

Non Retaliation Employee Handbook

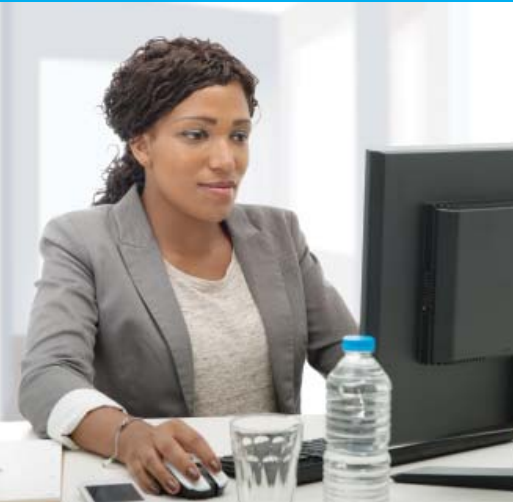


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NON-RETALIATION POLICY

Huntington Ingalls Industries (HII) fosters an environment of open communication. All employees are expected and encouraged to ask questions, raise concerns, assist in investigations, and to report misconduct, ethical violations, unsafe work conditions or other concerns.

HII **strictly prohibits** any form of retaliation against any employee who in good faith voices a concern, makes a complaint, reports misconduct, reports an illegal act or violation of company policies/procedures, or provides assistance in an investigation. The company similarly prohibits any form of coercion or other attempt to discourage or interfere with an employee making a good faith complaint, report of misconduct or illegal act, or assisting in the conduct of an investigation. Violators will be subject to disciplinary action, up to and including termination.

Definition of Retaliation

Retaliation includes any change or action that occurs after a concern or complaint is reported, that has an adverse effect on the complainant's employment and would discourage a reasonable person in the situation from making a complaint or supporting an investigation.

Definition of Coercion

Coercion is an act or threat of an act, with the intent of discouraging or otherwise interfering with an employee making a report or assisting in an investigation.

HII and its employees are expected and required to comply with all federal and state "whistleblower protection" laws and regulations, including the federal Whistleblower Protection Act (WPA). The WPA prohibits employers from retaliating against whistleblower. Retaliation against those employees could, in some cases, be illegal and subject the individual engaging in retaliation to criminal prosecution.



Further Information

- CO H4, Retaliation and Coercion
- Whistleblower Protection Act (WPA)

RAISING CONCERNS

The ability of an employee to raise a concern in complete confidentiality is a critical component to an effective ethics and business conduct program. The company encourages employees to speak up and report suspected misconduct or suspected violations of the Code of Ethics and Business Conduct, company policy or procedure, directives, rules, regulations, or the law immediately.

- **Reporting:** Employees are encouraged to raise questions, concerns and issues with their supervisor or manager first. If this is not possible, the employee should contact Human Resources, the Ethics Office, Law Department, or the OpenLine at 1-877-631-0020.
- **Reporting Confidentially:** All reports of alleged misconduct are handled confidentially, and only those persons with a need to know are informed of and involved in an investigation. The company will treat such reports as confidential to the extent practical, except where disclosure is required to investigate a report or by applicable law or legal process.
- **Reporting Anonymously:** Employees can make an anonymous, good faith report if they desire. While making an anonymous report is allowable, please note that failure to provide all the information you have knowledge of may prevent our company from conducting a thorough investigation.

Speak Up! If you suspect that someone is behaving illegally or unethically, please speak up. If you also have concerns about your own behavior, speak up about that as well. Admitting mistakes and taking action to correct them is the responsible thing to do.

Huntington Ingalls Industries OpenLine: 1-877-631-0020

The toll-free number is answered 24 hours a day, 7 days a week, by an independent third party. OpenLine callers may identify themselves openly, remain anonymous or request confidentiality.

- **Web reporting** is available at www.huntingtoningalls.com/about_us/ethics.html
- **Emails** can also be sent to reportmisconduct@hii-co.com.

In situations involving imminent threat or personal harm, employees should immediately notify Security or other emergency services as appropriate under the circumstances.



Further Information

- CO A202, Reporting Misconduct
- HII's Code of Ethics and Business Conduct

TYPES OF RETALIATION

Retaliation can take many forms, it is sometimes overt and sometimes subtle. It is at times inflicted by supervisors and at times by peers. All retaliation is subject to disciplinary action, up to and including termination.

Overt (Obvious) Retaliation:

- Actual harm to person or property
- Denial of raises and/or promotions
- Poor performance appraisals
- Harassing emails
- Reduction in job responsibilities
- Reassignment, relocation or transfer
- Termination or demotion
- Overloading with additional work assignments
- Reducing overtime assignments

Subtle (not so obvious) Retaliation:

- Intentionally being ignored
- Exclusion from business meetings
- Exclusion from social events related to work
- Implied threat of harm to person or property
- Professional opinion no longer requested
- Rude and disrespectful behavior/verbal
- Refusing to provide company assistance with work assignments abuse

Possible Supervisory Retaliation

Overt

Kevin observes misconduct by one of his co-workers and reports the situation to his supervisor. Two weeks later, Kevin is suddenly transferred to a department that will require him to change his working schedule from 1st shift to 2nd shift. No reason is provided.

Subtle

While at work, Mary overheard details of an ethics violation and reported the conversation to her manager. An investigation was conducted and no wrongdoing was found. From that point on, Mary's supervisor no longer included her in meetings and her opinion was no longer sought on work activities as they had prior to the report.

Possible Peer-to-peer Retaliation

Overt

Kevin observes misconduct by one of his co-workers and reports the situation to his supervisor. Two weeks later, Kevin begins receiving harassing emails from two of his co-workers. He also notices that he was left off an email concerning an engagement meeting.

Subtle

While at work, Mary overheard details of an ethics violation and reported the conversation to her manager. An investigation was conducted and no wrongdoing was found. From that point on, Mary feels as if she is being intentionally ignored by her co-workers.

Further Information

- CO H4, Retaliation and Coercion

IT'S NOT ALWAYS RETALIATION

Well intentioned actions can be perceived as retaliation, even when it's not the case. It is important for managers to continue to treat employees the same before and after an allegation is made. If an employee previously had performance issues, the report does not prevent management from continuing to address those issues.

EXAMPLE:

Kim had been in her current job for five months. Three months after she started, her performance declined and Kim's supervisor met with her to discuss and agree on a 90-day performance improvement plan. Sixty days into the plan, with no noticeable improvement in Kim's performance, she discovered and reported that a manager in her department had been falsifying their expense report. The manager was immediately terminated for his actions. A few weeks later, Kim and her supervisor reviewed her performance against the plan, it was clear that Kim had not met her objective. Kim had to be let go for performance issues, not because she had reported the manager's wrongdoing.

In some cases, employees who report misconduct may be on heightened alert and perceive retaliation where there is none.

Abuse of reporting misconduct to intentionally harass an individual or to knowingly file false information will not be tolerated.



Further Information

- **CO A202, Reporting Misconduct**
- **CO H4, Retaliation and Coercion**
- **Retaliation and Coercion Highlight** (located on the Business Conduct Website)

THE REPORTING PROCESS

An employee's ability to raise a concern in complete confidentiality is a critical component of an effective ethics and business conduct program.

Employee speaks up about an actual or perceived violation of the Code of Ethics.

- Employees may report directly to management or utilize the anonymous/confidential HII OpenLine System
- Employees may choose to report misconduct using the channel they are most comfortable with
- The process works best when only one channel of communication is used

The allegation of misconduct is received, assigned, investigated and closed.

- The assigned investigator will only involve those with a need to know to conduct a thorough investigation
- The assigned business unit's ethics committee will review the completed report to ensure a thorough investigation has been conducted, investigated and closed.

The Ethics Office will follow up with the reporter where suspected retaliation may occur.

- When the caller is identified – the Ethics Office will contact the caller after the case has been closed.
- When the caller is anonymous – the Ethics Office will communicate with the caller via the OpenLine follow-up process.
- Employees are strongly encourage to speak up and raise concerns about a potential act of retaliation by a supervisor or peer.

Employees who engage in retaliatory behavior are subject to discipline up to and including termination.

As a reminder, the Company prohibits retaliation against anyone who, in good faith, reports or participates in an investigation of an actual or suspected violation of the Code of Ethics and Business Conduct.



Further Information

- **CO A202, Reporting Misconduct**
- **CO H4, Retaliation and Coercion**
- **HII's Code of Ethics and Business Conduct**

FAQ'S FOR EMPLOYEES

Am I expected to report a violation of the HII Code of Ethics and Business Conduct?

Yes. All employees, directors and officers are expected to report suspected misconduct or suspected violations of the Code of Ethics and Business Conduct, company policy or procedure, directives, rules, regulations, or the law immediately.

What channels are available to report a violation of misconduct or case of retaliation?

Employees are encouraged to raise questions, concerns and issues with their supervisor or manager first. If this is not possible or the employee does not feel comfortable doing so, they should contact Human Resources, the Ethics Office, Law Department, or the OpenLine at 1-877-631-0020.

How can I remain anonymous?

The OpenLine and web reporting provides the option for the caller to remain anonymous. OpenLine callers may identify themselves openly, request confidentiality or remain anonymous.

- **HII's OpenLine:** 1-877-631-0020
- **Web reporting** is available at www.huntingtoningalls.com/about_us/ethics.html

If I report a violation and nothing happens, should I escalate the matter through a different channel?

Reported allegations of misconduct are generally answered within 30 days, however, complicated issues may take longer to be resolved. The process works best – and the reporter is most protected – when only one channel of communication is used. Allegations are assigned for investigation to the person(s) most likely to ensure objectivity. If you believe your report is not getting the attention it deserves, you have the right to elevate the issues within the company and/or contact the Ethics Office.

What is HII's definition of retaliation?

HII considers retaliation to be a negative consequence experienced by an employee for reporting or participating in an investigation of an actual or perceived violation of the Code of Ethics.

How am I protected from retaliation?

The company has adopted a policy that prohibits retaliation and includes discipline (up to and including termination of employment) for those found to have engaged in retaliatory behavior. The company will investigate all allegations of retaliation and proactively protect callers through follow up communication.

If I have done something wrong, will reporting the misconduct absolve me of the wrongdoing?

No. If you are personally involved in any wrongdoing, reporting it will not absolve you from accountability, but your cooperation with the investigation will be considered when disciplinary actions are determined.