



Supplier Code of Conduct

Foreword

A supplier code of conduct is a set of guidelines that a company establishes to set its social, ethical and environmental expectations from its suppliers. Suppliers are expected to adhere to these guidelines during the course of conducting business with the company.

The objective for Hewland is to communicate its Supplier Code of Conduct clearly to its suppliers, provide guidance on implementation, and establish mechanisms for monitoring and enforcement.

These mechanisms include regular audits and evaluations that may be conducted to ensure compliance and address any issues. In addition, Hewland expects an open communication to help build a strong and ethical business relationship with its suppliers.

Introduction

Hewland's vision is to promote and reach outstanding environmental and social sustainability performance. The company's mission is to promote life cycle thinking approach and sustainable innovation, drive product life cycle traceability and transparency, aim towards net zero designing and manufacturing, and promote social responsibility, education, and awareness.

Hewland's supplier code of conduct is the pillar to ensure social, environmental and ethical responsibility and conduct through Hewland's entire supply chain. It establishes the relationship between Hewland and its suppliers and acts as a minimum standard for the suppliers to follow.

This supplier code of conduct gathers requirements from Hewland suppliers to adhere to responsible & ethical business practices, environmental and social responsibility. Each requirement is a clear guideline for the supplier to follow.

Suppliers are expected to demonstrate their adherence to the code upon request. In parallel Hewland reserves the right to conduct audits at its suppliers to confirm their compliance to the code.

In addition, this document also includes specific quality standards requirements as per AS9100: Aerospace Standard Rev D - Quality management systems - Requirements for aviation, space and defense organisations, section 8.3.4: Design and development controls.

Requirements from Hewland suppliers

Responsible business practices / Business ethics

Suppliers should uphold the highest standards of integrity and operate honestly and equitably throughout the supply chain.

Suppliers should implement a management system for business ethics that includes the following:

Anti-Corruption and Anti-Money Laundering:

Suppliers should not participate in or endorse any corrupt practices in whatever form, including offering or accepting bribes, excessive gifts or hospitality or facilitation payments. Suppliers should not facilitate or support money laundering. Suppliers should report any suspicious transactions and be alert for signs of money laundering.

- **Data Protection and Data Security:** Suppliers should respect the privacy and civil liberties in respect of the collection, retention, use or dissemination, as well as any other processing of personal data.
- **Financial Responsibility/Accurate Records:** Suppliers should perform their business dealings in a transparent manner and accurately reflect them in the companies' financial reports and filings. Suppliers should confirm an adequate financial reporting system control is in place.
- **Disclosure of Information:** Suppliers should disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices.
- **Conflicts of Interest:** Suppliers should ensure that their employees avoid and disclose situations where their financial or other interests conflict with job responsibilities, or situations giving any appearance of impropriety.
- **Counterfeit Parts:** Suppliers should minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.
- **Intellectual Property:** Suppliers should respect valid intellectual property rights.
- **Export Controls, Trade, and Economic Sanctions:** Suppliers should comply with applicable restrictions on the export or re-export of goods, software, services and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or entities and individuals.
- **Grievance Mechanism:** Suppliers should establish an effective grievance mechanism in line with UN Guiding Principle 31 that allows concerns related to business ethics, human rights, or any other topic to be raised anonymously, confidentially and without retaliation.
- **Remediation:** Suppliers should provide for or cooperate in remediation through legitimate processes when their business activities cause or contribute to adverse environmental or social impacts.
- **Non-retaliation:** Suppliers should avoid any form of threats, intimidation, and physical or legal attacks against stakeholders, including those exercising their legal rights to freedom of expression, association, peaceful assembly and protest against their business activities.

Human rights and working conditions

Suppliers must respect the human rights of workers, local communities and other relevant stakeholders, and prevent and address adverse human rights impacts linked to their business activities, in accordance with the UN Guiding Principles on Business and Human Rights. Suppliers should implement a management system for human rights and working conditions that includes the following:

- **Child Labour and Young Workers:** Suppliers must observe the minimum employment age in their business activities and throughout their supply chain in accordance with the ILO Minimum Age Convention.

- **Wages and Benefits:** Suppliers must provide their workers with remuneration in accordance with applicable regulations and prevailing industry practices; such remuneration should be adequate to cover basic needs and enable a decent standard of living for the workers and their families, which includes respecting minimum wages, overtime compensation, medical leave and government-mandated benefits.
- **Working Hours:** Suppliers must comply with local laws and collective bargaining agreements (where applicable) regarding working hours.
- **Modern Slavery:** Suppliers must prohibit any forms of forced, bonded or compulsory labour, including human trafficking.
- **Ethical Recruiting:** Suppliers must not mislead or defraud potential workers about the nature of the work, ask workers to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny access to worker passports and other government-issued identity documents. Workers must receive a written contract or employment notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.
- **Freedom of Association and Collective Bargaining:** Suppliers should allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Companies should respect worker rights to associate freely, to join or not join labour unions, bargain collectively, seek representation and join workers' councils.
- **Non-Discrimination and Harassment:** Suppliers should not tolerate any form of discrimination or harassment in respect of employment and occupation and should provide equal employment opportunities regardless of worker or applicant characteristics such as age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.
- **Women's Rights:** Suppliers should provide equal opportunity in employment and commit to equal pay for equal work.
- **Diversity, Equity, and Inclusion:** Suppliers should develop and promote inclusive cultures where diversity is valued and celebrated, and everyone is able to contribute fully and reach their full potential. Suppliers should encourage diversity in all levels of their workforce and leadership, including boards of directors.

Health & Safety

Suppliers should:

- Provide a safe working environment for their employees that complies with applicable health and safety law and regulation, including fire safety legislation.
- Manage Health & Safety in the workplace to reach zero accident goal.
- Have a Health & Safety management system in place
- Identify & mitigate risks and hazards
- Ensure Health & Safety maintenance through management responsibility, monitoring and training
- Have an emergency preparedness and response plan in place

- Provide all necessary PPE (Personal Protective Equipment) to their personnel, contractors and visitors

Environmental responsibility

Suppliers should provide continuous effort to minimise their environmental impacts and the use of natural resources. They should demonstrate their environmental responsibility by adhering to international and national environmental laws & regulations, and identify their environmental impacts by implementing an environmental management system that should include the following:

Energy

- Monitor your energy usage
- Implement energy management plan and best practices with ambitious goals to increase energy efficiency and reduce spend
- Suppliers are encouraged to increase their use of renewable energy

Chemicals and wastes/hazardous wastes management

- Have procedures and policies in place that ensure the identification, management, storage, safe handling and disposal of chemical and hazardous materials.
- Minimise or eliminate the use of restricted materials and substances (as per local law classification)
- Wastes must be handled and disposed of safely, respecting both the environment and the health & safety of employees

Water

Monitor water usage and aim for water preservation, minimising usage and treating wastewater appropriately and following local laws and regulations.

Greenhouse gas emissions

- Monitor your Scope 1 and 2 emissions as minimum and ideally your Scope 3 emissions.
- Set emissions reduction targets and establish a roadmap for emissions reduction
- Monitor the reduction of your greenhouse gas emissions
- Incentivise your supply chain to implement the same

Air quality and noise pollution

- Suppliers using volatile organic compounds, any air toxic substances or generating combustion by-products during their operations should monitor their air quality regularly and implement plans to minimise emissions.
- When applicable suppliers should monitor noise level and implement adequate plan to avoid noise pollution in their facilities.

Responsible supply chain management

Suppliers should install a supplier management system that includes the following:

- Privilege local purchases and ideally have a local purchase preference policy in place
- Implement a supplier code of conduct
- Monitor environmental and social impact in their supply chain:
 - Suppliers should ensure their sourced materials and services are managed in an environmentally, socially and ethically conscious manner
 - Suppliers should ensure that any of their sourced items do not negatively impact the environment and/or contribute to human rights abuse and ethical violations.

- Suppliers should conduct due diligence to ensure full traceability and transparency of their sourced materials and services

AS9100 Quality standard

Section 8.3.4 Design and development controls

Suppliers should be compliant with AS9100 Section 8.3.4 quality management standard requirements:

Control of Nonconforming Outputs

Suppliers must establish and maintain processes to ensure that nonconforming outputs are identified and controlled to prevent unintended use or delivery. This includes:

- **Detection and Correction:** Identifying and correcting nonconformities in products and services.
- **Segregation and Disposition:** Ensuring nonconforming products are segregated from conforming ones and are properly disposed of or reworked.
- **Notification:** Suppliers must promptly notify our organisation of any nonconformities that affect or may affect the delivered product or service.

Re-evaluation of Nonconforming Outputs

Suppliers should perform a re-evaluation of any nonconforming outputs after correction to ensure conformity to the original requirements. This process must be documented, and records must be maintained.

Disposition of Nonconforming Outputs

Suppliers must determine the appropriate disposition of nonconforming outputs, which may include:

- **Rework:** Bringing the product or service into conformity.
- **Repair:** Restoring the product to a condition that ensures its fitness for use, although it may not meet the original specifications.
- **Scrap:** Disposing of the product in a way that prevents its unintended use.
- **Use-As-Is:** Accepting the nonconforming product with a concession, provided it meets acceptable standards.

Preventive Action

Suppliers are required to take action to eliminate the causes of nonconformities to prevent their recurrence. This should involve root cause analysis, corrective action, and continuous improvement processes.

Reporting and Documentation

Suppliers must maintain complete and accurate records of all nonconformities, corrective actions, and disposition decisions. These records must be available for review upon request by our organization.

Compliance to the supplier code of conduct

Supplier are requested to observe the code by:

- Having relevant procedures and policies in place that are consistent with the principles of this code
- Providing elements that demonstrate the compliance to the code on request (during audits evaluation questionnaires)
- Applying the principles of this code of conduct in their own supply chain

Non-compliance

Suppliers should cooperate during the verification of their adherence and compliance to the code of conduct during on-site audits and evaluations.

In case of non-compliance a corrective action plan will be required, and its implementation verified.

Building a sustainable supply chain is a team effort between Hewland and its suppliers. Hewland sustainability and procurement teams are available for support and guidance during this journey.

In case of repeated non-compliance to the code of conduct, Hewland reserves the right to terminate its business relations with non-compliant suppliers.

Contacts

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Document revision

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