

INTEGRITY

SAFETY

RESPECT

ENGAGEMENT

RESPONSIBILITY

PERFORMANCE

ETHICALLY SPEAKING

This newsletter is provided as a communication tool for all employees. Please share this information with employees during an upcoming staff or team meeting and encourage employees to read our [Code of Ethics and Business Conduct](#). Thank you for your continued support of our company's ethics and compliance programs.

Dawn Smith, Corporate Director, Culture and Ethics

ETHICS & COMPLIANCE AWARENESS MONTH

August is Ethics and Compliance Awareness Month! The purpose of Ethics and Compliance Awareness Month is to refocus on HII's values, communicate ethical standards and remind employees to make ethics a priority. During the month, ethics and compliance issues should be addressed and discussed, and various activities will be conducted.

The theme for Ethics and Compliance Awareness Month is "Ethics Starts with You." We must each take personal responsibility for our actions and results, and we must hold ourselves accountable for every interaction we have with others, every decision we make and every task we complete.

During the month, leaders are encouraged to reinforce to their teams – in their actions and their communications – the importance of modeling ethical leadership and responsibility in the work we do at HII every day

"IT CANNOT BE OVERSTATED: ACHIEVING OUR BUSINESS OBJECTIVES MUST NEVER COME AT THE EXPENSE OF DOING THE RIGHT THING."

CHRIS KASTNER, PRESIDENT AND CEO

OPENLINE ACTIVITY AS OF 6/30/24

- 1,562 cases received, which is a 26% increase over this time last year.
- Nearly 25% of the cases involve Civility concerns, making this the top reported issue (387 cases).
- 18.5% of the cases closed during this time were found to have merit.
- 69 of the cases closed resulted in termination. Nearly 30% of these were the result of substantiated Time Reporting allegations.
- The average time to close a case during this time was 44 days.

ON-THE-SPOT ETHICS RECOGNITION PROGRAM

Ethics and Compliance Awareness Month is a great time to recognize a co-worker for their ethical behavior and actions.

The On-the-Spot Ethics Recognition Program provides timely recognition to employees whose ethical behavior and actions demonstrate company values in their everyday activities. In Q1 and Q2 of 2024, we have presented Ethics On-the-Spot awards.

To nominate someone, follow the instructions on form C941 (available on Corporate Command Media.)

2024 ETHICS SURVEY RESULTS

The Ethics Survey, which was administered by the Ethics & Compliance Initiative (ECI), provides HII a means to measure the effectiveness of our ethics and compliance programs. The survey measured program awareness and effectiveness, ethical culture, and ethics risks. It provides information about areas of success and opportunities for improvement. Overall, the ethics survey reveals a strong awareness of and commitment to HII's values, and shows progress in reporting observed misconduct. However, there are opportunities for improvement. Our Ethics team will be working to identify areas of focus moving forward.

Below are the 2024 ethics survey questions and results.

Ethics Survey Questions	Results
1) During the past twelve months, I have been able to apply what I learned during ethics training to my job. (Strongly agree + Agree)	83%
2) My organization has an ethical culture. (Strongly agree + Agree)	74%
3) Vice Presidents and Directors talk about the importance of workplace ethics and doing the right thing in the work we do. (Strongly agree + Agree)	78%
4) My supervisor/foreman would be held accountable if caught violating the Code of Ethics & Business Conduct. (Strongly agree + Agree)	82%
5) Overall, management sets a good example of ethical workplace conduct. (Strongly agree + Agree)	71%
6) My supervisor/foreman supports me in following the Code of Ethics & Business Conduct. (Strongly agree + Agree)	86%
7) In my organization, employees can question the decisions of management without fear of retaliation. (Strongly agree + Agree)	63%
8) During the past twelve months, I felt pressured by others to compromise the Code of Ethics & Business Conduct, organizational policy, or the law. (Strongly agree + Agree)	9%
9) During the past twelve months, did you personally observe conduct you thought violated the Code of Ethics & Business Conduct, organizational policy, or the law? (Yes)	16%
10) Did you report your observation of misconduct to management or to another appropriate person or place? (Yes) *note - this question was only asked to those who answered yes to #9.	60%
11) Did you experience retaliation as a result of your report of misconduct? (Yes) - * note - this question was only asked to those who answered yes to #10.	28%
12) How familiar are you with HII's values? (Very familiar + Moderately familiar)	94%
13) How committed is HII to its values? (Very committed + Moderately committed) *note - this question was only asked to those who answered Very familiar or Moderately familiar to #12.	91%

INTEGRITY

SAFETY

RESPECT

ENGAGEMENT

RESPONSIBILITY

PERFORMANCE