

**DII** Defense Industry Initiative  
ON BUSINESS ETHICS AND CONDUCT

*Defense Industry Initiative*  
**MODEL SUPPLIER  
CODE OF CONDUCT**



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## INTRODUCTION

The members of the Defense Industry Initiative on Business Ethics and Conduct (DII) (hereinafter “we”) are committed to upholding the highest standards in all our business dealings with the U.S. Government, protecting taxpayer resources, and providing high-quality products and services for the men and women of the U.S. Armed Forces and their allies. Complying with all laws and regulations and ensuring fair competition are fundamental to this commitment.

This Supplier Code of Conduct expresses the expectations we hold for suppliers throughout the aerospace and defense industry.

## GENERAL DISCLAIMER

This Supplier Code of Conduct is in no way intended to conflict with or modify the terms and conditions of any existing contract. In the event of a conflict, suppliers must first adhere to applicable laws and regulations, then the contract terms, followed by this Supplier Code of Conduct.

## DEFINITION

For the purposes of this Code, “Supplier” is defined as any third party that directly or indirectly sells, or seeks to sell, any kind of goods or services to our company or on our company’s behalf, including suppliers, contractors, subcontractors, distributors, dealers, sales/marketing representatives, intermediaries, agents, partners, consultants, resellers, systems integrators, or similar entities.

## I. COMPLIANCE WITH LAWS

We expect our suppliers to maintain full compliance with all laws and regulations applicable to their business. When conducting international business, or if their primary place of business is outside the United States, suppliers must comply with local laws and regulations.

### A. Maintain Accurate Records

We expect suppliers to create and maintain accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received in furtherance of a business transaction must fully and accurately represent the transaction or event being documented. When a record is no longer needed to conduct current business, records should still be retained based on the applicable retention requirements. Suppliers performing as US Government contractors (whether direct or indirect) must comply with the requirements in FAR 4.703. Suppliers that are performing as or fulfilling a US Government role in their prescribed work must comply with the records requirements of the affected agency and any relevant National Archives and Records Administration (NARA) requirements that apply to that agency.

## II. HUMAN RIGHTS

We expect our suppliers to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture.

### A. Child Labor

We expect our suppliers to ensure that illegal child labor is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed.

### B. Human Trafficking

Suppliers must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. Suppliers must refrain from violating the rights of others and appropriately address any adverse human rights impacts of their operations. Suppliers must educate employees on prohibited trafficking activities, discipline employees found to have violated the law or rules, and notify the contracting officer of violations and action taken against employees. Specifically, suppliers will be prohibited from the following in all contracts:

- Destroying, concealing, or confiscating identity or immigration documents;
- Using misleading or fraudulent tactics in recruiting;
- Charging employee recruitment fees or providing inadequate housing based on local standards, laws and directives; and

- Failing to provide employment contracts and other documentation in the employee's native language;
- Failing to provide return transportation upon the end of employment for employees brought to the country for the purpose of working on a U.S. government contract or subcontract; and
- Failing to interview and protect employees suspected of being trafficking victims.

### III. EMPLOYMENT PRACTICES

#### A. Harassment

We expect our suppliers to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

#### B. Non-discrimination

We expect our suppliers to provide equal employment opportunity to employees and applicants for employment, without regard to race, ethnicity, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, or mental or physical disability, so long as the essential functions of the job can be competently performed with or without reasonable accommodation.

#### C. Substance Abuse

We expect our suppliers to maintain a workplace free from illegal use, possession, sale, or distribution of controlled substances.

### IV. ANTI-CORRUPTION

Our suppliers must comply with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption laws (e.g., the UK Bribery Act), directives and/or regulations that govern operations in the countries in which they do business, regardless of local customs.

#### A. Improper Payments / Business Courtesies

Our suppliers must refrain from offering or making any payments of money or anything of value (including kickbacks, favors, gifts, gratuities, entertainment, travel, political contributions, charitable donations or other business courtesies) to customers, government officials, political parties, candidates for public office, charities, or other business-related parties that could be considered to improperly influence business decisions.

This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, except in situations where there is an imminent threat to personal health or safety.

#### B. Due Diligence

We expect our suppliers to exert appropriate due diligence and monitoring to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the engagement of third parties.

#### C. Anti-Trust

Our suppliers must comply with anti-competition and antitrust laws and are prohibited from fixing prices, colluding or rigging bids with competitors, allocating customers or markets with competitors, or exchanging any pricing information with our competitors.

### V. CONFLICT OF INTEREST

We expect our suppliers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with our company. We expect our suppliers to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of our company and personal interests or those of close relatives, friends or associates.

### VI. INFORMATION PROTECTION

#### A. Confidential/Proprietary Information

We expect our suppliers to properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g., advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner of the information.

#### B. Intellectual Property

We expect our suppliers to respect and comply with all the laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

#### C. Information Security

Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Suppliers must comply with all applicable data privacy laws. Suppliers shall assure extension of this requirement to all sub-tier sources they employ.

#### D. Insider Trading

Our suppliers must not use material, non-public information obtained in the course of business as the basis for trading or for enabling others to trade in the securities of our company or those of any other company.



## VII. ENVIRONMENT, HEALTH, AND SAFETY

We expect our suppliers to operate in a manner that actively manages risk, minimizes waste, and protects the environment. We expect our suppliers to apply environmental management system principles in order to establish a systematic approach to the management of risks/hazards and opportunities associated with the environment, including potential risk from regulatory non-compliance, reputational loss, and opportunities for business growth through operational and product stewardship.

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

## VIII. GLOBAL TRADE COMPLIANCE

### A. Security

When applicable, Suppliers are encouraged to implement practices and procedures to ensure the security of their supply chains in accordance with the Customs-Trade Partnership Against Terrorism initiative of the United States Department of Homeland Security.

### B. Import

We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

### C. Export

We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data; these include the International Traffic in Arms Regulation and the Export Administration Regulations. Suppliers shall provide truthful and accurate information and obtain export licenses and/or consents where necessary.

### D. Anti-Boycott

Our suppliers must not participate in, cooperate with, or further the cause of any unsanctioned foreign economic boycott, in accordance with the Export Control Reform Act of 2018 and the 1976 Tax Reform Act.

### E. Conflict Minerals

Suppliers must adhere to federal laws and regulations regarding conflict minerals (gold, tantalum, tin, and tungsten). We expect our suppliers whose products contain these minerals to conduct due diligence on the source and chain of custody and also to support efforts to eradicate the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo or adjoining countries. US stock listed companies manufacturing or contracting to manufacture products containing conflict minerals must make specialized disclosure and file reports as required by the US Securities and Exchange Commission.

## IX. QUALITY

Suppliers must take due care to ensure their work product meets our company's quality standards. We expect our suppliers to have in place quality assurance processes to identify defects and implement corrective actions, and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements.

### A. Counterfeit Parts

We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

## X. ETHICS PROGRAM EXPECTATIONS

### A. Whistleblower Protection

We expect our suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. We expect our suppliers to take action to prevent, detect, and correct any retaliatory actions.

### B. Consequences for Violating Code

In the event of a violation of any of the above expectations, we may pursue corrective action to remedy the situation. In the case of a violation of law or regulation, we may be required to report those violations to proper authorities. We reserve the right to terminate our relationship with any supplier under the terms of the existing procurement/purchasing contract.

### C. Ethics and Compliance Policies

Commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with laws, regulations, and the expectations related to or addressed expressly within this Supplier Code of Conduct. This should include measures to address their compliance within these standards and take appropriate action to correct identified deficiencies. We encourage our suppliers to implement their own written code of conduct and to flow down the principles of a code of conduct to the entities that furnish them with goods and services.

### D. Contacts/Resource

Contact the **L3Harris Helpline** to report observed misconduct, confidentially and/or anonymously:

Web: [www.L3HarrisHelpline.com](http://www.L3HarrisHelpline.com)

Phone: **877.532.6339**