

Our Customers Care About Ethics

Impressions count. What do your customers and prospects think about our company? Do you know? A customer's impression of Northrop Grumman as a whole, as well as their impression of you as a representative of the company, affects their attitude and willingness to do business. Negative publicity about other corporations' greed and fraud has left many people skeptical about corporate values. More than ever, it's up to each of us to present our company as the very best in ethical practices and integrity.

We can turn the prevailing negative attitude in the marketplace into a competitive advantage by educating our customers about Northrop Grumman's commitment to ethical values and business conduct. When you take the opportunity to share our ethical company culture with customers and prospects, you will increase their sense of trust and commitment to our company and create the kind of long-term relationship that ensures our future success.

Building Relationships

Business relationships are important. A potential customer has to trust you first before they can trust our company. When our CEO, Ron Sugar, makes a public statement about company culture, the target audience is broad — investors, potential employees, the public sector. Your message is a direct communication between you and your customer.

At its heart, your message must convey the basic values that we as a company believe are important:

- We take responsibility for **QUALITY**.
- We deliver **CUSTOMER SATISFACTION**.
- We provide **LEADERSHIP** as a company and individuals.
- We act with **INTEGRITY** in all we do.
- We value and respect Northrop Grumman **PEOPLE**.
- We regard our **SUPPLIERS** as essential team members.

Once you build a sense of trust with a customer, you need to overcome possible concern about what will happen if you transfer to a different program or position within the company. Can they count on the same level of integrity from others taking your place? Therefore, in addition to developing individual trust, you need to help them understand that every individual in our company is honor bound to uphold our company's mission and values. Understanding this concept transfers their level of trust from you to the entire company.

The good news is that this message builds on itself. When you enjoy long-term, trusting relationships with customers, the fact that you have such relationships



Through the best efforts of all of its employees, Northrop Grumman can turn the popular negative attitude toward corporations into an opportunity to highlight our ethical company culture with customers and business partners.

becomes an attractive selling point to build relationships with new customers.

Presenting Our Company in an Ethical Light

Here are some ideas for helping customers to understand Northrop Grumman's commitment to the Ethics Program.

- Lead with our company values. Stress that they are the core of everything we do, and provide a few positive examples of how your integrity is reflected in dealing with customers, competitors, or partners.
- Mention how long we've had an Ethics Program in place (since 1986). This will reinforce a long-term commitment to integrity and make it clear that we're not talking about this because we are "in trouble"—it's simply how we approach business. Share our philosophy about how ethical decision making contributes to the bottom line of every business by saving time and money, and safeguarding reputation.
- Point out that ethics materials, such as the Standards of Business Conduct, are available on our public Web site (<http://www.es.northropgrumman.com/index.html>).
- If appropriate, explain our company's community activities in charitable or volunteer efforts. People want to work with companies that contribute to the communities where they live.

- Provide the level of detail appropriate to the audience. Some clients may be interested in hearing details of our ethics program, including how our Ethics office, training and *OpenLine* reporting processes work. Others may only need the assurance that our values will be supported by every individual.
- Personally uphold our values and commitment to integrity. Never forget that you are a representative of Northrop Grumman's reputation and the basis for our customer's faith and trust in our company.

Building Loyalty for the Long Term

Our company's reputation is intangible and invaluable. It's difficult to measure the impact of its loss or the benefits of its strength. But over the long term, if Northrop Grumman is viewed as reputable and honest, our customers are far more likely to remain loyal. Putting a public face on our Ethics Program and our commitment to integrity is a strong competitive advantage.

For more information, contact the Ethics Office at 410-765-5546, or visit the Ethics Web site (Intranet: <http://w789900.md.essd.northgrum.com/>; Internet: <http://www.es.northropgrumman.com/ethics/default.htm>).