

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

## FINAL ASSESSMENT

### NORTHROP GRUMMAN CORPORATION

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	8/8
2. Internal Controls	6	10/12
3. Support to Employees	7	12/14
4. Conflict of Interest	4	6/8
5. Customer Engagement	7	7/14
6. Supply Chain Management	5	6/10
7. Agents, Intermediaries and Joint Ventures	10	12/20
8. Offsets	4	2/8
9. High Risk Markets	4	5/8
10. State-Owned Enterprises	0	N/A
<b>TOTAL</b>		<b>68/102</b>
<b>BAND</b>		<b>B</b>

\*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
<b>1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company publishes a clear commitment to ethics and integrity, which is endorsed and authorised by its CEO and President. This commitment appears in the company's Standards of Business Conduct, which contains its anti-corruption policy, as well as on a dedicated webpage about anti-corruption compliance.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  "Ethics and integrity are at the center of everything we do at Northrop Grumman. Our reputation is founded on our adherence to the highest ethical standards. We understand it isn't just about what we do, but how we do it."</p> <p>Kathy Warden  Chairman, Chief Executive Officer and President, Northrop Grumman Corporation</p> <p>Northrop Grumman conducts its business consistent with high ethical standards and in full compliance with applicable anti-corruption laws. We believe that a strong stance against bribery and corruption supports the values and culture of our Company and is a critical enabler for us to achieve our business objectives.</p> <p>Northrop Grumman explicitly prohibits offering bribes, paying bribes or providing other improper things of value, directly or indirectly, in connection with our government or commercial business. Northrop Grumman prohibits our employees from accepting bribes or other improper things of value from any person or entity to, for example, induce or reward them for performing or failing to perform a function or activity.</p> <p>We have a robust anti-corruption compliance program. It includes the following:</p> <p>Management Commitment: The unwavering commitment of our management to a strong culture and integrity lies at the foundation of our ethics and compliance program. Our leadership demonstrates its commitment regularly through communications and actions. Our anti-corruption program is designed and managed by the Office of General Counsel. The Audit Committee of the Board of Directors provides broad oversight for our compliance program.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.6] A Message from the Chairman, Chief Executive Officer and President</p> <p>To My Colleagues:</p> <p>We are committed to the highest standards of ethics and integrity in the delivery of services to our customers around the world.</p> <p>An extraordinary reputation for integrity requires the awareness and involvement of every employee. Our Standards of Business Conduct equip us with valuable information to ensure ethical behaviour across the enterprise. They also serve as a guide if corrective steps need to be taken.</p> <p>All employees should be familiar with the information in this booklet and promptly raise any ethical issues or concerns with their manager, a business conduct officer, the Law department, or through the company's freephone 24/7 OpenLine number or web reporting site.</p>

Please keep this information in mind as we work together to perform for our customers, our colleagues and our shareholders. I appreciate your commitment to the highest standards of integrity and ethical behaviour at Northrop Grumman.

Yours sincerely,

Kathy Warden  
Chairman, Chief Executive Officer and President

Question
<b>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</b> <b>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</b> <b>b) All board members, including non-executive directors.</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company publishes a clear 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><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Northrop Grumman conducts its business consistent with high ethical standards and in full compliance with applicable anti-corruption laws. We believe that a strong stance against bribery and corruption supports the values and culture of our Company and is a critical enabler for us to achieve our business objectives.</p> <p>Northrop Grumman does not tolerate and explicitly prohibits offering bribes, paying bribes or providing other improper things of value, directly or indirectly, in connection with our government or commercial business. Northrop Grumman prohibits our employees from accepting bribes or other improper things of value from any person or entity to, for example, induce or reward them for performing or failing to perform a function or activity.</p> <p><b>Employee Engagement</b>  We believe that anti-corruption compliance is the responsibility of all Northrop Grumman employees, and in meeting this obligation each employee is expected to:</p> <ul style="list-style-type: none"> <li>• Complete required anti-corruption training</li> <li>• Be aware of and alert to the potential for corruption risk factors in the transactions and business relationships they handle for the Company</li> <li>• Ensure that all business records that they prepare accurately reflect the true nature of the transaction and the relationship of the parties involved, and</li> <li>• Promptly report any potential or suspected violations, unethical, or illegal activity in accordance with Company policies and applicable law</li> </ul> <p>Additionally, each Northrop Grumman employee must abide by our Standards of Business Conduct.</p> <p><b>Policies &amp; Procedures</b>  We maintain a comprehensive set of policies and procedures which support our commitment to anti-corruption compliance. Recognizing that the risk of corruption can arise in connection with many different business activities, the Company's Anti-Corruption Compliance Program includes both broad-based components and more targeted policies and procedures aimed at particular areas of risk.</p> <p><b>Prohibition of Facilitating Payments</b>  Northrop Grumman prohibits facilitating payments. Only in the event of a threat to an individual's life, health or safety may a personal safety payment be made and in that case the facts and circumstances of the payment must be reported.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  We Embrace Our Roles and Responsibilities  At Northrop Grumman, we are committed to leading the way with the highest standards of ethics and integrity, which are integral to maintaining our reputation as a top performer in our industry. Abiding by our Standards of Business Conduct (Standards), our values and the applicable laws of the countries where we do business not only ensures we meet legal requirements; it is also an important statement about who we are.</p>

This commitment applies to each of us at Northrop Grumman, regardless of position or level of authority. In addition to managers and employees, the Northrop Grumman Values and Standards of Business Conduct address members of the Board of Directors, consultants, agents, contractors and other third parties who are authorised to act on our company's behalf. We are each responsible for abiding by the Standards of Business Conduct, complying with applicable laws and regulations and ensuring the integrity of our actions and decisions, as well as those who act on our company's behalf, regardless of where we work or what we do at Northrop Grumman.

Only the Board of Directors (or a committee of the Board) can waive the Standards of Business Conduct for executive officers or members of the Board of Directors. We disclose such waivers, if there are any.

Question
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that a designated board committee – the Audit Committee – is ultimately responsible for oversight of the company's anti-bribery and corruption programme. There is evidence that its responsibilities include reviewing audits and reports from management on the programme's performance, and it is clear that this committee has authority to require that changes are made.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Management Commitment</p> <p>The unwavering commitment of our management to a strong culture and integrity lies at the foundation of our ethics and compliance program. Our leadership demonstrates its commitment regularly through communications and actions. Our anti-corruption program is designed and managed by the Office of General Counsel. The Audit Committee of the Board of Directors provides broad oversight for our compliance program.</p> <p>Risk Assessments and Continuous Improvement</p> <p>We conduct internal risk assessments and evaluate the strength of our Anti-Corruption Compliance Program against standards informed by government authorities and industry best practices. The Office of General Counsel, including our Chief Compliance Officer, reviews these assessments and uses them to help ensure our compliance processes are tailored and updated as necessary to address evolving corruption risk and our resources are appropriately deployed to implement risk prevention and mitigation strategies. Additionally, our internal audit organization regularly conducts audits of our anti-corruption program to help ensure policies and procedures are operating as designed. Results of these audits are shared annually with our Audit Committee.</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>  Audit Committee Charter  Purpose  The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Northrop Grumman Corporation (the "Company") is to:</p> <ul style="list-style-type: none"> <li>(a) assist the Board in its oversight of: (1) the integrity of the Company's financial statements and the Company's accounting and financial reporting processes; (2) the Company's compliance with legal and regulatory requirements; (3) financial risk assessment and management; (4) the qualifications, performance and independence of the Company's independent auditor (the "independent auditor"); (5) the performance of the Company's internal audit function; and (6) the Company's system of disclosure controls and procedures and internal control over financial reporting; and</li> <li>(b) (b) prepare the report that is required to be included in the Company's annual proxy statement by the rules and regulations of the Securities and Exchange Commission ("SEC").</li> </ul> <p>[...]</p> <p>21. Review with the General Counsel, at least annually, the status of significant pending claims, litigation and other significant legal, compliance or regulatory matters;</p> <p>22. Periodically review and discuss with management the Company's implementation of global compliance policies, practices and programs of the Company, including, those relating to consent decrees, import/export, regulations, anti-corruption laws and regulations (including the Foreign Corrupt Practices Act), and related conduct of employees and third parties;</p> <p>23. Review with the Chief Compliance Officer, at least annually, the Company's compliance program.</p>

**[4] Corporate Responsibility Report 2018 (Document)**

Accessed 21/08/2019

[https://www.northropgrumman.com/wp-content/uploads/2018\\_Northrop\\_Grumman\\_Corp\\_Responsibility\\_Report.pdf](https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf)

[p.10] Committees of the Board of Directors

Audit

- Focuses on risks that could affect financial performance.
- Reviews management reports on material financial risks and how we respond to, and mitigate, these risks.
- Reviews periodic Northrop Grumman reports filed with the Securities and Exchange Commission.
- Annually reviews the company's compliance program and discusses with management implementation of the company's global compliance policies, practices and programs.
- Receives periodic reports on any material findings of bribery and corruption.

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>There is evidence that a designated senior executive – the 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. In addition, there is evidence of reporting and feedback activities between this person and the Audit Committee as part of the company's reporting structure.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Management Commitment  The unwavering commitment of our management to a strong culture and integrity lies at the foundation of our ethics and compliance program. Our leadership demonstrates its commitment regularly through communications and actions. Our anti-corruption program is designed and managed by the Office of General Counsel. The Audit Committee of the Board of Directors provides broad oversight for our compliance program.</p> <p>Risk Assessments and Continuous Improvement</p> <p>We conduct internal risk assessments and evaluate the strength of our Anti-Corruption Compliance Program against standards informed by government authorities and industry best practices. The Office of General Counsel, including our Chief Compliance Officer, reviews these assessments and uses them to help ensure our compliance processes are tailored and updated as necessary to address evolving corruption risk and our resources are appropriately deployed to implement risk prevention and mitigation strategies. Additionally, our internal audit organization regularly conducts audits of our anti-corruption program to help ensure policies and procedures are operating as designed. Results of these audits are shared annually with our Audit Committee.</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>  Audit Committee Charter</p> <p>[...]</p> <p>23. Review with the Chief Compliance Officer, at least annually, the Company's compliance program.</p> <p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.10] Committees of the Board of Directors  Audit</p> <ul style="list-style-type: none"> <li>• Focuses on risks that could affect financial performance.</li> <li>• Reviews management reports on material financial risks and how we respond to, and mitigate, these risks.</li> <li>• Reviews periodic Northrop Grumman reports filed with the Securities and Exchange Commission.</li> <li>• Annually reviews the company's compliance program and discusses with management implementation of the company's global compliance policies, practices and programs.</li> <li>• Receives periodic reports on any material findings of bribery and corruption.</li> </ul>

## 2. Internal Controls

Question
<b>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?</b>
Score
2
Comments
Based on publicly available information, there is evidence that the company has a formal bribery and corruption risk assessment procedure in place that informs the design of its anti-corruption and bribery programme. The company indicates that these assessments are reviewed by the board-level Audit Committee on at least an annual basis, with the results used to develop tailored mitigation plans and to update specific parts of the company's anti-corruption programme.
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/Risk-Assessments-and-Continuous-Improvement">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/Risk-Assessments-and-Continuous-Improvement</a></p> <p>We conduct internal risk assessments and evaluate the strength of our Anti-Corruption Compliance Program against standards informed by government authorities and industry best practices. The Office of General Counsel, including our Chief Compliance Officer, reviews these assessments and uses them to help ensure our compliance processes are tailored and updated as necessary to address evolving corruption risk and our resources are appropriately deployed to implement risk prevention and mitigation strategies. Additionally, our internal audit organization regularly conducts audits of our anti-corruption program to help ensure policies and procedures are operating as designed. Results of these audits are shared annually with our Audit Committee.</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>  Audit Committee Charter  [...] 23. Review with the Chief Compliance Officer, at least annually, the Company's compliance program.</p> <p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.10] Committees of the Board of Directors  Audit</p> <ul style="list-style-type: none"> <li>• Focuses on risks that could affect financial performance.</li> <li>• Reviews management reports on material financial risks and how we respond to, and mitigate, these risks.</li> <li>• Reviews periodic Northrop Grumman reports filed with the Securities and Exchange Commission.</li> <li>• Annually reviews the company's compliance program and discusses with management implementation of the company's global compliance policies, practices and programs.</li> <li>• Receives periodic reports on any material findings of bribery and corruption.</li> </ul>

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company's anti-bribery and corruption programme is subject to annual review to ensure the programme is consistent with best practice and the business risks facing the company. It is clear that ownership for planned improvements to the anti-bribery and corruption policy sits with the Chief Compliance Officer and Office of the General Counsel. There is evidence that high-level audit findings are presented to the board-level Audit Committee, which is ultimately responsible for the company's programme.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/Risk%20Assessments%20and%20Continuous%20Improvement">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/Risk Assessments and Continuous Improvement</a>  [...] Additionally, our internal audit organization regularly conducts audits of our anti-corruption program to help ensure policies and procedures are operating as designed. Results of these audits are shared annually with our Audit Committee.</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties and Responsibilities</a>  Audit Committee Charter  Purpose  The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Northrop Grumman Corporation (the "Company") is to:  (a) assist the Board in its oversight of: (1) the integrity of the Company's financial statements and the Company's accounting and financial reporting processes; (2) the Company's compliance with legal and regulatory requirements; (3) financial risk assessment and management; (4) the qualifications, performance and independence of the Company's independent auditor (the "independent auditor"); (5) the performance of the Company's internal audit function; and (6) the Company's system of disclosure controls and procedures and internal control over financial reporting; and</p> <p>[...] Duties, Responsibilities and Authority</p> <p>3. Meet with the independent auditor to review, among other things, any critical audit matters identified by the independent auditor, all critical accounting policies prepared by the Company, all material alternative accounting treatments discussed with management, the ramifications of the use of such treatments and the independent auditor's preferred treatment, and all material written communications with management, including any reports or management letters on significant deficiencies and material weaknesses in internal control over financial reporting, any schedule of unadjusted differences, as well as the results of the audit or review and any opinion or report, which the independent auditor proposes to render in connection with the Company's financial statements. The review should cover those matters that the independent auditor is required to discuss with the Committee pursuant to existing professional standards;</p> <p>4. Review with the independent auditor the performance and conduct of the audit, any difficulties encountered during the audit and management's response, any restrictions imposed on the scope of the audit or access to requested information, and any significant disagreements with management. Review with the independent auditor and internal auditors the scope and plan of their respective audits and degree of coordination of their plans. Discuss with the independent auditor the responsibilities, budget and staffing of the internal audit function;</p> <p>10. Review with management and the Vice President, Internal Audit:  (b) the internal audit plan, control risk assessment and significant findings and recommendations and the adequacy of management's response to any significant issues identified;</p>

21. Review with the General Counsel, at least annually, the status of significant pending claims, litigation and other significant legal, compliance or regulatory matters;
22. Periodically review and discuss with management the Company's implementation of global compliance policies, practices and programs of the Company, including, those relating to consent decrees, import/export, regulations, anti-corruption laws and regulations (including the Foreign Corrupt Practices Act), and related conduct of employees and third parties;
23. Review with the Chief Compliance Officer, at least annually, the Company's compliance program.

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[p.10] Committees of the Board of Directors

Audit

- Focuses on risks that could affect financial performance.
- Reviews management reports on material financial risks and how we respond to, and mitigate, these risks.
- Reviews periodic Northrop Grumman reports filed with the Securities and Exchange Commission.
- Annually reviews the company's compliance program and discusses with management implementation of the company's global compliance policies, practices and programs.
- Receives periodic reports on any material findings of bribery and corruption.

Question
<b>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?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is some evidence that the company commits to investigating incidents and allegations. There is evidence that it has a specific procedure in place to deal with whistleblowing cases, which stipulates some actions to be taken as part of an investigation.</p> <p>However, the company receives a score of '1' because it does not publish information on the whole investigation process from receipt to final outcome. There is also no evidence that the company publicly commits to informing whistleblowers of the outcome of the investigation, nor that a central body reviews the status of all investigations on at least an annual basis. It is also unclear whether the company takes steps to ensure the independence of its investigations, for example by stipulating that investigations are handled by an independent team and/or report to an independent board member.</p>
Evidence
<p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.44] Our OpenLine Process</p> <p>[p.45] When calling the OpenLine, you will speak with a specialist who will ask you a series of questions to better understand the nature of your concern. The specialist will then prepare a report which will be forwarded to the appropriate BCO for review, assignment and/or other action.</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>  Purpose  The purpose of the Audit and Risk Committee (the "Committee") of the Board of Directors (the "Board") of Northrop Grumman Corporation (the "Company") is to:</p> <p>(a) assist the Board in its oversight of: (1) the integrity of the Company's financial statements and the Company's accounting and financial reporting processes; (2) the Company's compliance with legal and regulatory requirements; (3) financial risk assessment and management; (4) the qualifications, performance and independence of the Company's independent auditor (the "independent auditor"); (5) the performance of the Company's internal audit function; and (6) the Company's system of disclosure controls and procedures and internal control over financial reporting;</p> <p>[...]</p> <p>Duties, Responsibilities and Authority  In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from Company employees, officers, directors or external parties and to conduct investigations into any matters within its scope of responsibility under this Charter.</p> <p>[...]</p> <p>20. Establish, periodically review and discuss with management procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;</p> <p>21. Review with the General Counsel, at least annually, the status of significant pending claims, litigation and other significant legal, compliance or regulatory matters;</p>

**[4] Corporate Responsibility Report 2018 (Document)**

Accessed 17/01/2020

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[p.13] Northrop Grumman OpenLine

[...]

Allegations are investigated by dedicated teams of full-time professionals trained to conduct interviews in a manner that respects the reporting individual and the trust they have placed with us. Examples of allegations include misuse of company resources, violations of employment, harassment or retaliation practices and policy or security concerns; however, most raise issues involving employee behavioral misconduct and time reporting.

[p.14] Compliance

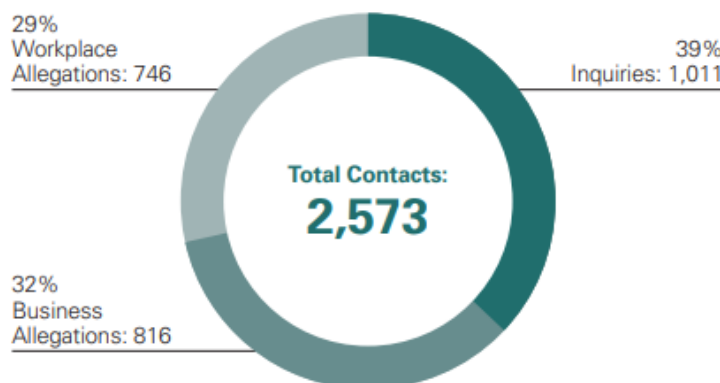
[...]

Anti-Corruption Compliance

We do not tolerate bribery or corrupt business practices. We report material findings of bribery and corruption from our investigations to the company's Audit Committee of the Board of Directors and also to relevant authorities where appropriate and in accordance with applicable law. We strive to conduct our business consistent with high ethical standards and in full compliance with applicable anti-corruption laws. We compete in the global marketplace based on the quality of our products and services and the value we create for our customers by offering those products and services at a competitive price. We have zero tolerance for bribes, kickbacks or any other illegal business practices. Our Anti-Corruption Compliance webpage provides additional details.

Question
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is some evidence that the company assures itself of the quality of its internal investigations. The company states that a dedicated team of full-time professionals handles investigations and this team are trained in conducting interviews.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that it has a procedure in place to receive and handle possible complaints about the investigation process. There is also no clear evidence that the company reviews its investigations procedure at least every three years or in response to any changes in the regulatory environment.</p>
Evidence
<p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.13] Northrop Grumman OpenLine</p> <p>[...]</p> <p>Allegations are investigated by dedicated teams of full-time professionals trained to conduct interviews in a manner that respects the reporting individual and the trust they have placed with us.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.44] Our OpenLine Process</p> <p>[p.45] When calling the OpenLine, you will speak with a specialist who will ask you a series of questions to better understand the nature of your concern. The specialist will then prepare a report which will be forwarded to the appropriate BCO for review, assignment and/or other action.</p> <p><b>[15] Policy Committee (Webpage)</b>  Accessed 12/05/2020  <a href="http://investor.northropgrumman.com/committee-details/policy-committee">http://investor.northropgrumman.com/committee-details/policy-committee</a>  The Committee's duties and responsibilities include the following:</p> <p>[...]</p> <p>2. Review, monitor and provide recommendations regarding the Company's ethics and corporate social responsibility programs and policies, including its Standards of Business Conduct;</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>  20. Establish, periodically review and discuss with management procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;</p>

Question
<b>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?</b>
Score
<b>2</b>
Comments
Based on publicly available information, there is evidence that the company commits to report material findings of bribery and corruption from investigations to the board-level Audit Committee. There is evidence that the company commits to report material findings of bribery and corruption from investigations to the relevant authorities, where necessary, and indicates that the General Counsel, as part of the law department and in cooperation with the Audit Committee, is responsible for this process.
Evidence
<p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.14] Compliance</p> <p>[...] We report material findings of bribery and corruption from our investigations to the company's Audit Committee of the Board of Directors and also to relevant authorities where appropriate and in accordance with applicable law.</p> <p><b>[3] Audit Committee (Webpage)</b>  Accessed 21/08/2019  <a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>  18. Discuss with the Chief Executive Officer, Chief Financial Officer and the General Counsel any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting;</p> <p>[...]</p> <p>21. Review with the General Counsel, at least annually, the status of significant pending claims, litigation and other significant legal, compliance or regulatory matters;</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.7] The Role of Managers</p> <p>[...] Promptly escalate reports of suspected violations to the law department or ethics office</p> <p>[p.12] Consequences for Misconduct</p> <p>[...] Violations of our Standards, company policies and procedures, or laws and regulations, may have serious consequences for the individuals involved no matter who they are or what title they hold.</p> <p>[p.18] The penalties for violating anti-corruption laws are severe, making it all the more important that we comply with them in all of our business dealings. If you have any questions or concerns about corruption or bribery, do not hesitate to reach out to the law department.</p>

Question											
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?											
Score											
2											
Comments											
<p>There is evidence that the company publishes high-level data from ethical or bribery and corruption-related incidents and investigations involving its employees. This data covers the number of reports received (including the number received through whistleblowing channels), the number of substantiated allegations and the number of disciplinary actions taken as a result of investigation findings. There is evidence to indicate that this data is updated and published on an annual basis.</p>											
Evidence											
<p><b>[4] Corporate Responsibility Report 2018 (Document)</b> Accessed 17/01/2020 <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a> [p.13] Northrop Grumman OpenLine</p> <p><b>Allegations and Inquiries</b></p>  <table><tr><td>29% Workplace Allegations: 746</td><td>39% Inquiries: 1,011</td></tr></table> <p><b>Corrective Actions</b></p> <table><tr><td>Written Warnings: 159</td><td>Memo of Expectations: 37</td><td>Demotion: 4</td></tr><tr><td>Coaching/Counseling: 136</td><td>Verbal Warning: 33</td><td>Personnel Move: 1</td></tr><tr><td>Terminations: 94</td><td>Suspension: 11</td><td><b>Total Corrective Actions: 475</b></td></tr></table> <p>There were 2,573 OpenLine contacts in 2018, including phone and web entries, as well as input from our business conduct officers and human resources business partners. The number of allegations were about the same from the previous year; however, inquiries decreased by 3.4% possibly due to targeted training and enhanced communications.</p> <p>[...]</p> <p>Most inquiries relate to business courtesies and conflicts of interest. These inquiries are generally a one-time contact with a response based on policy or procedures.</p> <p>[...]</p> <p>In 2018, 33% of these allegations were substantiated, up 3% from the previous year. There were 94 terminations due to substantiated OpenLine allegations.</p>	29% Workplace Allegations: 746	39% Inquiries: 1,011	Written Warnings: 159	Memo of Expectations: 37	Demotion: 4	Coaching/Counseling: 136	Verbal Warning: 33	Personnel Move: 1	Terminations: 94	Suspension: 11	<b>Total Corrective Actions: 475</b>
29% Workplace Allegations: 746	39% Inquiries: 1,011										
Written Warnings: 159	Memo of Expectations: 37	Demotion: 4									
Coaching/Counseling: 136	Verbal Warning: 33	Personnel Move: 1									
Terminations: 94	Suspension: 11	<b>Total Corrective Actions: 475</b>									

### 3. Support to Employees

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company provides training for its employees that outlines the principles of its anti-bribery and corruption policy, including the whistleblowing options available. There is evidence that the company provides this training to all employees and in multiple languages. There is evidence that all employees must undertake annual ethics and compliance training.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Employee Engagement</p> <p>We believe that anti-corruption compliance is the responsibility of all Northrop Grumman employees, and in meeting this obligation each employee is expected to:</p> <ul style="list-style-type: none"> <li>• Complete required anti-corruption training</li> </ul> <p>[...]</p> <p>Training:</p> <p>Northrop Grumman's global anti-corruption training program includes an array of training resources, both online and in-person tailored for different job functions. Pursuant to industry best practices, we strategically identify, among our 90,000 employees, employees of all levels who participate in international business. On a recurring basis, these employees are required to complete training requirements relative to their job function and level of involvement with international business. These employees include, but are not limited to, senior executive management; employees based in our foreign subsidiaries; employees involved in business development, program management, or finance; employees who have been transferred or promoted into a new job function involving international business; employees traveling outside of the United States; and new hires. Training modules include scenario-based hypotheticals to enhance the effectiveness of the learning experience. Training modules also include scored quizzes to test material effectiveness and comprehension and include information about the Company's OpenLine reporting options. The internal audit organization tests the effectiveness of training as part of their annual audits of our Anti-Corruption Compliance program. Results from the quizzes, internal audit testing, and real life situations are utilized to update training content to continuously improve the effectiveness of our training program.</p> <p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.10] Ethics</p> <p>Training</p> <p>All Northrop Grumman employees are responsible for ensuring that we maintain absolute integrity across the company. Each employee participates in mandatory annual ethics and compliance training. In 2018 we provided enterprise training on Northrop Grumman's Values, building the best culture, information security, export awareness, property awareness, and for U.S. employees, the importance of time and labor charging accuracy. For international employees, we included a module on Anti-Corruption and translated training content into German, French, Italian, Dutch, Flemish, Chinese and Arabic.</p>

U.S. employees are required to annually disclose any conflicts of interest and certify that they have read, understand and will comply with the Northrop Grumman Standards of Business Conduct. Our Standards of Business Conduct brochure is published in 12 different languages.

Approximately  
**84,000** employees received  
Ethics and Compliance  
Training in 2018 (including  
online and in-person  
training sessions).

[p.11] Management Approach Summary

We implement mandatory training related to ethics and compliance to help develop a workforce that takes ownership of our ethical culture, conducts itself with integrity and lives our company values.

We help enable employees to act with integrity and in compliance with all ethical and legal responsibilities by providing necessary tools and knowledge. We pledge to conduct ourselves with integrity to support an internal culture of innovation and trust. Our ethical obligations extend to all employees and those who represent the interests of Northrop Grumman anywhere in the world.

Our Ethics and Business Conduct webpage has more information on our policies and practices.

[p.12] Northrop Grumman Values

[...]

Our strong commitment to our company Values helps create and sustain a culture of trust. Part of our annual ethics and compliance training included a module on company Values supplemented with a video featuring our international chief executives speaking on the importance of a strong ethical culture. This video, subtitled in German, French, Italian and Dutch, was designed for a global audience and reinforced Tone at the Top messaging that our company Values apply no matter where we work or what we do.

[p.13] [...] In 2018, over 90 employees participated in a scenario-based Investigator Training workshop to ensure a consistent training process across the enterprise, regardless of function.

Question
<b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company provides tailored anti-corruption training to its employees based on an assessment of their role and exposure to corruption risk. The company indicates that it provides such training to management, board members and employees in high risk positions, such as those in business development, programme management and finance.</p> <p>However, there is no clear publicly available evidence that the employees in high risk positions must refresh their role-specific training on an annual basis.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>            Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>            Employee Engagement            We believe that anti-corruption compliance is the responsibility of all Northrop Grumman employees, and in meeting this obligation each employee is expected to:</p> <ul style="list-style-type: none"> <li>• Complete required anti-corruption training</li> </ul> <p>[...]</p> <p>Training:            Northrop Grumman's global anti-corruption training program includes an array of training resources, both online and in-person tailored for different job functions. Pursuant to industry best practices, we strategically identify, among our 90,000 employees, employees of all levels who participate in international business. On a recurring basis, these employees are required to complete training requirements relative to their job function and level of involvement with international business. These employees include, but are not limited to, senior executive management; employees based in our foreign subsidiaries; employees involved in business development, program management, or finance; employees who have been transferred or promoted into a new job function involving international business; employees traveling outside of the United States; and new hires. Training modules include scenario-based hypotheticals to enhance the effectiveness of the learning experience. [...]</p> <p><b>[10] Proxy Statement 2019 (Document)</b>            Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2019_noc_proxy.pdf">https://www.northropgrumman.com/wp-content/uploads/2019_noc_proxy.pdf</a>            [p.21] Director Orientation and Continuing Education</p> <p>All new directors to the Board receive in-person orientation and training that is individually tailored, taking into account the director's experience, background, education and committee assignments. The orientation program is led by members of senior management and covers a review of our strategy and operating plans, financial statements, corporate governance and key policies and practices, as well as the roles and responsibilities of our directors.</p> <p>All directors receive regular in-person training regarding our Company policies and procedures, and broad exposure to our operations and the teams. Members of senior management review with the Board the operating plan for each of our business sectors and the Company as a whole. The Board also conducts periodic site visits to our facilities as part of its regularly scheduled Board meetings. These visits allow directors to interact with a broader group of our executives and employees and gain firsthand insights into our operations.</p>

Question
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company has a system for measuring and reviewing the effectiveness of its anti-bribery and corruption communications and personnel training programme. The company's internal audit department audits the training programme, which also includes quizzes designed to test the effectiveness of materials. The company commits to assuring itself of this on an annual basis. It is clear that the results of these reviews are used to update specific parts of the company's anti-bribery and corruption communications and training programme.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Employee Engagement</p> <p>We believe that anti-corruption compliance is the responsibility of all Northrop Grumman employees, and in meeting this obligation each employee is expected to:</p> <ul style="list-style-type: none"> <li>• Complete required anti-corruption training</li> </ul> <p>[...]</p> <p>Training modules also include scored quizzes to test material effectiveness and comprehension and include information about the Company's OpenLine reporting options. The internal audit organization tests the effectiveness of training as part of their annual audits of our Anti-Corruption Compliance program. Results from the quizzes, internal audit testing, and real life situations are utilized to update training content to continuously improve the effectiveness of our training program.</p>

Question
<b>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?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company's incentive schemes for employees incorporate ethical and anti-bribery and corruption principles. The company states that compensation schemes are designed to reward behaviour in line with the company's ethical values.</p> <p>However, the company receives a score of '1' because it is not clear that these incentives apply to all employees or whether financial rewards must be proportionate to the employee's base salary in the case of high risk employees, such as sales roles. It is also unclear how the company incentivises ethical conduct in the workplace, such as through performance appraisals.</p>
Evidence
<p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.10] Committees of the Board of Directors</p> <p>[...]</p> <p>Compensation</p> <ul style="list-style-type: none"> <li>• Reviews risk assessment of Northrop Grumman compensation programs.</li> <li>• Reviews measures to ensure compensation policies and procedures incentivize ethical conduct, consistent with company values.</li> <li>• With input from its independent compensation consultant, evaluates the mix of at-risk compensation linked to stock performance and the alignment of compensation programs with shareholder value creation.</li> </ul>

Question
<b>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?</b>
Score
<b>2</b>
Comments
Based on publicly available information, there is evidence that the company will support any employee who refuses to act unethically, even if this might impact on the company's business. There is evidence that the company assures itself of its employees' confidence in this statement through annual anonymised surveys.
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  We Don't Retaliate</p> <p>Northrop Grumman encourages employees to ask questions or raise concerns on ethics and compliance issues that may be contrary to our values or reflect potential misconduct. Our policy regarding retaliation is very clear: Northrop Grumman will not tolerate retaliation against an individual who seeks to observe our Standards of Business Conduct by sharing or reporting genuine concerns and issues regardless the potential impact to Company business. Northrop Grumman conducts anonymized annual employee engagement surveys administered by an independent third party, which among other things, help us to assess employee confidence to report concerns without fear of reprisal. Anyone found to have taken part in retaliatory acts against someone who has reported genuine concerns in good faith faces serious disciplinary consequences, up to and including termination.</p> <p><b>[5] Ethics and Business Conduct (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/">https://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/</a>  Doing what is right because it is the right thing to do is the foundation of Northrop Grumman's business culture. The reputation that our Company has earned for high legal and ethical standards is one of our greatest business assets. Our goal has never been solely to comply with the law, but to abide by the highest principles of integrity and concern for others.</p>

Question
<b>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</b>
Score
<b>2</b>
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 evidence that the company assures itself of its employees' confidence in this commitment through anonymised surveys. In addition, the company indicates that its whistleblowing line is open to third parties including suppliers and that its commitment on non-retaliation extends to these parties.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  We Don't Retaliate</p> <p>Northrop Grumman encourages employees to ask questions or raise concerns on ethics and compliance issues that may be contrary to our values or reflect potential misconduct. Our policy regarding retaliation is very clear: Northrop Grumman will not tolerate retaliation against an individual who seeks to observe our Standards of Business Conduct by sharing or reporting genuine concerns and issues regardless the potential impact to Company business. Northrop Grumman conducts anonymized annual employee engagement surveys administered by an independent third party, which among other things, help us to assess employee confidence to report concerns without fear of reprisal. Anyone found to have taken part in retaliatory acts against someone who has reported genuine concerns in good faith faces serious disciplinary consequences, up to and including termination.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.10] We Don't Retaliate</p> <p>Each of us has the opportunity to openly and honestly communicate about actual or potential misconduct without fear of retaliation. When our people share or report genuine concerns and issues in good faith, our company does not tolerate any adverse action taken against them for speaking up. Making a report "in good faith" means you promptly come forward with the relevant information you have and believe you are giving a complete and accurate report. Anyone found to have taken part in retaliatory acts against someone who has reported genuine concerns in good faith faces serious disciplinary consequences, up to and including termination.</p> <p>[p.12] We Create a Respectful Work Environment  [...]  Harassment and bullying are contrary to our values and our commitment to creating the environment of trust and mutual respect critical to our performance culture. If you have witnessed or suspect an act of harassment or bullying at work, you are encouraged to share your concerns. Northrop Grumman will not tolerate retaliation against you for your good faith report.</p> <p>[p.44] Our OpenLine Process  The Northrop Grumman OpenLine is a means to raise concerns or report a suspected violation of our Standards, company policies or the law. Like all company resources, we can use the OpenLine properly without fear of retaliation.</p> <p>[p.46] Retaliation is strictly prohibited against any person who, in good faith, reports a concern. If you feel that you were retaliated against please talk to your manager, Human Resources, your BCO, the law department or call the OpenLine. In conjunction with US DoD or NASA contracts, 10 U.S.C. 2409 prohibits contractors from discharging, demoting, or otherwise discriminating against an employee as a reprisal for disclosing, to any of the following entities, information that the employee reasonably believes is evidence of gross mismanagement of a US DoD or National Aeronautics and Space Administration (NASA) contract, a gross waste of US DoD or NASA funds, a</p>

substantial and specific danger to public health or safety, or a violation of law related to a US DoD or NASA contract (including the competition for or negotiation of a contract):

- i. A Member of Congress or a representative of a committee of Congress.
- ii. An Inspector General.
- iii. The Government Accountability Office.
- iv. An employee of the US Department of Defense or the National Aeronautics and Space Administration, as applicable, responsible for contract oversight or management.
- v. An authorised official of the US Department of Justice or other law enforcement agency.
- vi. A court or grand jury.
- vii. A management official or other employee of the contractor or subcontractor who has the responsibility to investigate, discover, or address misconduct. Any employee who believes that he or she has been discharged, demoted, or otherwise discriminated against contrary to the prohibition set forth above may file a complaint with the DoD Inspector General.

#### **[4] Corporate Responsibility Report 2018 (Document)**

Accessed 17/01/2020

[https://www.northropgrumman.com/wp-content/uploads/2018\\_Northrop\\_Grumman\\_Corp\\_Responsibility\\_Report.pdf](https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf)

[p.11] Our "Speak-Up Culture"

[...]

Northrop Grumman requires all employees to understand their ethical and legal obligations and to conduct themselves in full compliance with the company's values, standards of business conduct, policies and procedures. This personal commitment is critical for sustaining the company's high performance culture and executing the company's strategic goals. The company's non-retaliation policy, prominently posted online and in brochures, clearly states zero tolerance of direct or indirect retaliation against any individual who reports a concern in good faith.

[p.13] Northrop Grumman OpenLine

The OpenLine is a valuable resource where employees, business partners, suppliers and other stakeholders can seek guidance on ethics questions and report suspected violations of laws, regulations and company policy. The toll-free 24/7 number, administered by a third-party service provider, is communicated on brochures, posters, the company intranet and internet sites.

#### **[7] Ethics Point Web Reporting (Webpage)**

Accessed 21/08/2019

<https://secure.ethicspoint.com/domain/media/en/gui/35623/index.html>

Web Reporting

This website provides a confidential way to ask ethics-related questions, voice concerns or report a suspected violation of our Standards of Business Conduct.

EthicsPoint, a trusted third-party specializing in corporate ethics web-reporting, controls this website. It is not part of the Northrop Grumman global network.

On this site, employees and non-employees can:

- report violations of our Standards of Business Conduct
- report issues relating to the work environment
- ask for guidance related to policies and procedures

EthicsPoint will send the information you provide to the Northrop Grumman ethics office in a confidential manner, and, if you choose, anonymously. The ethics office will respond to questions or assign an appropriate investigator to look into your concerns.

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company provides multiple channels for its employees to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. There is evidence that these channels are sufficiently varied to allow the employee to raise concerns across the management chain and to a reporting hotline operated by an independent third party. These channels allow for confidential and, wherever possible, anonymous reporting. The company indicates that its channels are available and accessible to all employees, in all jurisdictions where the company operates, including those employed by the group as third parties such as suppliers, and in all relevant languages.</p>
Evidence
<p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a></p> <p>[p.9] We Ask Questions and Voice Concerns  One of the most important responsibilities under these Standards is also one of the most basic: speaking up when we have a question or concern. Everyone at Northrop Grumman is encouraged and, indeed, required to seek guidance when needed, and to report any activity that might violate our Standards or other guidelines.</p> <p>In some circumstances we all may have a legal obligation to report potential wrongdoing. This includes, but is not limited to, wrongdoing regarding the following topics:</p> <ul style="list-style-type: none"> <li>• Procurement or Contract Fraud</li> <li>• Conflicts of Interest</li> <li>• Bribery/Kickbacks</li> <li>• Gratuities</li> <li>• False Statements or Claims to the Government</li> <li>• Inaccurate Recordkeeping</li> <li>• Human Trafficking</li> <li>• Counterfeit Parts</li> <li>• Contract Overpayments by the Government</li> <li>• Abuse of Power</li> </ul> <p>[p.9] If you learn about wrongdoing, or potential wrongdoing, it is your responsibility and duty as a Northrop Grumman employee to report it. Reporting is not always easy. Reporting what you think might be wrongdoing can sometimes feel uncomfortable, especially when you are not certain that you know all of the facts. However, reporting misconduct or suspected misconduct allows our company to evaluate and promptly solve problems and can keep issues from escalating or reoccurring, making Northrop Grumman a better place for all of us to work. So, when in doubt, talk to someone about your concern. You can do so by contacting:</p> <ul style="list-style-type: none"> <li>• Your manager, or another manager you trust</li> <li>• A business conduct officer (BCO)</li> <li>• A member of the law department</li> <li>• A human resources representative</li> <li>• The Northrop Grumman OpenLine or the OpenLine web portal</li> </ul> <p>[p.9] To the extent we can, reports are kept confidential. If you choose to make your report through the OpenLine, either by phone or web portal, you are encouraged to provide your contact information so we can follow up with you for additional information, as needed. Of course, if you choose, you can instead report allegations or concerns anonymously, as permitted under local law. But please note, it will likely be more difficult for our company to conduct a thorough investigation of your report if we do not have your contact information to use in follow up. For this reason, you are encouraged to share your contact information when making a report.</p>

[p.44] Our OpenLine Process

The Northrop Grumman OpenLine is a means to raise concerns or report a suspected violation of our Standards, company policies or the law. Like all company resources, we can use the OpenLine properly without fear of retaliation.

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 tollfree 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. Keep in mind, however, it is easier for the company to conduct a thorough investigation and take remedial action when you provide your contact information for follow-up.

You can use the OpenLine to report suspected violations or potential wrongdoing, including issues relating to the following areas:

- Accounting
- Conflicts of Interest
- Discrimination Policy Violation
- Employee Misconduct
- Employment Practices
- Environmental, Health and Safety
- Export/Import Control Government Contracts, Non-Compliance and Regulations
- Harassment Policy Violation
- Human Trafficking
- Intellectual Property/Proprietary Information Kickbacks/Gifts/Gratuities/Bribery
- Misuse of Company Resources
- Procurement Integrity and Irregularities
- Quality/Manufacturing Concerns
- Retaliation Policy Violation
- Security
- Time Reporting/Mischarging/Overpayments

Some issue categories may not be available for employees in certain countries. If an allegation category is not available on the OpenLine, we encourage you to speak with your manager, BCO or the law department concerning the suspected violation or potential wrongdoing.

When calling the OpenLine, you will speak with a specialist who will ask you a series of questions to better understand the nature of your concern. The specialist will then prepare a report which will be forwarded to the appropriate BCO for review, assignment and/or other action.

Northrop Grumman OpenLine Reporting

For Phone Reporting: <http://www.northropgrumman.com/CorporateResponsibility/Ethics/Pages/default.aspx>

For Web Reporting: [www.northropgrumman.ethicspoint.com](http://www.northropgrumman.ethicspoint.com)

Access the Ethics and Business Conduct Website

U.S. Intranet <https://home.myngc.com/Depts/CorpResp/Ethics/Pages/default.aspx>

Global Services Network <https://home.amer.myngc.com/ethics>

**[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)**

Accessed 17/01/2020

<https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/>

Reporting Obligations

In accordance with Company policies and applicable law, it is the responsibility of all Northrop Grumman personnel immediately to report concerns regarding corruption or the Company's compliance program to the Law Department, the cognizant Business Conduct Officer, their management, Human Resources or via the Company's OpenLine.

**[4] Corporate Responsibility Report 2018 (Document)**

Accessed 17/01/2020

[https://www.northropgrumman.com/wp-content/uploads/2018\\_Northrop\\_Grumman\\_Corp\\_Responsibility\\_Report.pdf](https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf)

[p.11] Our "Speak-Up Culture"

We strive to ensure employees have a safe place to bring their issues and concerns for independent and objective review. Our employees are encouraged to raise concerns or questions with their manager, another manager they trust, their business conduct officer, a member of our Law Department or Human Resources. Our “Speak Up—We’re Listening” OpenLine posters, with contact information for local business conduct officers and the OpenLine, are prominently displayed at all Northrop Grumman facilities and serve to reinforce our commitment to integrity. We have translated posters into nine different languages.

Northrop Grumman requires all employees to understand their ethical and legal obligations and to conduct themselves in full compliance with the company’s values, standards of business conduct, policies and procedures. This personal commitment is critical for sustaining the company’s high performance culture and executing the company’s strategic goals. The company’s non-retaliation policy, prominently posted online and in brochures, clearly states zero tolerance of direct or indirect retaliation against any individual who reports a concern in good faith.

[p.13] Northrop Grumman OpenLine

The OpenLine is a valuable resource where employees, business partners, suppliers and other stakeholders can seek guidance on ethics questions and report suspected violations of laws, regulations and company policy. The toll-free 24/7 number, administered by a third-party service provider, is communicated on brochures, posters, the company intranet and internet sites.

There are dedicated OpenLine numbers at most of our international locations so employees in those countries can speak to a representative in their native language. In addition, an online web-based reporting system is available to employees. In 2018 we extended OpenLine to Singapore and Hong Kong, and revamped our global OpenLine intake process to make it easier and more employee friendly.

There were 2,573 OpenLine contacts in 2018, including phone and web entries, as well as input from our business conduct officers and human resources business partners. The number of allegations were about the same from the previous year; however, inquiries decreased by 3.4% possibly due to targeted training and enhanced communications.

Most inquiries relate to business courtesies and conflicts of interest. These inquiries are generally a one-time contact with a response based on policy or procedures. They are documented for evaluation and guidance on training and communication content. Callers may choose to remain anonymous if permitted by local law.

Allegations are investigated by dedicated teams of full-time professionals trained to conduct interviews in a manner that respects the reporting individual and the trust they have placed with us. Examples of allegations include misuse of company resources, violations of employment, harassment or retaliation practices and policy or security concerns; however, most raise issues involving employee behavioral misconduct and time reporting. In 2018, 33% of these allegations were substantiated, up 3% from the previous year. There were 94 terminations due to substantiated OpenLine allegations.

#### **[5] Ethics and Business Conduct (Webpage)**

Accessed 21/08/2019

<https://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/>

Please join us in maintaining Northrop Grumman’s reputation for integrity in the years to come.

Northrop Grumman OpenLine

U.S./Canada: (800) 247-4952

Toll-free, anonymous

Available 24 hours a day, 7 days a week

Link: Web Reporting

International Open Lines

Australia: 1-800-07-9315

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

Canada: 1-800-247-4952 (English) 1-855-350-9393 (French)

China: 400-661-2167

Denmark: 0-800-100-10 ID (844) 286-0069

France : 0800-90-7206

Germany: 49-761-4901-166 or 49-40-29900-100

Hong Kong: 800-96-1461

Italy: 0800-234-6456  
 Japan: 00531-11-2025 (KDD), 0066-33-830278 (Softbank), 0034-800-900365 (NTT)  
 Netherlands: 0800-022-9111 ID 844-286-0069  
 Norway: 800-12049  
 Saudi Arabia: 1-800-10-966 ID (844) 286-0069  
 Singapore: 800-110-2358  
 South Korea: 00798-14-800-6599, 00308-110-480 or 00798-1-1-009-8084  
 Switzerland: 0-800-890011 ID (844) 286-0069  
 Taiwan: 00801-10-4175)  
 Turkey: 0811-288-0001 ID 844-286-0069  
 United Arab Emirates: 800-55-66, 8000-021, 8000-051 (US Military Bases), 8000-061 (US Military Bases) 844-286-0069  
 United Kingdom: 0808-234-6456  
 United States: (800) 247-4952

#### **[6] Supplier Standards of Business Conduct (Document)**

Accessed 17/01/2020

[https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics\\_SupplierSOBC\\_Book\\_English\(UK\).pdf](https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf)

[p.15] 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>

#### **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)

#### **[7] Ethics Point Web Reporting (Webpage)**

Accessed 21/08/2019

<https://secure.ethicspoint.com/domain/media/en/gui/35623/index.html>

##### **Web Reporting**

This website provides a confidential way to ask ethics-related questions, voice concerns or report a suspected violation of our Standards of Business Conduct.

EthicsPoint, a trusted third-party specializing in corporate ethics web-reporting, controls this website. It is not part of the Northrop Grumman global network.

On this site, employees and non-employees can:

- report violations of our Standards of Business Conduct

- report issues relating to the work environment
- ask for guidance related to policies and procedures

EthicsPoint will send the information you provide to the Northrop Grumman ethics office in a confidential manner, and, if you choose, anonymously. The ethics office will respond to questions or assign an appropriate investigator to look into your concerns.

## 4. Conflict of Interest

Question
<b>4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company has a policy that addresses and defines conflicts of interest, including actual, potential and perceived conflicts. The company's policy clearly covers possible conflicts arising from employee and government relationships, as well as financial interests and other employment. The company's policy applies to all employees and board members.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Employment Conflicts  Northrop Grumman has procedures regarding conflicts of interest that might arise when hiring employees. Decisions regarding hiring an employment candidate may not be used to induce a party to provide an improper business advantage to the Company. Additionally, hiring procedures require consideration of any post-government "revolving door" requirements for recently departed public officials to ensure they comply with applicable rules and regulations related to their former government employment. Our Standards of Business Conduct can be found here.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.7] We Embrace Our Roles and Responsibilities  At Northrop Grumman, we are committed to leading the way with the highest standards of ethics and integrity, which are integral to maintaining our reputation as a top performer in our industry. Abiding by our Standards of Business Conduct (Standards), our values and the applicable laws of the countries where we do business not only ensures we meet legal requirements; it is also an important statement about who we are.</p> <p>This commitment applies to each of us at Northrop Grumman, regardless of position or level of authority. In addition to managers and employees, the Northrop Grumman Values and Standards of Business Conduct address members of the Board of Directors, consultants, agents, contractors and other third parties who are authorised to act on our company's behalf. We are each responsible for abiding by the Standards of Business Conduct, complying with applicable laws and regulations and ensuring the integrity of our actions and decisions, as well as those who act on our company's behalf, regardless of where we work or what we do at Northrop Grumman. Only the Board of Directors (or a committee of the Board) can waive the Standards of Business Conduct for executive officers or members of the Board of Directors. We disclose such waivers, if there are any.</p> <p>[p.19] We Avoid Conflicts of Interest  Doing business with integrity means making decisions that align with the best interests of our company, without prioritising any personal benefits you stand to gain. By avoiding even the appearance of a potential conflict of interest, we uphold our commitment to our company and ensure our continued success. A conflict of interest typically occurs when an individual's private interests interferes with the interests of our company as a whole. Keep in mind that we all occupy a position of trust. We need to be particularly sensitive to any situation, on or off the job, that might compromise trust or cause others to doubt our integrity. Remember that avoiding even the appearance of a conflict can be just as important as avoiding an actual conflict. If you ever have a question about whether a situation constitutes a conflict for you, always err on the side of caution and immediately report it to your manager, the ethics office, the law department or – for members of our Board of Directors – our General Counsel. While there are many types of possible conflicts, the following are some of the more common we may encounter. Actual or potential conflicts of interest must be immediately disclosed by employees on the relevant Conflicts of Interest form C-196 for the country where you work.</p>

#### Personal Investments

If our loyalty is divided between what's best for our company and another company, it could cause us to make decisions that wouldn't be in Northrop Grumman's best interest. For that reason, making significant personal investments or having a significant financial interest in businesses that compete or do business with Northrop Grumman can easily create an inappropriate conflict of interest.

#### [p.20] Personal Relationships

When a personal or family relationship exists between colleagues, especially if there is also a reporting relationship involved, it may create a conflict, or the appearance of one. It may seem to others that preferential treatment or favoritism is being granted because of that relationship. For this reason, you should not have direct decision-making authority over a family member or someone with whom you have a close personal relationship – such as a boyfriend or girlfriend, or a roommate – or vice versa. Remember, the important thing is to avoid even the appearance of bias.

#### [p.21] Outside Employment Opportunities

Some outside employment or other opportunities might allow us to earn extra income or use our talent and experience without harming Northrop Grumman or our work in any way. Other opportunities clearly compromise our company's business goals or our ability to perform our jobs at Northrop Grumman and are, therefore, not allowed. To help us avoid conflicts in this area, we should not compete with the company, including performing outside work for competitors or suppliers, unless we receive advance written approval. In addition, we should avoid using Northrop Grumman time, facilities, resources, supplies or information for outside employment or other personal gain. You should always check with your manager (or the General Counsel if you are a member of the Board) before accepting an outside position to make sure the work won't affect Northrop Grumman or your performance at the company.

#### [p.22] Business Courtesies

[...]

Entertainment and other gifts are often exchanged in the commercial business world to open up business conversations or even just to express appreciation or thanks. However, this common practice can easily lead to a conflict of interest, or the appearance of one, if guidelines are not followed. And the appearance of impropriety can erode confidence in us and our procurement process.

Question
<b>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?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company has procedures to identify, declare and manage conflicts of interest, including actual, potential and perceived conflicts. The company states that any actual or potential conflicts must be immediately disclosed and indicates that the relevant manager, ethics office, law department and the General Counsel may be involved in the handling of cases.</p> <p>However, the company receives a score of '1' because it does not provide further details on its management of conflict of interest cases. There is no evidence that employee and board member declarations are held in a central register that is accessible by those responsible for oversight of the process, nor is it clear that disciplinary measures will apply if the policy is breached. In addition, the company lists several individuals or departments that may be able to advise on possible conflict of interest issues, but does not provide any clear evidence that a designated senior individual or central body is responsible for oversight and accountability of the process.</p>
Evidence
<p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.19] We Avoid Conflicts of Interest</p> <p>[...]</p> <p>If you ever have a question about whether a situation constitutes a conflict for you, always err on the side of caution and immediately report it to your manager, the ethics office, the law department or – for members of our Board of Directors – our General Counsel. While there are many types of possible conflicts, the following are some of the more common we may encounter. Actual or potential conflicts of interest must be immediately disclosed by employees on the relevant Conflicts of Interest form C-196 for the country where you work.</p> <p>[p.21] Outside Employment Opportunities  You should always check with your manager (or the General Counsel if you are a member of the Board) before accepting an outside position to make sure the work won't affect Northrop Grumman or your performance at the company.</p> <p><b>[4] Corporate Responsibility Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>  [p.10] Ethics</p> <p>[...] U.S. employees are required to annually disclose any conflicts of interest and certify that they have read, understand and will comply with the Northrop Grumman Standards of Business Conduct.</p>

Question
<b>4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company has a policy that addresses the risks associated with the employment of public officials. The company's policy includes pre-employment screening procedures, cooling off periods and activity restrictions once the individual has joined the company.</p> <p>However, the company receives a score of '1' because it does not provide further details on the controls that it may implement to reduce risks. Although the company indicates that employees should be careful when engaging in pre-employment discussions with current or former public officials, there is no evidence that it requires senior sign-off before the initiation of such discussions. In addition, there is no indication that the company stipulates the duration of its cooling off periods, nor is it clear that such procedures would apply in all jurisdictions including those where such periods are not directly required by law.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Employment Conflicts</p> <p>Northrop Grumman has procedures regarding conflicts of interest that might arise when hiring employees. Decisions regarding hiring an employment candidate may not be used to induce a party to provide an improper business advantage to the Company. Additionally, hiring procedures require consideration of any post-government "revolving door" requirements for recently departed public officials to ensure they comply with applicable rules and regulations related to their former government employment. Our Standards of Business Conduct can be found here.</p> <p>[...]</p> <p>Political Activity and Contributions – [...] The Company has onboarding screening procedures to identify current and former government relationships in order to address conflicts of interest and to help ensure compliance with laws and regulations related to government post-employment cooling off periods, activity restrictions and prohibitions. Northrop Grumman seeks to ensure that any political activity in which we engage and make contributions are consistent with our high ethical standards and in full compliance with applicable law.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.39] Hiring Current or Former Government Employees</p> <p>Certain laws govern the kinds of preemployment and employment contracts we can enter into with others, and the activities in which former government employees can participate. That is why we must be particularly careful about engaging in discussions of hiring current or former government employees to come to work for Northrop Grumman. This is true whether we are having such discussions directly with the government employee, or others on his or her behalf. If you are involved in the possible hiring or compensation of a current or former government employee, or if you are approached by a current or former government employee regarding employment, be sure to follow the policies and procedures in place to ensure compliance with applicable laws and our company values, and to seek guidance from the law department.</p>

Question
<b>4.4. Does the company report details of the contracted services of serving politicians to the company?</b>
Score
<b>2</b>
Comments
The company publishes a clear statement that it does not retain the services of serving politicians.
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/Political%20Activity%20and%20Contributions">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/Political Activity and Contributions</a></p> <p>As a general matter, Northrop Grumman does not retain the services of serving politicians or government officials.</p>

## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

Question
<b>5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?</b>
Score
<b>0</b>
Comments
<p>There is evidence that the company has a policy on corporate political contributions, which indicates that such activities are restricted but permissible in certain circumstances. The company states that it has not made any political contributions since 2012, but indicates that any such donations would require board-level approval and follow all relevant laws and regulations. In addition, there is evidence that the company is associated with a Political Action Committee (PAC) in the United States, which is overseen by an executive-led committee.</p> <p>Since the company does not clearly prohibit political donations and is associated with a PAC, it receives a score of '0' in line with the scoring criteria.</p>
Evidence
<p><b>[8] Political Contributions (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/investor-relations/political-contributions/">https://www.northropgrumman.com/investor-relations/political-contributions/</a>  Political Activities</p> <p>Northrop Grumman Corporation is engaged in the democratic process at the federal, state and local levels, including expressing its views on important public policy issues. All political activities are in accordance with all applicable laws and are consistent with our principles of good governance and the highest standard of ethics. All political activities, including financial contributions, are made in support of company objectives. They are not based on the personal preferences of individual employees, executives, or board members.</p> <p><b>Governance and Reporting</b>  The company's political activities are managed by the Corporate Vice President for Government Relations, who reports directly to the Chief Executive Officer. In addition, the Policy Committee of the Northrop Grumman Board of Directors provides oversight of the company's political activities to ensure they are in the best interests of the company and its shareholders. This includes governance and compliance of the political action committee, the company's policies and practices with respect to political contributions, and the company's lobbying activities. The Policy Committee receives regular reports on political activities.</p> <p>[...]</p> <p><b>Corporate Expenditures</b>  Since 2012, Northrop Grumman has not made any contributions from corporate funds to candidates for state, local, or federal office or to political parties. The company has also not made any contributions from corporate funds to organizations classified under the Internal Revenue Code as section 527 entities or to any Super PACs, ballot initiatives, electioneering communications, or for independent political expenditures.</p> <p>Should a future situation warrant the use of corporate funds for any of these activities, the decision would require Board approval, would have to be consistent with the interests of Northrop Grumman's shareholders, and would have to conform to applicable laws. Northrop Grumman would be transparent with its disclosure of these expenditures, as it is with other political expenditures. This includes making all legally required filings, including with the Federal Elections Commission (FEC), as well as disclosing any corporate political expenditures on this website on an annual basis.</p>

Corporate contributions to federal candidates are prohibited by federal law, and accordingly, Northrop Grumman makes no such contributions. While the company generally refrains from contributing to 501(c)4 organizations, it does provide financial support to the Human Rights Campaign.

#### Employee Political Action Committee

The Employees of Northrop Grumman Political Action Committee (ENGPAC) is a voluntary, nonpartisan political action committee established by Northrop Grumman in accordance with federal law. ENGPAC is governed by a Steering Committee comprised of company executives and is funded solely from the voluntary personal contributions it receives from eligible employees.

ENGPAC may direct contributions to the campaigns of candidates seeking federal offices, as well as selected state and local campaigns, national political organizations, and other political action committees. ENGPAC contributions are made under the supervision of the Corporate Vice President for Government Relations in compliance with all applicable laws and regulations. All political expenditures made by ENGPAC are disclosed to the FEC and available here.

ENGPAC contributions are made without regard to party affiliation and solely based on a candidate's policy positions on issues of importance to the aerospace and defense industry and to the company and its shareholders. The Policy Committee reviews ENGPAC's operations semi-annually.

#### **[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)**

Accessed 12/05/2020

<https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/>

Political Activity and Contributions – [...] Northrop Grumman seeks to ensure that any political activity in which we engage and make contributions are consistent with our high ethical standards and in full compliance with applicable law.

#### Trade Associations and Lobbying

Northrop Grumman is a member of various trade associations. Northrop Grumman pays regular dues to these organizations but does not typically make additional, non-dues contributions to support the organization's political activities. In the event that Northrop Grumman does make payments to trade associations that are designated for political purposes and are beyond the annual dues, company policy requires the trade association to disclose such contributions as part of its annual reporting. We publicly disclose and update annually a list of those trade associations to which Northrop Grumman paid \$25,000 or more in annual dues, the total contribution to each such trade association and the amount of our contributions that each such association estimates are used for non-deductible or lobbying purposes.

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																																																																																																				
2																																																																																																				
Comments																																																																																																				
The company publishes a clear statement that it has not made any corporate political contributions since 2012. In addition, there is evidence that details of the contributions made by the company's Political Action Committee (ENGPAC), as well as payments made by the company to trade associations, are published on the company's website and disclosed as required to the U.S. Federal Election Commission (FEC).																																																																																																				
Evidence																																																																																																				
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b> Accessed 17/01/2020 <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a> We publicly disclose and update annually a list of those trade associations to which Northrop Grumman paid \$25,000 or more in annual dues, the total contribution to each such trade association and the amount of our contributions that each such association estimates are used for non-deductible or lobbying purposes.</p> <p><b>[8] Political Contributions (Webpage)</b> Accessed 17/01/2020 <a href="https://www.northropgrumman.com/investor-relations/political-contributions/">https://www.northropgrumman.com/investor-relations/political-contributions/</a> Since 2012, Northrop Grumman has not made any contributions from corporate funds to candidates for state, local, or federal office or to political parties. The company has also not made any contributions from corporate funds to organizations classified under the Internal Revenue Code as section 527 entities or to any Super PACs, ballot initiatives, electioneering communications, or for independent political expenditures. [...] All political expenditures made by ENGPAC are disclosed to the FEC and available here.</p> <p><b>[13] Employees of Northrop Grumman Political Action Committee (ENGPAC) 2018 Contributions (Document)</b> Accessed 07/10/2019 <a href="https://www.northropgrumman.com/InvestorRelations/PoliticalContributions/Documents/2018-engpac.pdf">https://www.northropgrumman.com/InvestorRelations/PoliticalContributions/Documents/2018-engpac.pdf</a></p> <p style="text-align: center;"><b>Employees of Northrop Grumman Political Action Committee (ENGPAC) 2018 Contributions</b></p> <table><tr><th>Name</th><th>Candidate</th><th>Office</th><th>Total</th></tr><tr><td colspan="4"><b>ALABAMA</b></td></tr><tr><td>American Security PAC</td><td>Rep. Michael Rogers (R)</td><td>Leadership PAC</td><td>\$5,000</td></tr><tr><td>Byrne for Congress</td><td>Rep. Bradley Byrne (R)</td><td>Congressional District 01</td><td>\$5,000</td></tr><tr><td>BYRNE PAC</td><td>Rep. 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**[14] Northrop Grumman 2018 Listings of Trade Associations Memberships (Document)**

Accessed 11/10/2019

<https://www.northropgrumman.com/InvestorRelations/TradeAssociations/Documents/2018-trade-associations.pdf>

### Northrop Grumman 2018 Listing of Trade Association Memberships

Membership / Organization Name	2018 Total \$	Non-Deductible \$
Aerospace Industries Association	438,209	87,642
American Institute of Aeronautics and Astronautics	120,000	
Association of Old Crows Windy City Chapter	30,100	
Business Round Table	300,000	255,000
Business-Higher Education Forum	70,000	
California Manufacturers & Technology Association	60,200	39,130
Defense Security Information Exchange	50,000	
Healthcare Information Management Systems Society	29,000	397
Homeland Security & Defense Business Council	25,000	
Intelligence and National Security Alliance	50,000	
Internet Security Alliance	70,000	
National Aeronautic Association	30,000	
National Association of Manufacturers	161,200	41,912
National Defense Industrial Association	47,750	
Professional Services Council	46,000	4,600
San Diego Regional Economic Development Corporation	30,000	
Satellite Industry Association	47,000	9,400
Semiconductor Research Corporation (SRCco INC)	1,300,000	10,300
Space Foundation	40,000	
CompTIA	60,000	27,000
The Conference Board	95,500	
US Chamber of Commerce Defense and Aerospace Export Council	50,000	12,500
US-UAE Business Council	25,000	
Vertical Lift Consortium	25,000	3,000
Virginia Chamber of Commerce	30,000	4,500
	<b>3,230,259</b>	<b>495,381</b>

Question
<b>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?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company has a policy on charitable donations and sponsorships. There is evidence that these policies include measures to ensure that these payments are not used as vehicles for bribery and corruption, for example by stipulating criteria for donations and conflict of interest reviews.</p> <p>However, the company receives a score of '1' because there is no evidence that it publishes details of all charitable donations and sponsorships made, including details of the recipient, amount, country of recipient and which corporate entity made the payment.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Policies &amp; Procedures: We maintain a comprehensive set of policies and procedures which support our commitment to anti-corruption compliance. Recognizing that the risk of corruption can arise in connection with many different business activities, the Company's Anti-Corruption Compliance Program includes both broad-based components and more targeted policies and procedures aimed at particular areas of risk.</p> <p><b>Charitable Donations</b></p> <p>Companies often participate in charitable giving programs, especially to give back to the communities in which they operate. However, due care must be taken to ensure that program is a bona fide program, and, accordingly, Northrop Grumman seeks to ensure that the organization has a reputation for honesty and fair dealing and that the donation will not create a conflict of interest with regard to business that the Company is seeking or currently engaging in.</p> <p><b>[9] Corporate Contributions Guidelines (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/corporate-citizenship/corporate-contributions-guidelines/">https://www.northropgrumman.com/corporate-responsibility/corporate-citizenship/corporate-contributions-guidelines/</a>  Northrop Grumman seeks to support and strengthen the communities where our employees work and live. In addition to in-kind and volunteer resources, Northrop Grumman grants help make the lives of the people in our communities better, safer, successful and more resilient. Our Charitable Contributions program provides funding to state / government – accredited schools and 501(c)(3) nonprofit organizations which provide programming or services addressing STEM education, particularly engineering and technology programs, veterans and the military, health and human services, and the environment. In addition, grant requests are reviewed to ensure they are in line with community goals and our strategic priorities which include education, employee engagement and strengthening the community.</p> <p>As a rule, we do not provide grants to:</p> <ul style="list-style-type: none"> <li>• Organizations whose programs discriminate based on race/ethnicity, color, national origin, ancestry, sex/gender, gender identity/expression, sexual orientation, marital/parental status, pregnancy/childbirth or related conditions, religion, creed, age, disability, genetic information, military service/veteran status, disabled veteran, recently separated veteran, other protected veteran, Armed Forces service medal veteran, or any other characteristic protected by law.</li> <li>• Religious schools, colleges/universities or departments (within eligible schools) whose primary focus is to promote religious beliefs (includes seminaries)</li> <li>• Political groups</li> <li>• Fraternal organizations and member-based service organizations</li> <li>• Individuals</li> <li>• Athletic groups or activities, including charity-benefit sporting events;</li> <li>• Charter schools*</li> </ul>

- Bands or choirs
- Capital campaigns
- Organizations providing services primarily to animals

\*Consideration for support for Charter Schools will be given to those with 1) open enrollment and those 2) held to the same standards as other public schools.

## 5.2 Lobbying

Question
<b>5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is some evidence that the company has a procedure on lobbying. The company states that any engagement in lobbying requires prior written approval from the company's management team, which includes its law department.</p> <p>However, the company receives a score of '1' because there is no clear evidence that its policy defines responsible lobbying, nor is there evidence that it stipulates certain standards of conduct or specific oversight mechanisms that apply to all types of lobbyists. In addition, it is not clear from publicly available information that its procedures apply to all employees, board members and third parties engaged in lobbying activities on the company's behalf.</p>
Evidence
<p><b>[8] Political Contributions (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/investor-relations/political-contributions/">https://www.northropgrumman.com/investor-relations/political-contributions/</a>  Political Activities</p> <p>Northrop Grumman Corporation is engaged in the democratic process at the federal, state and local levels, including expressing its views on important public policy issues. All political activities are in accordance with all applicable laws and are consistent with our principles of good governance and the highest standard of ethics. All political activities, including financial contributions, are made in support of company objectives. They are not based on the personal preferences of individual employees, executives, or board members.</p> <p>Governance and Reporting</p> <p>The company's political activities are managed by the Corporate Vice President for Government Relations, who reports directly to the Chief Executive Officer. In addition, the Policy Committee of the Northrop Grumman Board of Directors provides oversight of the company's political activities to ensure they are in the best interests of the company and its shareholders. This includes governance and compliance of the political action committee, the company's policies and practices with respect to political contributions, and the company's lobbying activities. The Policy Committee receives regular reports on political activities.</p> <p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Trade Associations and Lobbying</p> <p>Northrop Grumman is a member of various trade associations. Northrop Grumman pays regular dues to these organizations but does not typically make additional, non-dues contributions to support the organization's political activities. In the event that Northrop Grumman does make payments to trade associations that are designated for political purposes and are beyond the annual dues, company policy requires the trade association to disclose such contributions as part of its annual reporting. We publicly disclose and update annually a list of those trade associations to which Northrop Grumman paid \$25,000 or more in annual dues, the total contribution to each such trade association and the amount of our contributions that each such association estimates are used for non-deductible or lobbying purposes.</p> <p>Northrop Grumman generally does not engage in political activities outside the United States, including lobbying activities to influence a legislative process. However, when deemed appropriate to do so, and only as permitted by and in compliance with all applicable laws and Company policies and procedures, Northrop Grumman has a policy regarding the prior written approvals required by senior executive management, including the law department.</p>

Question																																																																											
<b>5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?</b>																																																																											
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<p>The company publishes some information on its lobbying topics and activities in the United States by making its quarterly federal lobbying reports publicly available via a direct link on its website.</p> <p>However, the company does not provide further details about its broader public policy aims or positions. Although the company indicates that it does not generally engage in lobbying outside of the United States, there is no evidence that the company publishes any information on the activities that it has conducted in other jurisdictions nor does it clearly state that it has not engaged in lobbying elsewhere in the most recently reported financial period.</p>																																																																											
<b>Evidence</b>																																																																											
<p><b>[16] United States Lobbying Disclosures Q2 2020 – Registrant: “Northrop Grumman” (Webpage)</b>  Accessed 21/12/2020  <a href="https://disclosurespreview.house.gov/ld/ldxmlrelease/2020/Q2/301199106.xml">https://disclosurespreview.house.gov/ld/ldxmlrelease/2020/Q2/301199106.xml</a></p> <p><b>LOBBYING ACTIVITY.</b> Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.</p> <p>15. General issue area code DEF</p> <p>16. Specific lobbying issues</p> <p>H.R. 6395, S.4049 FY21 National Defense Authorization Act; H.R.7617 FY21 DOD Appropriations Act (no Senate bill number assigned yet); National Security Space Programs; HR 7608 FY21 Military Construction and Veterans Affairs Appropriations (no Senate bill number assigned yet); Issues related to COVID-19</p> <p>17. House(s) of Congress and Federal agencies <input type="checkbox"/> Check if None</p> <p>U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Air Force - Dept of, Army - Dept of (Other), Defense - Dept of (DOD), Navy - Dept of</p> <p>18. Name of each individual who acted as a lobbyist in this issue area</p> <table border="1"> <thead> <tr> <th>First Name</th> <th>Last Name</th> <th>Suffix</th> <th>Covered Official Position (if applicable)</th> <th>New</th> </tr> </thead> <tbody> <tr><td>Lesley</td><td>Kalan</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Benjamin</td><td>Abrams</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>John</td><td>Koehn</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Erin</td><td>Pierce</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Brian</td><td>Wilson</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Meagan</td><td>Linn</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>John W.</td><td>Heath</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Jill K.</td><td>Pomeroy</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Gabrielle</td><td>Batkin</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Allison</td><td>Deters</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Rick</td><td>Kendust</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Shawn</td><td>Brown</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Virginia</td><td>Scattergood</td><td></td><td></td><td><input type="checkbox"/></td></tr> <tr><td>Chris</td><td>Hall</td><td></td><td></td><td><input type="checkbox"/></td></tr> </tbody> </table> <p>19. Interest of each foreign entity in the specific issues listed on line 16 above <input checked="" type="checkbox"/> Check if None</p> <p>[Report continues to list further information under other relevant general issue codes]</p> <p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a></p> <p>Northrop Grumman generally does not engage in political activities outside the United States, including lobbying activities to influence a legislative process. However, when deemed appropriate to do so, and only as permitted by and in compliance with all applicable laws and Company policies and procedures, Northrop Grumman has a policy regarding the prior written approvals required by senior executive management, including the law department.</p>	First Name	Last Name	Suffix	Covered Official Position (if applicable)	New	Lesley	Kalan			<input type="checkbox"/>	Benjamin	Abrams			<input type="checkbox"/>	John	Koehn			<input type="checkbox"/>	Erin	Pierce			<input type="checkbox"/>	Brian	Wilson			<input type="checkbox"/>	Meagan	Linn			<input type="checkbox"/>	John W.	Heath			<input type="checkbox"/>	Jill K.	Pomeroy			<input type="checkbox"/>	Gabrielle	Batkin			<input type="checkbox"/>	Allison	Deters			<input type="checkbox"/>	Rick	Kendust			<input type="checkbox"/>	Shawn	Brown			<input type="checkbox"/>	Virginia	Scattergood			<input type="checkbox"/>	Chris	Hall			<input type="checkbox"/>
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**[8] Political Contributions (Webpage)**

Accessed 17/01/2020

<https://www.northropgrumman.com/investor-relations/political-contributions/>

**Political Activities**

Northrop Grumman Corporation is engaged in the democratic process at the federal, state and local levels, including expressing its views on important public policy issues. All political activities are in accordance with all applicable laws and are consistent with our principles of good governance and the highest standard of ethics. All political activities, including financial contributions, are made in support of company objectives. They are not based on the personal preferences of individual employees, executives, or board members.

[...]

In addition, the Policy Committee of the Northrop Grumman Board of Directors provides oversight of the company's political activities to ensure they are in the best interests of the company and its shareholders. This includes governance and compliance of the political action committee, the company's policies and practices with respect to political contributions, and the company's lobbying activities. The Policy Committee receives regular reports on political activities.

Northrop Grumman files lobbying disclosure reports with the United States Congress, which are available [here](#). The company files similar reports where required at the state level.

<b>Question</b>				
<b>5.2.3 Does the company publish full details of its global lobbying expenditure?</b>				
<b>Score</b>				
<b>1</b>				
<b>Comments</b>				
<p>There is evidence that the company publishes summary information of its lobbying expenditure in the United States by making its quarterly federal lobbying reports publicly available via a direct link on its website.</p> <p>However, the company receives a score of '1' because 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, although the company indicates that it does not generally engage in lobbying outside of the United States, there is no evidence that the company publishes any information on any expenditure that relates to such activities nor does it clearly state that it has not engaged in lobbying elsewhere in the most recently reported financial period.</p>				
<b>Evidence</b>				
<p><b>[8] Political Contributions (Webpage)</b>          Accessed 17/01/2020  <a href="https://www.northropgrumman.com/investor-relations/political-contributions/Governance%20and%20Reporting">https://www.northropgrumman.com/investor-relations/political-contributions/Governance and Reporting</a>          The company's political activities are managed by the Corporate Vice President for Government Relations, who reports directly to the Chief Executive Officer. In addition, the Policy Committee of the Northrop Grumman Board of Directors provides oversight of the company's political activities to ensure they are in the best interests of the company and its shareholders. This includes governance and compliance of the political action committee, the company's policies and practices with respect to political contributions, and the company's lobbying activities. The Policy Committee receives regular reports on political activities.</p> <p>Northrop Grumman files lobbying disclosure reports with the United States Congress, which are available here. The company files similar reports where required at the state level.</p> <p><b>[16] United States Lobbying Disclosures Q2 2020 – Registrant: “Northrop Grumman” (Webpage)</b>          Accessed 21/12/2020  <a href="https://disclosurespreview.house.gov/ld/ldxmlrelease/2020/Q2/301199106.xml">https://disclosurespreview.house.gov/ld/ldxmlrelease/2020/Q2/301199106.xml</a></p> <p><b>TYPE OF REPORT</b>      8. Year <u>2020</u>    Q1 (1/1 - 3/31) <input type="checkbox"/>    Q2 (4/1 - 6/30) <input checked="" type="checkbox"/>    Q3 (7/1 - 9/30) <input type="checkbox"/>    Q4 (10/1 - 12/31) <input type="checkbox"/></p> <p>9. Check if this filing amends a previously filed version of this report <input type="checkbox"/></p> <p>10. Check if this is a Termination Report <input type="checkbox"/>      Termination Date _____      11. No Lobbying Issue Activity <input type="checkbox"/></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; background-color: #f2f2f2;"><b>INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13</b></th> </tr> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <p style="text-align: center;"><b>12. Lobbying</b></p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input type="checkbox"/> \$ _____</p> <p>Provide a good faith estimate, rounded to the nearest \$10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p> </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <p style="text-align: center;"><b>13. Organizations</b></p> <p>EXPENSE relating to lobbying activities for this reporting period were:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input checked="" type="checkbox"/> \$ <u>2,340,000.00</u></p> <p><b>14. REPORTING</b> Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input type="checkbox"/> <b>Method A.</b> Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> <b>Method B.</b> Reporting amounts under section 6033(b)(8) of the Internal Revenue Code</p> <p><input checked="" type="checkbox"/> <b>Method C.</b> Reporting amounts under section 162(e) of the Internal Revenue Code</p> </td> </tr> </table> <p>Signature      <u>Digitally Signed By: Gabrielle Batkin, Vice President, Legislative Affairs, Northrop Grumman Corporation</u>      Date      <u>7/20/2020 3:21:08 PM</u></p>	<b>INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13</b>		<p style="text-align: center;"><b>12. 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<b>INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13</b>				
<p style="text-align: center;"><b>12. Lobbying</b></p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input type="checkbox"/> \$ _____</p> <p>Provide a good faith estimate, rounded to the nearest \$10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p style="text-align: center;"><b>13. Organizations</b></p> <p>EXPENSE relating to lobbying activities for this reporting period were:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input checked="" type="checkbox"/> \$ <u>2,340,000.00</u></p> <p><b>14. REPORTING</b> Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input type="checkbox"/> <b>Method A.</b> Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> <b>Method B.</b> Reporting amounts under section 6033(b)(8) of the Internal Revenue Code</p> <p><input checked="" type="checkbox"/> <b>Method C.</b> Reporting amounts under section 162(e) of the Internal Revenue Code</p>			

### 5.3 Gifts and Hospitality

Question
<b>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?</b>
Score
<b>1</b>
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, with procedures designed to ensure that such promotional expenses are not used as vehicles for bribery. There is evidence that the policy places proportional limits on different types of promotional expenses. The company also states that in general employees must not offer or accept gifts and hospitality from government officials.</p> <p>However, the company receives a score of '1' because there is no clear evidence that all gifts and hospitality above a certain threshold are held in a dedicated central register which is accessible to those responsible for oversight of the process. The company indicates that it maintains a central register of business courtesies for non-U.S. government officials that exceed a certain limit, but it is not clear that the same requirements apply for recipients in the U.S. or outside of government.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Business Courtesies – Northrop Grumman has procedures for employees to follow with guidelines that outline whether and how one can provide or accept business courtesies to or from customers, agents, consultants, suppliers and other non-employee business associates. Business courtesies are broadly defined to include gifts, meals, travel and lodging, entertainment, recreation, promotional items, or other tangible and intangible items provided to a person at no charge or below its market value. The procedure contains a detailed matrix with prescribed limits for gifts and meals by country. Proposed business courtesies that will exceed the prescribed country limits must be approved by the applicable business unit's management, the law department and/or the Ethics organization. The law department maintains a centralized register of business courtesies for non-U.S. government officials that exceed various prescribed country limits to assist with compliance oversight. Business courtesies are also accurately recorded in the Company's books and records.</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.22] Business Courtesies  When we compete in the marketplace, we do so on the basis of product quality, service, price and other similar factors. We never seek to gain or exert any improper advantage or influence, such as through the use of business courtesies like gifts, meals or offers of entertainment. In fact, we must avoid even the perception of an improper advantage or influence.</p> <p>Entertainment and other gifts are often exchanged in the commercial business world to open up business conversations or even just to express appreciation or thanks. However, this common practice can easily lead to a conflict of interest, or the appearance of one, if guidelines are not followed. And the appearance of impropriety can erode confidence in us and our procurement process.</p> <p>In general, we do not offer or accept gifts, entertainment, favours, gratuities or hospitality to or from:</p> <ul style="list-style-type: none"> <li>• Individuals or firms conducting or seeking to conduct business with our company</li> <li>• Government officials</li> <li>• Others who can impact Northrop Grumman or its businesses</li> </ul> <p>When we do offer or accept gifts or business entertainment, they must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Ordinary and customary</li> <li>• Infrequent and not lavish</li> </ul>

- Of token value
- Not cash or cash equivalents (such as gift cards)
- Legal under applicable local laws and in line with both the giver's and the recipient's gift policies
- Arises in the ordinary course of business
- Takes place in a setting that is appropriate and fitting in light of its business purposes

If you would like to give or accept a business courtesy that does not meet these requirements, you must seek prior written approval. In addition, you are required to follow all business courtesy reporting requirements set forth in our policy.

Q: Jacqueline is working on renewing a contract with an existing supplier. After an onsite meeting, the supplier invites Jacqueline out for dinner to show her their appreciation for the partnership. She's worried that this might be inappropriate. Is she right?

## 6. Supply Chain Management

Question
<b>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?</b>
Score
<b>0</b>
Comments
There is no publicly available evidence that the company requires the involvement of its procurement department in the establishment and oversight of its supplier base. The company indicates that the procedures in place for its supply chain are integrated into its wider third party processes, however there is no clear evidence that a central procurement department is the main body responsible for establishing and monitoring supplier relationships.
Evidence
<b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b> Accessed 21/12/2020 <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a> Third Parties – [...] Our third party diligence procedure is integrated and harmonized across the enterprise with applicable Supply Chain, Contracts, and Finance work processes and procedures.

Question
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company has formal procedures in place to conduct risk-based due diligence when engaging and re-engaging with any suppliers. The company's due diligence process clearly includes establishing the ultimate beneficial ownership of the supplying company, and there is evidence indicating that the highest risk suppliers are subject to enhanced due diligence.</p> <p>In addition, there is evidence that the company refreshes its due diligence periodically and when there is a change in the risk profile of the supplier. There is also some evidence to suggest that the company might be willing to review or terminate supplier relationships in circumstances where a red flag highlighted in the due diligence process cannot be mitigated.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a></p> <p>Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). Our third party diligence procedure is integrated and harmonized across the enterprise with applicable Supply Chain, Contracts, and Finance work processes and procedures.</p> <p>The procedure requires trading partner relationships to be properly characterized in written agreements, recorded accurately in the Company's books and records, and employ a legitimate, market-based, and legally compliant basis of compensation for goods and services provided. We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. We seek to establish ultimate beneficial ownership of agents and intermediaries. If we are not satisfied with the information received regarding such beneficial ownership or control, or other due diligence information on a prospective trading partner, we may determine not to enter into an agreement with that party.</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. We also reserve the right to terminate agreements for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons. Northrop Grumman also conducts due diligence on second and lower tiered subcontractors for certain higher risk transaction types and may require the third party to "flow-down" anti-corruption compliance undertakings to its subcontractors in those circumstances.</p>

Question
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company requires that its suppliers have adequate anti-bribery and corruption policies and procedures in place. The company clearly states that all suppliers must comply with its Supplier Standards of Business Conduct, which prohibits bribery and facilitation payments, and outlines procedures on conflicts of interest, gifts and hospitality, and whistleblowing. The company takes active steps to ensure this at the start of the relationship by including these provisions in its contractual agreements, and through a review when there is a change in the relationship with the supplier.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Trading Partners: We evaluate and carefully select third parties with whom we do business, and clearly communicate our expectations that these third parties share our commitment to the highest level of ethics, integrity, and compliance with applicable laws, rules and regulations, including those related to anti-corruption. Third parties explicitly commit to adhere to these standards and agree to comply with our Supplier Standards of Business Conduct.</p> <p>[...]</p> <p>Third Parties</p> <p>[...] We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. [...]</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and we conduct additional due diligence if the risk profile of the third party increases. Each approved third party must contractually commit to anti-corruption compliance undertakings and notify Northrop Grumman of changes to its due diligence information. Northrop Grumman also conducts due diligence on second and lower tiered subcontractors for certain higher risk transaction types and may require the third party to "flow-down" anti-corruption compliance undertakings to its subcontractors in those circumstances.</p> <p><b>[6] Supplier Standards of Business Conduct (Document)</b>  Accessed 17/01/2020  <a href="https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf">https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf</a>  [p.2] 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.</p> <p>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.</p> <p>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.</p>

**[p.6] 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

**[p.7] 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.

**[p.8] 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.

**[p.16] 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.

**[4] Corporate Responsibility Report 2018 (Document)**

Accessed 17/01/2020

[https://www.northropgrumman.com/wp-content/uploads/2018\\_Northrop\\_Grumman\\_Corp\\_Responsibility\\_Report.pdf](https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf)

**[p.16] Supplier Responsibility**

We take pride in conducting our business with a broad perspective, taking into account our customers, employees, shareholders, and the environment and communities in which we operate. As a global company, we continue to mature our supply base both domestically and abroad. We have established strategic supplier relationships that support the growth of our global business. Our suppliers must act ethically at all times and ensure the integrity of their operations. Our reputation, ability to do business and products and services may be impacted by among other things, the improper conduct of employees, agents and/or our supply base.

**Question**

<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company takes steps to ensure that its sub-contractors have adequate anti-bribery and corruption programmes in place. The company states that it conducts due diligence on lower tier subcontractors in high risk transactions and indicates that it may require the supplier to take steps to cascade anti-corruption compliance to lower tiers. In addition, the company's Supplier Standards of Business Conduct requires that such entities conduct anti-corruption due diligence on their own sub-contracts.</p>
<b>Evidence</b>
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  [...] Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. [...] Northrop Grumman also conducts due diligence on second and lower tiered subcontractors for certain higher risk transaction types and may require the third party to "flow-down" anti-corruption compliance undertakings to its subcontractors in those circumstances.</p> <p><b>[6] Supplier Standards of Business Conduct (Document)</b>  Accessed 12/05/2020  <a href="https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf">https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf</a>  [p.6] A Supplier Must Not Use Unethical or Illegal Business Practices</p> <p>[...]</p> <p>We require our suppliers to use due diligence to prevent and detect corruption in all business arrangements, including:</p> <ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Subcontracts</li> <li>• Joint ventures</li> <li>• Offset agreements</li> <li>• The hiring of intermediaries such as agents or consultants</li> </ul>

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

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

Question
<b>7.1.1 Does the company have a clear policy on the use of agents?</b>
Score
<b>1</b>
Comments
<p>There is some publicly available evidence that the company has a policy on the use of agents, which includes enhanced due diligence procedures and restrictions on remuneration for such entities. There is evidence to indicate that this policy applies to all sales representatives and agents acting on behalf of the company.</p> <p>However, the company receives a score of '1' because there is no clear evidence that its policy addresses the specific corruption risks associated with the use of agents, nor is there evidence that its commit to establishing that the use of each agent is necessary to perform a legitimate business function.</p>
Evidence
<p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.7] We Embrace Our Roles and Responsibilities  At Northrop Grumman, we are committed to leading the way with the highest standards of ethics and integrity, which are integral to maintaining our reputation as a top performer in our industry. Abiding by our Standards of Business Conduct (Standards), our values and the applicable laws of the countries where we do business not only ensures we meet legal requirements; it is also an important statement about who we are.</p> <p>This commitment applies to each of us at Northrop Grumman, regardless of position or level of authority. In addition to managers and employees, the Northrop Grumman Values and Standards of Business Conduct address members of the Board of Directors, consultants, agents, contractors and other third parties who are authorised to act on our company's behalf. We are each responsible for abiding by the Standards of Business Conduct, complying with applicable laws and regulations and ensuring the integrity of our actions and decisions, as well as those who act on our company's behalf, regardless of where we work or what we do at Northrop Grumman.</p> <p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). [...]</p> <p>The procedure requires trading partner relationships to be properly characterized in written agreements, recorded accurately in the Company's books and records, and employ a legitimate, market-based, and legally compliant basis of compensation for goods and services provided. We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. We seek to establish ultimate beneficial ownership of agents and intermediaries. If we are not satisfied with the information received regarding such beneficial ownership or control, or other due diligence information on a prospective trading partner, we may determine not to enter into an agreement with that</p>

party.

Question
<b>7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence prior to engaging and re-engaging with its third parties and agents. There is evidence that agents and the highest risk intermediaries are subject to enhanced due diligence. The company states that it refreshes due diligence periodically and when there is a change in the risk profile of the third party.</p> <p>In addition, there is evidence that the company commits to not engage or review and potentially terminate its engagement with agents or intermediaries where the risks identified in the due diligence cannot be mitigated.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a></p> <p>Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). [...]</p> <p>The procedure requires trading partner relationships to be properly characterized in written agreements, recorded accurately in the Company's books and records, and employ a legitimate, market-based, and legally compliant basis of compensation for goods and services provided. We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. We seek to establish ultimate beneficial ownership of agents and intermediaries. If we are not satisfied with the information received regarding such beneficial ownership or control, or other due diligence information on a prospective trading partner, we may determine not to enter into an agreement with that party.</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. We also reserve the right to terminate agreements for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons. [...]</p>

Question
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company seeks to establish the ultimate beneficial ownership of agents and intermediaries as part of its due diligence processes. There is evidence that the company has enhanced screening procedures to examine the beneficial ownership of high risk agents. The company indicates that it conducts such checks periodically throughout the lifecycle of the business relationship, and indicates that all agents are contractually obliged to report any material changes in beneficial ownership information, which may trigger additional controls or a review of the relationship.</p> <p>In addition, there is evidence that the company commits to not engage or review and potentially terminate its engagement with agents or intermediaries where the risks identified in the due diligence cannot be mitigated.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a></p> <p>Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). [...]</p> <p>[...] We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. We seek to establish ultimate beneficial ownership of agents and intermediaries. If we are not satisfied with the information received regarding such beneficial ownership or control, or other due diligence information on a prospective trading partner, we may determine not to enter into an agreement with that party.</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. [...]</p>

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company's anti-bribery and corruption policy applies to all agents and intermediaries acting for or on behalf of the company. The company indicates that all agents and intermediaries are subject to anti-bribery and corruption clauses in their contracts, which include clear audit and termination rights to detect, control and prevent breaches.</p>
Evidence
<p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.7] We Embrace Our Roles and Responsibilities  At Northrop Grumman, we are committed to leading the way with the highest standards of ethics and integrity, which are integral to maintaining our reputation as a top performer in our industry. Abiding by our Standards of Business Conduct (Standards), our values and the applicable laws of the countries where we do business not only ensures we meet legal requirements; it is also an important statement about who we are.</p> <p>This commitment applies to each of us at Northrop Grumman, regardless of position or level of authority. In addition to managers and employees, the Northrop Grumman Values and Standards of Business Conduct address members of the Board of Directors, consultants, agents, contractors and other third parties who are authorised to act on our company's behalf. We are each responsible for abiding by the Standards of Business Conduct, complying with applicable laws and regulations and ensuring the integrity of our actions and decisions, as well as those who act on our company's behalf, regardless of where we work or what we do at Northrop Grumman.</p> <p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Third Parties</p> <p>[...]</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. We also reserve the right to terminate agreements for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons. [...]</p> <p>[...] Northrop Grumman also administers a heightened scrutiny diligence program for third parties operating in high risk markets which triggers, among other items, more frequent training, compliance certifications, media searches, and may require audits of trading partners meeting certain criteria. Additionally, we provide for audit rights in contracts with commission sales representatives and marketing consultants along with termination provisions for violations of law and breach of compliance representations, covenants and warranties.</p>

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company highlights and addresses incentive structures for agents as a factor in bribery and corruption risk. The company states that commission fees are determined according to local market value and that both expenses and commissions are capped to ensure that the overall remuneration remains reasonable and proportionate. In addition, there is evidence that the company only pays remuneration to agents in staged payments over the course of their contract, based on clear milestones, and it commits to only paying agents into local bank accounts.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Third Parties</p> <p>[...]</p> <p>Our policies and procedures require that third parties' compensation be commensurate with the value of the goods or services provided. We design compensation structures for agents to promote ethical behavior and discourage corrupt practices. For example, commission rates are evaluated against comparable local data, commission and expense caps are utilized to ensure total compensation remains commercially reasonable, and remuneration is paid by wire transfer in the name of the contracting party to a bank account located in the country of the agent for transparency purposes. Commission payments are generally made in stages based on contract completion milestones. Northrop Grumman also administers a heightened scrutiny diligence program for third parties operating in high risk markets which triggers, among other items, more frequent training, compliance certifications, media searches, and may require audits of trading partners meeting certain criteria. Additionally, we provide for audit rights in contracts with commission sales representatives and marketing consultants along with termination provisions for violations of law and breach of compliance representations, covenants and warranties.</p>

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 on its behalf.
Evidence
No evidence found.

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

## 7.2 Joint Ventures

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence on all of its joint venture partnerships. The company states that this includes establishing the ultimate beneficial ownership of the partner company, with enhanced due diligence for joint ventures operating in high risk markets. There is evidence that the company conducts anti-bribery and corruption due diligence prior to entering into a joint venture and when there is a change in the business relationship.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a></p> <p>Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). Our third party diligence procedure is integrated and harmonized across the enterprise with applicable Supply Chain, Contracts, and Finance work processes and procedures.</p> <p>The procedure requires trading partner relationships to be properly characterized in written agreements, recorded accurately in the Company's books and records, and employ a legitimate, market-based, and legally compliant basis of compensation for goods and services provided. We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. [...]</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. We also reserve the right to terminate agreements for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons. [...]</p> <p>[...] Northrop Grumman also administers a heightened scrutiny diligence program for third parties operating in high risk markets which triggers, among other items, more frequent training, compliance certifications, media searches, and may require audits of trading partners meeting certain criteria. Additionally, we provide for audit rights in contracts with commission sales representatives and marketing consultants along with termination provisions for violations of law and breach of compliance representations, covenants and warranties.</p>

Question
<b>7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture relationships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?</b>
Score
<b>1</b>
Comments
<p>There is some evidence that the company considers anti-bribery and corruption issues when entering into a joint venture and that it requires all third parties to commit to anti-corruption undertakings. There is also evidence that the company includes anti-corruption clauses in its contracts with joint venture partners, with clear termination rights in the event of a compliance violation or after a review of any changes to its beneficial ownership.</p> <p>However, the company receives a score of '1' because there is no clear evidence that it requires all joint ventures to adopt its own anti-bribery and corruption programme or that it works with partner companies to develop a programme. There is also no evidence that the company includes audit rights in its contracts with joint venture partners to detect, control and prevent breaches.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). Our third party diligence procedure is integrated and harmonized across the enterprise with applicable Supply Chain, Contracts, and Finance work processes and procedures.</p> <p>The procedure requires trading partner relationships to be properly characterized in written agreements, recorded accurately in the Company's books and records, and employ a legitimate, market-based, and legally compliant basis of compensation for goods and services provided. We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. [...]</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. We also reserve the right to terminate agreements for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons. [...]</p> <p><b>[2] Standards of Business Conduct (Document)</b>  Accessed 21/08/2019  <a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>  [p.7] We Embrace Our Roles and Responsibilities  At Northrop Grumman, we are committed to leading the way with the highest standards of ethics and integrity, which are integral to maintaining our reputation as a top performer in our industry. Abiding by our Standards of Business Conduct (Standards), our values and the applicable laws of the countries where we do business not only ensures we meet legal requirements; it is also an important statement about who we are.</p> <p>This commitment applies to each of us at Northrop Grumman, regardless of position or level of authority. In addition to managers and employees, the Northrop Grumman Values and Standards of Business Conduct address</p>

members of the Board of Directors, consultants, agents, contractors and other third parties who are authorised to act on our company's behalf. We are each responsible for abiding by the Standards of Business Conduct, complying with applicable laws and regulations and ensuring the integrity of our actions and decisions, as well as those who act on our company's behalf, regardless of where we work or what we do at Northrop Grumman.

Question
<b>7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?</b>
Score
<b>0</b>
Comments
There is no publicly available evidence that the company commits to take an active role in preventing bribery and corruption in its joint ventures, for example, by stipulating provisions for secondments of its senior management, providing specific anti-corruption training or establishing a separate internal audit function.
Evidence
No evidence found.

## 8. Offsets

Question
<b>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?</b>
Score
<b>0</b>
Comments
<p>There is no clear evidence that the company addresses the possible corruption risks associated with offset contracting, nor is there evidence that a dedicated body, department or team is responsible for oversight of the company's offset activities. The company provides some information on its due diligence and review processes, but there is no further indication that it addresses the specific risks or provides dedicated training for staff involved in the company's offset activities.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 11/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>  Industrial Participation and Offsets – Northrop Grumman has procedures that require a review of proposed industrial participation and offset transactions and agreements to assess the business rationale prior to making any binding commitments. We also conduct risk based anti-corruption due diligence on trading partners involved with industrial participation and offset programs, such as, brokers, fulfillment partners, and technology transfer recipients.</p> <p><b>[12] Annual Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf</a>  [p.10] Our contracts with non-U.S. customers may also include terms and reflect legal requirements that create additional risks. They may include industrial cooperation agreements requiring specific in-country purchases, investments, manufacturing agreements or other operational or financial obligations, including offset obligations, and provide for significant penalties if we fail to meet such requirements. They may also require us to enter into letters of credit, performance or surety bonds, bank guarantees and/or other financial arrangements to secure our performance obligations. We also increasingly are dependent on in-country suppliers and we face risks related to their failure to perform in accordance with the contracts and applicable laws, particularly where we rely on a sole source supplier. Our ability to sell products outside the U.S. could be adversely affected if we are unable to design our products for export on a cost effective basis or to obtain and retain all necessary export licenses and authorizations on a timely basis. We face risks related to our products that are approved for export, but may be subject to the U.S. government changing or canceling the export license after the product is ordered. Our ability to conduct business outside of the U.S. also depends on our ability to attract and retain sufficient qualified personnel with the skills and/or security clearances in the markets in which we do business.</p>

Question
<b>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?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations. The company indicates that this process includes checks on the beneficial ownership of any offset brokers or beneficiaries, as well as conflict of interest risks associated with the brokers or beneficiaries.</p> <p>In addition, there is evidence that the company refreshes this due diligence periodically or whenever there is a change in the business relationship or nature of the partner. There is evidence that the company has procedures in place to assess the business rationale of any proposed offset project prior to entering into binding agreements.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>  Accessed 12/05/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a></p> <p>Third Parties – Northrop Grumman maintains a robust procedure to ensure that appropriate risk-based due diligence is conducted, and periodically refreshed, on third parties providing goods or performing services on behalf of the Company (sales representatives, agents, consultants, joint venture partners, lobbyists, offset consultants and fulfillment partners, customs brokers and freight forwarders, prime and subcontract teaming partners, resellers and distributors, professional and technical service providers, and all other suppliers). [...]</p> <p>The procedure requires trading partner relationships to be properly characterized in written agreements, recorded accurately in the Company's books and records, and employ a legitimate, market-based, and legally compliant basis of compensation for goods and services provided. We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors. We seek to establish ultimate beneficial ownership of agents and intermediaries. If we are not satisfied with the information received regarding such beneficial ownership or control, or other due diligence information on a prospective trading partner, we may determine not to enter into an agreement with that party.</p> <p>We refresh due diligence periodically during the life cycle of the third party relationship and conduct additional due diligence if the risk profile of the third party increases. Each approved third party is asked contractually to commit to anti-corruption compliance undertakings, to notify us of material changes to its due diligence information (including ultimate beneficial ownership) and promptly to provide additional information related to such changed information. In the event of a material change to the ultimate beneficial ownership or other due diligence information, we reserve the right to suspend performance under the agreement. We also reserve the right to terminate agreements for violation of anti-corruption compliance representations, warranties, and covenants, among other reasons. [...]</p> <p>[...]</p> <p>Industrial Participation and Offsets – Northrop Grumman has procedures that require a review of proposed industrial participation and offset transactions and agreements to assess the business rationale prior to making any binding commitments. We also conduct risk based anti-corruption due diligence on trading partners involved with industrial participation and offset programs, such as, brokers, fulfillment partners, and technology transfer recipients.</p>

Question
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<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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 its offset programme.
<b>Evidence</b>
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
<b>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?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is evidence that the company acknowledges the corruption risks associated with operating in different markets and that it has a dedicated process in place to assess such risks.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence on the risk management procedures that it has in place, nor is there evidence to suggest that the results of these assessments have an impact on business decisions or trigger the implementation of additional anti-corruption controls.</p>
Evidence
<p><b>[1] Anti-Corruption Compliance at Northrop Grumman (Webpage)</b>          Accessed 17/01/2020  <a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>          We screen third parties seeking to work with Northrop Grumman against multiple risk factors, including but not limited to, the corruption risk of the country where the third party is located and where they will be working with Northrop Grumman; the nature of the proposed transaction; the third party's ultimate beneficial owners and whether the relationship would create a conflict of interest; the relevant experience and capability of the third party; proposed compensation and payment arrangements; whether the third party is deemed to have an effective anti-corruption program; and Northrop Grumman's experience working with the third party, among other factors.</p> <p>[...] Northrop Grumman also conducts due diligence on second and lower tiered subcontractors for certain higher risk transaction types and may require the third party to "flow-down" anti-corruption compliance undertakings to its subcontractors in those circumstances.</p> <p>[...] Northrop Grumman also administers a heightened scrutiny diligence program for third parties operating in high risk markets which triggers, among other items, more frequent training, compliance certifications, media searches, and may require audits of trading partners meeting certain criteria.</p> <p><b>[12] Annual Report 2018 (Document)</b>          Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf</a>          [p.10] Our international business exposes us to additional risks, including risks related to geopolitical and economic factors, laws and regulations.</p> <p>Sales to customers outside the U.S. are an increasingly important component of our strategy. Our international business (including our participation in joint ventures and other joint business arrangements) is subject to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally. These risks differ in some respects from those associated with our U.S. business and our exposure to such risks may increase if our international business continues to grow as we anticipate.</p> <p>Our international business is subject to both U.S. and foreign laws and regulations, including, without limitation, laws and regulations relating to import-export controls, technology transfer restrictions, government contracts and procurement, data privacy and protection, investment, exchange rates and controls, the Foreign Corrupt Practices Act (FCPA) and other anti-corruption laws, the anti-boycott provisions of the U.S. Export Administration Act, labor and employment, works councils and other labor groups, anti-human trafficking, taxes, environment, immunity, security restrictions and intellectual property. Failure by us, our employees, affiliates, partners or others with whom we work to comply with applicable laws and regulations could result in administrative, civil, commercial or criminal liabilities, including suspension or debarment from government contracts or suspension of our export privileges. Our customers outside of the U.S. generally have the ability to terminate contracts for default based on performance. Suspension or debarment, or termination of a contract due to default, in particular, could have a material adverse</p>

effect on our reputation, our ability to compete for other contracts and our financial position, results of operations and/or cash flows. New regulations and requirements, or changes to existing ones in the various countries in which we operate can significantly increase our costs and risks of doing business internationally.

Changes in laws, regulations, political leadership and environment, or security risks may dramatically affect our ability to conduct or continue to conduct business in international markets. Our international business may be impacted by changes in U.S. and foreign national policies and priorities, and geopolitical relationships, any of which may be influenced by changes in the threat environment, political leadership, geopolitical uncertainties, world events, bilateral and multi-lateral relationships, government budgets, and economic and political factors more generally, and any of which could impact funding for programs, alter export authorizations, or delay purchasing decisions or customer payments. We also could be affected by the legal, regulatory and economic impacts of Britain's anticipated exit from the European Union, the full impact of which is not known at this time. Global economic conditions and fluctuations in foreign currency exchange rates could further impact our business. For example, the tightening of credit in financial markets outside of the U.S. could adversely affect the ability of our customers and suppliers to obtain financing and could result in a decrease in or cancellation of orders for our products and services or impact the ability of our customers to make payments.

Question
<b>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)?</b>
Score
<b>0</b>
Comments
<p>There is no evidence that the company publishes a clear list of its fully consolidated subsidiaries and non-fully consolidated holdings, including details such as its percentage ownership, the country of incorporation and country or countries of operation of each entity. The company provides some information on a subsidiary and on its business divisions, however there is no evidence that this represents all of the company's holdings nor that it includes details of each entity.</p>
Evidence
<p><b>[12] Annual Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf</a>  [p.1] Item 1. Business  HISTORY AND ORGANIZATION  [...]  In 1994, we acquired Grumman Corporation (Grumman), after which time the company was renamed Northrop Grumman Corporation. Grumman was a premier military aircraft systems integrator and builder of the Lunar Module that first delivered humans to the surface of the moon. In 1996, we acquired the defense and electronics businesses of Westinghouse Electric Corporation, a world leader in the development and production of sophisticated radar and other electronic systems for the nation's defense, civil aviation, and other U.S. and international applications. In 2001, we acquired Litton Industries, Inc., a global electronics and information technology company, and one of the nation's leading full service shipbuilders. Also in 2001, we acquired Newport News Shipbuilding Inc., a leading designer and builder of nuclear-powered aircraft carriers and submarines. In 2002, we acquired TRW Inc., a leading developer of military and civil space systems and payloads, as well as a leading global integrator of complex, mission-enabling systems and services. In 2011, we completed the spin-off to our shareholders of Huntington Ingalls Industries, Inc. (HII). HII operates our former Shipbuilding business, comprised largely of a part of Litton Industries and Newport News Shipbuilding.</p> <p>On June 6, 2018 (the "Merger date"), the company completed its previously announced acquisition of Orbital ATK, Inc. ("Orbital ATK") (the "Merger"). On the Merger date, Orbital ATK became a wholly-owned subsidiary of the company and its name was changed to Northrop Grumman Innovation Systems, Inc., which we established as a new, fourth business sector ("Innovation Systems"). The operating results of Innovation Systems subsequent to the Merger date have been included in the company's consolidated results of operations. See Note 2 to the consolidated financial statements for further information regarding the acquisition of Orbital ATK.</p> <p>AEROSPACE SYSTEMS Aerospace Systems, headquartered in Redondo Beach, California, is a leader in the design, development, integration and production of manned aircraft, autonomous systems, spacecraft, high-energy laser systems, microelectronics and other systems and subsystems. Aerospace Systems' customers, primarily the DoD and other U.S. government agencies, use these systems in mission areas including intelligence, surveillance and reconnaissance (ISR), strike operations, communications, earth observation and space science. The sector is reported in three business areas, which reflect our core capabilities: Autonomous Systems, Manned Aircraft and Space.</p> <p>[p.2] INNOVATION SYSTEMS  Innovation Systems, headquartered in Dulles, Virginia, is a leader in the design, development, integration and production of flight, armament and space systems to enable national security, civil government and commercial customers to achieve their critical missions. Major products include launch vehicles and related propulsion systems; missile products and defense electronics; precision weapons, armament systems and ammunition; satellites and associated space components and services; and advanced aerospace structures. The sector is reported in three business areas, which reflect our core capabilities: Defense Systems, Flight Systems and Space Systems.</p> <p>[...]  MISSION SYSTEMS</p>

Mission Systems, headquartered in Linthicum, Maryland, is a leader in advanced end-to-end mission solutions and multifunction systems for DoD, intelligence community, international, federal-civil and commercial customers. Major products and services include C4ISR systems; radar, electro-optical/infrared (EO/IR) and acoustic sensors; electronic warfare systems; cyber solutions; space systems; intelligence processing systems; air and missile defense (AMD) integration; navigation; and shipboard missile and encapsulated payload launch systems. The sector is reported in three business areas, which reflect our core capabilities: Advanced Capabilities, Cyber and ISR and Sensors and Processing.

[p.3] **TECHNOLOGY SERVICES** Technology Services, headquartered in Herndon, Virginia, is a leader in logistic solutions supporting the full life cycle of platforms and systems and delivering innovative, technology-driven solutions and services for DoD, global defense and federal-civil customers. Major products and services include software and system sustainment; modernization of platforms and associated subsystems; advanced training solutions; and integrated logistics support. The sector is reported in three business areas, which reflect our core capabilities: Advanced Defense Services; Global Logistics and Modernization; and System Modernization and Services.

[p.25] **Acquisition of Orbital ATK**

On June 6, 2018 (the "Merger Date"), the company completed its previously announced acquisition of Orbital ATK, Inc. ("Orbital ATK") (the "Merger"), by acquiring all of the outstanding shares of Orbital ATK for a purchase price of \$7.7 billion in cash. On the Merger date, Orbital ATK became a wholly-owned subsidiary of the company and its name was changed to Northrop Grumman Innovation Systems, Inc.

[p.30] At December 21, 2018, we had major operations at the following locations:

#### Aerospace Systems

Azusa, Carson, El Segundo, Manhattan Beach, Mojave, Oxnard, Palmdale, Redondo Beach and San Diego, CA; Melbourne and St. Augustine, FL; Devens, MA; Moss Point, MS; and Oklahoma City, OK.

#### Innovation Systems

Chandler, Gilbert, Mesa and Tempe, AZ; Los Angeles and San Diego, CA; Beltsville, Cumberland and Elkton, MD; Eden Prairie, Elk River and Plymouth, MN; Independence, MO; Iuka, MS; Beavercreek, OH; Fort Worth, TX; Brigham City, Clearfield, Magna and Tremonton, UT; Dulles, Radford and Sterling, VA; and Rocket Center, WV.

#### Mission Systems

Huntsville, AL; McClellan, Redondo Beach, San Diego, Sunnyvale and Woodland Hills, CA; Aurora and Colorado Springs, CO; Apopka, FL; Rolling Meadows, IL; Annapolis, Annapolis Junction, Elkridge, Halethorpe, Linthicum and Sykesville, MD; Bethpage and Williamsville, NY; Beavercreek and Cincinnati, OH; Salt Lake City, UT; and Chantilly, Charlottesville, Fairfax, McLean and Richmond, VA. Locations outside the U.S. include Germany, Italy and the United Kingdom.

#### Technology Services

Sierra Vista, AZ; Warner Robins, GA; Lake Charles, LA; Baltimore, MD; and Herndon, VA. Locations outside the U.S. include Australia and France.

#### Corporate

Falls Church and Lebanon, VA and Irving, TX.

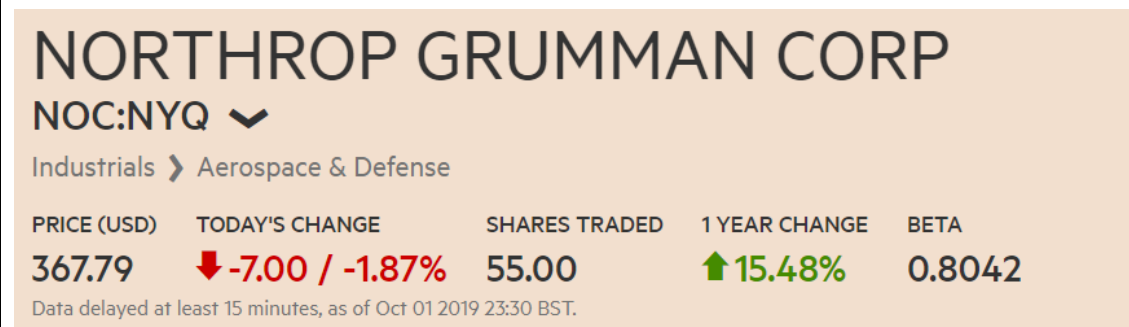
[p.68] On August 8, 2013, the company received a court-appointed expert's report in litigation pending in the Second Federal Court of the Federal District in Brazil brought by the Brazilian Post and Telegraph Corporation (ECT), a Brazilian state-owned entity, against Solystic SAS (Solystic), a French subsidiary of the company, and two of its consortium partners.

**Question****9.3 Does the company disclose its beneficial ownership and control structure?****Score****2****Comments**

There is evidence that the company is a publicly listed entity on the New York Stock Exchange (NYSE) and therefore it is not required to disclose further information on its beneficial ownership to receive a score of '2'. The company also publishes ownership information in annual its Proxy Statement, which is available on its website.

**Evidence****[11] Financial Times Markets Data (Webpage)**

Accessed 23/08/2019

<https://markets.ft.com/data/equities/tearsheet/summary?s=NOC:NYQ>
**[10] 2019 Proxy Statement 2019 (Document)**

Accessed 17/01/2020

[https://www.northropgrumman.com/wp-content/uploads/2019\\_noc\\_proxy.pdf](https://www.northropgrumman.com/wp-content/uploads/2019_noc_proxy.pdf)

[p.31] Stock Ownership of Certain Beneficial Owners

**Stock Ownership of Certain Beneficial Owners**

The following entities beneficially owned, to the best of our knowledge, more than five percent of the outstanding common stock as of December 31, 2018. All information shown is based on information reported by the filer on a Schedule 13G filed with the SEC on the dates indicated in the footnotes below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Stock		Percent of Class
<b>State Street Corporation</b> One Lincoln Street, Boston, MA 02111	17,679,908	(1)	10.2%
<b>The Vanguard Group</b> 100 Vanguard Blvd., Malvern, PA 19355	13,976,016	(2)	8.0%
<b>BlackRock, Inc.</b> 55 East 52nd Street, New York, NY 10055	11,613,939	(3)	6.7%
<b>T. Rowe Price Associates, Inc.</b> 100 E. Pratt Street, Baltimore, MD 21202	11,458,250	(4)	6.6%
<b>Capital International Investors</b> 11100 Santa Monica Boulevard, 16th Floor, Los Angeles, CA 90025	10,452,149	(5)	6.0%

Question
<b>9.4 Does the company publish a percentage breakdown of its defence sales by customer?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company publishes information on its defence sales by customer, to indicate that the United States government accounts for more than 80% of its sales. Although the company does not explicitly state that this figure relates to defence sales, there is sufficient evidence to indicate that the company's primary products and services relate to the defence and security sector. There is evidence that this information is published as part of the company's annual corporate reporting, which reflects the most recently reported financial year.</p>
Evidence
<p><b>[12] Annual Report 2018 (Document)</b>  Accessed 17/01/2020  <a href="https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf</a></p> <p>[p.4] Northrop Grumman is a leading global security company offering a broad portfolio of capabilities and technologies that enable us to deliver innovative platforms, systems and solutions for applications that range from undersea to outer space and into cyberspace.</p> <p>We provide capabilities in autonomous systems; cyber; command, control, communications and computers, intelligence, surveillance, and reconnaissance (C4ISR); space; strike; and logistics and modernization in support of customers worldwide.</p> <p>[p.7] We depend heavily on a single customer, the U.S. government, for a substantial portion of our business. Changes in this customer's priorities and spending could have a material adverse effect on our financial position, results of operations and/or cash flows.</p> <p>Our primary customer is the U.S. government, from which we derived 82 percent, 85 percent and 84 percent of our sales during the years ended December 31, 2018, 2017 and 2016, respectively; we have a number of large programs with the U.S. Air Force, in particular. The U.S. government has been implementing significant changes and spending levels have fluctuated and may continue to fluctuate over time. We cannot predict the impact on existing, follow-on, replacement or future programs from potential changes in priorities due to changes in defense spending levels, the threat environment, military strategy and planning and/or changes in social, economic or political priorities.</p> <p>[continued]</p>

[p.80]

**Disaggregation of Revenue***Sales by Customer Type*

<i>\$ in millions</i>	Year Ended December 31					
	2018		2017		2016	
	\$	% <sup>(3)</sup>	\$	% <sup>(3)</sup>	\$	% <sup>(3)</sup>
<b>Aerospace Systems</b>						
U.S. Government <sup>(1)</sup>	\$ 11,380	87%	\$ 10,521	87%	\$ 9,277	86%
International <sup>(2)</sup>	1,371	10%	1,160	10%	1,192	11%
Other Customers	148	1%	155	1%	144	1%
Intersegment sales	197	2%	295	2%	240	2%
Aerospace Systems sales	13,096	100%	12,131	100%	10,853	100%
<b>Innovation Systems</b>						
U.S. Government <sup>(1)</sup>	2,241	68%	—	—	—	—
International <sup>(2)</sup>	615	19%	—	—	—	—
Other Customers	293	9%	—	—	—	—
Intersegment sales	127	4%	—	—	—	—
Innovation Systems sales	3,276	100%	—	—	—	—
<b>Mission Systems</b>						
U.S. Government <sup>(1)</sup>	8,803	75%	8,876	77%	8,737	78%
International <sup>(2)</sup>	1,647	14%	1,540	14%	1,416	13%
Other Customers	114	1%	100	1%	133	1%
Intersegment sales	1,145	10%	954	8%	875	8%
Mission Systems sales	11,709	100%	11,470	100%	11,161	100%
<b>Technology Services</b>						
U.S. Government <sup>(1)</sup>	2,372	55%	2,572	55%	2,722	57%
International <sup>(2)</sup>	801	19%	752	16%	687	15%
Other Customers	310	7%	328	7%	398	8%
Intersegment sales	814	19%	1,035	22%	958	20%
Technology Services sales	4,297	100%	4,687	100%	4,765	100%
<b>Total</b>						
U.S. Government <sup>(1)</sup>	24,796	82%	21,969	85%	20,736	84%
International <sup>(2)</sup>	4,434	15%	3,452	13%	3,295	13%
Other Customers	865	3%	583	2%	675	3%
<b>Total Sales</b>	<b>\$ 30,095</b>	<b>100%</b>	<b>\$ 26,004</b>	<b>100%</b>	<b>\$ 24,706</b>	<b>100%</b>

<sup>(1)</sup> Sales to the U.S. government include sales from contracts for which we are the prime contractor, as well as those for which we are a subcontractor and the ultimate customer is the U.S. government. Each of the company's segments derives substantial revenue from the U.S. government.

<sup>(2)</sup> International sales include sales from contracts for which we are the prime contractor, as well as those for which we are a subcontractor and the ultimate customer is an international customer. These sales include foreign military sales contracted through the U.S. government.

<sup>(3)</sup> Percentages calculated based on total segment sales.

[continued]

[p.82]

Sales by Geographic Region	Year Ended December 31					
	2018		2017		2016	
	\$	% <sup>(2)</sup>	\$	% <sup>(2)</sup>	\$	% <sup>(2)</sup>
<i>\$ in millions</i>						
<b>Aerospace Systems</b>						
United States	\$ 11,528	89%	\$ 10,676	90%	\$ 9,421	89%
Asia/Pacific	705	6%	649	6%	579	5%
All other <sup>(1)</sup>	666	5%	511	4%	613	6%
Intersegment sales	197		295		240	
Aerospace Systems sales	13,096		12,131		10,853	
<b>Innovation Systems</b>						
United States	2,534	80%	—	—	—	—
Asia/Pacific	151	5%	—	—	—	—
All other <sup>(1)</sup>	464	15%	—	—	—	—
Intersegment sales	127		—		—	
Innovation Systems sales	3,276		—		—	
<b>Mission Systems</b>						
United States	8,917	85%	8,976	86%	8,870	86%
Asia/Pacific	659	6%	671	6%	514	5%
All other <sup>(1)</sup>	988	9%	869	8%	902	9%
Intersegment sales	1,145		954		875	
Mission Systems sales	11,709		11,470		11,161	
<b>Technology Services</b>						
United States	2,682	77%	2,900	79%	3,120	82%
Asia/Pacific	151	4%	141	4%	119	3%
All other <sup>(1)</sup>	650	19%	611	17%	568	15%
Intersegment sales	814		1,035		958	
Technology Services sales	4,297		4,687		4,765	
<b>Total</b>						
United States	25,661	85%	22,552	87%	21,411	87%
Asia/Pacific	1,666	6%	1,461	5%	1,212	5%
All other <sup>(1)</sup>	2,768	9%	1,991	8%	2,083	8%
<b>Total Sales</b>	<b>\$ 30,095</b>		<b>\$ 26,004</b>		<b>\$ 24,706</b>	

<sup>(1)</sup> All other is principally comprised of Europe and the Middle East.

<sup>(2)</sup> Percentages calculated based on external customer sales.

## 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	Anti-Corruption Compliance	12/05/2020	<a href="https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/">https://www.northropgrumman.com/corporate-responsibility/anti-corruption-compliance-at-northrop-grumman/</a>
02	Document	Standards of Business Conduct	17/01/2020	<a href="https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf">https://www.northropgrumman.com/wp-content/uploads/NG_Ethics_BusinessConduct_ENUK.pdf</a>
03	Webpage	Audit Committee	21/08/2019	<a href="http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities">http://investor.northropgrumman.com/committee-details/audit-committee#Duties_and_Responsibilities</a>
04	Document	Corporate Responsibility Report 2018	17/01/2020	<a href="https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_Northrop_Grumman_Corp_Responsibility_Report.pdf</a>
05	Webpage	Ethics and Business Conduct	17/01/2020	<a href="https://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/">https://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/</a>
06	Document	Supplier Standards of Business Conduct	12/05/2020	<a href="https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf">https://www2.northropgrumman.com/suppliers/Documents/ssobc/Ethics_SupplierSOBC_Book_English(UK).pdf</a>
07	Webpage	Ethics Point Web Reporting	21/08/2019	<a href="https://secure.ethicspoint.com/domain/media/en/gui/35623/index.html">https://secure.ethicspoint.com/domain/media/en/gui/35623/index.html</a>
08	Webpage	Political Contributions	17/01/2020	<a href="https://www.northropgrumman.com/investor-relations/political-contributions/">https://www.northropgrumman.com/investor-relations/political-contributions/</a>
09	Webpage	Corporate Contributions Guidelines	17/01/2020	<a href="https://www.northropgrumman.com/corporate-responsibility/corporate-citizenship/corporate-contributions-guidelines/">https://www.northropgrumman.com/corporate-responsibility/corporate-citizenship/corporate-contributions-guidelines/</a>
10	Document	Proxy Statement 2019	17/01/2020	<a href="https://www.northropgrumman.com/wp-content/uploads/2019_noc_proxy.pdf">https://www.northropgrumman.com/wp-content/uploads/2019_noc_proxy.pdf</a>
11	Webpage	Financial Times Markets Data	23/08/2019	<a href="https://markets.ft.com/data/equities/tearsheet/summary?s=NOC:NYQ">https://markets.ft.com/data/equities/tearsheet/summary?s=NOC:NYQ</a>
12	Document	Annual Report 2018	17/01/2020	<a href="https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf">https://www.northropgrumman.com/wp-content/uploads/2018_noc_ar.pdf</a>
13	Document	Employees of Northrop Grumman Political Action Committee (ENGPAC) 2018 Contributions	11/10/2019	<a href="https://www.northropgrumman.com/InvestorRelations/PoliticalContributions/Documents/2018-engpac.pdf">https://www.northropgrumman.com/InvestorRelations/PoliticalContributions/Documents/2018-engpac.pdf</a>
14	Document	Northrop Grumman 2018 Listings of Trade Associations Memberships	11/10/2019	<a href="https://www.northropgrumman.com/InvestorRelations/TradeAssociations/Documents/2018-trade-associations.pdf">https://www.northropgrumman.com/InvestorRelations/TradeAssociations/Documents/2018-trade-associations.pdf</a>
15	Webpage	Policy Committee	12/05/2020	<a href="http://investor.northropgrumman.com/committee-details/policy-committee">http://investor.northropgrumman.com/committee-details/policy-committee</a>
16	Webpage	United States Lobbying Disclosures Q2 2020 – Registrant: “Northrop Grumman”	21/12/2020	<a href="https://disclosurespreview.house.gov/ld/ldxmlrelease/2020/Q2/301199106.xml">https://disclosurespreview.house.gov/ld/ldxmlrelease/2020/Q2/301199106.xml</a>