

Code of Conduct

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, 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. For this reason, compliance with this code of conduct is an essential requirement for the behavior of all PHILOTECH employees as well as the whole management.

All PHILOTECH employees are expected to comply with the contents of this Code of Conduct. In every respect, line managers have the additional responsibility of setting an example, overseeing the legitimacy of all conduct on behalf of PHILOTECH and promoting our corporate culture in terms of its professionalism, ethics and compliance.

Compliance with laws and standards

For PHILOTECH it is only natural to observe and comply with both national and international laws and standards.

We expect the same from our business partners. Due to our of international business, numerous laws must be observed and regulations implemented throughout the group. This also expressly includes compliance with all export control regulations and economic sanctions. All employees of PHILOTECH are obliged to uphold applicable law, to comply with the respective internal regulations and to fulfil the agreements entered with our business partners.

PHILOTECH has appointed a Compliance Officer who reports directly to the Management Board. The Compliance Officer acts completely impartial, independent and not bound by instructions. In addition compliance processes have been set up and are being systematically further developed. All kind of compliance topics can be addressed, e.g. labour law complaints, environmental complaints and ethical behaviour. See also Philotech homepage: Complaint Management.

Part of the compliance processes is a code of conduct for employees as well as a whistleblower system that enables compliance officers to make matters transparent as quickly as possible, clarify them and take further steps. Information can be given by telephone via a hotline or by e-mail directly to the compliance department via a separate address. The information will be treated as completely confidential; in this case, the compliance officers are released from their reporting duties to the Management Board with regard to the whistleblowers and the facts will be processed completely anonymously. PHILOTECH will not take any retaliatory measures if a possible violation of the law or this Code has been reported in good faith.

Treatment of employees

We respect and uphold fundamental human rights and the rights of employees as enshrined in applicable national legislation. We are expressly committed to the abolition of all forms of forced labor and child labor. At the same time, we expect our employees and management to respect and uphold the fundamental constitutional rights of all employees to freedom of association and collective bargaining.

We are committed to resolutely opposing any form of discrimination based on gender, race, age, skin color, religion, marital status, sexual orientation, origin, physical or mental disability, or other characteristics subject to special protection under applicable law.

In particular, we guarantee equal treatment of women, equal rights and inclusion of minorities as well as indigenous peoples.

We respect the personal dignity, personal rights and privacy of all employees. We treat each other with openness and honesty in a manner characterized by respect and responsibility.

Ethical Recruitment

We observe the highest principles of recruitment ethics, fairness, integrity, professional conduct and fair practice in dealing with all parties.

We observe and ensure compliance with the transparency of the application and recruitment process and equal treatment of all applicants and employees, and provide 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.

Identity protection and non-retaliation

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

Child labour

We 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

We 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.

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We provide all employees with a written contract in a language they understand clearly indicating their rights and responsibilities regarding wages, working hours, benefits and other working and employment conditions. We do 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. We do not charge employees fees, recruitment costs or deposits, directly or indirectly, as a precondition of work.

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

Remuneration and working hours

PHILOTECH complies 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, we constantly work to limit actual and potential risks in the workplace. We 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.

Environmental protection

PHILOTECH complies with national laws and international standards regarding environmental protection. We 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. We 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. We endeavour to minimise the effects of any activities on the environment and establish sustainable resource management processes. We use renewable energies as far as possible and feasible and avoid fossil energies. While maintaining competitiveness, we ensure that product design is set up to consider the entire life cycle of their products and services.

Prohibition of corruption, bribery and blackmailing

We prevent all forms of corruption, bribery and blackmailing, and the acceptance or granting of advantages. 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, managers, suppliers or their legal representatives do not promise or guarantee our employees any advantage in exchange for financial, economic or other reward.

Anti-money laundering

At Philotech, we consistently exclude black money from our business. In practice, we must therefore be constantly vigilant to effectively protect our company from criminals who want to "launder" their illegally generated funds or assets. Any complicity, even unknowingly, in money laundering and terrorist financing is illegal and will be punished as a criminal offense.

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We conduct business only with reputable partners who comply with applicable laws and obtain their resources from legitimate sources. We take comprehensive measures to ensure the transparency of our business relationships.

Gifts/business courtesies

Philotech does not use the exchange of business courtesies to gain an unfair competitive advantage. In any business relationship, Philotech ensures that the offering or receipt of any gift or business courtesy is permitted by applicable laws and regulations, and that these exchanges do not violate the rules and standards of the recipient's organization, and are consistent with reasonable marketplace customs and practices. No cash gifts or cash equivalent will be offered or accepted.

Export control

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

Honesty and transparency

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

Avoiding conflicts of interest

PHILOTECH avoids any conflict of interest that could negatively influence an existing or pending business relationship.

All activities within the scope of Philotech are carried out in compliance with the protection of land, forest and water resources. Forced expropriations and evictions are to be avoided in any case.

Fair competition and intellectual property

We 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.

Counterfeit parts

PHILOTECH takes the responsibility to develop, implement and maintain effective methods and processes appropriate to their products to minimize the risk of counterfeit parts and materials being delivered. Effective processes are in place to detect, report and quarantine counterfeit parts and materials and to prevent such parts re-entering the supply chain. If counterfeit parts and/or materials are detected or

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suspected, PHILOTECH provides immediate notification to the recipients of such counterfeit parts and/or materials.

Security culture, 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. We ensure that we avoid placing people and society at risk and actively promote safety consciousness at all levels of their organisation.

Philotech respects and protects the privacy of personal information. Our security and privacy policies strictly limit access to and use of users' personal information in accordance with applicable privacy laws and require measures to protect user information from unauthorized access.

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 if there is a valid legal reason for doing so. PHILOTECH always processes personal data based on a valid legal foundation.

Maintain Accurate Records

We create, store and maintain business records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. We 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 outlined in this code of conduct is to be required to an appropriate extent by our suppliers from their own suppliers/subcontractors/supply chain (Code of Conduct for Suppliers). All suppliers must accept regulations for ethical behaviour, especially regarding labour and human rights. A separate Code of Conduct for suppliers is defined and must be accepted by Philotech suppliers.

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 (Code of Conduct for Suppliers).

Company Processes

An important task for PHILOTECH, along with all its employees and business partners, is alignment behind the current and future requirements of our customers. To meet these requirements, we ensure a high standard of quality for our products and services. This is achieved through continuous improvement of all company processes and our range of services. We integrate our business partners in all the concerns of quality and environmental management, occupational safety and improving efficiency here. We ensure long-term customer benefit through this constant process of innovation.

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We invest in the expertise and motivation of our employees through a targeted information policy and an active programme of training and further education. This encourages awareness in all our employees, to get actively involved in the company processes and contribute towards our company's success. All our managers set an example here. Our work is carried out with integrity, and we act impartially while maintaining confidentiality, free from any internal or external compulsion, in compliance with the best professional practice.

The basis for the governance and design of our company processes is both from the documentation in the PHILOTECH Quality Management System and the ongoing management assessment, based on specified target values. To adapt to constantly changing demands, annual targets are defined, necessary measures are implemented, and the success of the results is checked. The company management is committed to maintaining and further developing the management system as well as fulfilling any statutory, regulatory, and normative requirements.

Scope of validity of the code of conduct

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