



## Metallizing Service Company Holdings LLC Code of Conduct & Ethics

MSC's Supplier Code of Conduct and Ethics sets forth workplace standards and business practices that are expected of any Supplier doing business with MSC, consistent with our company's values. These requirements are applicable to all personnel and suppliers of MSC and their affiliates and subsidiaries locally and globally.

Should you see or suspect a violation of the law, this Code of Conduct and Ethics, or company policy you are empowered to do something about it. MSC supports all employees to report any issues or concerns. These can also be reported anonymously. MSC has a strict policy prohibiting retaliation against anyone who in good faith raises ethical concerns, reports a possible violation of the law, this Code or any company policy or cooperates with an investigation.

Often it is worth speaking to your supervisor first, although this may not always be possible or appropriate depending on the circumstances. You can raise your concern either one of our two Vice Presidents. The identity of the person raising the issue shall be protected.

Metallizing provides its employees and suppliers with access to an adequate reporting channel to raise legal or ethical issues or concerns, including, without limitation, reports of a violation of this Code by you or our suppliers, without fear of retaliation, including opportunities for anonymous reporting.

The mechanism for reporting anonymously shall be done in writing by mailing it to:

Metallizing Service Company Holdings LLC  
11 Cody Street  
Elmwood, Ct 06110  
Attention: Vice President Only

### **A) Code of Conduct**

#### **1. Compliance with Laws:**

Suppliers' personnel and operations shall operate in full compliance with the laws and regulations of their respective countries and with all other applicable laws, rules, and regulations. Additionally, Suppliers will ensure that products, services and shipments for MSC adhere to all applicable international trade compliance laws, rules, and regulations.

#### **2. Labor:**

Suppliers shall uphold the human rights of workers and treat them with respect and dignity.

- a) Suppliers shall employ only workers who meet the applicable minimum legal age requirement. All Supplier will not employ any person under the age of 16, even if local law permits otherwise. Suppliers shall also comply with all other applicable child labor laws according to local regulations.
- b) Suppliers shall not use any indentured or forced labor, slavery or servitude.
- c) Suppliers' plants shall set working hours, wages and over-time pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.
- d) Suppliers shall treat employees with respect and dignity and will not engage in nor permit corporal punishment, threats of violence, or other forms of harassment whether based on gender, race, color, religion, ethnicity, age, sexual orientation, national origin, disability, or any other legally protected characteristic.

e) Suppliers shall employ workers based on their ability to do the job, not based on their personal characteristics or beliefs (including race, color, gender, nationality, religion, and age, maternity or marital status).

f) Supplier shall respect employees' right to join or not join any lawful organization, including trade unions and works councils, and shall comply with all applicable local and national laws pertaining to freedom of association and collective bargaining.

### **3. Health & Safety:**

MSC is committed to be a global leader in safeguarding the health and safety of our employees and protecting the environment.

a) While suppliers are on-site at MSC or at a MSC customer location on behalf of MSC, suppliers shall comply with MSC's Safety Policy, MSC's EH&S handbook, and any site-specific requirements.

b) Suppliers shall ensure a safe work environment and minimize physical and chemical hazards through proper design, engineering and administrative controls, preventative maintenance and safe work procedures as well as ongoing safety training.

c) Suppliers shall provide workers with appropriate personal protective equipment where hazards cannot be adequately controlled by other means.

d) Suppliers shall provide and properly maintain physical guards, interlocks, and barriers where machinery presents an injury hazard to workers.

e) Suppliers shall minimize the impact of emergency situations through the implementation of emergency plans and response procedures.

### **4. Environment:**

At MSC, environmental considerations are an integral part of our business practices and the production of world-class products. MSC's

suppliers shall comply with all applicable environmental laws and regulations.

a) Suppliers shall maintain all required environmental permits and registrations and follow the operational and reporting requirements of such permits.

b) Suppliers shall comply with regulated substance specifications and with any applicable laws and regulations prohibiting or restricting the use or handling of specific substances.

c) Suppliers shall endeavor to reduce or eliminate solid waste, wastewater, and air emissions by implementing appropriate conservation measures in their production, maintenance, and facility processes

d) Suppliers shall manage, control, treat and/or dispose of non-hazardous solid waste, wastewater, and/or air emissions generated from operations as required by applicable laws and regulations, before discharge.

### **5. Ethics:**

Suppliers shall commit to the highest standards of ethical conduct when dealing with its employees, suppliers and customers.

a) Suppliers shall prohibit all forms of corruption, extortion, and embezzlement by its employees, officers, directors or agents.

b) Suppliers shall adhere to standards of fair business, advertising, and competition.

c) Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage.

d) Suppliers shall accurately record and disclose information regarding their business activities, structure, financial situation, and performance in accordance with applicable laws and regulations as well as prevailing industry business practices.

e) Suppliers shall respect intellectual property rights and safeguard customer information. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights.

f) Suppliers shall incorporate international Supply Chain Security (SCS) measures into their business processes as described by the World Trade Organization's SAFE framework or similar SCS guidelines (e.g., Business Anti-Smuggling Coalition (BASC) Security Program; Customs-Trade Partnership against Terrorism (C-TPAT); Authorized Economic Operator (AEO), Partners in Protections (PIP).

g) Suppliers shall implement processes as well as procedures and exercise due diligence to detect and avoid counterfeit parts.

h) MSC is committed to ensuring that the products it sells do not incorporate "conflict minerals" (minerals

which are smelted into tin, tantalum, tungsten and gold) sourced from entities which directly or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries.

MSC requires its suppliers to:

- a. Perform sufficient due diligence into their respective supply chains to determine whether products sold to us contain tin, tantalum, tungsten or gold, and, if so, whether and to what extent those metals are sourced from conflict-free smelters;
- b. Report to MSC the results of such due diligence to enable MSC to comply with its legal obligations and policy goals; and
- c. Commit to being or becoming "conflict-free", so that any such metals are sourced only from conflict-free smelters.
- i) Suppliers shall implement a comprehensive business continuity plan throughout its operations and supply chain to preserve the safety of workers, protect physical property from loss and damage, safeguard intellectual property, prevent interruptions in the manufacturing process and ensure the integrity of shipments at the point of origin.
- j) Suppliers shall implement processes to address the confidentiality and protection of an employee who in good faith raises a concern, makes a report, or assists with an investigation related to potential ethical or criminal violations.

#### **6. Anti-Corruption:**

MSC is committed to complying with anti-corruption laws that prohibit bribes, kickbacks, or other corrupt actions to obtain or retain business or obtain any improper advantage. All suppliers are expected to comply with applicable anti-corruption laws while conducting business on behalf of MSC. Suppliers are prohibited from directly or indirectly receiving or offering any form of bribe, kickback, or other corrupt payment, to or from any person or organization, including government agencies or officials, private companies or employees of those private companies.

#### **7. Gifts and Entertainment:**

MSC recognizes that it is customary for some of its suppliers, customers and other business associates to occasionally give small gifts or offer modest business entertainment to those with whom they do business. It is important, however, that these gifts and entertainment events do not affect an employee's business judgment, or give the appearance that judgment may be affected. When doing business with or conducting business on behalf

of MSC, Supplier may, for legitimate business purposes: (i) offer gifts or entertainment to suppliers, customers or other business associates; or (ii) accept gifts or entertainment offered by suppliers, customers or other business associates; provided, however, that in each instance the gift or entertainment:

- is unsolicited;
- is not a bribe, kickback or other illegal or illicit payment;
- is not given in exchange for any consideration;
- would not embarrass MSC if disclosed publicly; and
- does not create the appearance (or an actual or implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale.

Any supplier that violates the provisions of this Section 7 when conducting business on behalf of MSC risks immediate loss of all existing and future MSC business.

#### **B) Compliance Monitoring**

The supplier will allow MSC and/or any of its representatives or agent's access to its facilities and all relevant

records associated with the products and services provided to MSC. The supplier and MSC will establish a mutually agreeable date and time for access. However, risks to MSC's business may require immediate access to the products, services and associated records and supplier will accommodate MSC's access as required. Supplier also agrees to cooperate with MSC to investigate any allegations of wrongdoing, misconduct, or corruption.

### **C) Application to Sub-Contractors**

This Code also applies to any sub-contractor(s) to the supplier, providing goods or services to the supplier. The Supplier Code of Conduct shall be cascaded down to all sub-tier subcontractors. The supplier is fully responsible for ensuring compliance by any such sub-contractor(s) as if it were the supplier itself. MSC reserves the right to audit the supplier's sub-contractors for compliance to MSC's Supplier Code of Conduct and supplier will accommodate MSC audit as required.

### **D) Event of Violation**

Supplier shall promptly report to MSC notice of known breach of this Code and implement a corrective action plan to cure the non-compliance within a specified time (furnished to MSC in writing). If the supplier fails to meet the corrective action plan commitment, MSC may terminate the business relationship, including suspending placement of future orders and potentially terminating current production. MSC reserves the right to hold supplier responsible for reasonable costs of investigating non-compliance.

### **E) Fraudulent Activity**

Fraudulent activity has the potential to allow unsuitable parts into service without any knowledge may have significant impact on functionality of the part. These kinds of situations can allow defects to go undetected where an appropriately processed part would have identified the defect, stopping the part from continued processing and from ultimately being utilized on an aircraft engine. Fraudulent activity is defined as deceit, trickery, sharp practice, or breach of confidence, intentionally perpetrated for profit or to gain some unfair or dishonest advantage. This includes but is not limited to falsification of information, intentional omission, false pretenses, and deliberate misuse of qualified resources or certification/qualification/authorization.

- Potential consequences: Fraudulent activity has the potential to allow unsuitable parts into service without any knowledge, therefore it may have a significant impact on functionality of the part. Fraudulent activity can lead to catastrophic events if defective parts end up on an aircraft. There could be legal ramifications depending on the seriousness and impact of the fraudulent activity. The level of fraud activity by personnel will be considered as in, is it happening by individuals on the shop floor or is it being directed by management? Companies or individuals could face criminal or civil penalties, termination from employment, loss of public trust, public image can be compromised leading to business loss, paying higher costs for goods & services or difficulty gaining approvals. Company moral can suffer. Association with a company engaged in fraudulent activity may find it troubling and embarrassing to the employees. Such companies who commit fraud will be audited at higher frequencies due to the higher risk which leads to increased costs.
- Actions upon discovery: reporting. Identify the defect and stop the part from continuing to be processed and from ultimately being used/installed on an aircraft. A process for handling potentially fraudulent activity is described in Nadcap OP # 1124; Allegations of Wrongdoing, 'Fraudulent Activity and Unethical Behavior'. As an individual it is your responsibility to report fraud if you should see or suspect it. MSC is responsible to discover, investigate and disclose fraudulent activity to customers and external bodies (i.e. Nadcap etc.). If you find evidence of fraud your company needs to contain the affected product and report the situation to your customer and PRI.
- Implementation, oversight, and verification: of this process is the responsibility of the Vice Presidents and/or Quality Assurance Managers.