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Ethics - Integrity - Compliance  
Integrity and Corporate  
Responsibility Charter  
Partners & Suppliers

# THALES PARTNERS AND SUPPLIERS COMMITMENTS TO INTEGRITY & CORPORATE RESPONSIBILITY



As a cornerstone of its corporate commitments, Thales places corporate responsibility at the heart of its operations and subscribes to the United Nations Global Compact, upholding its principles with respect, notably, to human rights, labor, environment and anti-corruption.

The relationship between Thales Partners and Suppliers (as defined below) is an important component for building sustainable business success. Thales expects from its Partners and Suppliers full compliance with all applicable laws and regulations of the countries where they are registered, as well as where operations are managed or services provided. In this respect, the Thales Partners and Suppliers Integrity & Corporate Responsibility Charter represents a minimum standard of best practice.

For the purpose of the Thales Integrity & Corporate Responsibility Charter, Partners and Suppliers shall encompass suppliers, sub-contractors, distributors, resellers, or any company with which Thales enters into a partnership agreement (such as a member of consortium, a member of an economic interest grouping, a shareholder in a joint venture, a non-profit organization). Thales Partners and Suppliers hereby acknowledge that they have read and understood the terms and conditions as provided in the Thales Integrity & Corporate Responsibility Charter and must comply with them.

Thales Partners and Suppliers adhere and commit themselves to respecting the Thales Integrity & Corporate Responsibility Charter, their non-compliance constituting a breach of their contractual obligations which could entail, according to its gravity, the termination of their contractual relationship with Thales. Thales Partners and Suppliers ensure that their own suppliers and subcontractors, partners and associates comply with the same requirements.



# CONSEQUENCES FOR VIOLATING THE THALES INTEGRITY & CORPORATE RESPONSIBILITY CHARTER

In the event that the requirements of the Thales Integrity & Corporate Responsibility Charter are not met, Thales may decide to revise the business relationship with the concerned Partner or Supplier and require the implementation of corrective actions and either suspend or terminate the business relationship without prejudice to any other remedies that Thales would be entitled to pursuant to legal or contractual provisions.



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## COMPLIANCE WITH LAWS

Thales **Partners and Suppliers** shall comply with all applicable laws and regulations including without limitation, laws and regulations aiming to protect human rights, fight against corruption, money laundering, terrorism, as well as laws and regulations related to antitrust, data protection, international trade compliance, health, workplace safety, labor and environment.

## DUTY OF VIGILANCE

### Partners and Suppliers

are required to implement reasonable vigilance measures within their organizations in order to identify risks and prevent damage of a serious nature to environment, persons' health and safety, human rights and fundamental freedoms, which may be caused by their activities.

### Human rights

Partners and Suppliers are expected to share Thales' commitment to Human Rights and particularly 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, in accordance with the relevant International Labor Organization (ILO) Conventions.

### Child labor

Partners and Suppliers must ensure that illegal child labor is not used in the performance of work. The term "child" refers to any person under the minimum legal working ages defined by the International Labour Organization (ILO) or, if older, under the minimum legal working age for employment in the country or jurisdiction where the work is effectively performed.

### Human Trafficking, including Forced or Indentured Labour

Partners and Suppliers must ensure that human trafficking, including forced or indentured labour is not used in the performance of work. Partners and Suppliers must prohibit any use, import or export of product that was mined, produced or manufactured wholly or in part by forced labor, including forced, indentured labor or human trafficking. Partners and Suppliers must refrain from violating the rights of others and address any adverse impact their operations may have on human rights.

Suppliers are expected to provide all employees with a written contract in a language they understand, clearly indicating their rights and responsibilities with regard to wages, working hours, benefits and other working and employment conditions. Suppliers should not retain any form of employee identification (passports or work permits), unless required by applicable law. Suppliers must not charge employees fees, recruitment costs or deposits, directly or indirectly, as a precondition of work. Suppliers must respect the right of workers to terminate their employment after reasonable notice and to receive all owed salary.

## Employment practices

### Harassment and healthy working environment

Partners and Suppliers are expected to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct. Furthermore, Partners and Suppliers must provide a safe and healthy working environment for their employees.

Partners and Suppliers, which house their employees, are expected to provide them with a safe and healthy housing.

### Non-discrimination

Partners and Suppliers are expected to provide equal employment opportunity and treatment of employees through non-discrimination on the grounds of especially ethnic origin, sex, age, sexual orientation, trade-union membership, personal political or religious beliefs. Partners and Suppliers also endeavor to provide a working environment that encourages the employment of people with disabilities (subject to local legislation). Partners and Suppliers are also expected to treat applicants for employment without discrimination.

### Wage and Benefits

Partners and Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits.

In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted. Partners and Suppliers must operate a health protection system within the applicable statutory requirements.

Partners and Suppliers are expected to pay their employees a fair compensation.

### Social dialogue

Partners and Suppliers are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. Partners and Suppliers are also expected to recognize and respect the rights of workers to free association (including joining or not joining any association of their choosing) and collective bargaining.

### Working time

Partners and Suppliers are expected to respect ILO standards as regards working time.

Partners and Suppliers must provide a weekly rest period of at least twenty-four consecutive hours to all employees.



## ENVIRONMENT, HEALTH AND SAFETY

Partners and Suppliers shall establish an appropriate management system for Environment, Health and Safety (i.e. ISO 14001, ISO 45001, ISO 50001, etc.) and promote the awareness of those policies among workers and suppliers.

Partners and Suppliers shall take appropriate measures to operate in a manner that actively:

- **limits the environmental impact of their operations**, particularly by reducing consumption of energy and production of waste and by improving prevention and control of all other potential forms of air, water and ground pollution;
- **manages, prevents and mitigates environmental and health & safety risks** (avoid as much as possible use & exposure to hazardous materials, mitigate risks regarding storage conditions, manage possible re-use, re-cycle, transportation or disposal of waste, mitigate exposure to radiation, etc.);
- **conserves natural resources**, promotes eco-design and valorization re-use and recycling of materials;
- **protects the environment in the communities** within which they operate and all along their area of impact;
- **ensures that their goods, works or services do not have a negative/detrimental impact on biodiversity**;



Develops a positive contribution to the fight against climate change, including carbon footprint emissions reduction ;And, more generally, implement all protective measures to prevent any potential risk of damage to human or animal health and to the environment. Partners and Suppliers should protect the health, safety, and the welfare of their employees, contractors, visitors, suppliers and others who may be affected by their activities.



# ANTI-CORRUPTION

**Partners and Suppliers are required to comply in all situations with foreign and domestic laws and regulations against bribery, corruption and influence peddling, such as the [French law n° 2016-1691 of December 9, 2016](#) on transparency, fight against corruption and modernization of the Economy ("[Sapin II law](#)"), the US Foreign Corrupt Practices Act ("[FCPA](#)"), the UK Bribery Act 2010 ("[UKBA](#)"), and other relevant or applicable anti-corruption and influence peddling laws and regulations.**

Partners and Suppliers are required to implement governance rules within their organization in order to comply with the applicable laws and regulations. Partners and Suppliers are expected to provide on a regular basis adequate training to their employees and executives and in particular the most exposed employees. Whether directly or through third parties, Partners and Suppliers will not offer, promise or give any undue advantage to another person, for the benefit of that individual or of a third party, in order for him/her to act or refrain from acting in relation to the performance of his/her duties, with a view to obtaining or retaining a contract or other advantage.

This includes, but is not limited to, offering, promising or giving any undue advantage to public officials, Politically Exposed Persons (PEP), or any other person.

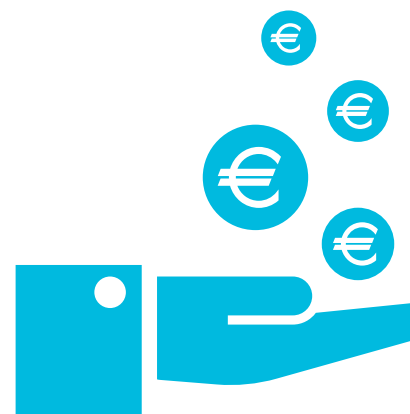
**Partners and Suppliers will not solicit or accept, directly or indirectly, any undue advantage for them or for a third party, in order to act or refrain from acting in relation to the performance of their duties, with a view to awarding, or ensuring the retention of, a contract or other advantage for the benefit of another person.**

Partners and Suppliers will not solicit or accept, directly or indirectly, at any time, any offer, promise, donation, gift or benefit, for themselves or for any other person, in return for allowing or having allowed, their real or presumed influence to be used illegally, with a view to obtaining awards, jobs, contracts or any other favourable decisions from an authority or a public administration.

Partners and Suppliers are expected to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, Partners and Suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, that these exchanges do not violate the rules and standards of the recipient's organization, and are consistent with reasonable

marketplace customs and practices and do not aim at offering or obtaining an undue advantage or influencing a decision.

**Partners and Suppliers undertake to exert reasonable due diligence to prevent and detect corruption and influence peddling in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of intermediaries such as agents or consultants. They undertake in particular to cascade all their commitments related to Compliance and Corporate Responsibility as specified in the Thales Integrity & Corporate Responsibility Charter to their subcontractors, suppliers or service providers, if any and when applicable.**



# OTHER ILLEGAL PRACTICES

## Competition and antitrust

Partners and Suppliers are required to comply with laws and regulations aiming at the protection of competition and prohibiting antitrust practices.

Partners and Suppliers must refrain from participating in a cartel. They must respect the principle of free price-setting and not fix prices or set minimum resale price or margin. They must not rig bids or share the market with competitors (including through the form of joint bidding). They must not exchange competitively sensitive information (including, but not limited to, pricing information) with competitors, nor act as a vehicle of exchange of such

information between competitors at upstream or downstream level. In addition, Partners and Suppliers shall not impose exclusivities or similar restrictions (such as non-compete provisions or quotas) which are unjustified, disproportionate or otherwise limiting access to the market.

Partners and Suppliers holding a dominant position must not fix commercial conditions that could be characterized as excessive, discriminatory, loyalty-inducing or otherwise abusing their dominant position. They must enable access to essential inputs, technologies, services or assets that are necessary to compete,

where no alternatives are available. They must not engage in tying nor bundling strategies unless it is objectively justified.

## Insider trading

Partners and Suppliers and their personnel must not use any material or non-publicly disclosed information obtained in the course of their business relationship with Thales as a basis for trading or for enabling others to trade in the stock or securities of any company.

## Fraud and deception

Partners and Suppliers must not seek to gain advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the company, a customer or any third party, and any kind of misappropriation of property.



# CONFLICT OF INTEREST

Partners and Suppliers are required to implement policies intended to avoid all conflicts of interest or situations which could lead to a potential conflict of interest, including policies enabling employees in situations of conflict of interest (whether actual or potential) to provide notification to their line managers.

This includes a conflict between the professional activities of the Suppliers and Partners' employees and their personal interests or those of their close relatives, friends or associates.

Partners and Suppliers are expected to provide adequate training to employees who may be exposed to the risk of conflict of interest.



# MAINTAIN ACCURATE RECORDS AND AUDIT RIGHTS

Partners and Suppliers are expected to create 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 as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on the applicable retention requirements.

**Partners and Suppliers will provide reasonable records to Thales upon request with prior notice and authorize Thales, as well as external auditors or counsels, to perform audits to verify their compliance with the Thales Integrity & Corporate Responsibility Charter.**

# PROTECTION OF INFORMATION AND PERSONAL DATA

## Confidential/Proprietary Information

Partners and Suppliers shall 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.

In regard to protection of proprietary information, Partners and Suppliers must comply with all applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

## Information Security

Partners and Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorized access, destruction, misuse, modification and disclosure, through appropriate technical, physical, organizational and electronic security measures which shall be revised from time to time to reflect at all times, at a minimum, industry standards.

## Protection of Personal Data

Partners and Suppliers and their subcontractors, suppliers or other service providers, shall comply with (i) the European Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR); (ii) the laws and regulations adopted to implement the GDPR and (iii) any other applicable regulation (including laws, rules, governmental requirements, codes as well as international, federal, state, provincial laws).



# GLOBAL TRADE COMPLIANCE

## Import

Partners and Suppliers must ensure that their business practices are in accordance with all national applicable laws, directives and regulations governing the import of parts, components, and technologies in the Supplier's jurisdiction, as well as with other foreign trade controls and/or other trade & economic sanctions or restrictions from the United States of America, the European Union, or from international trade organizations (including but not limited to those of the European Union and the United Nations).



## Export control and sanctions

Partners and Suppliers must ensure that their business practices are in accordance with all applicable national laws, directives and regulations governing the export or re-export of parts, components, and technologies in the Supplier's jurisdiction as well as with other foreign trade controls and/or other trade & economic sanctions or restrictions from the United States of America, the European Union or from international trade organizations (including but not limited to those of the European Union or the United Nations). Partners and Suppliers shall provide truthful, accurate and regularly updated information (including the collection of signed Commodity Export Classification Certificates or CECC) and shall apply

and obtain export licenses, permits and/or other consents required, where necessary for the export of products from their country(ies) of manufacture.

No transaction (including import, export or re-export operations of the products) shall be conducted by the Suppliers and Partners, whether on behalf of Thales or not, with any denied or restricted entity or individual or any destination country that may be prohibited under the applicable laws and regulations of the United States of America, the European Union, or international trade organizations (including but not limited to those of the European Union and the United Nations).

# RESPONSIBLE SOURCING OF MINERALS

Partners and Suppliers must comply with applicable laws and regulations regarding sourcing of minerals such as, namely, tin, tungsten, tantalum and gold, from conflict areas ("Conflict Minerals").

As such, Partners and Suppliers should establish a responsible purchasing & sourcing policy and audit, reviewing its supply chain on a regular basis to ensure that there is no risk of conflict minerals being embedded in the Client's product or in the system equipment or systems they manufacture or sell. In particular they must ensure that they do not, directly or indirectly, finance or provide any benefit to armed groups that are perpetrators of human rights violations.

Partners and Suppliers should exercise, as may be directed by law or regulation, due diligence on the source and chain of custody of these minerals and therefore at a minimum require the same from their next tier Suppliers and Partners.

## Counterfeit Parts

**Partners and Suppliers are expected to develop, implement, and maintain effective methods and processes appropriate to their products to minimize the risk of introducing counterfeit hardware or software into deliverable products. In addition, Partners and Suppliers shall provide notification to recipients of counterfeit product(s) when warranted and exclude them from the delivered product.**

# ETHICS AND COMPLIANCE PROGRAM REQUIREMENTS

## Ethics and Compliance Policies

Partners and Suppliers are expected to establish management systems, commensurate with the size and nature of their risks and business, to support compliance with laws and regulations, as well as the requirements expressed within the Thales Integrity & Corporate Responsibility Charter. Partners and Suppliers are encouraged to implement their own written code of conduct and to flow down their principles to the entities that furnish them with goods and services.

Thales expects its Partners and Suppliers to maintain effective programs to encourage their employees to make ethical, values-driven choices in their business dealings - beyond compliance with laws, regulations and contract requirements.

## Ethics & Compliance alerts

Partners and Suppliers undertake to notify Thales in a timely manner and by all means at their disposal including the available Thales alert platform (<https://thales.integrityline.org>), of any suspected violation of the Thales Integrity & Corporate Responsibility Charter that might impact their relationship with Thales, whether it is allegedly committed by Thales employees or Thales Partners or Suppliers employees, as well as their own subcontractors, suppliers and service providers.

Partners and Suppliers are expected to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Partners and Suppliers are also expected to take action to prevent, detect, and correct any retaliatory actions, in accordance with any applicable domestic status and regulation.



# APPLICATION FORM

**This application form is part of the Suppliers and Partners' qualification process.**

**The applicant hereby represents that it complies with all requirements as set out in the Thales Integrity & Corporate Responsibility Charter.**

**Should any changes occur as from the date of signature of this form, the applicant undertakes to inform Thales in a timely manner.**

**This application form shall be governed by the law applicable in the registration country of the Thales entity conducting the qualification process of the Applicant.**

Company Name: .....

Made in (Place): .....

Date: .....

Authorized Signatory Name: .....

Title: .....

Signature: