
COTESA Supplier Standards of Conduct

INTRODUCTION

COTESA is an internationally operating company in the aerospace industry. Being such a company, COTESA bears corporate responsibilities to its customers, employees, investors and the general public, as well as the environment. Among these many corporate responsibilities, COTESA must follow all valid laws in every place at all times, respect all ethical fundamental values, and actively strive for sustainability.

SCOPE OF APPLICATION

According to its corporate responsibility strategy, COTESA demands that its suppliers, as well as the employees of its suppliers, act responsibly and commit to the adherence of its fundamental principles.

In case the supplier employs a third party (e.g. a subcontractor or a substitute) within the course of business relations with COTESA, said third party must commit to the adherence of the above-mentioned fundamental principles as well.

COTESA reserves the right to check for the compliance with the below-mentioned requirements by the supplier or business partner with prior notification, in the presence of representatives of said business partner, on site, in accordance with applicable law, especially with due regard to the protection of privacy laws at regular business hours on an individual basis.

1 CORPORATE RESPONSIBILITY

From this purpose, corporate responsibility results in the obligation for the compliance with rights and all valid laws. COTESA especially expects that its suppliers comply with the following fundamental principles:

Human Rights

The suppliers of COTESA must honor and protect the worldwide valid laws regarding the protection of human rights as a fundamental and generally valid guideline. It is especially important, that the supplier utilizes neither forced labor nor child labor. The supplier must strictly comply with laws which regulate the minimum age for child labor.

Equal Opportunities and Non-discrimination

All suppliers of COTESA will not discriminate against anyone due to their ethnic, national or social background, color of skin, sex, religion, worldview, age, disability, sexual orientation, political view, provided that they are based on democratic principles and tolerance toward people with differing opinions, or other legally protected attributes, insofar as they are not against valid law.

Freedom of Association

The fundamental right for employees to form and join trade unions and enter into collective bargaining agreements will be recognized. Where this right is limited by local laws, alternative, legally-compliant possibilities for collective bargaining shall be promoted.

Product Safety

The suppliers of COTESA must observe all currently applicable product safety laws and regulations, especially the legal regulations regarding safety, labelling and packaging of products, as well as the usage of hazardous materials.

Safety at the Workplace and Working Times

The suppliers and business partners of COTESA must adhere to all currently applicable legal regulations for health and safety at the workplace. They must support the further development and improvement of working conditions. The working times must, at the minimum, correspond to the currently valid national legal regulations or the minimum standards for the respective national business sectors.

Labor Conditions

The suppliers of COTESA are expected to ensure that their employees are afforded an employment environment that is free from physical and psychological harassment or other abusive conduct.

Minimum Wage

The suppliers of COTESA must ensure suitable wages for its employees, which correspond to the legally valid minimum wage. If legal regulations or collective agreements do not exist, the wages must be orientated on the sector-specific, normal, local, collective wages, which ensure that employees and their families have a suitable living standard.

2 ENVIRONMENTAL AND CLIMATE PROTECTION

COTESA expects its suppliers to comply with the following fundamental principles, especially:

Compliance with Legal Regulations

Responsibility with regard to environmental protection issues and the compliance with the legal regulations regarding the environment and sustainability.

Increasing Energy and Resource Efficiency

The suppliers of COTESA will use natural resources sparingly and will minimize environmental pollution in their production processes and products.

3 TRANSPARENT BUSINESS RELATIONSHIPS

Openness and transparency are keys to the credibility and trust in business. COTESA expects its suppliers to comply with the following fundamental principles, especially:

Prevention of Conflicts of Interest

The suppliers of COTESA must make decisions solely on the basis of objective criteria and must not let personal interests and relationships influence said decisions.

Prohibition of Corruption

The suppliers of COTESA will not tolerate any form of corruption and comply with the anti-corruption laws, directives and regulations. They will ensure that their employees, subcontractors or representatives neither offer nor take any bribe money, payoffs, unauthorized donations or other unauthorized payments or other advantages to or from customers, authorities or other third parties.

Gifts / Business Courtesies

The suppliers of COTESA will ensure that exchanges of gifts/business courtesies comply with reasonable marketplace customs and practices. The exchange of business courtesies may not be used to gain an unfair competitive advantage.

4 FAIR MARKET CONDUCT

COTESA is a fair and responsible participant in the market and adheres to its contractual obligations. COTESA expects the same from its suppliers and business partners, especially when complying with the following fundamental principles:

Free Competition

The suppliers of COTESA comply with all valid anti-trust laws. They will make no anti-competitive agreements with competition, suppliers or customers and will not abuse any possible situation which could lead to cornering the market.

Export Control

The suppliers of COTESA ensure compliance with the currently valid laws for the import and export of goods, services and information (EAR/ITAR).

Mineral Resources

The suppliers of COTESA must comply with applicable laws and regulations regarding conflict minerals (tin, tungsten, tantalum and gold) and require the same from their next tier suppliers.

Counterfeit Parts

The suppliers of COTESA implement and maintain effective methods and processes to minimize the risk of introducing counterfeit parts and materials into deliverable products.

Money Laundering

The suppliers of COTESA will only maintain business relations with business partners, from which they are convinced of their integrity. The suppliers must ensure that the currently valid legal regulations regarding money laundering are to be observed.

Business Information

The suppliers of COTESA create accurate and complete records of their business transactions and report regarding their business operations truthfully in accordance with currently valid laws. Records should be retained based on the applicable retention requirements.

5 DATA PROTECTION AND PRIVACY, TRADE SECRETS AND CORPORATE ASSETS

Confidential information, trade secrets, and corporate assets must be secured and protected. COTESA expects its suppliers to comply with the following fundamental principles, especially:

Data Protection and Privacy

The suppliers of COTESA observe all currently valid laws for the protection of personal data of employees, customers, suppliers and all other affected parties.

Protection of Know-how, Patents, Proprietary Data and Trade Secrets

The suppliers of COTESA respect the know-how, the patents, proprietary data and trade secrets of COTESA and other third parties. The suppliers are not allowed to give the above information to third parties without the express written consent of COTESA.

Dealing with Corporate Assets

The suppliers of COTESA must respect all material and intangible assets of COTESA and must not use said material and intangible assets for corrupt or external purposes. The suppliers must ensure that their employees, as well as employees of a third party only within the scope of business relations with said supplier (such as subcontractors or representatives), neither damage nor misuse the assets of COTESA - i.e. utilize said assets against the interests of COTESA.

Ensuring the International Supply Chain

The suppliers of COTESA must ensure that the production sites and the logistic handling centers, on which particular goods are produced, stored, processed, loaded and transported for COTESA in the context of a secure supply chain, are protected against unauthorized third parties and that the employees used in such situations are reliable.

6 LEGAL CONSEQUENCES IN CASE OF VIOLATIONS

If the supplier of COTESA does not adhere to the fundamental principles written in this code of conduct, COTESA is entitled to terminate business relations with this supplier through an extraordinary termination of contract. It is up to COTESA to waive such consequences and take alternative measures instead, if the supplier plausibly ensures and can prove that it has taken immediate counter measures for the avoidance of any future violations.