

Cobham Responsible Supply Chain Management Supplier's Code of Conduct

Our Message to Suppliers

Cobham has a well-deserved reputation founded on trust, integrity and of "doing the right thing". Our success depends upon our reputation. Cobham has adopted global standards to ensure we conduct business fairly and honestly, as the "most important thing we build is trust". The global business environment in which we operate grows ever tougher and presents us with unprecedented challenges. However, some things remain clear and constant. Our culture of acting ethically and with integrity at all times, helps our business and reputation thrive, protecting our shareholders, stakeholders and our employees.

This Suppliers Code of Conduct to Responsible Supply Chain Management sets out our vision and expectations for our supply chain to help us "do the right thing" and sets out what our suppliers can expect from Cobham in return.

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Contents

1. Introduction	2
2. Purpose	3
3. Corporate Responsibility and Sustainability (CR&S) at Cobham plc.....	3
4. Applicable Documents	8

1. Introduction

Cobham plc is committed to operating and developing its business in a socially, economically and environmentally responsible and sustainable manner in order to offer real long term value to our customers, shareholders, suppliers and employees.

We believe that managing our supply chain responsibly and sustainably will benefit both Cobham and its suppliers through:

- Enhancing reputation with customers and shareholders;
- Enhancing the ability to attract, retain and engage talented employees;
- Developing closer collaboration with strategic suppliers;
- Capturing innovation with regards to low carbon and resource efficient products, services and operations;
- Reducing whole life operating costs across the value chain;
- Increasing productivity through process efficiency gains;
- Identifying and communicating strategic social, economic and environmental risks and opportunities across the value chain; and
- Sharing knowledge and experience.

Our vision is for our supply chain to share our commitment and continually improve its social, economic and environment performance in this area.

2. Purpose

The purpose of this guide is to set expectations and provide guidance for our suppliers and those wishing to work with Cobham plc in the future.

3. Corporate Responsibility and Sustainability (CR&S) at Cobham plc

3.1. Priorities

Cobham Plc has four key corporate responsibility and sustainability (CR&S) priorities. These are:

- 3.1.1 Demonstrating and maintaining the highest ethical standards, including human rights, to build trust with our customers, shareholders, suppliers and employees;
- 3.1.2 Creating a work environment that attracts, retains, develops and engages employees to enable delivery of our business strategy and objectives;
- 3.1.3 Providing safe working environments, products and services for our employees, contractors, visitors, customers and end users; and;
- 3.1.4 Managing our environmental impacts to the local and global environment, and minimising our impacts wherever practicable, to ensure that the planet can continue to support society and business with minimal system shock and volatility.

3.2. Cobham's SPIRIT values

Cobham's four CR&S priorities are reflected through its SPIRIT values:

Safety	Provide a safe workplace for our people, ensure the safety of the products and services we provide, and take care of the local and global environment
Performance	Consistently deliver and seek to exceed expectations while improving what we do and how we do it everyday
Innovation	Create an environment to encourage new ideas, regardless of where they come from, and have the courage to try, fail, learn and then succeed!
Relationships	Develop trusted interpersonal and customer relationships by listening, appreciating diversity, striving to understand, being inclusive and delivering on our commitments
Integrity	Act ethically in all that we do, not only in compliance with the laws and regulations that govern us, but also in the spirit of ethical behavior and doing what is right
Trust	Be open, transparent; we say what we'll do and do what we say

3.3. Cobham's CR&S objectives

Cobham's CR&S objectives for itself and its supply chain are:

- 3.3.1 To be legally compliant with all laws and regulations in the jurisdictions in which it conducts its business, including accepted international laws;
- 3.3.2 To abide by all contractual requirements that have been agreed between both parties;
- 3.3.3 To provide, and not unreasonably withhold, all information necessary to meet customer and shareholder information requests in a timely manner;
- 3.3.4 To ensure that human rights are not abused as a consequence of its operations and supply chain (e.g. modern slavery, human trafficking, labour standards and minerals sourced through armed conflict);
- 3.3.5 To provide an inclusive, engaging and innovative workplace culture that is attractive to all talented individuals regardless of their social background;
- 3.3.6 To achieve accident and incident free workplaces, products and services, and;
- 3.3.7 To minimise environmental impacts and use energy and natural resources efficiently, wherever practicable.

3.4. Cobham's Approach to Responsible Supply Chain Management

Cobham's approach to Responsible Supply Chain Management (RSCM) is based on the British Guidance Standard BS8903, in anticipation of the International Guidance Standard ISO 2400 which will replace it. The focus of BS 8903 is to identify, prioritise and mitigate inherent significant risk in our supply chain in order to ensure that we have a sustainable supply to meet our customers' requirements. The approach assesses the key inherent risks against each supply category and where considered significant will be the subject of an appropriate due diligence assessment and the implementation of suitable and proportionate mitigation actions where necessary. Actions could include, but are not limited to, supplier engagement, supplier education, supplier development or sourcing alternative suppliers.

In addition to complying with all relevant laws, regulations and contract requirements, Cobham's Suppliers Code of Conduct is as follows:

3.4.1 Payment Terms and Conditions

We will pay our suppliers in accordance with the terms we agree and we expect our suppliers to adopt the same standards with their sub-suppliers. We will not knowingly award contracts that economically disadvantage our suppliers in the long term.

3.4.2 Business Continuity

As a responsible business we expect to operate continuously to meet the needs of our customers and have developed business continuity plans to ensure continuity of supply appropriate to the value at risk. Some of our suppliers are critical to this requirement. We expect our suppliers to operate and communicate business continuity plans appropriate to the nature of their business.

3.4.3 Whole Life Cost

When we engage with the supply chain to procure materials, products and components, we will use a whole life costing approach to account not only for upfront capital costs, but also in-use, maintenance and disposal costs. This is relevant to both the plant and equipment we purchase for our manufacturing operations (for which we have the total cost of ownership), and to the

components that go into our designs for customers' products (which should be as efficient as possible in use, maintenance and disposal). This will give the business and our customers longer term value for money.

3.4.4 Financial Responsibility Including the Keeping of Accurate Records

All books, records, accounts, and financial statements must fully, fairly, accurately and timely reflect the nature of the transactions recorded and must conform both to applicable legal and accepted accounting principles and to Cobham's system of controls where appropriate. Suppliers are required to keep accurate records of their time where required. The time-keeping requirements of government contracts must be strictly adhered to. Financial transactions must be lawful, made for the purposes stated and authorised appropriately. Forging or altering documents is an act of fraud.

3.4.5 Anti-Competition

We expect our suppliers to comply with all competition and anti-trust laws applicable in the countries where they operate. Suppliers must not make any formal or informal agreements or formal or informal discussions with competitors regarding prices or pricing policies, allocating customers, supplier or customer selection or classifications, or allocating markets or territories in which competitive products are sold, customer or supplier boycotts, excluding competitors from the marketplace, or unfairly restricting trade or any other similar competitive information.

3.4.6 Fair Dealing

We expect our suppliers to compete in the marketplace on the basis of their products, technology, know-how, quality, service, price and similar competitive factors. Suppliers must not seek to gain any improper advantage through the use of manipulation, concealment, dishonesty, abuse of privileged information, misrepresentation of facts, or any other unfair dealing practice.

3.4.7 Export and Import Compliance

We expect our suppliers to conduct all import, export and re-export activities and/or transactions involving Cobham in full compliance with all applicable import and export control laws and regulations.

3.4.8 Confidential Information and Intellectual Property

Cobham's success is dependent on its intellectual property and it must be preserved and protected against disclosure, whether intentional or unintentional. Intellectual Property includes, but is not limited to, trademarks, copyright, patents, inventions, know-how, design, mask works, and trade secrets. Certain information may be classified for National Security purposes. Suppliers will be vetted to ensure they have the necessary authorisations and controls in place to receive and protect such information. Suppliers will be expected to sign up to, and abide by, legally binding Non-Disclosure Agreements with regard to information obtained as a result of working with Cobham.

3.4.9 Bribery and Corruption

We actively oppose all forms of bribery and corruption. We expect suppliers to have appropriate procedures in place to support this position.

3.4.10 Gifts and Business Courtesies

The exchange of gifts and entertainment can promote successful working relationships and goodwill between parties. However, there is also the risk that a gift, entertainment or hospitality may be deemed to be an attempt to improperly influence a business decision, which can harm our reputation and may result in civil and criminal penalties. Regardless of value, even the appearance of influence must always be considered before acceptance. We expect suppliers to respect all laws and regulations in this regard and to refrain from offering gifts, entertainment or hospitality to Cobham employees if there is an intention to influence a business decision, secure an improper advantage, create a conflict of interest; or create the appearance of doing so.

3.4.11 Human Rights

We support the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We expect our suppliers to exercise due diligence over their supply chains to support these principles on a risk prioritised basis. Our main priorities with respect to human rights are:

- **Modern Slavery & Human Trafficking** - We oppose modern slavery and human trafficking in all its forms and seek to identify and eradicate its occurrence within our own operations and within our supply chain wherever possible through a due diligence process. We expect our suppliers to work likewise towards operations and supply chains that are free from slavery and human trafficking and:
 - Communicate the requirements of the applicable legislation and of Cobham's policy and our zero tolerance approach to all of its third parties and supply chain and hold their suppliers to the same high standards.
 - Ensure any contracts or purchase orders flowed down to the supply chain contain the relevant language to mitigate risk
 - Raise any concerns or suspicion of modern slavery or human trafficking in any parts of its business or supply chains to Cobham and appropriate authorities.
- **Conflict Minerals** - We are working towards eradicating the use of minerals sourced from mines used to finance armed conflict and human rights abuses. We expect our suppliers to supply all raw materials, components and subassemblies from responsibly-sourced minerals in accordance with relevant legislation and best practice and be able to demonstrate this through due diligence processes.
- **Labour Standards** - We expect our suppliers to:
 - Provide workplaces that aim to be injury-free and incident-free for all employees, visitors and contractors,
 - Pay their workforces at least a statutory minimum wage,
 - Support the principles of freedom of employment choice and freedom of association,
 - Eliminate child labour in a way that is sympathetic to the needs of the local community,
 - Provide a working environment that is free from bullying, harassment, intimidation or fear,
 - Ensure equal opportunities for all in employment without

discrimination on grounds of race, religion, sexual orientation or gender.

3.4.12 Quality

As a minimum, Cobham expects all of our suppliers' quality systems to be compliant with the requirements of ISO9001 and in many instances we will require full compliance with more demanding standards such as AS9100, NADCAP, ISO13485 or others as required by our product and customer.

3.4.13 Counterfeit Supplies

Cobham takes its responsibilities in this area very seriously; we work with all industry bodies to maintain visibility of potential counterfeit issues and we expect our suppliers to apply the most stringent checks to ensure that no counterfeit items enter our supply chain.

3.4.14 Supplier Diversity

Cobham is committed to working with small disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses and small businesses that are located in historically underutilised business zones in accordance with meeting its requirements for US federal government contracts.

3.4.15 Social License to Operate

We expect our suppliers to maintain a social license to operate. This means working with the communities in which they operate to:

- Minimise disruption to neighbours and have an effective business complaints mechanism;
- Provide full and fair opportunity for local companies and local people to be engaged with the business at the most appropriate level;
- Demonstrate a contribution to their local community in a way that is appropriate to their business.

3.4.16 Ethical Complaints

We expect our suppliers to operate an ethical complaints mechanism that:

- Is publicised to their workforces and suppliers in a language and medium they can understand,
- Ensures prompt response to and resolution of any complaints,
- Enables independent investigation and feedback to the complainant on the course of action to be taken,
- Is transparent, with outcomes of all investigations made public where possible.

3.4.17 Environmental Protection

Our suppliers should operate appropriate environmental management systems in order to mitigate any significant risks related to pollution of land, air or water caused by their business.

3.4.18 Hazardous Materials

We are committed to phasing out from our products, substances that are considered dangerous to human health and the environment in accordance with all applicable legislation and customer specifications. Where suitable alternatives are not available we will seek to obtain legal authorisation for the ongoing safe and efficient use of existing substances and will work with industry partners to source less hazardous replacements over time. We

expect suppliers at all times to provide all necessary information as we may request of them in order for us to meet our legal and customer requirements.

3.4.19 Resource Use Efficiency

Our product designs and the supply chains supporting them will be expected to incorporate a Design for the Environment (DfE) approach in order to be resource efficient. This is an integral part of our 6-sigma approach to product development. As such we expect our suppliers to work with us to:

- Use energy and water as efficiently as possible across their business and all stages of production, where practicable;
- Identify areas of high energy and water usage, 'hotspots' and develop opportunities to reduce consumption, wherever practicable;
- Avoid the use of scarce natural resources;
- Reduce waste from their operations;
- Use recycled and secondary materials in the design and supply of their products where possible;
- Enable effective product re-use or recycling at end of life by using eco-design principles;
- Design and achieve our low energy, low weight objectives for products.

3.5 Right of Audit and Inspection

Cobham reserves the right to audit and inspect its suppliers to ensure that they conform to this Suppliers Code of Conduct and comply with all agreed terms and conditions of purchase. Suppliers are expected not to unreasonably withhold information or refuse such inspection requested for this purpose.

3.6 Preferred Suppliers

Suppliers that can clearly demonstrate support for Cobham's CR&S objectives and requirements in addition to meeting or exceeding the specific requirements of, and inherent risks identified with, the product or service being procured will be considered favourably.

4. Applicable Documents

The following publicly available documents are applicable to governing the business relationships between Cobham and its suppliers:

- Cobham Suppliers Code of Conduct
- BS 8903: Principles and framework for procuring sustainably - Guide
- BIP 2203: The Sustainable Procurement Guide. Procuring sustainably using BS 8903
- SAE AS5553, Rev A Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition which can be found at <http://www.sae.org>. (Applicable to manufacturers and OCM's)
- SAE AS6081, Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition - Distributors Counterfeit Electronic Parts; Avoidance Protocol, Distributors which can be found at <http://www.sae.org>. (Applicable to distributors)
- Government Industry Data Exchange Program, which can be found at <http://www.gidep.org/>
- Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights

- U.S. Code § 2320 - Trafficking in counterfeit goods or services.

Note: These documents will be updated or replaced periodically and it is the responsibility of the supplier to ensure it is using the most up to date information.