

BAE SYSTEMS

INSPIRED WORK

Supplier Principles

Guidance for Responsible Business

Supplier Principles

Creating a successful and sustainable business requires more than financial results. Responsible behaviour is fundamental to how we do business at BAE Systems. It is not just what we do; it is how we do it. We are committed to achieving these high ethical standards, which underpin our role as a trusted partner to our customers, by managing operations responsibly and conducting business in an ethical way. BAE Systems' relationships with its suppliers are a critical part of this commitment.

To clarify what we expect from our suppliers and their supply chains, we have developed these Supplier Principles – Guidance for Responsible Business (hereafter referred to as Principles). The Principles outline a set of 'best practice' expectations. They are not intended to conflict with or modify the terms of supplier contracts with BAE Systems. If a contract requirement (and/or an applicable law or regulation) addresses the same areas as covered in these Principles, suppliers must comply with the contract (and/or legal) requirement.

Responsible behaviour is vitally important to the reputation and success of BAE Systems. Our suppliers are an important part of that effort.

What We Expect From Our Suppliers

Code of Conduct and Compliance

BAE Systems' Code of Conduct is central to our responsible business environment. We encourage our suppliers to implement and adhere to their own similar written code of conduct. In addition, commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with applicable laws and regulations.

Anti-Corruption

We expect our suppliers to comply with all relevant laws and regulations regarding anti-corruption including, where applicable, the Foreign Corrupt Practices Act and the UK Bribery Act. BAE Systems has a zero tolerance for any corrupt activity. In particular BAE Systems will not tolerate corrupt activity involving government officials, our commercial business partners, or the receipt of bribes or kickbacks by BAE Systems personnel. We will not offer, give, or receive any payment, benefit or gift that may be construed as a bribe, for any business purpose whether directly or through a third party. BAE Systems expects its suppliers to be similarly intolerant of corrupt activity and to have appropriate and adequate procedures to prevent such activity from taking place.

BAE Systems does not pay 'facilitation' payments and will not pay for the expediting of routine government activity unless there is a formal lawful fee schedule for expedited service, and we similarly expect that our suppliers will not make such payments in connection with any BAE Systems business.

We expect our suppliers to ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, does not violate the rules and standards of the recipients organisation, and is consistent with all reasonable market terms and conditions.

International Trade Compliance

We expect our suppliers to conduct business in compliance with all applicable laws and regulations governing:

- export, re-export, import of products, technical data, software and services; and
- economic sanctions and embargoes.

Anti-Trust and Competition

We expect our suppliers to conduct business in accordance with all applicable competition and anti-trust laws and regulations. We expect that our suppliers will not enter into formal or informal anti-competitive arrangements that fix prices, rig bids, limit supply, control markets, or otherwise improperly restrict or impact competition.

Conflict Minerals

We expect our suppliers to conduct appropriate due diligence, where reasonably feasible, to identify, report and take remedial action, if their products contain conflict minerals (tin, tantalum, gold and tungsten, etc.) that are used to finance conflict in the Democratic Republic of Congo, adjoining countries, or other conflict-affected or high-risk areas. Where applicable local laws and regulations exist in the jurisdiction in which the supplier operates, we expect our suppliers to comply with such laws and regulations.

Counterfeit Components

We expect our suppliers to develop, implement and maintain methods and processes appropriate to their products to prevent counterfeit parts and materials being delivered. Effective processes should be in place to detect, report and quarantine counterfeit parts and materials and prevent such parts re-entering the supply chain. We expect our suppliers to only use parts from Original Equipment or Component Manufacturers or their authorised sources, and to comply with applicable laws, regulations, and industry 'best practice' protocols when conducting business with BAE Systems.

 It's not just what we do
– it's how we do it

Conflicts of Interest

We expect our suppliers to avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with BAE Systems. We understand that such actual or potential conflicts do arise in the course of business from time to time, in which case we expect our suppliers to timely disclose them to BAE Systems and all other affected parties.

Accurate Record Keeping

We expect our suppliers to accurately and securely capture, store, and retain, as appropriate, business records.

Personal, Confidential and Proprietary Information

We expect our suppliers to protect all sensitive information, including confidential, proprietary and protected personal information. Information should not be used for any purpose other than the business purpose for which it was provided without prior authorisation. Where such information is held or transferred electronically, we expect our suppliers to implement appropriate IT cyber security and to notify us of any suspected or actual data breaches. We expect our suppliers to comply with applicable intellectual property rights and data privacy laws.

Workplace/Employees

We expect our suppliers to foster an inclusive work environment where individuals are treated with dignity and respect. To that end, we expect our suppliers to comply with applicable non-discrimination laws and regulations. We also expect our suppliers to ensure that employees may perform work in an environment that is free from harassment or other abusive conduct.

We expect our suppliers to not engage in the use of forced or bonded labour, slavery or trafficking of persons. Suppliers should allow employees to freely choose to work or to leave employment. We also expect our suppliers to ensure that child labour 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.

We expect our suppliers to comply with applicable laws and regulations on pay, benefits, working hours, health and safety, and the rights of individuals to join trade unions and participate in collective bargaining.

We expect our suppliers to provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting. We expect our suppliers to take action to prevent, detect and correct retaliatory actions.

Environment

We expect our suppliers to comply with applicable laws and regulations regarding the environment and to conduct their business in a manner that actively manages environmental risks.

Timely Payment

We expect our suppliers to pay their suppliers on time in accordance with agreed contractual payment terms.

Ethics Helpline

If a supplier has a concern regarding these Principles, contact our Ethics Helpline at:



or by telephone at the appropriate number below:

Australia	1 800 121889
Austria	0800 281700
Belgium	0800 71025
Brazil	0800 891 8807
Canada	1888 268 5816
Chile	123 002 004 12
Czech Republic	800 142 428
Germany	0800 182 3246
Greece	00800 441 45735
Hungary	06800 14863
India	000800 440 1286
Indonesia	001 803 0441 1201
Italy	800 783776
Japan	00531 78 0023
Kingdom of Saudi Arabia	8008440172
Malaysia	1800 885530
Poland	00800 442 1245
Romania	08008 94440
Singapore	800 4411 140
Slovakia	0800 004461
South Africa	0800 990520
Thailand	001 800 442 078
Turkey	00800 4463 2066
United Kingdom	0800 374199
United States	1877 533 5310

Suppliers to BAE Systems, Inc. businesses may contact the Ethics Helpline at:



or by telephone at the appropriate number below:

Israel	180 941 3855
Saudi Arabia	1 800 10 888 306 7330
Sweden	020 79 1013
United Kingdom	0808 234 3708
United States	888 306 7330

For more information:

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