

# The Blue Book: Tool Kit for Suppliers



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# 1. Introduction

This document provides to our suppliers a summary of the General Dynamics Corporation's Standards of Business Ethics and Conduct, also known as the Blue Book. The complete book is available at [www.gdels.com](http://www.gdels.com)

This document is not intended to, and shall not conflict with the terms of current or future contracts or agreements, but simply provides a general summary of our principles, which we would expect our suppliers to share.

## 2. Our Ethos and Values

General Dynamics' ethos is our distinguishing moral nature. Our employees are a community of people dedicated to this ethos. Each of us has an obligation to behave according to our values. In that way, we can ensure that we continue to be good stewards of the investments in us by our shareholders, customers, employees and communities, now and in the future. Our ethos is rooted in five values:



**Honesty**



**Trust**



**Humanity**



**Alignment**



**Value Creation**

## Our Values at Work

**These values drive how we operate our business.** We relentlessly pursue operating excellence by innovating, improving our processes and reducing waste. We believe in being wise stewards of capital and resources, as informed by our values.

**These values govern how we interact with each other and our customers, partners and suppliers.** Honesty, trust, humanity, alignment and value creation require that we be forthright about our mistakes and that we strive to correct them. We seek partners and suppliers who adhere to these values in their businesses and we hold them to that standard.

**These values guide the way that we treat our workforce.** We believe we have a responsibility for the health and safety of our employees. We treat all of our employees with dignity and respect and provide them with fair compensation and equal employment opportunity. We stand behind basic universal human rights, including that employment must be voluntary. We oppose human trafficking in all forms.

**These values determine how we connect with our communities.** We believe that we have a responsibility to be good corporate citizens and we believe in sustainable business practices, which include supporting the environment and the communities in which we work.

**We remind ourselves often of  
who we are and what we do.**

**Our ethos undergirds our culture,  
our business model and our daily interactions.**

## 3. The Blue Book

General Dynamics European Land Systems standards of business ethics and conduct handbook is known as the Blue Book, in which lays the foundation for how we conduct ourselves as a company and as individuals representing the company.

The Blue Book applies to all officers, executives, and employees. We expect our suppliers, vendors, contractors, and joint venture partners to develop ethics and compliance programs that are consistent with our values in all material respects.

When we talk about business ethics, we refer to the commitments that make our company great. We deal fairly with our company's customers, suppliers, and competitors, as well as with each other. Each of us should strive to be:

- Law abiding
- Honest and trustworthy
- Responsible and reliable
- Fair and cooperative

## 4. Conducting Business

### **Antitrust, Sales Practices and Competitive Information**

We must avoid even informal or casual conversations with employees of our competitors regarding prices, products, or customers; and never make inaccurate or malicious statements about our competitors.

### **Conflict of interests**

A conflict of interest occurs when our private interests interfere – or appear to interfere – with the interests of GDELS. We should base business decisions on our company's needs, rather than our own interests. We do not do business with organizations in which we or our families have a substantial financial interest. Each of us should deal with suppliers, customers and others in ways that avoid even the appearance of a conflict between our personal interests and those of General Dynamics.

### **Personal Business Relationships**

We should disclose to our Ethics Officer any substantial interest that we or an immediate family member might have in our suppliers, customers or competitors. Also, in the case that any of us, or family member serves as a director, officer, or consultant for any company that does business with us.

## Suppliers, Consultants, Part-Time and Temporary Workers

We select our suppliers based on objective criteria such as price, quality, and prior performance.

When dealing with suppliers or consultants, we have the following responsibilities:

- Require competitive bids where appropriate.
- Fairly evaluate all proposals for work.
- If dealing with suppliers or consultants in the USA, or if appropriate in other jurisdictions, investigate opportunities to encourage small or minority-owned business to work with us.
- Obtain legal advice regarding doing business with former employees or board members.
- Do not accept gifts of more than modest value.
- Ensure that meals provided by a supplier or consultant serve a valid purpose and are appropriate to the relationship.

## Gifts and Hospitality

- We compete solely on the merits of our products and services. When people exchange gifts in a business context, it can look as if favors were granted in order to influence business judgment. We may provide gifts, meals, refreshments and entertainment of reasonable value in the course of doing business with commercial customers or non-government personnel, provided that this practice does not conflict with our standards or the standards of the recipient's organization. We do not offer any gift or hospitality if such a gift might appear to be improper.



- Most governments have regulations prohibiting their employees' acceptance of items of value from contractors or suppliers. We carefully follow these regulations and policies when dealing with government officials and their representatives.
  
- The giving of gifts, meals, or anything of value to government and public officials is almost always prohibited. Never give money or anything else of value to a government or public official for the purpose of improperly influencing an official decision or obtaining or retaining business. Ethics Officer and Legal must be consulted prior to offer gifts to government officials.
  
- We should not accept gifts, meals or entertainment from those with whom we do business unless this activity serves a legitimate business purpose and is appropriate for the relationship. We may accept small gifts that are of modest value only<sup>1</sup>.
  
- When conducting business in some countries, it may be customary to accept gifts of substantial value. These gifts are company property and must be reported to the company or site ethics officer for disposition.

<sup>1</sup> Following local rules, marketing and promotional items, never more than 100 € / CHF value.

■ Regarding the giving or receiving of gifts, we have the following responsibilities:

- ☑ Do not offer or provide gifts when prohibited by the recipient's rules, standards or policies
- ☑ Avoid giving or receiving gifts above modest value when dealing with commercial customers
- ☑ Ensure that meals and entertainment have valid business purposes
- ☑ Before offering or retaining any gift of greater than nominal value, consult your ethics officer

**Do not offer or provide gifts  
when prohibited by the recipient's rules,  
standards or policies.**

## 5. Environment, Safety and Health

We protect the environment of the communities in which we work. In all jurisdictions where we do business, we comply with environmental protection laws and regulations, including recycling and waste disposal requirements.

To protect environment, we

- ☑ Follow all environmental guidelines and procedures for handling and disposing of wastes and hazardous materials in the workplace
- ☑ Prevent and report any spills or leaks
- ☑ Implement awareness systems which allow us to detect any action that may adversely affect the environment.

We follow the laws and regulations regarding workplace safety and health. To maintain the safety of our workplace, we report all safety hazards and accidents; we investigate every incident, and implement corrective and preventive measures in order to avoid similar situations.

## 6. Tools and Resources

Our Blue Book is available for everyone interested in learning about our ethics culture. Other resources are also available for questions, reports, doubts, requests for advice. Feel free to use it and let us help you with this. Conversations are confidential and you will be told if your identity is needed to address your questions or concerns satisfactorily. All call or contacts made to our Helpline are confidential, and will not be traced.

- You can download by entering in **[www.gdels.com](http://www.gdels.com)**
- The company Ethics Officer is available for questions, reports, requests for more information, at **[ethics@gdels.com](mailto:ethics@gdels.com)**
- The General Dynamics' Business Ethics Helpline is also available at **[www.gd.ethicspoint.com](http://www.gd.ethicspoint.com)**
- Call free 24/7 also available in the EU

Austria: 0800-291870

Germany: 0800-1016582

Spain: 900-991498

Switzerland: 0800-562907

All questions, conversations, calls, and reports made in good faith will be taken seriously.

## Remember

- We must avoid even informal or casual conversations with employees of our competitors regarding prices, products, or customers; and never make inaccurate or malicious statements about our competitors.
- We select our suppliers based on objective criteria such as price, quality, and prior performance.
- We compete solely on the merits of our products and services.
- We protect the environment of the communities in which we work.
- We follow the laws and regulations regarding workplace safety and health.

## Editor

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