

Code of Conduct for Suppliers

As a leading provider of engineering services in the field of Aerospace, Defence, Automotive, Telecommunication, Philotech Systementwicklung und Software GmbH, all companies connected with it and all subsidiaries and branches (hereinafter “PHILOTECH”) acknowledge their responsibility towards customers, business partners and the entire workforce in the Group in the present code of conduct. Our company culture is based on shared values such as setting an example, trust, fairness and appreciation in our dealings with customers, employees, business partners and the world at large.

With this code of conduct for suppliers, we ensure that our principles and values, as well as international standards and laws, are in line with entrepreneurial thinking and action within the framework of service provision throughout the entire supply chain.

For this reason, compliance with this code of conduct is an essential requirement for long-term business relationships with PHILOTECH.

Compliance with laws and standards

What we expect from all companies in our supply chain is that they comply with both national and international laws and standards – and the principles and values outlined below.

Accordingly, requirements relating to export control and economic sanctions are relevant along our entire supply chain and must be taken into account and complied with by all our suppliers and their supply chains.

Philotech expects from their suppliers an appropriate process for compliance. Part of the compliance processes needs to be a whistleblower system, which has to be independent, anonymously and without any kind of retaliatory measures.

Treatment of employees

We respect and uphold fundamental human rights and the workers’ rights enshrined in the national legislation in force. We expressly state our commitment to abolishing all forms of forced labour and child labour. We also expect this from our suppliers. At the same time, we expect our suppliers to respect and uphold the constitutional fundamental rights of their employees to freedom of association and collective bargaining.

We are committed to firmly opposing any form of discrimination on the basis of gender, race, age, skin colour, religion, familial status, sexual orientation, origin, physical or mental disability or any other characteristic that is subject to special protection under applicable legislation. This particularly applies to discrimination against employees. We respect the personal dignity, personal rights and private sphere of all employees. We treat each other with openness and honesty in a manner marked by respect and responsibility. We also expect this from our suppliers.

Child labour

Suppliers must 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.

All workers under the age of 18 must be protected from performing work that is likely to be hazardous or that may be harmful to their health, physical, mental, social, spiritual, or moral development.

Modern slavery including human trafficking, forced, bonded or indentured labour

Suppliers must prevent any involvement in all forms of modern slavery, including human trafficking, forced, bonded or indentured labour. All work should be voluntary on the part of the employee.

Suppliers are expected to provide all employees with a written contract in a language they understand clearly indicating their rights and responsibilities with regard to wages, working hours, benefits and other working and employment conditions. Suppliers should not retain any form of employee identification (passports or work permits), nor destroy or deny access to such documentation, as a condition of employment unless required by applicable law. Suppliers must not charge employees fees, recruitment costs or deposits, directly or indirectly, as a precondition of work.

Suppliers must respect the right of workers to terminate their employment after reasonable notice and to receive all owed salary. Suppliers must respect the right of workers to leave the workplace after their shift.

Remuneration and working hours

Our suppliers comply with the national laws in force regarding working hours and ensure that their employees receive appropriate remuneration in accordance with the applicable state legislation (e.g. minimum wage).

Health and occupational safety

Taking account of economic, legal and social conditions, our suppliers constantly work to limit actual and potential risks in the workplace. They support all employees in promoting their own health and acting to prevent accidents and occupational illnesses. To this end, occupational safety and health promotion are firmly fixed in the company processes of our suppliers.

Environmental protection

PHILOTECH expects that all suppliers will comply with national laws and international standards regarding environmental protection. Our suppliers constantly work to minimise environmental impacts in the form of greenhouse gas emissions, water and air pollution and waste and to improve environmental protection. This also includes responsible chemicals management. In order to avoid unnecessary CO₂ emissions, preference should be given to modern communication media and technologies. To reduce CO₂ emissions, the use of electric vehicles has priority over vehicles with combustion engines.

We expect our suppliers to set up and use an appropriate environmental management system and to strive at all times to act sustainably in an energy and resource-efficient, environmentally conscious way. Suppliers must endeavour to minimise the effects of any activities on the environment and to establish

sustainable resource management processes. We expect the use of renewable energies as far as possible and feasible and avoidance of fossil energies. While maintaining competitiveness, they must ensure that product design is set up to consider the entire life cycle of their products and services. Suppliers must fulfil all the requirements of the EU Chemical Regulation REACH (Registration, Evaluation, Authorization and regulation of Chemicals) if applicable.

Ethical Recruitment

We expect from our suppliers highest principles of recruitment ethics, fairness, integrity, professional conduct and fair practice in dealing with all parties.

Observing and ensuring compliance with the transparency of the application and recruitment process and equal treatment of all applicants and employees, and providing a fair framework so that each applicant and employee (i) should have the ability to move freely, (ii) should not be subjected to abuse, threats, and practices such as the unlawful retention of passports or possessions by their employer, (iii) be paid for their work, (iv) not be forced to work, (v) work voluntarily, (vi) be informed in advance of their terms and conditions of employment without misrepresentation, and (vii) be paid regularly as agreed and in accordance with applicable laws and regulations has to be highest priority.

Prohibition of corruption and bribery and blackmailing

We require our suppliers to prevent all forms of corruption, bribery and blackmailing, and the acceptance or granting of advantages in the supply chain. By ensuring a high level of transparency in our business processes, we prevent such practices from taking root. We especially demand that, in the course of collaboration, employees of our suppliers, subcontractors or their legal representatives do not promise or guarantee our employees any advantage in exchange for financial, economic or other reward.

Anti-money laundering

We require our suppliers to be constantly vigilant in business matters, in relation to criminals who wish to "launder" their illegally generated funds or assets. Any complicity, even unknowingly, in money laundering, black money and terrorist financing is illegal and will be punished as a criminal offence.

We only work with reputable partners who comply with applicable laws and obtain their funds from legitimate sources.

Gifts/business courtesies

We will not tolerate the exchange of business courtesies to gain an unfair competitive advantage, such as cash gifts or cash equivalent. Our suppliers should therefore ensure that in any business relationship, the offering or receiving of a gift or business courtesy is permitted under applicable laws and regulations and that such exchange does not violate the rules and standards of the recipient's organisation and is consistent with reasonable market customs and practices.

Export control

Suppliers must ensure that their business practices are in compliance with Export Control laws and regulations including the US, EU and any applicable national regulations, including compliance with Sanctions and Embargoes legislations. Suppliers shall provide truthful and accurate export control classification, information and obtain export control licences or otherwise authorisations when required and must communicate any declarations where necessary.

Identity protection and non-retaliation

Programmes that ensure the confidentiality, anonymity and protection of whistleblowers among suppliers and workers must be maintained, unless prohibited by law. Suppliers should have a communicative process in place allowing their employees to express concerns without fear of reprisals.

Honesty and transparency

In the course of their activities, our suppliers ensure that the results of their work guarantee an undistorted result when they are later used in the intended end products of our customers. As far as technically possible, all suppliers guarantee that they will prevent any actions that enable or promote manipulative/falsifying actions or functionalities in the use of their deliveries.

Avoiding conflicts of interest

PHILOTECH expects all suppliers to avoid any conflict of interest that could negatively influence an existing or pending business relationship.

All activities should be carried out with due regard for the protection of land, forest and water resources. Forced expropriations and evictions are to be avoided in any case.

Fair competition and intellectual property

Our suppliers comply with national and international competition laws and do not engage in price fixing or other actions in violation of anti-cartel law. The intellectual property of third parties is to be respected and protected.

Security culture and data protection and privacy

As an engineering partner, PHILOTECH takes its responsibility for developing safety-relevant systems seriously. Keeping every individual who handles products (co-)developed by us safe is therefore a matter of particular concern to us. Our suppliers ensure that they avoid placing people and society at risk and actively promote safety consciousness at all levels of their organisation.

The processing of personal data always takes place in harmony with the national and international data protection laws in force. Personal data is only processed by suppliers and their sub-contractors/own suppliers if there is a valid legal reason for doing so. PHILOTECH always processes personal data provided by suppliers and their own sub-contractors/suppliers on the basis of a valid legal foundation.

Maintain Accurate Records

Suppliers are expected to create, store and maintain business records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. Suppliers are expected to have in place appropriate related controls to ensure the above activities are accurately and securely performed. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on the applicable retention requirements.

Supply chain and subcontractors

Compliance with the principles and requirements set out in this Code of Conduct shall be reasonably required of our suppliers by their own suppliers/subcontractors/supply chain in relation to ethical behaviour and in particular to labour and human rights.

Supplier relationships and compliance with the code of conduct

To ensure quality is maintained throughout the supply chain, PHILOTECH carries out regular supplier evaluations. Potential measures resulting from the evaluation will be individually agreed with the supplier. Our suppliers give their assurance that they will implement the agreed measures in a timely manner.

PHILOTECH will monitor compliance with the principles and requirements in this code of conduct through spot checks. To do so, PHILOTECH or a third party PHILOTECH has commissioned will agree a date with the supplier and then carry out an on-site audit. Violation of or disregard for the requirements and principles in this code of conduct by the supplier will be considered significantly detrimental to the contractual relationship. In case of doubt, the supplier grants PHILOTECH the right to obtain information regarding the facts. Proof that the code of conduct has not been observed or no suitable corrective measures have been taken by an appropriate deadline set by PHILOTECH will be considered a compelling reason for extraordinary termination.

Scope of validity of the code of conduct for suppliers

This code of conduct applies to PHILOTECH, all companies connected with it and all their subsidiaries and branches:

- Philotech France SAS
- Philotech Iberica S.L.
- Philotech UK Ltd.
- usb Gesellschaft für Unternehmensberatung und Systementwicklung mbH

Declaration by the supplier

By signing, the supplier declares

- that they have received, read and understood the code of conduct for suppliers
- and that they recognise and will observe all the requirements, regulations and principles contained therein.

Place, date _____

Supplier (complete company name)

Stamp:

Legally binding signature for the supplier