Parts

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



Use Ethical and Legal Business Practices

Our SOTPs must not seek to gain advantage through unfair, unethical or illegal business practices.

Anti-Corruption Laws

Our SOTPs 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 SOTPs 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 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 SOTPs to use 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.

Illegal Payments

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

Gifts/Business Courtesies

We believe our SOTPs 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 connection with Northrop Grumman business, our SOTPs must ensure that the offering or receipt of any gift or business courtesy complies with Northrop Grumman policies and any applicable laws, regulations, contractual obligations and rules and standards of the recipient's organisation, and are consistent with reasonable marketplace customs and practices.

Conflict of Interest

Our SOTPs must avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with us. We require our SOTPs 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 or other trading partner's employees or those of close relatives, friends or business associates of a SOTP or its employees.

Procurement Integrity

Our SOTPs must maintain the integrity of our procurement and acquisition processes. SOTPs may 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 our Company as appropriate.

Insider Trading

Our SOTPs and their personnel must not use material or 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.

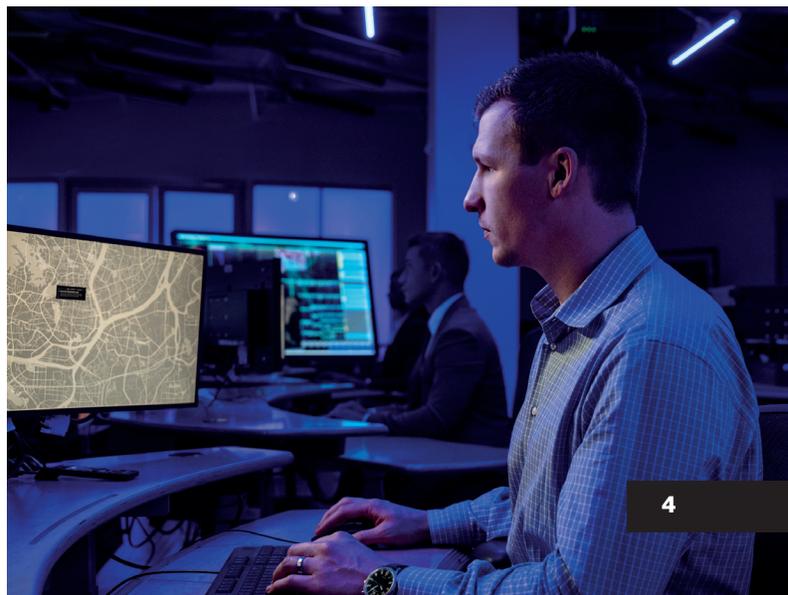


Exhibit Good Trade Practices

Import

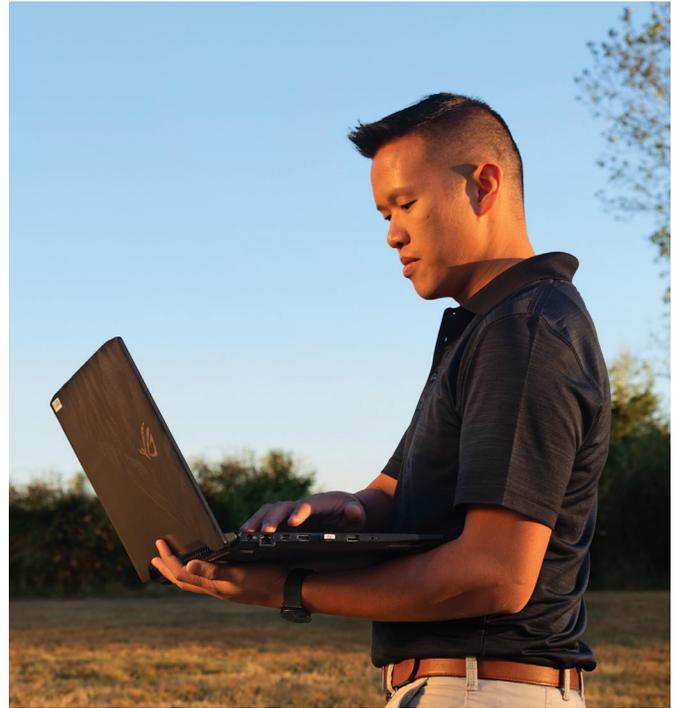
Our SOTPs must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components and technical data. We require our SOTPs to provide truthful and accurate information and obtain appropriate licences and/or consents where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

Export

Our SOTPs 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 SOTPs to provide truthful and accurate information and obtain appropriate licences and/or consents where necessary.

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, or similar legislation or regulations (the "Acts"). Northrop Grumman SOTPs must not participate in, cooperate with or otherwise agree to do anything in violation of the Acts. SOTPs must not ask Northrop Grumman to do anything in violation of the Acts.



Responsible Sourcing of Minerals

SOTPs 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 SOTPs must support our efforts to conduct due diligence on the use of conflict minerals in our supply chain, including the identification of products in their supply chain that contain conflict minerals and validating the country of origin of these minerals.

Protect Information, Intellectual Property and the Supply Chain

Confidentiality of Sensitive Information

SOTPs must maintain the confidentiality of all information entrusted to them by us, our customers or other third parties, except where disclosure is authorised or legally required (and then only after notice).

We require our SOTPs to handle appropriately 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 authorisation from the owner. SOTPs must comply with all contractual obligations and applicable laws, including data privacy laws.

Intellectual Property

We require our SOTPs to respect and comply with all applicable laws and other binding obligations governing intellectual property rights, including protection against disclosure, patents, copyrights and trademarks.

Cybersecurity

SOTPs must take care to safeguard and protect information entrusted to them and information generated or developed by them in support of our systems from unauthorised access, destruction, use, modification or disclosure.

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&a[1]&&9)>(0,window.parseFloat)(a[1])&&(this.o=!0)}
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nction(a,c){if(this.o)return null;if(c instanceof
this.b.type==c&&this.w==a&&(d=this.b,this.b=null);
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We expect SOTPs to 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.

Security of Supply Chain

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

Maintain Accurate Records

SOTPs 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. SOTPs must not falsify or provide fraudulent records, billings or other statements to us or our customers.

Maintain a Safe and Healthy Workplace

Health and Safety

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

Environment and Sustainability

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



Ethics Programme Expectations

Compliance

We require SOTPs to maintain an effective ethics and compliance programme and to meet the requirements of this document.

Whistleblower Protection

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

Consequences for Violating Code

In the event of a violation of this document, 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 this to the appropriate authorities. We reserve the right to terminate our relationship or take any other appropriate action with any SOTP under the terms of the existing contract/transaction.

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 SOTPs 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

Internet Reporting: www.northropgrumman.ethicspoint.com