

June 14, 2023

Dear Valued Supply Chain Partner,

Northrop Grumman is deeply committed to serving as a responsible corporate citizen, consistent with our values, throughout our global operations. We support the elimination of human trafficking and modern slavery throughout our operations and supply chains as set forth in applicable Order Terms and Conditions as discussed further below.

1. Standards of Business Conduct for Suppliers and Other Trading Partners Clause: Northrop Grumman fully supports the elimination of human trafficking and slavery from the supply chain and does not tolerate any trafficking in persons, either in the U.S. or globally. The [Northrop Grumman Standards of Business Conduct for Suppliers and Other Trading Partners - Northrop Grumman](#) (the “Northrop Grumman Supplier Code”) (or supplier’s equivalent) requires, amongst other things, that Northrop Grumman suppliers and other trading partners adhere to regulations prohibiting human trafficking, comply with all applicable local laws in the country or countries in which they operate, and behave in an ethical manner in order to mitigate the risk of human trafficking in our supply chain.
2. Anti-Trafficking in Persons Clause: The Anti-Trafficking in Persons clause in our standard supplier terms and conditions expressly prohibits:
  - sex trafficking;
  - the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery;
  - the procurement of a commercial sex act;
  - the use of forced labor in the performance of company business;
  - the use of misleading or fraudulent recruitment activities;
  - charging employees recruitment fees;
  - failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;
  - providing or arranging housing that fails to meet the host country housing and safety standards;
  - and if required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual’s native language and prior to the individual departing from his or her country of origin.

The Anti-Trafficking in Persons clause in our standard supplier terms and conditions also requires our suppliers to notify us immediately in the event of any actual or suspected human trafficking violation and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.

3. Federal Acquisition Regulation (FAR) Clauses: Because they are mandatory flow downs in all Purchase Orders at every tier issued under DOD prime contracts, Northrop Grumman has incorporated FAR 52.222-50 and 52.222-56 in Clause 58, FAR/DFARS Flow down Clauses and Provisions in Enterprise Terms and Conditions used for awards issued under a U.S.G. prime

contract. (While the requirements for notification and a compliance plan are applicable to contractors and subcontractors only in certain circumstances, the requirements must still be flowed down.)

- a. FAR 52.222-50, *Combating Trafficking in Persons*, prohibits “trafficking-related activities.” The prohibitions include, among others, denying an employee access to his/her own identification or immigration documents, engaging in fraudulent recruitment practices, and charging recruitment fees directly to employees. These prohibitions apply to contractors, subcontractors, as well as each of their employees and agents.

When a contractor becomes aware of any “credible information” alleging human trafficking violations of the contractor, subcontractor, agents, or employees, the contractor must immediately inform the relevant contracting officer and agency inspector general of the allegations along with any action the contractor has taken in response to the allegation.

The clause also requires contractors and subcontractors to provide specified notifications to employees prohibiting trafficking in persons and the actions to be taken for policy violations.

In addition to other remedies available to the Government, the Contractor’s failure to comply with the requirements of paragraphs (c), (d), (g), (h), or (i) of this clause may result in-

- Requiring the Contractor to remove a Contractor employee or employees from the performance of the contract;
- Requiring the Contractor to terminate a subcontract;
- Suspension of contract payments until the Contractor has taken appropriate remedial action;
- Loss of award fee, consistent with the award fee plan, for the performance period in which the Government determined Contractor non-compliance;
- Declining to exercise available options under the contract;
- Termination of the contract for default or cause, in accordance with the termination clause of this contract; or
- Suspension or debarment.

- b. FAR 52.222-56, *Certification Regarding Trafficking in Persons Compliance Plan*, requires companies performing contracts or subcontracts whose value exceeds \$550,000 for supplies acquired (other than COTS) or services performed outside of the U.S., to develop human trafficking compliance plans. In accordance with FAR 52.222-50, such plans are expected to be “appropriate” to the “size and complexity of the contract” and the “nature and scope of the activities to be performed.” The regulation includes specific minimum requirements for a compliance plan.

When a compliance plan is required, the awardee must also provide a specific, written certification that it implemented the compliance plan, terminated the contract with any subcontractor engaging in prohibited activities identified at paragraph (b) of the clause at 52.222-50 and, after conducting due diligence: (1) to the best of its knowledge or belief, neither it nor any of its proposed agents, subcontractors, or their agents engaged in human

trafficking activity; or (2) if abuses relating to any of the prohibited activities identified in 52.222-50(b) have been found, the Offeror or proposed subcontractor has taken the appropriate remedial and referral actions.

The certification must be provided **prior to** award of a contract or subcontract and **annually** thereafter.

4. **DFARS Solicitation Provisions:** Northrop Grumman has incorporated the following disclosures and prohibitions into the “Offeror Representations, Certifications and Attestations” Section of our Enterprise Supplier Request for Quote and Request for Proposal templates:
  - a. DFARS 252.225-7057, *Pre-award Disclosure of Employment of Individuals Who Work in the People’s Republic of China*, prohibits awarding an Order if the supplier proposes to employ one or more individuals who will perform work in the People’s Republic of China in performance of the Order, unless the supplier discloses its use of such workforce and facilities at the time of submission of its offer, quote or proposal. This requirement only applies to awards expected to exceed \$5 million and does not apply to the acquisition of commercial products and commercial services.) When applicable, suppliers will submit three disclosures with their offer, quote, or proposal: (1) the proposed use of workforce; (2) the total number of such individuals; and (3) a description of the physical presence (address) in the People’s Republic of China where such work will be performed.
  - b. DFARS 252.225-7059, *Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region – Certification*, requires that supplier certify at the time of solicitation that it has made a good faith effort to determine that forced labor from the Xinjiang Uyghur Autonomous Region of the People’s Republic of China (XUAR) will not be used in the performance of any award resulting from the solicitation. Suppliers who do not certify are not eligible for award.
    - (1) *Uyghur Forced Labor Prevention Act, Chinese Postal Code Requirement* Additionally, if Northrop Grumman is the importer of record for any end item produced wholly or in part in the People’s Republic of China (CN) proposed under a solicitation, the supplier/shipper shall provide the specific postal code(s) in China for the point of origin of the shipment as part of their quote or proposal submittal to ensure goods can lawfully enter the US. If CBP detains shipments entering the US, international suppliers and associated parties will provide additional supporting documentation to prove imported goods and materials are not sourced from the Uyghur Region.
5. **DFARS Clause:** Northrop Grumman has also incorporated the following DFARS clause in Clause 58, FAR/DFARS Flow down Clauses and Provisions in Enterprise Terms and Conditions used for awards issued under a U.S.G. prime contract:
  - a. DFARS 252.225-7060, *Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region*, prohibits suppliers from providing any products mined, produced, or manufactured wholly or in part by forced labor from XUAR or from an entity that has used labor from within or transferred from XUAR as part of any forced labor programs throughout the period of performance of the Order.

## Training

In addition to reviewing the above referenced documentation and regulations, Northrop Grumman also

encourages your organization to review Northrop Grumman's [Human Rights Policy](#) and [Supplier Anti-Human Trafficking Awareness Training](#).

We regard our suppliers as essential team members and a key part of Northrop Grumman's success. We appreciate your support in working with us to do business with ethics and integrity and consistent with the laws and regulations that apply to us worldwide.

If you have any questions related to a specific procurement, please contact your Northrop Grumman Buyer/Subcontract Administrator.

Sincerely,



Kenneth R. Brown  
Vice President, Enterprise Global Supply Chain