

*Defense Industry Initiative*  
**MODEL SUPPLIER  
CODE OF CONDUCT**

**DII** Defense Industry Initiative  
ON BUSINESS ETHICS AND CONDUCT



**Day&Zimmermann**

*We do what we say.®*

## INTRODUCTION

As a member of the Defense Industry Initiative on Business Ethics and Conduct (DII), Day & Zimmermann (hereinafter “we”) is committed to upholding the highest standards in all of our business dealings. As a U.S. Government contractor, complying with laws and regulations, ensuring fair competition, protecting taxpayer resources, and providing high-quality products and services for the men and women of the U.S. Armed Forces and their allies, are fundamental to this commitment.

This Supplier Code of Conduct expresses the expectations we hold for all of our suppliers, contractors, agents and subcontractor personnel, and thus pertains to all business relationships with our company.

## GENERAL DISCLAIMER

This Supplier Code of Conduct is in no way intended to conflict with or modify the terms and conditions of any existing contract. In the event of a conflict, suppliers must first adhere to applicable laws and regulations, then the contract terms, followed by this Supplier Code of Conduct.

## DEFINITION

For the purposes of this Code, “Supplier” is defined as any third party that directly or indirectly sells, or seeks to sell, any kind of goods or services to our company or on our company’s behalf, including suppliers, contractors, subcontractors, distributors, dealers, sales/marketing representatives, intermediaries, agents, partners, consultants, resellers, systems integrators, or similar entities.

## I. COMPLIANCE WITH LAWS

We expect our suppliers to maintain full compliance with all laws and regulations applicable to their business. When conducting international business, or if their primary place of business is outside the United States, suppliers must comply with local laws and regulations.

### A. Maintain Accurate Records

We expect suppliers to create and maintain accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received in furtherance of a business transaction must fully and accurately represent the transaction or event being documented. When a record is no longer needed to conduct current business, records should still be retained based on the applicable retention requirements. Suppliers performing as U.S. Government contractors (whether direct or indirect) must comply with the requirements in FAR 4.703. Suppliers that are performing as or fulfilling a U.S. Government role in their prescribed work must comply with the records requirements of the affected agency and any relevant National Archives and Records Administration (NARA) requirements to that agency.

## II. HUMAN RIGHTS

We expect our suppliers to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture.

### A. Child Labor

We expect our suppliers to ensure that illegal child labor 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.

### B. Human Trafficking

Suppliers must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. Suppliers must refrain from violating the rights of others and appropriately address any adverse human rights impacts of their operations. Suppliers must educate employees on prohibited trafficking activities, discipline employees found to have violated the law or rules, and notify the contracting officer of violations and action taken against employees. Specifically, suppliers will be prohibited from the following in all contracts:

- Destroying, concealing, or confiscating identity or immigration documents;
- Using misleading or fraudulent tactics in recruiting;
- Charging employee recruitment fees or providing inadequate housing based on local standards, laws and directives;
- Failing to provide employment contracts and other documentation in the employee’s native language;
- Failing to provide return transportation upon the end of employment for employees brought to the country for the purpose of working on a U.S. Government contract or subcontract; and

- Failing to interview and protect employees suspected of being trafficking victims.

### III. EMPLOYMENT PRACTICES

#### A. Harassment

We expect our suppliers to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

#### B. Non-discrimination

We expect our suppliers to provide equal employment opportunity to employees and applicants for employment, without regard to race, ethnicity, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, or mental or physical disability, so long as the essential functions of the job can be competently performed with or without reasonable accommodation.

#### C. Substance Abuse

We expect our suppliers to maintain a workplace free from illegal use, possession, sale, or distribution of controlled substances.

### IV. ANTI-CORRUPTION

Our suppliers must comply with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption laws (e.g., the UK Bribery Act), directives and/or regulations that govern operations in the countries in which they do business, regardless of local customs.

#### A. Improper Payments / Business Courtesies

Our suppliers must refrain from offering or making any payments of money or anything of value (including kickbacks, favors, gifts, gratuities, entertainment, travel, political contributions, charitable donations or other business courtesies) to customers, government officials, political parties, candidates for public office, charities, or other business-related parties that could be considered to improperly influence business decisions.

This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, except in situations where there is an imminent threat to personal health or safety.

#### B. Due Diligence

We expect our suppliers to exert appropriate due diligence and monitoring to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the engagement of third parties.

#### C. Anti-Trust

Our suppliers must comply with anti-competition and antitrust laws and are prohibited from fixing prices, colluding or rigging bids with competitors, allocating customers or markets with competitors, or exchanging any pricing information with our competitors.

### V. CONFLICT OF INTEREST

We expect our suppliers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with our company. We expect our suppliers to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of our company and personal interests or those of close relatives, friends or associates.

### VI. INFORMATION PROTECTION

#### A. Confidential/Proprietary Information

We expect our suppliers to properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g., advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner of the information.

#### B. Intellectual Property

We expect our suppliers to respect and comply with all the laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

#### C. Information Security

Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Suppliers must comply with all applicable data privacy laws. Suppliers shall assure extension of this requirement to all sub-tier sources they employ.

#### D. Insider Trading

Our suppliers must not use material, non-public information obtained in the course of business as the basis for trading or for enabling others to trade in the securities of our company or those of any other company.

### VII. ENVIRONMENT, HEALTH, AND SAFETY

We expect our suppliers to operate in a manner that actively manages risk, minimizes waste, and protects the environment. We expect our suppliers to apply environmental management system principles in order to establish a systematic approach to the management of risks/hazards and opportunities associated



with the environment, including potential risk from regulatory non-compliance, reputational loss, and opportunities for business growth through operational and product stewardship.

We expect our suppliers to comply with all applicable environmental, health and safety laws, regulations, and directives. Suppliers should protect the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

## VIII. GLOBAL TRADE COMPLIANCE

### A. Security

When applicable, Suppliers are encouraged to implement practices and procedures to ensure the security of their supply chains in accordance with the Customs-Trade Partnership Against Terrorism initiative of the United States Department of Homeland Security.

### B. Import

We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

### C. Export

We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data; these include the International Traffic in Arms Regulation and the Export Administration Regulations. Suppliers shall provide truthful and accurate information and obtain export licenses and/or consents where necessary.

### D. Anti-Boycott

Our suppliers must not participate in, cooperate with, or further the cause of any unsanctioned foreign economic boycott, in accordance with the Export Control Reform Act of 2018 and the 1976 Tax Reform Act.

### E. Conflict Minerals

Suppliers must adhere to federal laws and regulations regarding conflict minerals (gold, tantalum, tin, and tungsten). We expect our suppliers whose products contain these minerals to conduct due diligence on the source and chain of custody and also to support efforts to eradicate the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo or adjoining countries. US stock listed companies manufacturing or contracting to manufacture products containing conflict minerals must make specialized disclosure and file reports as required by the U.S. Securities and Exchange Commission.

## IX. QUALITY

Suppliers must take due care to ensure their work product meets our company's quality standards. We expect our suppliers to have in place quality assurance processes to identify defects and implement corrective actions, and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements.

### A. Counterfeit Parts

We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

## X. ETHICS PROGRAM EXPECTATIONS

### A. Whistleblower Protection

We expect our suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. We expect our suppliers to take action to prevent, detect, and correct any retaliatory actions.

### B. Consequences for Violating Code

In the event of a violation of any of the above expectations, we may pursue corrective action to remedy the situation. In the case of a violation of law or regulation, we may be required to report those violations to proper authorities. We reserve the right to terminate our relationship with any supplier under the terms of the existing procurement/purchasing contract.

### C. Ethics and Compliance Policies

Commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with laws, regulations, and the expectations related to or addressed expressly within this Supplier Code of Conduct. This should include measures to address their compliance within these standards and take appropriate action to correct identified deficiencies. We encourage our suppliers to implement their own written code of conduct and to flow down the principles of a code of conduct to the entities that furnish them with goods and services.

### D. Contacts/Resources

As part of providing an avenue for employees to express concerns about suspected improper conduct, we expect suppliers to provide a hotline or other method where employees can raise issues confidentially and anonymously. If suppliers or their employees have questions or concerns associated with their business dealing with Day & Zimmermann, they may address them to their Day & Zimmermann contract representative or they may utilize our toll-free Ethics hotline: (877) 319-0270. Information can be provided anonymously. There will be no retribution or reprisals for good faith reports, even if unfounded. For further information, please visit our website at: <https://dayzim.alertline.com>.

## ADDENDUM

In addition to the requirements stated in the DII Supplier Code of Conduct, Day & Zimmermann provides the following addendum, which identifies additional Code of Conduct requirements related to the performance of your work with our company.

### B. Procurement Integrity (new)

Both commercial and government procurements must rely on fair and equal competition. When involved in proposals, bids preparation or contract negotiations, our suppliers must ensure that all statements, communications and representations to prospective customers and suppliers are accurate and truthful.

If our suppliers are involved in U.S. Government procurement, the provisions of the Procurement Integrity Act apply. Our suppliers must not ask for or accept any unauthorized contractor bid, proposal information or source selection information that is not available to all competitors.

### Introduction (addition)

Day & Zimmermann promotes respect for human rights through our own actions and by abiding by the fundamental principles of human rights, such as those set forth in the United Nations Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, and the United Nations Guiding Principles on Business and Human Rights. We expect our suppliers to do the same.

### C. Substance Abuse (addition)

We prohibit the unlawful use, sale, attempted distribution, manufacture, purchase, attempted purchase, possession, cultivation and/or transfer of drugs or inhalants, regardless of whether the individual is working on our premises or our customer's premises. "Illegal drugs" mean all drugs for which the use or possession is regulated or prohibited by federal, state or local law, and includes "medical marijuana" and prescription medication for which the individual does not have a valid prescription, or which is used in a manner inconsistent with the prescription.

We also strictly prohibit the use of alcohol while on the job, while working on our premises or our customer's premises, while operating a Day & Zimmermann-provided vehicle or customer-provided vehicle and/or while representing Day & Zimmermann in any way.

Our suppliers must also abide by customer and/or location-specific guidelines.

### D. Current and Former Government Employees (new)

We expect our suppliers to comply with the applicable federal, state or local law regarding the recruitment and hiring of any Government official. Many Government employees are subject to restrictions on who they may work for, when they may accept a private sector job, and what they may do in the private sector.

### C. Anti-Trust (addition)

We expect our suppliers to comply with applicable anti-trust laws prohibiting restrictive trade or unfair competition.

We expect our suppliers to avoid discussing competition-sensitive issues with a competitor.

Suppliers must avoid unfair competitive practices such as:

- Attempting to control or monopolize markets
- Defaming or lying about a competitor's business, products or services
- Inducing a customer to fail to honor a contract with a competitor
- Intentionally misrepresenting or concealing information about its products and services, or making deceptive, misleading or false statements or claims about them that have no factual basis
- Industrial spying, or improperly accepting or using a competitor's trade secrets
- Bribing a customer's agents and employees

## Addendum to Section V. Conflict of Interest

### A. Organizational Conflicts of Interest (new)

Suppliers must avoid and/or disclose to Day & Zimmermann any actual or potential Organizational Conflicts of Interest that may impact the work with the U.S. Government for which it has been engaged by Day & Zimmermann. Those Conflicts of Interest could include:

- Impaired Objectivity - The supplier has a financial interest that could be affected by its performance of the work (e.g., its role as a supplier would place it in the position of evaluating its own affiliate or competitor and therefore would impact its impartiality to Day & Zimmermann and our customers).
- Unequal Access to Information - As a result of work for the Government on unrelated contracts, the supplier has access to procurement-sensitive data furnished by the Government or others that would not be available to other competitors for the work.
- Biased Ground Rules - The supplier was involved in writing a specification that favors its own products.

## Addendum to Section VI. Information Protection

### A. Confidential/Proprietary Information (addition)

Our suppliers are expected to protect all sensitive, proprietary or otherwise protected information provided to them in the course of their dealings with Day & Zimmermann. We expect our suppliers to receive and retain all proprietary information of our company and of our customers using reasonable and appropriately secure protections.

## Addendum to Section VII. Environment, Health, and Safety (new)

Our suppliers must learn the safety risks and hazards involved in the performance of their job and minimize those risks by following sound safety practices. Workplace safety is a priority requirement in the performance of your Work under Day & Zimmermann.

## Addendum to Section IX. Quality

### B. Physical Property (new)

Our suppliers are personally responsible for customer-furnished property used in your business. Property must be properly handled, only by authorized personnel, and only for the purpose intended. Customer-furnished property may not be used for personal benefit, or sold, loaned, given away or otherwise disposed of without proper authorization.