

A Message From ES President Bob Iorizzo

Ethics Is Everyone's Responsibility



There is *no business, program, or contract* with a value greater than our reputation. Our greatest competitive strength is the excellence of that reputation. Anything that harms it will harm our current business as well as future prospects.

At every opportunity, I tell employees how critical it is that we maintain our long-standing commitment to the highest standards of ethical behavior in everything we do. An improper judgment or inappropriate action can never be justified. Unethical tactics are never right, nor are they good business.

An indiscretion can severely damage the trust and customer confidence that has taken years

to build. It will negatively impact our ability to compete on the program or business venture in question and will also adversely affect our opportunities to conduct business in the months and years to come, with other customers, and even in other countries.

I would ask every employee when faced with a difficult decision along these lines to ask three questions. *Is the action legal? Is it within company policy or guidelines? And will it withstand public scrutiny?* A “no” answer to any one of these questions translates into a simple “Don’t do it!”

Many employees think that ethical behavior is relevant only to those of us that deal directly with the customer or with contracts. But it applies to everyone. It’s relevant to anyone handling company property, dealing with suppliers, or spending the company’s money in procurement, on travel, or in buying services. Ethics apply to how we account for and charge our time, how we handle the offer of a gift, and how we use, *or misuse*, company resources. It involves conflict of interest and export practices. And it operates at all levels of the organization.

In fact, current headlines demonstrate just how broadly ethical standards must be maintained. In these very disturbing examples, bad business practices and questionable ethics at the highest executive levels have led to the collapse of once great companies and the loss of thousands of jobs and hundreds of millions of dollars in stock investments and pension savings. In my view this represents an unconscionable failure of corporate responsibility and ethical behavior.

Ethics can’t be an afterthought, a sometime commitment, or the unique province of an isolated office bearing its name. Ethical behavior must be an integral part of an organization’s culture and its operational discipline on a daily basis. It must direct us in every aspect of our business activities.

In the same spirit with which I ask each and every one of you to commit to ethical behavior in everything we do, I can assure you that Northrop Grumman as a corporation honors that same level of commitment at all levels and to all its constituencies—including our customers, our employees, our communities, and our shareholders.

A handwritten signature in black ink that reads "Bob". The signature is stylized and cursive.

Bob Iorizzo