FINAL ASSESSMENT

ESTERLINE TECHNOLOGIES CORPORATION

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

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<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
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<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>5%</td>
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<tr>
<td>Risk Management</td>
<td>5</td>
<td>0%</td>
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<tr>
<td>Company Policy and Codes</td>
<td>12</td>
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<tr>
<td>Training</td>
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<tr>
<td>Personnel and Helplines</td>
<td>7</td>
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<td><strong>Total</strong></td>
<td><strong>39</strong></td>
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TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

1

Comments:
Based on public information, there is evidence that the company publishes a statement from the Chief Executive Officer supporting the ethics and anti-corruption agenda of the company. The CEO supplies a foreword to the Code of Ethics, published in September 2012. The company therefore scores 1. To score higher the company needs to provide evidence of at least two other such statements from the last two years, or one statement from the last two years that specifically supports the company’s strong stance against corruption.

References:
Public:
Code of Business Conduct and Ethics (September 2012), p.1:
‘Integrity is essential to Esterline’s growth and success. The principles that shape this Code of Business Conduct and Ethics are the same ones we must demonstrate every day in our work. Our core values of Excellent Quality, Respect, Integrity & Ethical Conduct, and Lawful Conduct are all at the heart of a philosophy we call “The Esterline Way”. The Esterline Way is a promise that we will:
• Make excellent products
• Deliver what we promise
• Compete fairly
• Speak the truth
• Respect all people, and
• Obey the law.
No matter where you work, you are a representative of Esterline and your conduct represents the company. Make sure you understand what our values require of you and take care that your daily actions reflect our high ethical standards and our commitment to excellent quality in all we do. This is true even when competitors take actions that violate our ethical principles. We will not compromise our standards to win business or for any other reason.'
other reason. If you ever have a question, please take the extra steps needed to find the right answer. You can read the Code, talk to your supervisor, or consult your ethics advisor. Of course, you can also contact Esterline’s confidential ethics helpline. Please remember there are several resources to help you find the answer. As Esterline employees, we must always act with integrity. We owe that to ourselves, our shareholders, our customers, and to others who depend on the reliability of our people and products. Together, let’s live The Esterline Way, Every Day’.

A2:
Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer or Chairman demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company.

References:
Public:
NA
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates a personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure.

References:
Public:
NA
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:
0

Comments:
Based on public information, there is insufficient evidence that the company publishes a statement of values or principles representing high standards of business conduct. The Code of Business Conduct and Ethics mentions integrity, but it falls significantly short of the range of values sought by this question or the depth of explanation.

References:
Public:
TI notes:
Code of Business Conduct and Ethics (September 2012), p.2:
‘The Esterline Way is a phrase used to remind us of the company’s culture, which is a key source of strength and success. The central tenets of The Esterline Way are to always act with integrity, to hold ourselves to high standards of performance, and to respect other people and the law in all we do. The values and principles in this Code are the foundation of The Esterline Way’.
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company belongs to any national or international initiatives that promote anti-corruption, or business ethics with a significant focus on anti-corruption.

References:
Public:
NA
A6:
Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:
0

Comments:
Based on public information, there is insufficient evidence that the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda. It is unclear if the Audit Committee and the Regulatory Compliance Subcommittee have this responsibility.

References:
Public:
TI notes:
Annual Report (2013), p.8:
‘In August 2013, the Audit Committee formed a Regulatory Compliance Subcommittee to support and enhance the Audit Committee’s oversight of the Company’s risk management and related activities associate with trade and other regulatory compliance. The Regulatory Compliance Subcommittee currently consists of directors Howell (Chairman), Etter, Kuechle and Morris’.
http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MjE4MDQwENoWxkSUQ9LTFlwZT0z&t=1
A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a person at a senior level within the company, to have responsibility for implementing the company’s ethics and anti-corruption agenda.

References:

Public:
NA
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:
0

Comments:
Based on public information, there is evidence that there is Audit Committee monitors compliance with legal and regulatory requirements. However, ethics and anti-corruption are not mentioned specifically and the scope of the review is more of a continuous monitoring than a major periodic review.

References:
Public:
TI notes:
Annual Report (2013), p.8:
The Audit Committee currently consists of directors Pruitt (Chairman), Haack, Howell, Kuechle and Morris, each of whom is independent in accordance with applicable rules promulgated by the Securities and Exchange Commission ("SEC") and NYSE listing standards. The Audit Committee selects and retains the independent registered public accounting firm to audit the Company’s annual financial statements, approves the terms of the engagement of the independent registered public accounting firm and reviews and approves the fees charged for audits and for any nonaudit assignments. The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is posted on the Company’s website at www.esterline.com under the Corporate Governance tab. The Audit Committee’s responsibilities also include, among others, overseeing (1) the integrity of the Company’s financial statements, which includes reviewing the scope and results of the annual audit by the independent registered public accounting firm, any recommendations of the independent registered public accounting firm resulting therefrom and management’s response thereto and the accounting principles being applied by the Company in financial reporting, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent registered public accounting firm’s qualifications and independence, (4) the performance of the Company’s internal auditors and the independent registered public accounting firm, and (5) such other related matters as may be assigned to it by the Board of Directors. The Audit Committee met eight times during fiscal 2013. The Board of Directors has determined that both Messrs. Haack and Pruitt qualify as an “audit committee financial
“expert” as defined in Item 407 of Regulation S-K promulgated by the SEC and that each Audit Committee member has accounting and financial management literacy under NYSE listing standards. In August 2013, the Audit Committee formed a Regulatory Compliance Subcommittee to support and enhance the Audit Committee’s oversight of the Company’s risk management and related activities associated with trade and other regulatory compliance. The Regulatory Compliance Subcommittee currently consists of directors Howell (Chairman), Etter, Kuechle and Morris.

http://www.esterline.com/InvestorRelations/AnnualReports.aspx
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal, clear, written plan in place, on which the review of the ethics and anti-corruption agenda by the Board or senior management is based.

References:
Public:
NA
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal process for review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption.

References:
Public:
NA
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure implemented enterprise-wide.

References:

Public:
NA
A10:

Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions.

References:

Public:
NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

References:
Public:
NA
A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption. TI notes that the Esterline Code of Business Conduct and Ethics refers to its applicability to agents, but there are no details about how this is enforced.

References:
Public:
TI notes:
Code of Business Conduct and Ethics (September 2014), p.3:
‘Who does the Code apply to?
The Code applies to all employees and to the Board of Directors at Esterline. It also applies to outside individuals any time they represent Esterline or perform Esterline work. For instance, it applies to independent sales representatives acting for Esterline and to temporary employees. The Code applies in all company locations – including joint ventures – and in all countries and jurisdictions where we do business, and it is supported by company policies and procedures. While it does not extend to all suppliers and third parties, we strive to select business partners who share our ethical standards. No one is exempt from the Code standards and no one—not your manager, not the CEO—can direct you to violate the Code.’
A13:
Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company makes clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption.

References:
Public:
TI notes:
Code of Business Conduct and Ethics (September 2014), p.3:
‘Who does the Code apply to?
The Code applies to all employees and to the Board of Directors at Esterline. It also applies to outside individuals any time they represent Esterline or perform Esterline work. For instance, it applies to independent sales representatives acting for Esterline and to temporary employees. The Code applies in all company locations – including joint ventures – and in all countries and jurisdictions where we do business, and it is supported by company policies and procedures. While it does not extend to all suppliers and third parties, we strive to select business partners who share our ethical standards. No one is exempt from the Code standards and no one—not your manager, not the CEO—can direct you to violate the Code’.
A13(a):  
Does the company explicitly address the corruption risks associated with offset contracting?

Score:  
NA

Comments:  
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:  
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:

NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:
2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms.

References:
Public:
Code of Business Conduct and Ethics (September 2014), pp.12-14:
‘Bribery and Corruption
We conduct business with integrity and believe our business success should rest on the excellence of our products and services. Bribery and other corrupt actions are absolutely prohibited throughout our global operations. Esterline does not offer or accept bribes, kickbacks, or other inappropriate payments, regardless of local practice or perceived customs. We also do not allow facilitation payments ("grease payments"), which are small, informal payments made to expedite a routine action by government personnel. Even if your intentions are honorable, it’s important to consider how things might appear. Even the perception of bribery can damage our reputation.
•Follow all anti-bribery laws. Bribery is illegal in most, if not all, places where we do business. In addition, laws like the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act extend beyond national borders to activity carried out in other countries. The penalties for bribery are severe, carrying legal liability for both the company and the individuals involved.
•Understand that “bribery” is broadly defined. Bribery is more than just outright payments or gifts of cash. It can also include providing anything of value such as unusual discounts, free travel, excessive hospitality and entertainment, the loan of a car or money, speaking fees, or consulting agreements—especially if these are used to obtain a commercial advantage.
•Be very careful in your interactions with government officials. Many countries have especially strict rules that prohibit you—or a sales rep or consultant acting for you—from offering or giving anything of value to a government official.
•Be sure you know whether you’re dealing with a “government official.” In some countries,
the businesses we deal with are quasi-governmental enterprises. The managers you deal with in those organizations should be treated as government officials” with whom you must be particularly careful.

• Never offer or accept a kickback. A “kickback” is an under-the-table payment or other hidden advantage—such as an informal discount—that a seller gives a buyer in exchange for business. It is a type of bribe, and it is illegal. If someone offers you a kickback, refuse it and tell your supervisor or ethics advisor immediately.

• Do not try to do something indirectly that you are prohibited from doing directly. Don’t instruct sales reps or other intermediaries to take actions that you aren’t permitted to take. Similarly, if you are prohibited from hiring a government official, you also can’t hire a member of that official’s family.

• Communicate our expectations to sales reps, consultants, brokers, or other third parties who act for the company. Most anti-bribery laws that apply to us also apply to third parties acting on our behalf. Never ask someone to take an action that violates our policy or the law. If you supervise or interact with third parties, watch carefully for signs that bribery might be taking place. In some cases, you can be held personally responsible for their mistakes or bribes.

Recognizing Bribery

The anti-bribery rules are very strict. In many cases, it doesn’t matter if the value offered is very small or if there is little benefit to Esterline. If the offer was made with the expectation or hope of a business advantage in return, it can be considered bribery regardless of the value.

Bribery occurs when:

• anything of value, whether tangible or intangible
• is offered, promised, given, requested, demanded, or accepted
• directly or through intermediaries
• for purposes of influencing a person in a position of trust and responsibility, including but not exclusive to, a government official
• to perform a function improperly or compromise his/her discretion
• or with knowledge that the acceptance of the advantage is improper

At Esterline, we prohibit giving anything of value when it’s intended to obtain an improper advantage—for instance, inducing someone in a position of trust and responsibility to compromise their responsibilities’.
A16:

Is the anti-corruption policy explicitly one of zero tolerance?

Score:

2

Comments:

Based on public information, there is evidence that the company’s anti-corruption policy is explicitly one of zero tolerance.

References:

Public:
Code of Business Conduct and Ethics (September 2012), p.12:
‘Bribery and Corruption
We conduct business with integrity and believe our business success should rest on the excellence of our products and services. Bribery and other corrupt actions are absolutely prohibited throughout our global operations. Esterline does not offer or accept bribes, kickbacks, or other inappropriate payments, regardless of local practice or perceived customs. We also do not allow facilitation payments (“grease payments”), which are small, informal payments made to expedite a routine action by government personnel’.
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

2

Comments:
Based on public information, there is evidence that the company's anti-corruption policy is easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company. The company’s Code of Business Conduct and Ethics is available on the company website.

References:
Public:
Code of Business Conduct and Ethics (September 2012), p.12:
‘Bribery and Corruption
We conduct business with integrity and believe our business success should rest on the excellence of our products and services. Bribery and other corrupt actions are absolutely prohibited throughout our global operations’.
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy is easily understandable and clear to Board members, employees and third parties. The Code of Business Conduct and Ethics is written in accessible, clear language.

References:
Public:
Code of Business Conduct and Ethics (September 2012), pp.12-14:
‘Bribery and Corruption
We conduct business with integrity and believe our business success should rest on the excellence of our products and services. Bribery and other corrupt actions are absolutely prohibited throughout our global operations.
Esterline does not offer or accept bribes, kickbacks, or other inappropriate payments, regardless of local practice or perceived customs. We also do not allow facilitation payments (“grease payments”), which are small, informal payments made to expedite a routine action by government personnel. Even if your intentions are honorable, it’s important to consider how things might appear.
Even the perception of bribery can damage our reputation.
•Follow all anti-bribery laws. Bribery is illegal in most, if not all, places where we do business. In addition, laws like the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act extend beyond national borders to activity carried out in other countries. The penalties for bribery are severe, carrying legal liability for both the company and the individuals involved.
•Understand that “bribery” is broadly defined. Bribery is more than just outright payments or gifts of cash. It can also include providing anything of value such as unusual discounts, free travel, excessive hospitality and entertainment, the loan of a car or money, speaking fees, or consulting agreements—especially if these are used to obtain a commercial advantage.
•Be very careful in your interactions with government officials. Many countries have especially strict rules that prohibit you—or a sales rep or consultant acting for you—from
offering or giving anything of value to a government official.

- Be sure you know whether you’re dealing with a “government official.” In some countries, the businesses we deal with are quasi-governmental enterprises. The managers you deal with in those organizations should be treated as government officials” with whom you must be particularly careful.

- Never offer or accept a kickback. A “kickback” is an under-the-table payment or other hidden advantage—such as an informal discount—that a seller gives a buyer in exchange for business. It is a type of bribe, and it is illegal. If someone offers you a kickback, refuse it and tell your supervisor or ethics advisor immediately.

- Do not try to do something indirectly that you are prohibited from doing directly. Don’t instruct sales reps or other intermediaries to take actions that you aren’t permitted to take. Similarly, if you are prohibited from hiring a government official, you also can’t hire a member of that official’s family.

- Communicate our expectations to sales reps, consultants, brokers, or other third parties who act for the company. Most anti-bribery laws that apply to us also apply to third parties acting on our behalf. Never ask someone to take an action that violates our policy or the law. If you supervise or interact with third parties, watch carefully for signs that bribery might be taking place. In some cases, you can be held personally responsible for their mistakes or bribes.

Recognizing Bribery

The anti-bribery rules are very strict. In many cases, it doesn’t matter if the value offered is very small or if there is little benefit to Esterline. If the offer was made with the expectation or hope of a business advantage in return, it can be considered bribery regardless of the value.

Bribery occurs when:

- anything of value, whether tangible or intangible
- is offered, promised, given, requested, demanded, or accepted
- directly or through intermediaries
- for purposes of influencing a person in a position of trust and responsibility, including but not exclusive to, a government official
- to perform a function improperly or compromise his/her discretion
- or with knowledge that the acceptance of the advantage is improper

At Esterline, we prohibit giving anything of value when it’s intended to obtain an improper advantage—for instance, inducing someone in a position of trust and responsibility to compromise their responsibilities.
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

2

Comments:

Based on public information, there is evidence that the company’s anti-corruption policy explicitly applies to all employees and members of the Board.

References:

Public:

Corporate Governance Guidelines (June 2013), p.10:
‘All directors are also subject to the provisions of the Company’s Code of Business Conduct and Ethics.’


Code of Business Conduct and Ethics (September 2012), p.3:
‘Who does the Code apply to?
The Code applies to all employees and to the Board of Directors at Esterline. It also applies to outside individuals any time they represent Esterline or perform Esterline work. For instance, it applies to independent sales representatives acting for Esterline and to temporary employees. The Code applies in all company locations including joint ventures and in all countries and jurisdictions where we do business, and it is supported by company policies and procedures. While it does not extend to all suppliers and third parties, we strive to select business partners who share our ethical standards. No one is exempt from the Code standards and no one —not your manager, not the CEO—can direct you to violate the Code’.
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:

2

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest, which applies to both employees and board members. The policy contains a definition and examples of potential conflicts of interest.

References:
Public:
Code of Business Conduct and Ethics (September 2012), pp.15-17:
‘Conflict of Interest and Improper Influence
There must be no question about the integrity of our decision-making. Each one of us has an obligation to deal fairly with customers, suppliers, competitors and employees. Anyone in a position to make or influence company business decisions must be alert to possible personal conflicts of interest, both real and perceived. Similarly, we are expected not to act against the company’s interests, even in the case where it might benefit us personally to do so.
• Avoid outside employment that might be problematic Employees working in second jobs outside the company must be certain that these do not conflict with their work at Esterline. Potential conflicts include conflicting work schedules, declining productivity or disclosure or use of confidential and/or proprietary company information. You may not work for a competitor of the company or for a customer or supplier. To avoid conflicts of interest, outside work generally should be reviewed with your supervisor in advance.
• Avoid investments that might create a conflict. This includes holding a substantial financial interest in a competitor, business partner, or supplier.
• Avoid conflicts involving family members. The following are all potential conflicts of interest and should be disclosed to management so they can be resolved:
  o Supervising or making employment decisions about a family member or someone with whom you socialize or have a personal relationship
  o Having access to employee data, or having authority or influence over employment or compensation decisions, if you have a family member or a close personal relationship with someone who works in the company
  o Representing Esterline in a situation where you, your family, or someone with whom you
have a close personal relationship has any significant personal interest

- Meet the highest ethical standards in source selection, bid awards, and contract negotiation. We buy only materials and services that will meet our performance, quality, and delivery requirements. We also encourage competition among our suppliers and buy from qualified suppliers at the lowest total cost.

- Do not take personal advantage of opportunities that could benefit the company.
You are expected to promote the company’s interests in your work. If, as part of your job, you learn about an opportunity that would benefit Esterline, you may not take personal advantage of that opportunity at the company’s expense.

- Disclose outside professional activity. If you want to speak at a conference, publish an article, or serve on an industry committee or board of directors, notify your supervisor or ethics advisor as soon as possible. The company will review the situation, clarify your role, and decide whether to approve your involvement.

- Disclose any conflicts and work to resolve them. If you discover that you have an actual conflict of interest, or are involved in a situation that might be perceived as a conflict, you are expected to disclose it and then work with the company to resolve it.

Esterline’s Point of View:
We want to hire the most qualified job candidates and work with the best vendors, suppliers, and partners. Making decisions because of personal relationships rather than quality can weaken our business and damage our working environment. Every employee who is in a position to manage people or to make purchasing decisions should understand our expectations in this area. If you have any kind of personal relationship with a potential job candidate, another employee, or with a business partner, you must disclose the relationship to your supervisor or ethics advisor promptly. You will be expected to remove yourself from any decisions where the company determines there could be a perceived or actual conflict of interest.

Conflict of Interest
A conflict of interest occurs when a personal benefit, activity, or relationship interferes or appears to interfere with your job duties. You should especially watch for situations where your personal interests make it difficult or impossible to be objective and fair in carrying out your job responsibilities’.
A21:

Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

2

Comments:

Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. Although, the company does not set clear upper limits or a specific threshold necessary for senior authorisation, it does go into detail to explain what is and is not acceptable.

References:

Public:
Code of Business Conduct and Ethics (September 2012), pp.10-11:
‘Offering or Providing Business Courtesies (Gifts, Entertainment, and Hospitality)
Business courtesies like gifts of modest value or reasonable hospitality and entertainment can be an appropriate way to build goodwill in a business relationship. However, it is important to consider the circumstances in which the courtesies are offered and to use good judgment. We want to avoid even the appearance of attempting to win business through the use of excessive or lavish gifts, entertainment, or hospitality. Appearing to do so could affect our credibility and reputation in the marketplace.
• Use business courtesies appropriately.
Typical business courtesies are reasonable, modest, and infrequent—a meal at a moderately priced restaurant or a token gift. Also, they are generally offered in the course of business—for instance, lunch during a meeting—rather than as an event in themselves. However, the definition of “reasonable” can vary based on the circumstances. Please exercise sound business judgment and, if you are at all uncertain regarding whether a business courtesy is appropriate, seek guidance from your supervisor or an ethics advisor before offering the business courtesy.
• Gifts of cash or cash equivalents are prohibited. Gifts of money—or cash equivalents like gift cards, gift certificates, or savings bonds—are not appropriate business courtesies.
• Obtain approval when necessary. Make sure you have approval before offering or providing anything of value in the course of a business relationship. In some cases, you might need to get approvals in writing. Also, confirm that the proposed expenditure is
appropriate to local custom and the law.

- Avoid creating a “quid pro quo” (“this for that”) situation. Do not provide any gifts, entertainment, or hospitality that could appear to influence the recipient’s business judgment. Avoid entertainment or gifts that coincide with purchasing or sales decisions, especially where these could look like a favor granted in return.
- Document all expenditures properly.

Gifts, entertainment, and hospitality expenditures must be properly recorded in our books. Never conceal or misrepresent spending.” (pp.11-12): ”Accepting Business Courtesies

Just as it’s important to avoid improperly influencing someone else, each of us must avoid accepting anything that could even appear to influence our own business judgment. This is true even if you believe you can accept and remain impartial.

- We allow nominal gifts and entertainment. “Nominal” means something small — a gesture or social courtesy, typically offered in connection with performing company business. Decline any business entertainment or gifts that are either lavish or offered frequently—even modest expenditures add up over time.
- Consider the cultural context. When you are doing business outside of your own culture or country, consider whether you need additional guidance to understand what’s appropriate.
- When unsure, decline.

You should especially decline:
- Cash or cash equivalents.
- Any offer that appears to be improper, including attempts to obtain favorable treatment.
- Any offer that coincides with a purchasing decision by Esterline—especially if you will be part of the decision.
- Gifts or entertainment of more than nominal value. It might be necessary to gather information to learn the value of what you have been offered — for instance, if you are invited to a sporting event or receive a bottle of wine. If the value is too high, decline the offer or send back the gift.
- Any offer of a loan arrangement or loan payment from someone who does business with our company. (This does not refer to normal market loans made by recognized financial institutions.)
- Side payments or kickbacks offered by suppliers. Any such offers should be reported to your supervisor or ethics advisor.
- Free or discounted products or services from suppliers or other business partners.”
A22:
Does the company’s anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:
2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy includes a statement on the giving and receipt of hospitality, that ensures that such transactions are bona fide and not a subterfuge for bribery. Although, the company does not set clear upper limits or a specific threshold necessary for senior authorisation, it does go into detail to explain what is and is not acceptable.

References:
Public:
Code of Business Conduct and Ethics (September 2012), pp.10-11:
‘Offering or Providing Business Courtesies (Gifts, Entertainment, and Hospitality)
Business courtesies like gifts of modest value or reasonable hospitality and entertainment can be an appropriate way to build goodwill in a business relationship. However, it is important to consider the circumstances in which the courtesies are offered and to use good judgment. We want to avoid even the appearance of attempting to win business through the use of excessive or lavish gifts, entertainment, or hospitality. Appearing to do so could affect our credibility and reputation in the marketplace.
• Use business courtesies appropriately.
  Typical business courtesies are reasonable, modest, and infrequent—a meal at a moderately priced restaurant or a token gift. Also, they are generally offered in the course of business—for instance, lunch during a meeting—rather than as an event in themselves. However, the definition of “reasonable” can vary based on the circumstances. Please exercise sound business judgment and, if you are at all uncertain regarding whether a business courtesy is appropriate, seek guidance from your supervisor or an ethics advisor before offering the business courtesy.
• Gifts of cash or cash equivalents are prohibited. Gifts of money—or cash equivalents like gift cards, gift certificates, or savings bonds—are not appropriate business courtesies.
• Obtain approval when necessary. Make sure you have approval before offering or providing anything of value in the course of a business relationship. In some cases, you
might need to get approvals in writing. Also, confirm that the proposed expenditure is appropriate to local custom and the law.

- Avoid creating a “quid pro quo” (“this for that”) situation. Do not provide any gifts, entertainment, or hospitality that could appear to influence the recipient’s business judgment. Avoid entertainment or gifts that coincide with purchasing or sales decisions, especially where these could look like a favor granted in return.
- Document all expenditures properly.

Gifts, entertainment, and hospitality expenditures must be properly recorded in our books. Never conceal or misrepresent spending’.

(PP.11-12): ‘Accepting Business Courtesies

Just as it’s important to avoid improperly influencing someone else, each of us must avoid accepting anything that could even appear to influence our own business judgment. This is true even if you believe you can accept and remain impartial.

- We allow nominal gifts and entertainment. “Nominal” means something small—a gesture or social courtesy, typically offered in connection with performing company business. Decline any business entertainment or gifts that are either lavish or offered frequently—even modest expenditures add up over time.
- Consider the cultural context. When you are doing business outside of your own culture or country, consider whether you need additional guidance to understand what’s appropriate.
- When unsure, decline.

You should especially decline:
- Cash or cash equivalents.
- Any offer that appears to be improper, including attempts to obtain favorable treatment.
- Any offer that coincides with a purchasing decision by Esterline—especially if you will be part of the decision.
- Gifts or entertainment of more than nominal value. It might be necessary to gather information to learn the value of what you have been offered—for instance, if you are invited to a sporting event or receive a bottle of wine. If the value is too high, decline the offer or send back the gift.
- Any offer of a loan arrangement or loan payment from someone who does business with our company. (This does not refer to normal market loans made by recognized financial institutions.)
- Side payments or kickbacks offered by suppliers. Any such offers should be reported to your supervisor or ethics advisor.
- Free or discounted products or services from suppliers or other business partners.’
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

1

Comments:
Based on public information, there is evidence that the company has a policy that explicitly prohibits facilitation payments. However, the company provides no guidance or supplementary information on how the policy is to be implemented in practice. The company therefore scores 1.

References:
Public:
Code of Business Conduct and Ethics (September 2012), p.12:
‘Bribery and Corruption
We conduct business with integrity and believe our business success should rest on the excellence of our products and services. Bribery and other corrupt actions are absolutely prohibited throughout our global operations. Esterline does not offer or accept bribes, kickbacks, or other inappropriate payments, regardless of local practice or perceived customs. We also do not allow facilitation payments (“grease payments”), which are small, informal payments made to expedite a routine action by government personnel’.
A24:

Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company prohibits political contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent. TI notes that the Code of Business Conduct and Ethics refers to political donations by employees in their personal capacities, but does not deal with donations made by the company.

References:

Public:
TI notes:
Code of Business Conduct and Ethics (September 2012), pp.9-10:
‘Community Activities, Political Involvement, and Political Contributions
You are encouraged to become involved in civic affairs and political activities as a private citizen. However, when you become involved in such matters, you must do so strictly as a private individual, not as a representative of the company. You must also take care that your activities do not interfere with your work responsibilities. While the company might adopt certain charitable causes, you should not assume that your personal involvements have company support.
- Keep political involvement personal. Unless engaging in a company-sponsored activity, you should limit involvement in political and community activities to your personal time. Don’t use work time for political activities and do not fundraise for political causes or promote political candidates while at work.
- Don’t involve Esterline funds or assets. You must obtain approval before using company facilities, equipment, funds or other assets to benefit any political party, campaign, or charitable cause. Also, unless you have obtained approval, do not make a political or charitable contribution using company funds or in the company’s name.
- Don’t use your position at Esterline to support your personal political activities. For instance, managers may not pressure their employees to contribute to a cause or to vote a particular way.
Note: Certain individuals at Esterline are expressly authorized to engage in lobbying activities on the company’s behalf. This part of the Code refers to personal political activity by employees, not Company-sponsored political activity intended to benefit the business, its employees, or customers’.
A25:

Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, or discloses the issues on which it lobbies.

References:

Public:
TI notes:
Code of Business Conduct and Ethics (September 2012), p.10:
‘Note: Certain individuals at Esterline are expressly authorized to engage in lobbying activities on the company’s behalf. This part of the Code refers to personal political activity by employees, not Company-sponsored political activity intended to benefit the business, its employees, or customers’.
A25(a):

Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company prohibits charitable contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:

Public:
TI notes:
Code of Business Conduct and Ethics (September 2012), pp.9-10:
‘Community Activities, Political Involvement, and Political Contributions
You are encouraged to become involved in civic affairs and political activities as a private citizen. However, when you become involved in such matters, you must do so strictly as a private individual, not as a representative of the company. You must also take care that your activities do not interfere with your work responsibilities. While the company might adopt certain charitable causes, you should not assume that your personal involvements have company support.
- Keep political involvement personal. Unless engaging in a company-sponsored activity, you should limit involvement in political and community activities to your personal time. Don’t use work time for political activities and do not fundraise for political causes or promote political candidates while at work.
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- Don’t use your position at Esterline to support your personal political activities. For instance, managers may not pressure their employees to contribute to a cause or to vote a particular way.
Note: Certain individuals at Esterline are expressly authorized to engage in lobbying activities on the company’s behalf. This part of the Code refers to personal political activity.
by employees, not Company-sponsored political activity intended to benefit the business, its employees, or customers’.
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

1

Comments:

Based on public information, there is some evidence that the company provides written guidance to help Board members and employees understand and implement the firm's ethics and anti-corruption agenda. In particular, the Code of Business Conduct and Ethics contains some examples to illustrate particular situations. The company therefore scores 1.

References:

Public:
Code of Business Conduct and Ethics (September 2012), p.11:
‘Q: I recently spent a week helping with the logistics of an airshow. Afterwards, I received a watch of modest value in the mail from the airshow sponsor, a customer of ours. Am I required to decline the gift?
A: It depends. Start by discussing it with your supervisor or an ethics advisor. There are many variables that might affect the decision, from the value of the watch to whether or not you are in a decision-making role related to the customer. In certain cases, it might be acceptable to keep the gift. In others, the right course of action might be to politely decline or return the gift, or, to avoid insult, to donate it to a charitable cause, or use it as a prize in a company raffle’.
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:

1

Comments:
Based on public information, there is some evidence that the company has a training programme on its ethics and compliance systems. However, there is no evidence of a specific anti-corruption training module. The company therefore scores 1.

References:
Public:
Annual Report (2013), p.3:
‘General Development of the Business
For example, we have a global code of business conduct and ethics that covers compliance with laws, and we provided training on this code to our worldwide employees in fiscal 2013. In addition, we maintain local ethics advisors and export control specialists in our business units to support our compliance efforts’.
A28:

Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

2

Comments:

Based on public information, there is evidence that the company has a training programme on its ethics and compliance systems that is provided to employees worldwide.

References:

Public:
Annual Report (2013), p.3:
‘General Development of the Business
For example, we have a global code of business conduct and ethics that covers compliance with laws, and we provided training on this code to our worldwide employees in fiscal 2013.
In addition, we maintain local ethics advisors and export control specialists in our business units to support our compliance efforts’.

Code of Business Conduct and Ethics (September 2012), p.4:
‘Note to Managers
Managers and supervisors play an important role in reinforcing The Esterline Way. They are often first to spot the signs when something goes wrong. If you are a supervisor or manager, we expect that you will:
- Set a strong example of ethical conduct.
- Help your team understand that their actions at work should always reflect Esterline’s core values.
- Provide employees with training, education, and resources to support compliance with the Code.
- Encourage employees to speak up if they have concerns.
- Understand that reports of serious mistakes or misconduct must be escalated to our ethics resources, for instance:
* neglect or concealment of product quality or design defects
* suspected bribery or fraud
* mistakes or misconduct that could affect financial reporting or pricing formulas
* actions or omissions that could lead to possible government action against the company
* indications of harassment or unfair treatment’.
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to members of the Board.

References:
Public:
NA
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
NA
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:

1

Comments:
Based on public information, there is evidence that the company has a formal process by which employees declare conflicts of interest. Employees are encouraged to disclose the issue to a manager or an ethics officer. The company therefore scores 1. To score higher the company would need to provide evidence that conflicts of interest are always disclosed to an independent department, such as an ethics officer.

References:
Public:
Code of Business Conduct and Ethics (September 2012), pp.15-17:
‘Conflict of Interest and Improper Influence
There must be no question about the integrity of our decision-making. Each one of us has an obligation to deal fairly with customers, suppliers, competitors and employees. Anyone in a position to make or influence company business decisions must be alert to possible personal conflicts of interest, both real and perceived. Similarly, we are expected not to act against the company’s interests, even in the case where it might benefit us personally to do so.
• Avoid outside employment that might be problematic Employees working in second jobs outside the company must be certain that these do not conflict with their work at Esterline. Potential conflicts include conflicting work schedules, declining productivity or disclosure or use of confidential and/or proprietary company information. You may not work for a competitor of the company or for a customer or supplier. To avoid conflicts of interest, outside work generally should be reviewed with your supervisor in advance.
• Avoid investments that might create a conflict. This includes holding a substantial financial interest in a competitor, business partner, or supplier.
• Avoid conflicts involving family members. The following are all potential conflicts of interest and should be disclosed to management so they can be resolved:
  o Supervising or making employment decisions about a family member or someone with whom you socialize or have a personal relationship
  o Having access to employee data, or having authority or influence over employment or compensation decisions, if you have a family member or a close personal relationship with
Representing Esterline in a situation where you, your family, or someone with whom you have a close personal relationship has any significant personal interest

- Meet the highest ethical standards in source selection, bid awards, and contract negotiation. We buy only materials and services that will meet our performance, quality, and delivery requirements. We also encourage competition among our suppliers and buy from qualified suppliers at the lowest total cost.

- Do not take personal advantage of opportunities that could benefit the company.

You are expected to promote the company’s interests in your work. If, as part of your job, you learn about an opportunity that would benefit Esterline, you may not take personal advantage of that opportunity at the company’s expense.

- Disclose outside professional activity. If you want to speak at a conference, publish an article, or serve on an industry committee, or board of directors, notify your supervisor or ethics advisor as soon as possible. The company will review the situation, clarify your role, and decide whether to approve your involvement.

- Disclose any conflicts and work to resolve them. If you discover that you have an actual conflict of interest, or are involved in a situation that might be perceived as a conflict, you are expected to disclose it and then work with the company to resolve it.

Esterline’s Point of View:

We want to hire the most qualified job candidates and work with the best vendors, suppliers, and partners. Making decisions because of personal relationships rather than quality can weaken our business and damage our working environment. Every employee who is in a position to manage people or to make purchasing decisions should understand our expectations in this area. If you have any kind of personal relationship with a potential job candidate, another employee, or with a business partner, you must disclose the relationship to your supervisor or ethics advisor promptly. You will be expected to remove yourself from any decisions where the company determines there could be a perceived or actual conflict of interest.

Conflict of Interest

A conflict of interest occurs when a personal benefit, activity, or relationship interferes or appears to interfere with your job duties. You should especially watch for situations where your personal interests make it difficult or impossible to be objective and fair in carrying out your job responsibilities’.
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company is explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities.

References:
Public:
TI notes:
Annual Report (2013), pp.17-18:
‘Clawback Policy
In March 2013, the Committee adopted a compensation recovery policy applicable to the Company’s incentive plans, often referred to as a “clawback” policy. The new policy supplements the existing clawback provisions that apply to the CEO and CFO under the Sarbanes-Oxley Act of 2002.1 This new “clawback” policy extends to all incentive programs (cash and equity, annual and long-term), gains made on option exercises or stock sales, awards received, monies earned, and grants made in the current fiscal year and the previous three fiscal years. The policy covers the following events: (i) any material error that causes a financial restatement, irrespective of cause; (ii) internal, non-public business unit or platform financial statements, in addition to corporate financial statements subject to SEC public reporting; and (iii) misconduct of any type that harms the Company, whether it affects financial statements or not (e.g., attempted bribery or other fraud, misuse of trade secrets for personal gain, etc.).’
A33:

Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

1

Comments:

Based on public information, there is evidence that the company has multiple internal channels to report instances of suspected corrupt activity, which are well publicised and allow anonymous reporting. However, there is no evidence that the company offers an independently operated channel for employees to report to. The company therefore scores 1.

References:

Public:
Code of Business Conduct and Ethics (September 2012), pp.20-22:
‘Section 3: A Shared Culture of Integrity
The Esterline Way and its high ethical standards are essential to our growth and success. We need your intellect, your energy, and most of all your integrity. If you ever have a question about the right thing to do, please take the extra steps needed to find the answer. You can read the Code, talk to your supervisor, or consult your ethics advisor. Of course, you can also contact Esterline’s confidential ethics helpline. Please remember there are several resources to help you find the answer. If you learn about or suspect a violation of the Code or law, you are encouraged to report it.

Our Ethics Resources and How To Use Them
• Your manager: In many cases, your manager or supervisor should be your first point of contact. Get their help when you need to clarify the Code, policy, or legal requirements related to your job responsibilities or to discuss concerns about behavior that might violate the Code.
• Human Resources: Contact Human Resources for any general employment concerns, including:
  o hiring & promotion decisions or performance reviews
  o your manager’s conduct, whether toward you or someone else
o work relationships or behaviour issues, such as harassment, unfair treatment, or bullying
• Company ethics advisor: Contact your ethics advisor for clarification about issues related to ethical or legal requirements.
• Ethics Helpline: The Ethics Helpline is available by telephone or mail or online through the Esterline.com website. You may use it to report significant or unusual problems that you have not been able to resolve with local management, or if you believe your local managers, ethics advisor, or human resource staff will not be responsive. In the U.S. and certain other locations where the law allows, you will have a choice of remaining anonymous if you prefer. The helpline includes an option for directly contacting the Board of Directors Audit Committee on financial matters, as follows:
Log-on: www.esterline.com
Select: Corporate Governance -> Ethics Helpline
Or call:
Country Toll-Free Number to Dial
Brazil
0800 -8911667
Canada
800 -448-0158
China (Northern)
10-800-712-1239
China (Southern)
10-800-120-1239
Dominican Republic
1-8887512292
France
0800-902500
Germany
0800-1016582
Hong Kong
800-964214
India
000-800-100-1071
Italy
800-786907
Japan (English)
0066-33-11-2505
Japan (Japanese)
00531-121520
Mexico (English)
001-866-737-6850
Mexico (Spanish)
001-8008407907
Singapore
800-1204201
United Kingdom
08-000328483
United States
800-448-0158
Morocco
dial AT&T Direct at 002-11-0011
then dial 800-448-0158 at prompt
For countries not listed, please see visit the online helpline.
Or write:
Ethics Hotline
Esterline Technologies Corporation
500 108th Avenue NE, Suite 1500
Bellevue, WA 98004
Reporting Issues in the European Union
Reports made in or about a person in a member state of the European Union must comply with the data privacy laws of the EU and the member state. In France, Germany, and several other member states, the reported topics must be related to the international fight against bribery, auditing and accounting, banking, or financial crime. Anonymous reporting is discouraged. Reports will be processed in accordance with the laws of the member state."
A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:

2

Comments:
Based on public information, there is evidence that across geographies, all employees have access to more than one whistleblowing channel.

References:
Public:
Code of Business Conduct and Ethics (September 2012), pp.20-22:
‘Section 3: A Shared Culture of Integrity
The Esterline Way and its high ethical standards are essential to our growth and success. We need your intellect, your energy, and most of all your integrity. If you ever have a question about the right thing to do, please take the extra steps needed to find the answer. You can read the Code, talk to your supervisor, or consult your ethics advisor. Of course, you can also contact Esterline’s confidential ethics helpline. Please remember there are several resources to help you find the answer. If you learn about or suspect a violation of the Code or law, you are encouraged to report it.
Our Ethics Resources and How To Use Them
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•Human Resources: Contact Human Resources for any general employment concerns, including:
o hiring & promotion decisions or performance reviews
o your manager’s conduct, whether toward you or someone else
o work relationships or behaviour issues, such as harassment, unfair treatment, or bullying
•Company ethics advisor: Contact your ethics advisor for clarification about issues related to ethical or legal requirements.
•Ethics Helpline: The Ethics Helpline is available by telephone or mail or online through the Esterline.com website.
You may use it to report significant or unusual problems that you have not been able to
resolve with local management, or if you believe your local managers, ethics advisor, or human resource staff will not be responsive. In the U.S. and certain other locations where the law allows, you will have a choice of remaining anonymous if you prefer. The helpline includes an option for directly contacting the Board of Directors Audit Committee on financial matters, as follows:

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France
0800-902500
Germany
0800-1016582
Hong Kong
800-964214
India
000-800-100-1071
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00531-121520
Mexico (English)
001-866-737-6850
Mexico (Spanish)
001-800-840-7907
Singapore
800-1204201
United Kingdom
08-000328483
United States
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Morocco
dial AT&T Direct at 002-11-0011
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For countries not listed, please see visit the online helpline.
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A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively.

References:

Public:
TI notes:
Code of Business Conduct and Ethics (September 2012), pp.22-23:
‘Support for Good Faith Reporting
Reports made in good faith help us investigate and address issues that could harm or disrupt our business. Esterline recognizes that raising concerns can be uncomfortable and the company is committed to fostering an environment where people who bring good faith concerns are supported by a prompt, professional, and diligent process. All reports and concerns will be assessed in a timely fashion and efforts will be made to respect confidentiality where possible. If a violation has occurred, the company will take corrective action. Alternately, an investigation might reveal there was no violation, and that the reporter honestly misunderstood the situation, or was not in a position to have all the pertinent information. The company will be as open as it reasonably can in replying to reports. However, privacy protections or other important legal or business reasons might limit the company’s ability to share the results of its investigation, even with the person who reported the issue. In any event, be assured that an investigation will take place for all reports made. We expect employees who make reports or participate in investigations to provide information that is truthful and not intended to be false or misleading. Like any other misconduct, intentionally filing untruthful reports is likely to result in disciplinary action’.
A34:

Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

2

Comments:

Based on public information, there is evidence that the company has well-publicised resources, such as trained managers, advisers, helplines, and an external ombudsman, to provide employees with guidance on corruption-related issues.

References:

Public:

Code of Business Conduct and Ethics (September 2012), pp.20-22:

‘Section 3: A Shared Culture of Integrity

The Esterline Way and its high ethical standards are essential to our growth and success. We need your intellect, your energy, and most of all your integrity. If you ever have a question about the right thing to do, please take the extra steps needed to find the answer. You can read the Code, talk to your supervisor, or consult your ethics advisor. Of course, you can also contact Esterline’s confidential ethics helpline. Please remember there are several resources to help you find the answer. If you learn about or suspect a violation of the Code or law, you are encouraged to report it.

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  o your manager’s conduct, whether toward you or someone else
  o work relationships or behaviour issues, such as harassment, unfair treatment, or bullying

• Company ethics advisor: Contact your ethics advisor for clarification about issues related to ethical or legal requirements.

• Ethics Helpline: The Ethics Helpline is available by telephone or mail or online through the Esterline.com website.
You may use it to report significant or unusual problems that you have not been able to resolve with local management, or if you believe your local managers, ethics advisor, or human resource staff will not be responsive. In the U.S. and certain other locations where the law allows, you will have a choice of remaining anonymous if you prefer. The helpline includes an option for directly contacting the Board of Directors Audit Committee on financial matters, as follows:

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China (Southern)
10-800-120-1239
Dominican Republic
1-8887512292
France
0800-902500
Germany
0800-1016582
Hong Kong
800-964214
India
000-800-100-1071
Italy
800-786907
Japan (English)
0066-33-11-2505
Japan (Japanese)
00531-121520
Mexico (English)
001-866-737-6850
Mexico (Spanish)
001-8008407907
Singapore
800-1204201
United Kingdom
08-000328483
United States
800-448-0158
Morocco
dial AT&T Direct at 002-11-0011
then dial 800-448-0158 at prompt
For countries not listed, please see visit the online helpline.
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500 108th Avenue NE, Suite 1500
Bellevue, WA 98004
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Reports made in or about a person in a member state of the European Union must comply with the data privacy laws of the EU and the member state. In France, Germany, and several other member states, the reported topics must be related to the international fight against bribery, auditing and accounting, banking, or financial crime. Anonymous reporting is discouraged. Reports will be processed in accordance with the laws of the member state’.
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:
1

Comments:
Based on public information, there is evidence that the company has a commitment to non-retaliation policy for bona fide reporting of corruption. However, there is no evidence that disciplinary measures are applied to employees who breach this policy. The company therefore scores 1.

References:
Public:
Code of Business Conduct and Ethics (September 2012), pp.22-23:
’Support for Good Faith Reporting
Reports made in good faith help us investigate and address issues that could harm or disrupt our business. Esterline recognizes that raising concerns can be uncomfortable and the company is committed to fostering an environment where people who bring good faith concerns are supported by a prompt, professional, and diligent process. All reports and concerns will be assessed in a timely fashion and efforts will be made to respect confidentiality where possible. If a violation has occurred, the company will take corrective action. Alternately, an investigation might reveal there was no violation, and that the reporter honestly misunderstood the situation, or was not in a position to have all the pertinent information. The company will be as open as it reasonably can in replying to reports. However, privacy protections or other important legal or business reasons might limit the company’s ability to share the results of its investigation, even with the person who reported the issue. In any event, be assured that an investigation will take place for all reports made. We expect employees who make reports or participate in investigations to provide information that is truthful and not intended to be false or misleading. Like any other misconduct, intentionally filing untruthful reports is likely to result in disciplinary action’. 
Information Sources:

Company Website:
http://www.esterline.com/

Annual Report (2013):
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