

# Supplier Code of Conduct

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## 1.0 PURPOSE

The purpose of this Supplier Code of Conduct is to convey Safran Passenger Innovations (SPI) expectations of its suppliers and sub-contractors. It is intended to complement the SAFRAN Ethical Guidelines, the ethical framework in which SPI conducts its business. The expectations laid out herein are the minimum standards of behavior and practices we ask of its suppliers.

### *Suppliers' Expectations*

Suppliers are required to adhere to and comply with the principles set out in this Supplier Code of Conduct and acceptance forms part of the contractual provisions with Safran Passenger Innovations. If a supplier has its own rules of conduct the supplier must demonstrate to SPI that its rules are not in conflict with this Code.

The Safran's Group Ethical Guidelines is available at <https://www.safran-group.com/group/commitments/business-ethics>.

### 1.1. Implementation

Suppliers are expected to confirm their willingness to observe, respect and apply these fundamental principles, and are encouraged to promote good corporate citizenship within their own supply chains. Confirmation of compliance with this Supplier Code of Conduct is a formal requirement, helping to inform sourcing decision making, supporting the contract process, and assisting SPI in monitoring suppliers' corporate responsibility accomplishments to ensure harmony with its own CSR strategy and commitments. SPI has committed to performing an annual assessment of its suppliers' CSR performance via an online portal, with analysis by third party assessors. Suppliers should provide all the information or data required by the provisions of this Code, and SPI may visit suppliers' facilities, with notice, to assess compliance with this Code. Should SPI identify or becomes aware of a supplier's non-conformity with the principles laid out in this Code, through assessment, review or audit, SPI has the right to request corrective actions for timely correction of deficiencies. The failure to rectify non-conformities within the agreed time limit or continued breach of the Code may result in SPI terminating the contract with this supplier.

## 2.0 ETHICAL BUSINESS PRACTICE

### 2.1. Laws and Regulations

SPI respects the laws of the countries in which it operates and expects employees to ensure compliance with legislation such as that governing the fight against corruption, competition, export and re-export control, labor and employment, safety, health and environmental protection, intellectual property and data protection.

### *Suppliers' Expectations*

Suppliers are expected to operate ethically, responsibly and in full compliance with all applicable laws and regulations.

### 2.2. Anti-Corruption and Bribery

SPI has a zero-tolerance approach to practices which violate international trading conventions regarding corruption and bribery. Integrity in preventing the risk of corruption is vital and non-negotiable for SPI, to the extend of contract cancellation.

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***Suppliers' Expectations***

Suppliers are expected to uphold the highest standards of integrity in all business interactions. These standards include having a zero-tolerance approach to all forms of bribery, corruption, extortion, and embezzlement, in full compliance with all applicable anti-corruption conventions, laws and regulations. All supplier business dealings must be transparently performed and accurately reflected on the supplier's business books and records. Monitoring and enforcement procedures must be implemented to ensure compliance with anti-corruption laws.

**2.3. No Improper Advantage**

SPI does not engage in the giving or acceptance of business incentives such as gifts and invitations to customers or received from suppliers and other partners, unless they are of nominal value and can be demonstrated to have the sole intention of consolidating brand image and/or maintaining good business relationships. Such giving or acceptance cannot influence or give the impression of influencing a commercial decision. SPI acknowledges that such actions are strictly prohibited by law in certain countries or under certain conditions.

***Supplier' Expectations***

Suppliers must not promise, offer, authorize, give or accept bribes or other means of obtaining undue or improper advantage. This prohibition covers promising, offering, authorizing, giving, or accepting anything in excess of nominal value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

Improper gains refer to bribes, product bonuses, special fringe benefits, unusual price breaks, gratuities and other windfalls designed to ultimately benefit the outside firm, the employee, or both.

Suppliers must not, directly or indirectly, promise, offer or make payment in money or anything of value to any government official or political party with the intent to obtain or maintain business, or any unfair competitive advantage, or to improperly influence government decision.

Suppliers must, using all reasonable means, engage only reputable, qualified individuals or firms as consultants, agents, representatives under compensation arrangements that are reasonable in relation to the services performed.

**2.4. Competing Fairly**

SPI competes on the basis of its products, solutions and services, and without the need to restrict or negatively impact competition.

***Supplier' Expectations***

Suppliers are expected to uphold standards of fair business, advertising and competition. Suppliers must compete on the merits of their products, solutions and services and must not conclude agreements with competitors to unlawfully restrain trade and competition. Suppliers must not make unfair, misleading or inaccurate comparisons with competitors' products, solutions and services, nor comments on competitors' character, financial condition, or potential legal or regulatory problems.

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## 2.5. Compliance with Export Control and Import Laws

SPI complies with all applicable regulations on export controls and re-export of products to third countries. SPI recognizes that the implementation of these regulations requires special vigilance.

SPI does not accept any import or export from or to countries subject to sanctions (i.e. economic or trade sanctions adopted, administered or imposed by the UN Security Council, Authorities of the United States or the European Union).

### ***Supplier' Expectations:***

Suppliers shall not import from or export to countries subject to country-wide sanctions (i.e., international economic or trade sanctions adopted, administered, or enforced by the United Nations Security Council, Authorities of the United States, or the European Union).

The Parties agree to comply with export control laws and regulations that are applicable to the Supply (including its components), as well as to the software, technology, and products that the Parties may exchange within the framework of this agreement.

Each Party shall inform the other Party of the export control classification concerning the elements hereinabove and undertakes to notify it of any changes to – or any plans to change – this classification no later than fifteen (15) calendar days after receiving notice of said change.

If the export or re-export of an item requires an export license, the exporting party agrees to timely apply to the competent government authorities for any license or governmental authorization necessary to so authorize the receiving Party to receive, use the Item, and deliver such to customers or any other authorized end user specified by SPI. Each Party agrees to immediately notify the other Party as to issuance of an export license or other authorization dispensation by the competent government authorities, including provision describing any restrictions applicable to the re-export or re-transfer of all or part of the item to a third party.

## 2.6. Disclosure of Information

SPI is committed to ensuring that information provided to its customers and other stakeholders is useful, accurate, honest, and precisely collected by appropriate means in compliance with the law. SPI communicates openly about its operations, without compromising the confidentiality of company-owned information.

### ***Supplier' Expectations***

Information regarding the supplier's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance must be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable to SPI.

## 2.7. Intellectual Property and Data

SPI preserves the confidentiality of company information, by applying the company's policies, procedures and contractual arrangements for the identification, use, retention, protection, and disclosure of such information, in accordance with applicable legislation.

### ***Supplier' Expectations***

Suppliers must respect and protect the intellectual property rights of SPI and any third parties (including but not limited to software, patents, invention, design, documentation) by forbidding the copy, use or disclosure of such intellectual property rights without prior authorization. The transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

Suppliers are expected to maintain adequate security standards and safeguards to ensure that data SPI provides to the supplier is held securely, used appropriately, transported, and destroyed in strict compliance with SPI's requirements and relevant laws. Data must not be disclosed, made available or used for any purposes other than those specified by SPI.

## **2.8. Conflicts of Interest**

SPI has a responsibility to its parent, shareholders, employees, and other stakeholders to make decisions solely in the best interests of the company. Employees are expected to avoid situations in which their loyalty is, or could be, undermined.

### ***Supplier' Expectations***

Suppliers must make SPI aware of any potential conflicts of interest as soon as they are known.

## **2.9. Minerals Sourcing**

SPI chooses products and services that contribute to the long-term well-being of its business. SPI is committed to purchasing materials that have been produced in a fair and reliable manner, in compliance with all applicable legislation and consistent with the Ten Principles of the UN Global Compact and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.

SPI's Conflict Minerals Policy seeks to ensure that metals present in SPI's products do not directly or indirectly link to the financing of armed conflicts. SPI is committed to providing its customers with the data necessary to facilitate their reporting in line with obligations under the law.

### ***Supplier' Expectations***

Suppliers are encouraged to develop a conflict minerals policy and due diligence measures with reference to OECD guidelines that will enable SPI to reasonably assure that products and components supplied to SPI containing 3TG are "Conflict-Free". Materials supplied to SPI should originate from responsible smelters from which the processing of minerals does not directly or indirectly finance armed groups in regions with high risks, which include areas associated with conflict, worst forms of child labor, forced labor and human trafficking, gross human rights violations, or other reasonably objective high risk activities, including severe health and safety risks and negative environmental impacts.

Suppliers' due diligence of their mineral supply chain should include, where applicable, completion of the Responsible Minerals Initiative (RMI) conflict minerals reporting template, in its most recently published version. SPI will request this reporting template at minimum once a year. Suppliers are expected to notify SPI of any updates or amendments to their RMI conflict minerals report in a timely manner, and to co-operate with SPI to identified discrepancies in the report.

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### 3.0 SOCIAL RESPONSIBILITY

#### 3.1. Human Rights

SPI believes in the fundamental dignity of every human being and respect for individual and collective rights, according to the Universal Declaration of Human Rights. SPI is committed to working with suppliers that support and respect the protection of human rights.

##### *Supplier' Expectations*

Suppliers are expected to uphold the rights of workers and treat them with respect, security, dignity, fairness, privacy and equality, as recognized by the Ten Principles of the UN Global Compact, and in accordance with the Universal Declaration of Human Rights and its subsequent changes. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

#### 3.2. Child Labor

SPI categorically condemns the exploitation of children through work. SPI agree to not exploit any child in the course of its activities, directly or indirectly, and does not employ any person below the minimum legal age established by local law. SPI specifically excludes suppliers that do not comply with child labor law.

Child labor is strictly prohibited. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.

##### *Supplier' Expectations*

Suppliers are expected to ensure that workers above the age of 15 who have not completed compulsory schooling do not undertake work which interferes with the completion of their education. Suppliers must commit to not allowing young workers under the age of 18 to work overtime, at night, or to undertake hazardous duties.

The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Suppliers must ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Suppliers must provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

Suppliers must conduct their labor practices in strict compliance with International Labor Organization (ILO) Conventions No.138 (Minimum Age for Admissions to Employment and Work) and No.182 (Worst Forms of Child Labor).

#### 3.3. Forced and Indentured Labor

SPI categorically condemns the use of forced and irregular labor and believes that all employment should be freely chosen. SPI is committed to meeting all applicable legal obligations in respect of slavery and human trafficking.

##### *Supplier' Expectations*



Suppliers shall not use forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.

Suppliers must not place unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities. As part of the hiring process, suppliers must provide workers with a written employment agreement in their native language that contains a description of terms and conditions of employment, and where applicable this must be made accessible prior to the worker departing from his or her country of origin. All work must be voluntary and workers must be free to leave work at any time or terminate their employment.

The supplier's employers and agents must not hold or otherwise destroy, conceal, confiscate or deny access by employees to employees' identity or immigration documents, such as government-issued identification, passports or work permits, unless the holding of such documents is required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, the monies shall be repaid to the worker.

All hiring of employees by the supplier must be under regular employment contracts in accordance with the laws applicable. Suppliers must not tolerate any form of irregular work. All use of temporary, dispatch and outsourced labor must be within the limits of the local law and must not be used by suppliers to avoid their statutory responsibilities as an employer. Suppliers are expected to understand and act upon any applicable legal obligations in respect of slavery and human trafficking and to be cooperative of SPI's efforts to ensure its own compliance.

### **3.4. Fair Compensation**

SPI remunerates its employees according to skill, contribution and performance and in order that they can meet their basic needs.

#### ***Supplier' Expectations***

Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Remuneration must meet workers' basic needs. Suppliers must pay employees in a timely manner and clearly convey the basis on which employees are being paid, as with all other terms and conditions of the employee contract, in a language understood by the employee. In compliance with local laws, workers must be compensated for overtime at pay rates greater than regular hourly rates. Neither payment in kind, nor deductions from wages as a disciplinary measure will be permitted. For each pay period, workers must be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

### **3.5. Anti-Discrimination**

SPI does not discriminate at any level, whether by race, sex, age, religious beliefs, political or philosophical convictions, union membership or any legally protected characteristics. We recruit, select, train, encourage and pay our employees based on merit, experience, and other work-related criteria.

#### ***Supplier' Expectations***

Suppliers must not discriminate against any employee on the basis of race, color, age, gender, sexual orientation, gender identity and expression, ethnicity, disability, pregnancy, religion, political affiliation, union membership,

veteran status, protected genetic information, national origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline and termination.

Workers or potential workers must not be subjected to medical tests or physical exams that could be used in a discriminatory way.

### **3.6. Health and Safety**

SPI is committed to respecting all applicable health and safety laws and regulations. We promote the International Labor Standards on Occupational Health & Safety. We believe that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment that protects its people, customers, partners, and local communities enhances the quality of products and services, consistency of production and worker retention and morale. Workers should be encouraged to raise safety concerns.

#### ***Supplier' Expectations***

Suppliers are expected to create safe working conditions and a healthy work environment for their employees, and to prevent occupational injuries in compliance with all applicable health and safety legislation. Suppliers are required to implement a Health and Safety Management System in accordance with OSHAS 18001 and the International Labor Standards and Guidelines on Occupational Safety and Health or similar. Suppliers are encouraged to adopt a zero-tolerance approach to negligent behavior that puts at risk the health and safety of the employee or any other person.

## **4.0 ENVIRONMENTAL PROTECTION**

### **4.1. Respect for the Environment**

In accordance with the Ten Principles of the UN Global Compact, SPI is committed to supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies. SPI is committed to working with suppliers taking the lead in promoting greater environmental responsibility.

#### ***Supplier' Expectations***

Suppliers are expected to apply the environmental principles of the UN Global Compact. Suppliers should strive to minimize the adverse environmental impacts of their products and services and are strongly encouraged to implement an environmental management system according to ISO14001 or similar.

### **4.2. Hazardous Substances**

Suppliers are expected to comply with all relevant laws, regulations and customer requirements prohibiting or restricting the use or handling of specific substances, including labelling for recycling and disposal. Chemical and other materials posing a hazard if released to the environment must be preferably avoided or minimized. If used they must be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal. Workers must be given training and personal protective equipment for the handling of hazardous substances.

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#### 4.3. Packaging

Suppliers must ensure that packaging sent to SPI is compliant with all applicable environmental laws such as, but not limited to, Directive 94/62/EC on Packaging and Packaging Waste.

#### 4.4. Environmental Legislation

Suppliers are expected to comply with all applicable environmental legislation in regard to their operation and their products. Suppliers are asked to co-operate with SPI by providing evidence upon request, at minimum once a year, of compliance with environmental regulations such as, but not limited to, EU Regulation EC/1907/2006 REACH, EU Directive 2011/65/EU RoHS and WEEE Directive 2012/19/EU.

### 5.0 REPORTING WRONG DOING

SPI is committed to conducting its business activities with the highest ethical standards and has developed a Whistleblowing Policy and reporting procedure to encourage the sharing of actual or potential ethical concerns.

#### *Supplier' Expectations*

Suppliers are responsible for the prompt reporting of actual or suspected violations of laws, the SPI Supplier Code of Conduct, and/or any contractual relationship with SPI. This includes violations by any employee or agent acting on behalf of either the supplier or SPI. Concerns may be raised online, via telephone or by postal mail. SPI assures suppliers that any reported concerns or suspicions about malpractice or unacceptable behavior will be treated seriously, without the risk of unfavorable treatment and unless prohibited by law, confidentially and anonymously. SPI also encourages suppliers to implement their own confidential and anonymous means for employees and other stakeholders to raise grievances or concerns related to the supplier's organization, operations, and practices.

### 6.0 SUPPLIER'S COMMITMENT

The supplier acceptance of SPI's Order is an acknowledgment of the fundamental principles set out in the SPI's "Supplier Code of Conduct". Supplier shall take steps to ensure that conduct within its own organization, and wherever possible within its sphere of influence, is consistent with the expectations of the Code of Conduct.

The supplier understands that he SPI may assess supplier against the principles set out within the Code.

### 7.0 REFERENCES

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