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

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>30%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>41.7%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
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<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>29.5%</strong></td>
</tr>
</tbody>
</table>

TI understands that the company is not 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:
0

Comments:
Based on public information, there is no readily available evidence that the Chief Executive Officer or the Chair of the Board publishes a statement supporting the ethics and anti-corruption agenda of the company.

References:
Public:
NA
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 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.

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 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.

**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:

1

Comments:

Based on public information, there is evidence that the company publishes a statement of principles representing high standards of business conduct, including honesty and integrity with transparency also mentioned in relation to employees. However, unlike the company’s core values of humility, realism, the entrepreneurial spirit and respect, these principles are not explained. The company therefore scores 1. To score higher the company must clearly explain why its principles representing high standards of business conduct matter to the organisation and how they are translated into company policies.

References:

Public:
Welcome Aboard (2013), p.10:
‘Zodiac Aerospace places its teams at the heart of its business strategy by enhancing and developing a real team spirit and a pioneering, enterprising and open attitude to understand and anticipate market expectations, to react and innovate.

Group employees, each one different and unique, all share four values that are the force behind Zodiac Aerospace:

- humility, which includes the complementary contributions of each person to the success of the company;
- realism, which includes making decisions and conducting business rationally and objectively;
- an entrepreneurial spirit that encourages individual initiative, efficiency and responsiveness;
- respect, which leads to trust, sharing and recognition.

Respect for these values and for the Group’s Code of Ethics has resulted in the motivation
and longevity of our team. These elements are essential and reassuring to our customers and partners, given the length and complexity of the programs.

http://www.zodiacaerospace.com/sites/default/files/content-files/push-publication/zodiacaerospace_traveljournal2013_eng_0.pdf

‘All its strategic choices are made in accordance with the Group’s values, Ethics Code and Environment and Risk Management Charter.’


Travel Journal Annual Report (2012-2013), p.79:
‘Operating in 18 countries, Zodiac Aerospace is pursuing a strategy of responsible growth in accordance with international, national and local laws, as well as ethical principles of integrity, honesty, fairness and protection that guide its strategy, work methods and relationship with its stakeholders. Largely inspired by the values of humility, realism, an entrepreneurial spirit and respect, which shape the Group’s culture, these principles apply to all employees.

Presented in our Ethics Code, these principles have provisions with regard to the fight against corruption and the prevention of conflicts of interests. These provisions were strengthened in 2013 and will be completed in 2014 with an e-learning training program on ethics and business illustrated by actual situations. A charter for management is also in development.’

http://www.zodiacaerospace.com/sites/default/files/content-files/push-publication/zodiacaerospace_traveljournal2013_eng_0.pdf

Annual Report (2012-2013), p. 37:
‘The Zodiac Aerospace Group has developed around core values which constitute its philosophy and the basis of its development.

There are four core values:
Humility implies recognizing the existence of something better than yourself, along with the potential to learn from others.
Realism means only taking into account the actual facts to drive the Group’s businesses forward, and particularly its results.
The entrepreneurial spirit means taking risks, being creative, being confident in yourself and accepting the confidence of others. This requires a sense of responsibility towards the company’s “assets” and a keen awareness of the markets.
Respect includes respect for what has already been achieved, what is underway and what remains to be done. Respect for one’s own work and the other’s.
The Group’s Ethics Code is a code of conduct in relation to its environment. It is based on honesty, integrity, fairness and protection. This Zodiac Ethics Code is regularly updated. In 2013, the Code was reviewed, in particular, to strengthen the provisions related to anti-corruption and in all countries where the Group operates.’
Group Values:
Humility, realism, entrepreneurial spirit, and respect are the four values that are woven into the history and have forged the culture of Zodiac Aerospace.

Our Values
Humility
An acknowledgement that everyone makes a unique contribution and possesses a set of skills that complements and supports each other. As a result, we can all learn, teach and share our successes and failures together. It means recognizing that all people are of importance and their contributions meaningful.

Realism
Doing so ensures the prosperity of our business and the security of our assets both tangible and human. Business must be conducted rationally and objectively and always while taking into account the needs of employees and customers.

An Entrepreneurial Spirit
It means taking risks, being creative, having self-confidence and earning the confidence of others. It means feeling responsible for the company’s interests and keeping abreast of market needs. To express itself to the full, this spirit calls for a decentralized structure with the appropriate degree of authority and a highly developed sense of involvement.

Respect
Respect for what has been accomplished, what is underway, and what remains to be achieved. Respect for one’s own work and that of others. Respect for diversity and the uniqueness of every individual. Respect leads to trust, sharing, excellence and the highest creative expression of our purpose/mission.

For employees, Zodiac Aerospace also cultivates a desire for transparency and communication at the same time as promoting the idea of personal development and advancement within the Group.

http://www.zodiacaerospace.com/en/group-values

Code of Ethics (2013), p.4:
‘The Code of Ethics of the Zodiac Aerospace Group is a code of conduct towards our environment. It relies on honesty, integrity, justice and protection.

The Values of the Zodiac Aerospace Group are part of our foundation as well as our main asset to grow. There are four values:

Humility means acknowledging that there is always someone better than you and that you can learn from others. It means not glorying in success and not taking all the credit. It means recognizing that, no matter what your title or position, there are no tasks that are “too small” and that each task has its importance.

Realism means considering the facts - and only the facts - to ensure the growth of our
business and, above all, our income. Business must be conducted rationally and objectively, leaving sentiment aside. The heart has its place, however, in our dealings with people.

An entrepreneurial spirit. It means taking identified risks, being creative, having self-confidence and earning the confidence of others. It means feeling responsible for the company’s interests and keeping abreast of market needs. To express itself to the full, this spirit calls for a decentralized structure with the appropriate degree of authority and a highly developed sense of involvement with the support of the Group functions.

Respect is a fundamental value in several aspects: respect for what has been accomplished, what is underway, and what remains to be achieved. Respect for one’s own work and that of others. Respect for the uniqueness of every individual. Respect leads to trust, sharing, and ultimately, to recognition.’

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:

2

Comments:
Based on public information, there is evidence that the company participates in the United Nations Global Compact.

References:
Public:
UNGC website: Participants & Stakeholders
‘Zodiac Aerospace’.
https://www.unglobalcompact.org/participant/42271-Zodiac-Aerospace
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 no readily available evidence that the company has 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 has this responsibility as part of its task of supervising the quality and methods of internal and external control.

References:
Public:

Company Website, The Supervisory Board:
‘The Supervisory Board supervises the correct operation of the Company and the Group and reports to the shareholders. It appoints the members of the Executive Board and its Chairman and exercises control over the Group’s management and administration.’
Didier Domange, Chairman of the Supervisory Board

Company Website, Specialized Committees:
‘The Audit Committee is responsible for analyzing the financial statements and supervising the quality and methods of internal and external control.
It is composed of four Board members
Ms. Gilberte Lombard, Chairman
Mr. Didier Domange
Mr. Louis Desanges
Ms. Laure Hauseux
FP Invest represented by Mr. Robert Peugeot.
The Statutory Auditors and the Vice President of Administration and Finance also attend these meetings.’


Rules of the Supervisory Board and its committees, p.7:
Role of the Audit Committee
‘To evaluate and monitor the effectiveness of internal control systems and risk management (d’évaluer et de s’assurer le suivi de l’efficacité, des systèmes de contrôles internes et de gestion des risques.) ’
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:

2

Comments:
Based on public information, there is evidence that the company has appointed the company’s Ethics Officer with responsibility for implementing the company’s ethics and anti-corruption agenda. The company’s Ethics Officer reports directly to the Chairman of the Management Board. The Group Communication Director is the Executive Vice-President Communications and Investor Relations: Pierre-Antony Vastra.

References:
Public:
Code of Ethics (2013), p.3:
‘The Group Communication Director is the Group Ethics Officer. He supervises the enforcement of the Code. The Group Ethics Officer acts in an independent way with the management of the Company. He reports directly to the Chairman of the Management Board.’

Company Website, Executive Committee:
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

1

Comments:
Based on public information, there is evidence that the company undertook a major review of the company’s Code of Ethics in 2013. However, it is unclear if this was carried out at the Board level and how often future major reviews will occur. The company therefore scores 1.

References:

Public:
Annual Report (2012-2013), p. 18:
‘The Group’s Ethics Code, which was updated in October 2013, applies to all employees and formalizes the Group's commitments in terms of integrity and compliance with applicable legal requirements. Specialized central services are responsible for monitoring the correct application of these laws and regulations.’

(p.19):
‘In response to these regulatory requirements governing anti-corruption and more generally ethical business practices, Zodiac Aerospace decided to reinforce its compliance program for fiscal year 2012/2013. The Group has just completed a review of its Code of Ethics and a global training program is currently being rolled out aimed at employees exposed to these risks.’

(p.37):
‘The Group’s Ethics Code is a code of conduct in relation to its environment. It is based on honesty, integrity, fairness and protection. This Code of Ethics is regularly updated. In 2013, the Code was reviewed, in particular, to strengthen the provisions related to anti-corruption and in all countries where the Group operates.’
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 of 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, or evidence of improvement plans being implemented when issues are identified. However, there is some evidence to suggest that the Code of Ethics was improved in response to identified issues. The company therefore scores 0.

References:
Public:
TI notes:
Annual Report (2012-2013), p.94 :
‘The Zodiac Aerospace Group defines internal control as a process implemented by its Executive Board and Executive Committee, its senior management and personnel, and with the aim of providing reasonable assurance with regard to business risks (see section C below) including:
- the identification, prevention and management of the Group's principal risks;
- compliance with laws and regulations and ethical conduct;’

(p.95):
‘The quality of the internal control procedure is a constant concern for the Group, which is continually strengthening its features, particularly through documentation of procedures and the establishment of additional indicators. Internal control relies primarily on the management of the operational entities.
Continuous improvement of our IT tools is part of the structuring of our internal control. The Group intranet is the method of choice to broadcast key internal control points, procedures
and the Group’s financial and management data.

Similarly, the rules of ethics to which the Group pays particular attention, found in the Code of Ethics is available to employees of the Group on the intranet.

The Ethics Code has been revised with an implementation date of October 2013.

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 potential updates of its policies and practices in response to actual or alleged instances of corruption.

References:

Public:

Annual Report (2012-2013), p. 18:

‘G. Non-Compliance Risk

Conduct by Group employees which is contrary to the Group’s ethical rules or which violates the applicable laws and regulations may expose Zodiac Aerospace to criminal and civil sanctions and may affect its reputation or its shareholder value.

The Group’s Ethics Code, which was updated in October 2013, applies to all employees and formalizes the Group’s commitments in terms of integrity and compliance with applicable legal requirements.

Specialized central services are responsible for monitoring the correct application of these laws and regulations’

(p.37): ‘The Group’s Ethics Code is a code of conduct in relation to its environment. It is based on honesty, integrity, fairness and protection. This Code of Ethics is regularly updated. In 2013, the Code was reviewed, in particular, to strengthen the provisions related to anti-corruption and in all countries where the Group operates.’

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. TI notes that non-compliance risk is part of the company’s risk management policy, but this appears to concentrate on employee behaviour rather than wider enterprise issues. The formality of the process is not clear and there is no evidence of risk mitigation plans.

References:

Public:

TI notes:

Annual Report (2012-2013), p.16:
‘Presentation of main group risks
Zodiac Aerospace is faced with risks that may affect its business, reputation, financial position or its ability to meet its targets. The risks below are the main Group risks; those which are currently considered as not significant are included in our risk-management system but are not listed in this section of the report. In conducting its operations, the Zodiac Aerospace Group applies a responsible risk management policy designed to safeguard the assets entrusted by our shareholders, the safety of people, the interests of customers and consumers, and the natural environment.’

(p.18):
‘Non-compliance risk
Conduct by Group employees which is contrary to the Group's ethical rules or which violates applicable laws and regulations may expose Zodiac Aerospace to criminal and civil sanctions and may affect its reputation or its shareholder value.
The Group's Ethics Code, which was updated in October 2013, applies to all employees and formalizes the Group's commitments in terms of integrity and compliance with applicable
legal requirements. Specialized central services are responsible for monitoring the correct application of these laws and regulations.’

(p.19):
‘Due to its international presence and its business sectors, the Group is subject to national legislation and international standards governing anti-corruption. Non-compliance with such legislation is likely to trigger serious legal consequences, not just for the Group’s employees, but also for the entities that may be involved and may thus severely harm the Group’s image and reputation.
In response to these regulatory requirements governing anti-corruption and more generally ethical business practices, Zodiac Aerospace decided to reinforce its compliance program for fiscal year 2012/2013. The Group has just completed a review of its Code of Ethics and a global training program is currently being rolled out aimed at employees exposed to these risks.’

(p.94):
‘The Zodiac Aerospace Group defines internal control as a process implemented by its Executive Board and Executive Committee, its senior management and personnel, and with the aim of providing reasonable assurance with regard to business risks (see section C below) including:
the identification, prevention and management of the Group’s principal risks;
compliance with laws and regulations and ethical conduct;’

(p.95):
‘The quality of the internal control procedure is a constant concern for the Group, which is continually strengthening its features, particularly through documentation of procedures and the establishment of additional indicators. Internal control relies primarily on the management of the operational entities.
Continuous improvement of our IT tools is part of the structuring of our internal control. The Group intranet is the method of choice to broadcast key internal control points, procedures and the Group’s financial and management data.
Similarly, the rules of ethics to which the Group pays particular attention, found in the Code of Ethics is available to employees of the Group on the intranet.
The Ethics Code has been revised with an implementation date of October 2013.’
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.

References:
Public:
NA
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:
1

Comments:
Based on public information, there is some evidence that the company makes clear to contractors, sub-contractors, and suppliers through policy, its stance on bribery and corruption and the consequences of breaches to this stance. The Code of Ethics states that the company only works with suppliers who accept the values of the Group and the Annual Report 2012-2013 details that employees have been trained to better explain policies to suppliers. The company therefore scores 1. To score higher the company must clearly explain the consequences of non-compliance and any contractual rights or sanctions.

References:
Public:
Annual Report (2012-2013), p.38 :
‘The Group’s purchasing policy states:
that Zodiac Aerospace expects regulatory compliance from these suppliers;
that suppliers are expected to comply with international standards – from the International Labor Organization, the OECD, the United Nations – on human rights and in particular on the effective abolition of child labor, forced labor and corrupt practices;
Zodiac Aerospace’s determination on preservation of the environment;
the rules of conduct for employees in contact with suppliers in relation to the prevention of conflicts of interest and the fight against corruption’
‘A Group procedure was created to structure the reporting and dissemination of information to the Zodiac Supply Chain Council on, among other elements, the discovery of practices at our suppliers that do not comply with these commitments and elements that could jeopardize the security of air transport – including counterfeiting – in the framework of this procedure, the Zodiac Supply Chain Council can decide to delist the supplier for all Group entities.'
The fiscal year 2013/2014 will see the implementation of training of our employees to better understand social and environmental aspects and actions targeted at explaining this policy to our suppliers.


Code of Ethics (2013), p.7:

‘In addition, the Supply Chain strategy of the Zodiac Aerospace Group is to commit to work only with suppliers who accept the values of the Group.’

A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score: NA

Comments:
The company has informed TI that it does not engage 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:
The company has informed TI that it does not engage in offset contracting.

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

Score:

1

Comments:

Based on public information, there is evidence that the company has an anti-corruption policy in the Code of Ethics. However, the Code of Ethics does not cover all forms of corruption. TI notes it covers conflicts of interest, gift exchange and hospitality exchange. The company therefore scores 1. To score higher the company must have an anti-corruption policy that is explicit on the various forms corruption can take, in particular prohibiting the giving and receiving of bribes.

References:

Public:
Zodiac Ethics Code:
‘The code is aimed at combating conflicts of interest and risks of corruption, and protecting the Group’s intellectual property.’
In reference to the Code of Ethics

Code of Ethics (2013), p.5:
Conflicts of Interest:
‘A conflict of interest arises when personal interests affect or are likely to affect the objectivity of the choices, decisions or acts of an employee or corporate officer of the Zodiac Aerospace Group relative to the interests of the Group. For example, a conflict of interest may arise when an employee or corporate officer or a member of his family hold a personal interest, directly or indirectly, in a vendor, a customer or a competitor of the Zodiac Aerospace Group.’

(p.6): Gifts, invitations and other favours
‘a) The Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers promise or offer, directly or indirectly, gifts, donations or any other favors
to customers or any other partner in order to influence or give the impression to influence a commercial decision. However, these provisions do not apply to accommodations and/or meals for customers as part of a commercial relationship, and in particular an after-sales relationship, provided that this complies with the Group’s practices and subject to prior approval of the manager of the employee.’

(p. 7): Suppliers
‘Any employee who maintains a business relationship with a supplier may not use this relationship for private purposes under terms and conditions different from those generally offered to the public or, in general, on preferential terms as compared with normal market conditions.’

‘The Group’s Ethics Code is a code of conduct in relation to its environment. It is based on honesty, integrity, fairness and protection. This Code of Ethics is regularly updated. In 2013, the Code was reviewed, in particular, to strengthen the provisions related to anti-corruption and in all countries where the Group operates.

...3.1. The Fight against Corruption
The Code of Ethics of the Zodiac Aerospace Group includes a specific chapter to fight against conflicts of interest and corruption. These actions are strengthened in the procedure for Group buyers and the code of conduct for Group managers.’

A16:
Is the anti-corruption policy explicitly one of zero tolerance?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s anti-corruption policy is explicitly one of zero tolerance.

References:
Public:
NA
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 employees. The Code of Ethics is communicated to every new employee and is available on the company's intranet. Each Business Unit CEO must ensure that the Code of Ethics has been communicated to all their employees and corporate officers on a regular basis. TI notes that supervisory board members must sign an ethics charter but this is not publically available.

References:
Public:
Locations of company sites:

Annual Report (2012-2013), p. 95:
‘Similarly, the rules of ethics to which the Group pays particular attention, found in the Code of Ethics is available to employees of the Group on the intranet.’

Code of Ethics (2013), p.3 :
‘In the Zodiac Aerospace Group, each Business Unit CEO ensures that this document is communicated to all their employees and corporate officers on a regular basis. The Code is communicated to every new employee, who will sign and return an acknowledgment document kept in the HR department. This acknowledgment document states that the employee received and understood the principles and rules of the Code.’
Annual Report (2012-2013), p.38:

‘The Group’s purchasing policy states:
that Zodiac Aerospace expects regulatory compliance from these suppliers;
that suppliers are expected to comply with international standards - from the International Labor Organization, the OECD, the United Nations - on human rights and in particular on the effective abolition of child labor, forced labor and corrupt practices;
Zodiac Aerospace’s determination on preservation of the environment;
the rules of conduct for employees in contact with suppliers in relation to the prevention of conflicts of interest and the fight against corruption’

‘A Group procedure was created to structure the reporting and dissemination of information to the Zodiac Supply Chain Council on, among other elements, the discovery of practices at our suppliers that do not comply with these commitments and elements that could jeopardize the security of air transport – including counterfeiting – in the framework of this procedure, the Zodiac Supply Chain Council can decide to delist the supplier for all Group entities.
The fiscal year 2013/2014 will see the implementation of training of our employees to better understand social and environmental aspects and actions targeted at explaining this policy to our suppliers.’

Company Website, Governance:

‘In addition to the ongoing concern of members of the Supervisory Board to optimize the return on the capital invested by shareholders, the members are individually bound by the ethics charter they have signed, which defines their rights and obligations.’
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 reasonably understandable and clear to employees.

References:
Public:
Code of Ethics (2013):
A18:

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

Score:

1

Comments:

Based on public information, there is evidence that the anti-corruption policy explicitly applies to all employees. However, it is unclear if the anti-corruption policy applies to all members of the Board. The Supervisory Board is bound to an ethics charter that is not publically available, so TI is unable to determine if it is applicable. The company therefore scores 1.

References:

Public:
Company Website, Governance:
‘In addition to the ongoing concern of members of the Supervisory Board to optimize the return on the capital invested by shareholders, the members are individually bound by the ethics charter they have signed, which defines their rights and obligations.’

Annual Report (2012-2013), p.18:
‘The Group’s Ethics Code, which was updated in October 2013, applies to all employees and formalizes the Group’s commitments in terms of integrity and compliance with applicable legal requirements. Specialized central services are responsible for monitoring the correct application of these laws and regulations.’

(p.37):
‘Zodiac Aerospace, in line with its entrepreneurial spirit, gives considerable autonomy to its various entities worldwide, so they have the ability to determine on a local level which partnerships and sponsor-ships they would like to engage in. The Group intervenes only to ensure compliance of these actions with the Group’s Ethics and to ensure that these actions are sustainable.’
Zodiac Ethics Code:
‘The code is signed by all Group employees.’

Code of Ethics (2013), p. 3:
‘These business ethics principles and rules, completed with the Group’s values, are designed to guide the employees and corporate officers of the Group in their daily business activities.’
A20:

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. TI notes that a definition of a conflict of interest and example are provided.

References:

Public:

Rules of the Supervisory Board and its committees, p.11:
‘The duty of loyalty requires Member of the Supervisory Board and Committees they must not, under any circumstances, act on their own against the interests of the Company. they can not take responsibility personally, in business or in of cases with concurrent activities with those of the Company without having previously informed the Supervisory Board.

More generally, each member of the Supervisory Board and its Committees must notify the Board of any conflict of interest in which it could be, directly or indirectly involved.

A failure to comply with this rule of abstention, the responsibility of the member of the Council could be initiated.’

(L’obligation de loyauté requiert des membres du Conseil de Surveillance et des Comités qu’ils ne doivent, en aucun cas, agir pour leur intérêt propre contre celui de la Société. Ils ne peuvent prendere des responsabilités à titre personnel, dans des entreprises ou dans des affaires ayant des activités concurrentes à celles de la Société sans en avoir préalablement informé le Conseil de Surveillance.

Plus généralement, chacun des membres du Conseil de Surveillance et de ses Comités doit faire part au Conseil de toute situation de conflit d’intérêt dans lequel il pourrait être, directement ou indirectement, impliqué.

A défaut de respecter cette règle d’abstention, la responsabilité du membre du Conseil pourrait être engagée.)
Code of Ethics, (2013) p.5:

‘Conflicts of Interest

A conflict of interest arises when personal interests affect or are likely to affect the objectivity of the choices, decisions or acts of an employee or corporate officer of the Zodiac Aerospace Group relative to the interests of the Group. For example, a conflict of interest may arise when an employee or corporate officer or a member of his family hold a personal interest, directly or indirectly, in a vendor, a customer or a competitor of the Zodiac Aerospace Group.

The acceptance of remunerated duties outside of the Zodiac Aerospace Group must not jeopardize the obligation of loyalty by which each employee or corporate officer is bound towards his employer under his contract of employment. The collective bargaining agreements that are applicable or the contracts of employment may comprise specific restrictions regarding the acceptance of other duties (for instance, exclusivity clauses).

The acceptance of personal duties outside of the Zodiac Aerospace Group should never induce third parties into thinking that the granting of directorships, consultancies or any other position will enable them to obtain a privileged position in their business relationship with the Zodiac Aerospace Group.

Any conflict of interest, real or alleged, must be communicated by the employee or the corporate officer to his manager who will decide whether this information needs to be transmitted to the Group Ethics Officer.’

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:

1

Comments:

Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts. However, the policy does not clearly state what gifts are acceptable to give or receive, instead referencing gifts that would form part of ‘normal business.’ The company therefore scores 1. To score higher the company would need to provide evidence of clear upper limits or a specific threshold necessary for senior authorisation.

References:

Public:
Code of Ethics (2013), p. 6:
‘Gifts, invitations and other favours
a) The Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers promise or offer, directly or indirectly, gifts, donations or any other favors to customers or any other partner in order to influence or give the impression to influence a commercial decision. However, these provisions do not apply to accommodations and/or meals for customers as part of a commercial relationship, and in particular an after-sales relationship, provided that this complies with the Group’s practices and subject to prior approval of the manager of the employee.
b) Conversely, the Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers ask for or receive, directly or indirectly, from customers, intermediates or vendors any gift, donations or favors which might compromise their impartiality or their ability to take independent decisions.
c) Also, the Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers promise, offer or receive, directly or indirectly, gifts, donations or any other favors to/from a public officer with the intention that this person undertakes or refrains from undertaking any act falling within its duties.
In all cases, it refers to gifts, promises, donations or favors which may be considered as disproportionate due to their value or due to the situation compared to the normal business practices.

For instance, it is not authorized to promise, offer or accept:

- Cash or cash equivalents (check, money order...)
- Services, whatever the form thereof, whether offered free of charge for no consideration or under market price,
- Non-business related travel
- Settlement of expenses of persons not pertaining to the Zodiac Aerospace Group, including the spouse, children or other family members
- Supply of goods or services at unusual discounts without contractual consideration
- Loans on terms which significantly differ from current market offers & terms

An employee or a corporate officer of the Group who is offered gifts, invitations or favors from a customer, supplier, partner, during the course of normal business and compliant with applicable laws, must declare it to his/her direct management and receive his/her prior approval before acceptance.

Should an employee or corporate officer of the Group be offered gifts, favors or invitations which deviate from normal business practices, the Ethics Officer of the Zodiac Aerospace Group must be immediately informed by the related employee.

In general, whenever in doubt, the employees or corporate officers of the Group must consult the Group Ethics Officer, whose task is to define normal business practices versus inappropriate favors which conflict with the interests of the Zodiac Aerospace Group.

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:

1

Comments:

Based on public information, there is evidence that the company has a policy for the giving and receipt of hospitality. However, the policy does not clearly state what hospitality is acceptable to give or receive, instead referencing hospitality that would form part of ‘normal business.’ It also does not explicitly specify hospitality, instead using the terms ‘gifts, invitations and other favours.’ The company therefore scores 1. To score higher the company would need to provide evidence of clear upper limits or a specific threshold necessary for senior authorisation.

References:

Public:

Code of Ethics (2013), p.6:

‘Gifts, invitations and other favours

a) The Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers promise or offer, directly or indirectly, gifts, donations or any other favors to customers or any other partner in order to influence or give the impression to influence a commercial decision. However, these provisions do not apply to accommodations and/or meals for customers as part of a commercial relationship, and in particular an after-sales relationship, provided that this complies with the Group’s practices and subject to prior approval of the manager of the employee.

b) Conversely, the Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers ask for or receive, directly or indirectly, from customers, intermediates or vendors any gift, donations or favors which might compromise their impartiality or their ability to take independent decisions.

c) Also, the Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers promise, offer or receive, directly or indirectly, gifts, donations or any
other favors to/from a public officer with the intention that this person undertakes or refrains from undertaking any act falling within its duties.

In all cases, it refers to gifts, promises, donations or favors which may be considered as disproportionate due to their value or due to the situation compared to the normal business practices.

For instance, it is not authorized to promise, offer or accept:

- Cash or cash equivalents (check, money order...)
- Services, whatever the form thereof, whether offered free of charge for no consideration or under market price,
- Non-business related travel
- Settlement of expenses of persons not pertaining to the Zodiac Aerospace Group, including the spouse, children or other family members
- Supply of goods or services at unusual discounts without contractual consideration
- Loans on terms which significantly differ from current market offers & terms

An employee or a corporate officer of the Group who is offered gifts, invitations or favors from a customer, supplier, partner, during the course of normal business and compliant with applicable laws, must declare it to his/her direct management and receive his/her prior approval before acceptance.

Should an employee or corporate officer of the Group be offered gifts, favors or invitations which deviate from normal business practices, the Ethics Officer of the Zodiac Aerospace Group must be immediately informed by the related employee.

In general, whenever in doubt, the employees or corporate officers of the Group must consult the Group Ethics Officer, whose task is to define normal business practices versus inappropriate favors which conflict with the interests of the Zodiac Aerospace Group.'

A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that prohibits facilitation payments. TI notes that the company does indicate that payments to public officers are not permitted. However, TI assesses this is not an explicit statement against facilitation payments.

References:
Public:
TI notes:
Code of Ethics (2013), p.6:
‘Also, the Business Ethics of the Zodiac Aerospace Group do not accept that employees or corporate officers promise, offer or receive, directly or indirectly, gifts, donations or any other favors to/from a public officer with the intention that this person undertakes or refrains from undertaking any act falling within its duties’
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.

References:
Public:
NA
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 the company lobbies.

References:
Public:
NA
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:
Company Website, Philanthropy:
‘Philanthropy for Zodiac Aerospace means contributing to the well-being of society and, based on this approach, the Group supports the Petits Princes charitable association.’
Link to the Petits Princes Association website
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:

0

Comments:
Based on public information, there is no readily available evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. The Code of Ethics is not particularly detailed and contains few scenarios or other guidance material.

References:
Public:
 TI notes:
Company Website, Governance:
‘In addition to the ongoing concern of members of the Supervisory Board to optimize the return on the capital invested by shareholders, the members are individually bound by the ethics charter they have signed, which defines their rights and obligations.’

Zodiac Ethics Code:

Code of Ethics (2013):
A27:

Does the company have a training programme that explicitly covers anti-corruption?

Score:

2

Comments:

Based on public information, there is evidence that the company has a training programme that explicitly covers anti-corruption.

References:

Public:
Travel Journal Annual Report (2012-2013), p.78:
‘To be able to meet expectations and needs, the Group invests in training its employees. Employees receive, on average, 3 days of training per year. Mainly offered on a local level, training takes many forms: specialized training sessions, e-learning, and distance education. At the Group level, the focus continues to be on operational excellence and on the Lean strategy, as well as on the supply chain, on which all managers were trained. In addition, for 4,000 employees, e-learning on ethics and preventing corruption is in development, as well as a reflection on management and leadership. Human Resources department supports the Technology and Innovation department for the creation of a network that brings together over a hundred experts from the Group and 25 leading senior experts.’

Annual Report (2012-2013), p.37:
‘The Code of Ethics of the Zodiac Aerospace Group includes a specific chapter to fight against conflicts of interest and corruption. These actions are strengthened in the procedures for Group buyers and the code of conduct for Group managers. Today, this code is available to around 16,000 Group employees. An awareness action will be launched in December 2013 to reinforce the message to managers and make it widespread within the Group. In addition, the code will also be distributed to all new salaried employees when hired in the Group, starting in January 2014. In addition, Zodiac Aerospace has launched an e-learning module for Group employees most
exposed to corruption risks (manage-ment, buyers, sellers, etc.; about 3,000 people in all) to build their knowledge, help them make the right decisions and report inappropriate actions.’

A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:
0

Comments:
Based on public information, there is no readily available evidence that anti-corruption training is provided in all countries where the company operates or has company sites. Anti-corruption training is only provided to employees who are most exposed to corruption risks. The company therefore scores 0.

References:

Public:

TI notes:

Locations of company sites:

Travel Journal Annual Report (2012-2013), p.78:
‘To be able to meet expectations and needs, the Group invests in training its employees. Employees receive, on average, 3 days of training per year. Mainly offered on a local level, training takes many forms: specialized training sessions, e-learning, and distance education. At the Group level, the focus continues to be on operational excellence and on the Lean strategy, as well as on the supply chain, on which all managers were trained. In addition, for 4,000 employees, e-learning on ethics and preventing corruption is in development, as well as a reflection on management and leadership. Human Resources department supports the Technology and Innovation department for the creation of a network that brings together over a hundred experts from the Group and 25 leading senior experts. Objectives: to better develop and promote science and technology careers, encourage excellence and sharing.’

Annual Report (2012-2013), p.37:
‘The Code of Ethics of the Zodiac Aerospace Group includes a specific chapter to fight against conflicts of interest and corruption. These actions are strengthened in the
procedures for Group buyers and the code of conduct for Group managers. Today, this code is available to around 16,000 Group employees. An awareness action will be launched in December 2013 to reinforce the message to managers and make it widespread within the Group.

In addition, the code will also be distributed to all new salaried employees when hired in the Group, starting in January 2014.

In addition, Zodiac Aerospace has launched an e-learning module for Group employees most exposed to corruption risks (management, buyers, sellers, etc.; about 3,000 people in all) to build their knowledge, help them make the right decisions and report inappropriate actions.‘

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:
2

Comments:
Based on public information, there is evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
Annual Report (2012-2013), p.37:
‘In addition, Zodiac Aerospace has launched an e-learning module for Group employees most exposed to corruption risks (management, buyers, sellers, etc.; about 3,000 people in all) to build their knowledge, help them make the right decisions and report inappropriate actions.’

Annual Report (2012-2013), p. 37:
‘The Group’s Ethics Code is a code of conduct in relation to its environment. It is based on honesty, integrity, fairness and protection. This Code of Ethics is regularly updated. In 2013, the Code was reviewed, in particular, to strengthen the provisions related to anti-corruption and in all countries where the Group operates.

3.1. The Fight against Corruption
The Code of Ethics of the Zodiac Aerospace Group includes a specific chapter to fight against conflicts of interest and corruption. These actions are strengthened in the procedure for Group buyers and the code of conduct for Group managers.

Today, this code is available to around 16,000 Group employees. An awareness action will be launched in December 2013 to reinforce the message to managers and make it widespread within the Group. In addition, the code will also be distributed to all new salaried employees when hired in the Group, starting in January 2014.

In addition, Zodiac Aerospace has launched an e-learning module for Group employees most exposed to corruption risks (management, buyers, sellers, etc.; about 3,000 people in all) to
A31: Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:

0

Comments: Based on public information, there is no readily available evidence that the company has a clear and formal process by which employees declare conflicts of interest in writing. TI notes that employees are simply directed to their manager, who will decide whether this information needs to be transmitted to the company’s Ethics Officer.

References:

Public: TI notes:
Rules of the Supervisory Board and its committees, p.11:
‘The duty of loyalty requires Member of the Supervisory Board and Committees they must not, under any circumstances, act on their own against the interests of the Company. they can not take responsibility personally, in business or in of cases with concurrent activities with those of the Company without having previously informed the Supervisory Board.

More generally, each member of the Supervisory Board and its Committees must notify the Board of any conflict of interest in which it could be, directly or indirectly involved.

A failure to comply with this rule of abstention, the responsibility of the member of the Council could be initiated.’

(L’obligation de loyauté requiert des membres du Conseil de Surveillance et des Comités qu’ils ne doivent, en aucun cas, agir pour leur intérêt propre contre celui de la Société. Ils ne peuvent prendre des responsabilités à titre personnel, dans des entreprises ou dans des affaires ayant des activités concurrentes à celles de la Société sans en avoir préalablement informé le Conseil de Surveillance.

Plus généralement, chacun des membres du Conseil de Surveillance et de ses Comités doit faire part au Conseil de toute situation de conflit d’intérêt dans lequel il pourrait être, directement ou indirectement, impliqué.

A défaut de respecter cette règle d’abstention, la responsabilité du membre du
Code of Ethics, 2013, p.5:
Conflicts of Interest
‘Any conflict of interest, real or alleged, must be communicated by the employee or the corporate officer to his manager who will decide whether this information needs to be transmitted to the Group Ethics Officer.’

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: NA
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 employees can report concerns or instances of suspected corrupt activity to the Group’s Ethics Officer. The company therefore scores a 1. To score higher, the company would need to provide evidence that employees may also report anonymously and to an independent channel.

References:

Public:
Zodiac Ethics Code:
‘Every Group employee is encouraged to denounce conduct that is at odds with the Group’s ethical rules, either to his or her line manager or to the Group’s Ethics Officer who reports to the Chairman of the Management Board.’

Code of Ethics (2013), p.3:
‘Employees and corporate officers must consult their manager in the event of uncertainties about the interpretation to be given to the provisions of this Code or doubt about the conduct to be followed. In case of multiple interpretations, the Group Ethics Officer is competent for interpreting the provisions in dispute. Employees and corporate officers may also contact their manager or the Group Ethics Officer if they witness any breaches of the present Code.’
A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has whistleblowing channels available to all employees in all geographies. It is unclear if globally employees can report to the Group’s Ethics Officer, as their contact details are not publically available. Also, TI deems reporting to a line manager as a limited whistleblowing channel.

References:

Public:
TI notes:
Locations of company sites:

Zodiac Ethics Code:
‘Every Group employee is encouraged to denounce conduct that is at odds with the Group’s ethical rules, either to his or her line manager or to the Group’s Ethics Officer who reports to the Chairman of the Management Board.’

Code of Ethics (2013), p.3:
‘Employees and corporate officers must consult their manager in the event of uncertainties about the interpretation to be given to the provisions of this Code or doubt about the conduct to be followed. In case of multiple interpretations, the Group Ethics Officer is competent for interpreting the provisions in dispute. Employees and corporate officers may also contact their manager or the Group Ethics Officer if they witness any breaches of the present Code.’
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:

Travel Journal Annual Report (2012-2013), p.79:

‘During the summer of 2013, all employees of Zodiac Aerospace worldwide were consulted via an internal poll conducted by the Ipsos research firm. The particularly high response rate (77%) reflects the strong commitment of the employees. 83% are proud to work for the Group and 66% feel positively about their quality of life at work. The key expectations are on communication and training. After deeper analysis of the results, progress initiatives will be rolled out in 2014.’

http://www.zodiacaerospace.com/sites/default/files/content-files/push-publication/zodiacaerospace_traveljournal2013_eng_0.pdf
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

1

Comments:
Based on public information, there is evidence that the company has resources available to all employees where help and advice can be sought on corruption-related issues, but these resources are very limited in nature. Employees are instructed to consult their manager or the company’s Ethics Officer in the event of uncertainties with the Code of Ethics. However, it is not clear that the contact details for the company’s Ethics Officer are well-publicised. The company therefore scores 1.

References:
Public:
Code of Ethics (2013), p.3:
‘Employees and corporate officers must consult their manager in the event of uncertainties about the interpretation to be given to the provisions of this Code or doubt about the conduct to be followed. In case of multiple interpretations, the Group Ethics Officer is competent for interpreting the provisions in dispute.’

Annual Report (2012-2013), p. 37:
‘The Code of Ethics of the Zodiac Aerospace Group includes a specific chapter to fight against conflicts of interest and corruption. These actions are strengthened in the procedures for Group buyers and the code of conduct for Group managers.
Today, this code is available to around 16,000 Group employees. An awareness action will be launched in December 2013 to reinforce the message to managers and make it widespread within the Group.’
http://www.zodiacaerospace.com/en/annual-reports
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is a commitment to non-retaliation for bona fide reporting of corruption.

References:
Public:
NA
Information Sources:

Company Website:
http://www.zodiacaerospace.com/fr/ [French]

Zodiac Ethics Code (2013):

Company Website, Strategy:

Company Website, Group Values:
http://www.zodiacaerospace.com/en/group-values

Company Website, Corporate Social Responsibility:

Annual Report (2012-2013):
http://www.zodiacaerospace.com/en/annual-reports

Welcome Aboard (2013):
http://www.zodiacaerospace.com/sites/default/files/content-files/push-publication/zodiacaerospace_traveljournal2013_eng_0.pdf