

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

DAY & ZIMMERMANN

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	8/8
2. Internal Controls	6	9/12
3. Support to Employees	7	11/14
4. Conflict of Interest	4	4/8
5. Customer Engagement	7	4/14
6. Supply Chain Management	5	5/10
7. Agents, Intermediaries and Joint Ventures	10	8/20
8. Offsets	4	1/8
9. High Risk Markets	4	1/8
10. State-Owned Enterprises	0	N/A
TOTAL		51/102
BAND		C

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
2
Comments
<p>The company has a publicly stated anti-bribery and corruption commitment, which details the company's stance against any form of bribery or corruption within the organisation. This commitment is clearly endorsed by its Chairman and CEO.</p>
Evidence
<p>[2] Letter from the Chair & CEO (Webpage) Accessed 05/04/2020 https://www.dayzim.com/about/vision-values/integrity/letter-from-ceo/ Our Company's reputation is one of our most valuable assets and preserving it is essential to retaining our talented employees and loyal customers. We've worked hard over many years to build our reputation as a values-based Company, a distinction earned through the actions of our employees. However, like all reputations, all it takes is one questionable act to damage it.</p> <p>Our Code of Ethics and Standards of Business Conduct and our Anti-Corruption Policies were developed to provide clear guidelines to help you make ethical decisions as we do business every day. These important policies are a statement of my strong commitment, and the company's commitment, to anti-bribery, anti-corruption, non-discrimination and transparency to ensure we are operating according to our core values.</p> <p>Therefore, our continued success hinges on our employees conducting business with integrity every day. And it is why we encourage you to report employee misconduct when suspected. To help you, we are providing this website as another option – in addition to Ethics Officers and the Ethics Help Line – for reporting a suspected violation of the Company's Code of Ethics and Standards of Business Conduct.</p> <p>This website allows you to submit a report confidentially and from any location with Internet access. And like our Ethics Help Line, it also allows you to submit your report anonymously. However, I encourage you to include contact information when submitting your report so that we can expedite a resolution of your concern.</p> <p>In either case, your information will be treated confidentially, and there is never any retribution or reprisals for making a report in good faith.</p> <p>Every time you report a concern regarding a violation of our Code of Ethics, you are making a difference for everyone at Day & Zimmermann and you have my full support and appreciation.</p> <p>Harold L. Yoh, III CHAIRMAN & CEO</p> <p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p. 1] <u>Message to Employees</u> Our Company's reputation is one of its most valuable assets, and preserving it helps us attract and retain excellent employees and loyal customers. We've worked hard over many years building our reputation and instilling our values — safety, integrity, diversity and success — above profits. We relentlessly keep our promises, and we know that we have earned this distinction through the actions of our employees.</p> <p>I am confident that you know the difference between right and wrong. I also know that you will face situations in your work where the proper course of action is not always clear.</p>

[p.2] Our Code of Ethics and Standards of Business Conduct offers guidelines to help you make ethical decisions when faced with these dilemmas. In addition, our Ethics and Compliance Training Program, our Employee Help Line and our many Ethics Officers are there to help you identify and react appropriately to any ethical dilemma you may encounter in your job.

Our reputation is on the line every day. One questionable act by one employee can damage the Company's stature overnight. As an employee, you are responsible for making honorable choices and decisions that preserve and enhance the company's reputation. When you do what is right, even when it is difficult or unpopular, you have my support and my appreciation.

Hal Yoh
Chairman & CEO
Day & Zimmermann

[p.5] Foundation of Our Code of Ethics: Vision and Values

INTEGRITY is key to our identity. It is about honoring our promise: We Do What We Say.®. It requires that we conduct our business with honesty and truthfulness. It means we are each accountable for our decisions, actions and commitments. Integrity creates trust among our employees and customers.

We Do What We Say.® is the soul of our Company and a commitment to our customers and to one another. To us, integrity is doing the right thing in everything we do. It has always been about the importance of keeping promises – with no excuses and no compromises.

[p.30] Anti-Corruption

The Company will comply fully with the Foreign Corrupt Practices Act (FCPA). This limits what may be given to or what may be done for foreign officials, both directly and indirectly. We are also committed to complying with United Kingdom Bribery Act and other anti-corruption laws and regulations of the countries where we conduct our business. The Company does not provide or offer to provide anything of value, including cash, to a foreign Government official, foreign political candidate or foreign political party, in order to obtain or retain business. It is also against Company policy to make facilitation or "grease" payments in order to expedite or secure routine governmental functions, including, but not limited to, the issuance or processing of permits, licenses, registrations, visas, other official documents or approvals, scheduling appointments, clearing goods through customs or obtaining municipal services.

Lower-tier subcontractors, employees, agents and other third parties working under or for the Company are also prohibited from making any facilitation payments on the Company's behalf or that would benefit the Company. Facilitation payments must be authorized by the Law Department in certain circumstances such as safety and protection of life. Anti-corruption laws are complex and require specialized expertise.

Before undertaking any transaction to perform work in a foreign country or offer to sell the Company's products or services to a foreign national or U.S. citizen representing a foreign entity, you must first consult with the Law Department. We have zero tolerance for corruption. Any violation of this policy by an employee or agent of the Company may lead to disciplinary action, including termination of employment or contract.

[3] Values - Integrity (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity>

At Day & Zimmerman, We do what we say. We deliver on our commitments, every time -- but we don't just get the job done. We get it done ethically, safely and with integrity. In the end, it all comes down to trust. Trust in our unfailing performance. Our uncompromising consistency. Our unflagging dependability. For more than a century, Day & Zimmerman has delivered services reliably and consistently - with an unshakeable focus on integrity - to meet the changing needs of global businesses.

[...]

Chair & CEO Hal Yoh: 2018 Defense Industry Initiative (DII) Best Practices Forum

Our Chair & CEO Hal Yoh spoke about the value that the DII provides to our organization and reaffirmed his commitment to ensuring a culture of integrity at Day & Zimmermann in his Opening Remarks at the 2018 Defense Industry Initiative (DII) Best Practices Forum.

Question
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
2
Comments
<p>The company publishes an explicit anti-bribery and corruption policy, which makes specific reference to the prohibition of bribery, payments to public officials, commercial bribery, and facilitation payments. This policy clearly applies to all employees and board members as described in (a) and (b) above.</p>
Evidence
<p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf</p> <p>[p.2] GENERAL STATEMENT OF COMPLIANCE: The Company and all of its Business Units, employees, subcontractors, suppliers, agents, or representatives shall comply with the United States Foreign Corrupt Practices Act and any other applicable anti-corruption laws that govern the Company's operations. Paying money or providing anything of value to a foreign government official – directly or indirectly – as set forth in the FCPA is a violation of U.S. law punishable by imprisonment and fines. Similarly, it is a violation of the Company's policy for lower-tier subcontractors, agents, employees or other third parties working for the Company's benefit to make any such payments. In general, the Company prohibits the paying of any bribes, kickbacks, or illegal gratuities, including facilitating payments, to any individual in order to obtain business.</p> <p>[...]</p> <p>FACILITATION OR "GREASE" PAYMENTS PROHIBITED: It is a violation of the Company's policy to make facilitation or "grease" payments in order to expedite or secure routine governmental functions, including, but not limited to, the issuance or processing of permits, licenses, registrations, visas, other official documents or approvals, scheduling appointments, clearing goods through customs, and obtaining municipal services. Likewise, lower-tier subcontractors, employees, agents, and other third parties working under or for the Company are not allowed to make any facilitation payments on the Company's behalf or that would benefit the Company.</p> <p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf</p> <p>[p.8] Standards of Business Conduct Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company's CEO and other senior executives, as well as the Company's directors, consultants, contract laborers and other agents when they act on behalf of the Company.</p> <p>[p.22] OUR STANDARDS: OFFERING BRIBES, KICKBACKS OR FAVORS/GRATUITIES: Do not offer a customer, vendor or supplier a bribe, kickback or favor/gratuity. Reasonable meals and entertainment, and small, inexpensive gifts may be exchanged with commercial business contacts, but you must make sure that the exchange is not given to secure any favorable treatment for the Company. Government employees tend to be under tighter restrictions. Employees must seek guidance on these issues especially when dealing with federal contracts or international business. When "it might look bad" to offer a gift or favor, don't do it.</p> <p>[p.30] Anti-Corruption The Company will comply fully with the Foreign Corrupt Practices Act (FCPA). This limits what may be given to or what may be done for foreign officials, both directly and indirectly. We are also committed to complying with United Kingdom Bribery Act and other anti-corruption laws and regulations of the countries where we conduct our business. The Company does not provide or offer to provide anything of value, including cash, to a foreign</p>

Government official, foreign political candidate or foreign political party, in order to obtain or retain business. It is also against Company policy to make facilitation or “grease” payments in order to expedite or secure routine governmental functions, including, but not limited to, the issuance or processing of permits, licenses, registrations, visas, other official documents or approvals, scheduling appointments, clearing goods through customs or obtaining municipal services.

Lower-tier subcontractors, employees, agents and other third parties working under or for the Company are also prohibited from making any facilitation payments on the Company’s behalf or that would benefit the Company. Facilitation payments must be authorized by the Law Department in certain circumstances such as safety and protection of life. Anti-corruption laws are complex and require specialized expertise.

Before undertaking any transaction to perform work in a foreign country or offer to sell the Company’s products or services to a foreign national or U.S. citizen representing a foreign entity, you must first consult with the Law Department. We have zero tolerance for corruption. Any violation of this policy by an employee or agent of the Company may lead to disciplinary action, including termination of employment or contract.

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
2
Comments
<p>There is evidence that the company's Ethics and Compliance Committee is responsible for overseeing the company's anti-corruption, ethics and integrity programme. The committee reviews reports from management on the programme's performance alongside the results of internal audits. There is also evidence that the committee ensures that necessary changes are made to the company's ethics and compliance programme. It reports at least annually to the company's leadership.</p>
Evidence
<p>[6] Ethics and Compliance Governance (Webpage) Accessed 10/06/2019 https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/ The mission of the Ethics and Compliance Committee is to promote an organizational culture that encourages ethical conduct and to support the Company and its operating leaders in their commitment to comply with applicable laws.</p> <p><u>Responsibilities</u> The Committee's primary responsibilities shall be to:</p> <ul style="list-style-type: none"> • Sponsor and monitor the operation of the Company's Ethics and Compliance Program • Assess the Company's risks of non-compliance with applicable laws and regulations • Ensure that the Company's policies, procedures and programs enhance and facilitate the Ethics and Compliance Program. • Report regularly (no less than annually) to the Company's most senior leaders to inform them of the content, operation and health of the Ethics and Compliance Program. <p><u>Meetings</u> The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:</p> <ul style="list-style-type: none"> • Review reports from the Company's Ethics Office, including a review of significant trends in, and corrective actions taken in response to, calls to the Company's Help Line; • Review Trends and "Best Practices" from industry. • Review Results of internal audits, if any, assessing or reflecting on legal or regulatory compliance, and suggest topics for future internal audits. • Review communications and engagement with employees on ethics and compliance issues, including awareness training (both live and online) on the Company Code of Conduct and other issues of importance; • Review new laws or regulations impacting the Company's businesses and new lines of business, new services or products being offered by the Company. • Assess integration of newly acquired businesses or newly formed joint ventures. • Recommend changes, if appropriate, in the Company's policies, procedures or programs related to legal or regulatory compliance. <p><u>Membership and Attendance</u></p> <ul style="list-style-type: none"> • Company General Counsel (Chair), Chief Financial Officer, Senior Vice President of Human Resources and Vice President of Human Resources and Vice President of Internal Audit are members of the committee. Each quarter the Committee shall invite the General Counsel and VP of Human Resources from one of the Company's business units to present ethics and compliance topics of particular concern to their business or function. <p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019</p>

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] **COMPLIANCE PROGRAM:**

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business.

[8] Self-Auditing Our Ethics Program (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf>

[p.50] **Reporting of Ethics Audit Findings: Summary of Ethics Audit Findings**

A summary of Ethics Audit findings, noting corrective actions taken, is presented to:

- Ethics and Compliance Committee
 - General Counsel
 - CFO
 - SVP HR
 - Vice President, Internal Audit

- Leadership Council
 - CEO
 - CFO
 - CIO
 - General Counsel
 - SVP HR
 - Four Business Unit Presidents

[7] Day & Zimmerman Integrity - Ethics Audits (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-audits/>

Our Ethics Officers participate in annual Ethics audits of other operations, and support audits of their own sites by other Ethics Officers. The purpose of these audits is to ensure that the Ethics Program is being implemented in accordance with the Company's guidelines. The Corporate Ethics Program office makes the audit assignments in such a way that no two Ethics Officers audit each other's Program in the same Program Year. Audit procedures and guidelines are published each year before the beginning of Ethics Audits.

Question
1.4. Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?
Score
2
Comments
There is evidence that a designated senior executive, the General Counsel, has ultimate responsibility for implementing and managing the company's ethics and compliance programme. The General Counsel chairs the Ethics and Compliance Committee, which provides reporting to the company's leadership on at least an annual basis.
Evidence
<p>[6] Ethics and Compliance Governance (Webpage) Accessed 10/06/2019 https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/</p> <p><u>Responsibilities</u> The Committee's primary responsibilities shall be to:</p> <ul style="list-style-type: none"> • Sponsor and monitor the operation of the Company's Ethics and Compliance Program • Assess the Company's risks of non-compliance with applicable laws and regulations • Ensure that the Company's policies, procedures and programs enhance and facilitate the Ethics and Compliance Program. • Report regularly (no less than annually) to the Company's most senior leaders to inform them of the content, operation and health of the Ethics and Compliance Program. <p><u>Meetings</u> The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:</p> <ul style="list-style-type: none"> • Review reports from the Company's Ethics Office, including a review of significant trends in, and corrective actions taken in response to, calls to the Company's Help Line; • Review Trends and "Best Practices" from industry. • Review Results of internal audits, if any, assessing or reflecting on legal or regulatory compliance, and suggest topics for future internal audits. • Review communications and engagement with employees on ethics and compliance issues, including awareness training (both live and online) on the Company Code of Conduct and other issues of importance; • Review new laws or regulations impacting the Company's businesses and new lines of business, new services or products being offered by the Company. • Assess integration of newly acquired businesses or newly formed joint ventures. • Recommend changes, if appropriate, in the Company's policies, procedures or programs related to legal or regulatory compliance. <p><u>Membership and Attendance</u></p> <ul style="list-style-type: none"> • Company General Counsel (Chair), Chief Financial Officer, Senior Vice President of Human Resources and Vice President of Human Resources and Vice President of Internal Audit are members of the committee. Each quarter the Committee shall invite the General Counsel and VP of Human Resources from one of the Company's business units to present ethics and compliance topics of particular concern to their business or function. <p>[9] Ethics Program Org Chart (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Ethics%20Org%20Chart.docx</p> <p>[p.1]</p> <ul style="list-style-type: none"> • Bill Hamm - Executive Sponsor of the Ethics Program • Jamal Ahmed – Chief Ethics Officer

- Jeanette Malone – Ethics and Compliance Programs Administrator
- [11] Compliance Risk Assessment (Webpage)**
Accessed 11/06/2019
<https://www.dayzim.com/about/vision-values/integrity/risk-assessment>

On an annual basis, each business unit will conduct a compliance risk assessment that will be presented to the Ethics and Compliance Committee at a quarterly meeting.

[...]

The Committee meetings are attended by:

Senior Vice President and General Counsel (Executive Sponsor of the Ethics and Compliance Program and Chairman)

2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
2
Comments
<p>There is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of the anti-bribery and corruption programme. The results of risk assessments are reviewed by the Ethics and Compliance Committee on a quarterly basis. There is evidence that the results of such reviews are used to develop tailored mitigation plans and to update specific parts of the company's anti-bribery and corruption programme.</p>
Evidence
<p>[11] Compliance Risk Assessment (Webpage) Accessed 11/06/2019 https://www.dayzim.com/about/vision-values/integrity/risk-assessment On an annual basis, each business unit will conduct a compliance risk assessment that will be presented to the Ethics and Compliance Committee at a quarterly meeting.</p> <p><u>Responsibilities</u> The compliance risk assessment will be conducted as follows:</p> <p>The Business unit President, with guidance and support from the business unit General Counsel, Controller, and VP of Human Resources, will be responsible for the compliance risk assessment of their business unit. The objective will be to identify, prioritize, and assign accountability for managing existing or potential threats related to regulatory or policy noncompliance – or ethical misconduct – that could lead to significant legal claims, fines, penalties, reputational damage, or the inability to operate in key markets.</p> <p>The risk assessment will include: (a) a heat map displaying each risk's relative impact and likelihood and (b) mitigation plans for each identified risk.</p> <p>After Committee review and approval, the risk assessment will be reviewed with the CEO and CFO at least once annually during the Q1 or other quarterly deep dive, focusing on progress with mitigation plans. Among the compliance topics that may be addressed at a given meeting are the following:</p> <ul style="list-style-type: none"> • Labor and Employment (e.g. FLSA, Affirmative Action, EEOC, DOL, Per Diem) • Government Contracting (e.g. bribery/gratuities, contract pricing, Procurement Integrity, Organizational Conflicts of Interest, Mandatory Disclosure) • Export and Import Controls (including compliance with ITAR, EAR, OFAC, anti-boycott laws, FOCI) • International (e.g. FCPA, UK Anti-Bribery Law, Human Trafficking, Human Rights, Foreign Labor, Tax and Other) • Other topics of relevance to the business <p>[6] Ethics and Compliance Governance (Webpage) Accessed 10/06/2019 https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/ <u>Responsibilities</u> The Committee's primary responsibilities shall be to:</p> <ul style="list-style-type: none"> • Sponsor and monitor the operation of the Company's Ethics and Compliance Program • Assess the Company's risks of non-compliance with applicable laws and regulations • Ensure that the Company's policies, procedures and programs enhance and facilitate the Ethics and Compliance Program.

- Report regularly (no less than annually) to the Company's most senior leaders to inform them of the content, operation and health of the Ethics and Compliance Program.

Meetings

The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:

- Review reports from the Company's Ethics Office, including a review of significant trends in, and corrective actions taken in response to, calls to the Company's Help Line;
- Review Trends and "Best Practices" from industry.
- Review Results of internal audits, if any, assessing or reflecting on legal or regulatory compliance, and suggest topics for future internal audits.
- Review communications and engagement with employees on ethics and compliance issues, including awareness training (both live and online) on the Company Code of Conduct and other issues of importance;
- Review new laws or regulations impacting the Company's businesses and new lines of business, new services or products being offered by the Company.
- Assess integration of newly acquired businesses or newly formed joint ventures.
- Recommend changes, if appropriate, in the Company's policies, procedures or programs related to legal or regulatory compliance.

Question
2.2. Is the company’s anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
2
Comments
<p>There is evidence that the company’s entire anti-bribery and corruption programme is subject to a regular audit process to ensure the programme is consistent with best practice and the business risks facing the company. There is evidence that this includes provisions for continuous improvement, which are supplemented by annual internal audits. There is also evidence that high-level audit findings are presented to the Ethics and Compliance Committee and Leadership Council, which recommends changes, if appropriate, to the company’s ethics and compliance programme.</p>
Evidence
<p>[8] Self-Auditing Our Ethics Program (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf</p> <p>[p.3] <u>Self-Auditing Our Programme</u> The purpose of our audits is to ensure that our Ethics Program is functioning as intended and our business units and staff functions are complying with its requirements. We audit about 20 of our 150 locations annually.</p> <p>[p.4] <u>How Do We Select the Locations to Audit?</u></p> <ul style="list-style-type: none"> • We select all manufacturing locations that produce munitions items for the U.S. Department of Defense. • We also select a sample of other locations with more than 150 employees. <p>[p.6] We examine:</p> <ul style="list-style-type: none"> • Acknowledgements of the Code of Ethics • Evidence of compliance with all Ethics training requirements including Ethics Orientation and annual Ethics Refresher • Help Line complaints resolutions • Ethics-related internal audits • Letters to suppliers regarding our Ethics Program • Awareness about Ethics Officers, Ethics posters, Help Line number, and Ethics web site • Conflict of Interest/Second Job Disclosure Statement from employees <p>[p.7] • Selected Job Descriptions to ensure that Ethics Program responsibilities are clearly mentioned</p> <p>We also interview selected members of the senior management team to assess their awareness of the Ethics Program and their commitment to it.</p> <p>[p.15] <u>Self-Audits of Area Covered by Code of Ethics</u> During the Ethics Audits, we request evidence of self-audits of the areas shown below to ensure the location is complying with the requirement of the Code of Ethics.</p> <ol style="list-style-type: none"> 1. Workplace Environment 2. Information Recording and Reporting 3. Protecting Resources 4. Conflicts of Interest 5. Community Relations We identify areas that are not receiving audit coverage and see if an external or internal audit would be warranted. <p>[p.50] <u>Reporting of Ethics Audit Findings: Summary of Ethics Audit Findings</u> A summary of Ethics Audit findings, noting corrective actions taken, is presented to:</p> <ul style="list-style-type: none"> • Ethics and Compliance Committee -General Counsel

-CFO
 -SVP HR
 -Vice President, Internal Audit

• Leadership Council
 -CEO
 -CFO
 -CIO
 -General Counsel
 -SVP HR
 -Four Business Unit Presidents

[7] Day & Zimmerman Integrity - Ethics Audits (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-audits/>

Our Ethics Officers participate in annual Ethics audits of other operations, and support audits of their own sites by other Ethics Officers. The purpose of these audits is to ensure that the Ethics Program is being implemented in accordance with the Company's guidelines. The Corporate Ethics Program office makes the audit assignments in such a way that no two Ethics Officers audit each other's Program in the same Program Year. Audit procedures and guidelines are published each year before the beginning of Ethics Audits.

A self audit requires the Ethics Officer to continually monitor his or her program as it relates to each of the areas of compliance set forth in the Code, as appropriate for that project, office or location:

Workplace Environment, including review and evaluation of safety policy, procedure, practices and inspections; validation and verification of reports/certifications regarding drug-free workplace/workforce programs.

Information Recording and Reporting, including timecard/timesheet audit and verification of attendance; validation/verification of training/test data; validation/verification of cost, pricing, accounting and financial data against approved disclosure statement and correct allocation of allowable/unallowable costs.

Protecting Resources, including audit/inventory of fixed assets; audit of compliance with published security policy/procedures.

Conflicts of Interest, including audit of reports/verifications required by federal procurement integrity laws; inquiry into second jobs of employees. The Conflict of Interest/Second Job Disclosure Statement needs to be completed annually by each employee.

Community Relations, including audit of files for copies of letters to vendors regarding ethics program; review of marketing and business development guidelines for antitrust compliance.

Rights, Responsibilities and Results, including review control of allegation report records to maintain appropriate employee privacy; review procedures for compliance with the Code.

[6] Ethics and Compliance Governance (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/>

The mission of the Ethics and Compliance Committee is to promote an organizational culture that encourages ethical conduct and to support the Company and its operating leaders in their commitment to comply with applicable laws.

Responsibilities

The Committee's primary responsibilities shall be to:

- Sponsor and monitor the operation of the Company's Ethics and Compliance Program
- Assess the Company's risks of non-compliance with applicable laws and regulations
- Ensure that the Company's policies, procedures and programs enhance and facilitate the Ethics and Compliance Program.
- Report regularly (no less than annually) to the Company's most senior leaders to inform them of the content, operation and health of the Ethics and Compliance Program.

Meetings

The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:

- Review reports from the Company's Ethics Office, including a review of significant trends in, and corrective actions taken in response to, calls to the Company's Help Line;
- Review Trends and "Best Practices" from industry.
- Review Results of internal audits, if any, assessing or reflecting on legal or regulatory compliance, and suggest topics for future internal audits.
- Review communications and engagement with employees on ethics and compliance issues, including awareness training (both live and online) on the Company Code of Conduct and other issues of importance;
- Review new laws or regulations impacting the Company's businesses and new lines of business, new services or products being offered by the Company.
- Assess integration of newly acquired businesses or newly formed joint ventures.
- Recommend changes, if appropriate, in the Company's policies, procedures or programs related to legal or regulatory compliance.

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
2
Comments
<p>There is evidence that the company has a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels. There is evidence that the company takes steps to ensure the independence of its investigations and reports investigative findings to the Ethics and Compliance Committee. There is evidence that for whistleblowing cases, the company has a procedure in place that stipulates documentation and actions to be taken at every step of the case, from receipt to final outcome. The company commits to ensure whistleblowers are informed of the outcome, if they so wish. There is evidence that the Ethics and Compliance Committee receives and reviews summary information of all incidents and their status in the organisation and its subsidiaries, on at least a quarterly basis.</p>
Evidence
<p>[8] Self-Auditing Our Ethics Program (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf [p.13] <u>Help Line Complaints Resolution</u> All calls are categorized into A, B and C based on predetermined priorities. The calls have to be resolved in accordance with the following guidelines:</p> <ul style="list-style-type: none"> • A – 48 hours • B – 30 days • C – 45 days <p>We continuously monitor the status of each complaint received through our Help Line. The investigation and the resolution is documented on a standard form.</p> <p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p.36] <u>Reporting Ethics Violations</u> You should be alert for situations that might reflect poorly on your personal reputation for integrity or on the reputation of your co-workers, the Company or its customers. You should report promptly any violations or suspected violations of this Code of Conduct or applicable laws or regulations to your supervisor or your Ethics Officer.</p> <p>You also have the option to report your concerns to:</p> <ul style="list-style-type: none"> • The Company’s Law Department, Human Resources Department, or Business Unit Controllershship • Internal Audit Department • Employee Help Line at 1-877-319-0270 • Ethics website at https://dayzim.alertline.com <p>In some cases, talking to your supervisor may resolve your concern. If you are uncomfortable taking this step, choose one of the alternatives mentioned above. Managers and executives who are aware of any evidence of fraud, conflict of interest, bribery and gratuity must promptly report such evidence to the Law Department for investigation. Inaccurate invoices to and/ or overpayments from Government customers must also be reported promptly to the Law Department for investigation.</p> <p>[p.37] While the company encourages employees to report their concerns through our Ethics Program, we do not restrict employees from lawfully reporting fraud, waste or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.</p> <p>YOUR RIGHTS:</p>

You have the right and an obligation to report violations of this Code of Conduct or violations of laws or regulations. Your report will be handled in a confidential manner, consistent with any legal requirements and the need to investigate, report and correct misconduct. Anonymous reports are accepted, but the investigation may be more effective if you identify yourself and discuss your observations with the Company's investigator.

NO RETALIATION: There will be no retribution or reprisals for good faith reports, even if unfounded. We have zero tolerance for retaliation by anyone in the Company. A report is made in good faith as long as you believe the information you report is truthful, even if it is later determined that an ethical violation has not occurred. Employees who encourage others to commit ethical violations, or deliberately withhold information about violations, will also be disciplined, as will supervisors who neglect or tolerate violations by those who report to them, or who retaliate against employees who report such violations.

[p.38] In addition, the Company will not retaliate against any employee who discloses to governmental officials, Inspector Generals, Members of Congress, the Law Department or Ethics Officer information that the employee reasonably believes is evidence of waste, mismanagement, abuse of authority or violations of law related to U.S. government contracts, grants or funds; or evidence of a substantial and specific danger to public health and safety.

RESULTS: If it is determined that an ethical violation has occurred, the Company will take appropriate action which could include Company disclosures to our customers or law enforcement officials or disciplinary action against individuals, ranging from verbal reprimand to termination and civil or criminal prosecution. You are encouraged to report violations even if you are involved in the misconduct. Your voluntary report will be considered in your favor when determining appropriate discipline.

OUR POLICIES ADDRESSING REPORTING ETHICAL VIOLATIONS INCLUDE:

- 1401 EEO, Non-Discrimination and Anti-Harassment
- 1413 Whistleblower
- 1103-08 Compliance with FAR Disclosure Requirement

[p.41] When you call the Company Ethics Help Line you will speak to a trained communications specialist who will document your concerns or questions and get them to the Company representative whose job it is to help. The 800 number is toll free and has TTY capability for the hearing-impaired and translation services if you need them. Outside of the United States, this number is accessible from anywhere in the world by calling the ATT operator in the country in question. The calls are handled by an external vendor and they reduce the verbal complaint into a written report and send it to the Company's Chief Ethics Officer.

THE HELP LINE NUMBER IS: 1-877-319-0270

YOU ALSO HAVE THE OPTION OF REPORTING A SUSPECTED VIOLATION ONLINE AT:

<https://dayzim.alertline.com>

[12] Whistleblower Policy (Document)

Accessed 11/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-whistleblower.pdf>

[p.1] A whistleblower is an employee who reports an activity that he/she reasonably believes to be illegal. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities. If an employee has knowledge of or a concern of illegal activity, the employee should report it to his/her direct manager, to his or her ethics officer, or to the Ethics and Employee Advocate Help Line at 1.877.319.0270 or <https://dayzim.alertline.com>.

An employee, however, who intentionally files a false report of wrongdoing will be subject to appropriate disciplinary action. The Company's whistleblower policy is interpreted consistently with its policies on Equal Employment Opportunity and Non-Discrimination and Harassment. An investigation into any reported incident of illegal activity will follow the procedures set forth in the Company's Equal Employment Opportunity and Non Discrimination and Harassment policies.

Any person found to have retaliated against an individual for reporting an alleged illegal activity or for participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action. 1.0 Whistleblower Protections for Contractor Employees 10 U.S.C. 2409 prohibits contractors from discharging, demoting, or otherwise discriminating against an employee as a reprisal for disclosing, to any of the following entities, information that the employee reasonably believes is evidence of gross mismanagement of a DoD contract, a gross waste of

DoD funds, a substantial and specific danger to public health or safety, or a violation of law related to a DoD contract (including the competition for or negotiation of a contract):

- A Member of Congress;
- A representative of a committee of Congress;
- An Inspector General that receives funding from or has oversight over contracts awarded for or on behalf of DoD;
- The Government Accountability Office;
- A DoD employee responsible for contract oversight or management; or
- An authorized official of an agency or the Department of Justice.

In addition to the procedures at FAR 3.904, any contractor employee who believes that he or she has been discharged, demoted, or otherwise discriminated against contrary to the policy in 203.903 may file a complaint with the DoD Inspector General.

[13] Inquiry and Reporting Mechanisms (Webpage)

Accessed 05/04/2020

<https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms>

Calls to the Ethics Help Line are answered by a trained third party communications specialist who will document caller concerns or questions and get them to the Chief Ethics Officer and the Ethics and Compliance Administrator.

Help Lines

The 800 number is toll-free and has capability for the hearing-impaired and translation services, if needed. Outside of the United States, this number is accessible from anywhere in the world by calling the ATT operator in the country in question. The Help Line number is 1 (877) 319-0270.

In addition, employees can also report their concerns via <https://dayzim.alertline.com>. No action will be taken against those who report a suspected violation. There will be no retributions or reprisals for reporting a concern. Complaints can be filed anonymously. The Company does not attempt to identify anonymous complainants.

The employees, and others also have the option to report a concern to the Company's Ethics Officer. The names and contact information of the Ethics Officers are shown on Ethics Posters displayed at various locations throughout the Company.

All calls are categorized into three categories: A, B or C depending on the significance.

Status of Help Line complaints are reported quarterly to the appropriate business unit President, Ethics and Compliance Committee Members and the CEO showing the investigation status, resolution and corrective actions taken.

There is a formal protocol for handling Help Line complaints.

We have a 5-step process for handling a concern reported through our Help Lines:

1. Acknowledgement of the complaint received within 24 hours.
2. Assignment of the complaint to a subject matter expert for investigation or a response as needed.
3. Maintaining contact with the complainant regarding the status of the investigation.
4. Review of the report submitted by investigator for the thoroughness of the investigation and soundness of the resolution by the Head of Ethics and Compliance Program. Please see attached report: DZ Help Line Complaint Investigation.
5. Report back to the complainant regarding the resolution of their complaint.

[6] Ethics and Compliance Governance (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/>

Meetings

The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:

- Review reports from the Company's Ethics Office, including a review of significant trends in, and corrective actions taken in response to, calls to the Company's Help Line;

[14] Alertline Website (Webpage)

Accessed 11/06/2019

<https://dayzim.alertline.com/gcs/welcome>

The Day and Zimmermann Group, Inc. Ethics Reporting Program

This website is operated by NAVEX Global, a third-party provider.

[7] Day & Zimmerman Integrity - Ethics Audits (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-audits/>

Rights, Responsibilities and Results,

including review control of allegation report records to maintain appropriate employee privacy; review procedures for compliance with the Code.

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
1
Comments
<p>There is some evidence that the company assures itself of the quality of its internal investigations. There is evidence that staff conducting investigations are properly trained and qualified.</p> <p>However, in publicly available evidence there is no mention of how complaints about the investigation process are handled and it is unclear who would be responsible for handling such complaints. There is no clear evidence that the company reviews its investigations procedure at least every three years or in response to any relevant changes in the regulatory environment. It is also unclear from publicly available evidence if the company assures itself of the quality of both incident investigations and whistleblowing cases.</p>
Evidence
<p>[15] HELP LINE COMPLAINT INVESTIGATION CHECKLIST (updated 2012) (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/Exhibit%20A%20-%20Investigation%20Checklist.doc [p.1] HELP LINE COMPLAINT INVESTIGATION CHECKLIST</p> <p>Investigations may be conducted by Ethics Officers, by Human Resources Department personnel, Internal Audit Department, by specialists in the environmental or safety disciplines, by the Law Department, by outside counsel or by others. Decisions as to who will appropriately conduct any specific investigation will be communicated by the Ethics Program Director.</p> <p>[...]</p> <p>Note: This document is only a guide. The following are steps to consider in initiating and conducting an investigation. Some of these steps may not be necessary or even appropriate in some investigations, but reviewing them all will help prevent an oversight.</p> <ol style="list-style-type: none"> 1. If you receive a complaint directly, report it to the Ethics Program Director so that it is assigned to an appropriate investigator, a case number and tracked. 2. Take immediate steps necessary to terminate any ongoing violations and minimize harm. 3. Act quickly to assure appropriate documents and electronic records and communications are retained. 4. Determine who should assist you in the investigation. The Ethics Program Director will guide you in this effort. 5. Do not include among the investigators or decision makers anyone who may be implicated in the matter under investigation. This would exclude from the investigating team anyone who may be responsible for failure to detect the misconduct as well as anyone engaged in it. 6. If outside resources need to be used, consult with the Ethics Program Director to discuss the process for obtaining outside resources. 7. Review any prior, related investigations or audits in compliance office records. 8. Treat investigations, the files, communications and computer records on a confidential basis. 9. Begin and develop an investigation chronology as the case is developed. 10. Determine whether it is necessary or appropriate to suspend or transfer on an interim basis the target of the investigation, if there is a risk of ongoing misconduct or retaliation.

11. Where required by law (i.e., environmental, OSHA), essential for health and safety or otherwise appropriate, notify government/customers/potential victims on a timely basis, per discussions with the Law Department and appropriate management.
12. Establish a list with names and contact information (office voice and fax numbers, home and mobile phone, e-mail addresses) of those working in the investigation and for those who are information sources.
- [p.2] 13. Take steps necessary to protect whistleblowers and those who cooperate in the investigation. Include any allegation of retaliation that emerges during the investigation as another target of the investigation.
14. Include as targets of the investigation those who may be responsible for such compliance management failures as: a) failure to detect the violation; b) failure to supervise employees in ways that would have prevented the misconduct; and c) encouraging employees to conduct business in reckless, negligent or unethical ways.
15. Consider having two people conduct each interview and be sensitive to gender issues that may be particularly volatile in some circumstances. This is particularly important in allegations where sexual misconduct is alleged.
16. Control the interview environment. The investigator should set the location, and prevent interruptions in important interviews.
17. Be cordial and businesslike in interviews.
18. Conduct interviews with an open mind, allowing the target of an investigation to provide his or her explanations.
19. Follow NLRA and union contract requirements when interviewing unionized employees. Consider the application of Weingarten rights, which now applies even to non-unionized employees. Weingarten establishes that employees have the right to [union] representation during an investigation the result of which the employee feels will be some disciplinary action. The employee must claim these rights; unlike Miranda in the criminal sector, employers have no obligation to inform the employee of this right to representation. If an employee being questioned invokes Weingarten rights, the investigator must: 1) Grant the request and delay further questioning until the representative arrives and has the chance to consult privately with the employee; 2) Deny the request and terminate the interview immediately; or 3) Give the employee the choice of continuing questioning without representation or terminating the interview immediately.
20. If the Law Department advises that attorney-client privilege should be invoked, obtain an Upjohn letter (the Law Department will provide a draft) from an appropriate senior manager; have each interviewee sign a copy of the letter. This letter essentially defines the transactions taking place as protected by the confidentiality of the privilege that exists between an attorney and his or her client. Because the Law Department's attorneys work for the company and not for its employees as individuals, the relationship between the company counsel and the company's employees is defined in this letter to protect confidentiality.
21. On key factual questions during interviews, it can be valuable to return to the same question more than once in different ways. People often remember things in waves, and this approach may develop additional detail.
- [p.3] 22. Include e-mail, computers, servers, backup tapes and disks, wherever located, in records searches.
23. Include anyone who may have useful information, regardless of the person's position, from clerks and secretaries to the company president, as appropriate.
24. Obtain and check travel and other expense vouchers to confirm dates, as appropriate.
25. Copy documents, and consider Bate-stamping copies in important cases. (Bate-stamping is a specific, legal system of numbering, usually applied as a stamp or as a label to identify documents for court cases.) Do not mark originals, but be sure to retain them.
26. Consider giving the target of the investigation the opportunity to respond to the preliminary conclusions from the investigation, but while still protecting anonymous sources.
27. Monitor the progress of the investigation to assure that it is timely.

28. Provide interim, usually oral, reports to the Ethics Program Director. The Ethics Program Director will advise you if others need to be informed (e.g. HR, Law Department and Senior Management).
29. Provide a final report, orally first, to the Ethics Program Director. The Ethics Program Director will advise you if others need to be informed (e.g. HR, Law Department and Senior Management).
30. Where discipline is appropriate, consult with HR and the employee's manager.
31. At the end of the investigation, send closeout letters to those who were interviewed, so they know the matter is concluded and thank them for their cooperation. The letter can also repeat the non-retaliation policy.
32. Keep in mind that any external reporting, if needed, shall be handled in accordance with Policy 1103-08 (Compliance with FAR Disclosure Requirement).
33. Consider holding a closeout meeting with those in the work unit after the investigation and any discipline are completed.
34. Consider what changes to make in company processes and the compliance program to help prevent recurrence of any misconduct found in the investigation.
35. Follow-up to assure discipline was imposed, and any corrective action was fully implemented.
36. Keep the Ethics Program Director informed about your investigation activities.
37. Prepare your report using the Help Line Complaint Investigation Report template.

[13] Inquiry and Reporting Mechanisms (Webpage)

Accessed 05/04/2020

<https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms>

There is a formal protocol for handling Help Line complaints.

We have a 5-step process for handling a concern reported through our Help Lines:

1. Acknowledgement of the complaint received within 24 hours.
2. Assignment of the complaint to a subject matter expert for investigation or a response as needed.
3. Maintaining contact with the complainant regarding the status of the investigation.
4. Review of the report submitted by investigator for the thoroughness of the investigation and soundness of the resolution by the Head of Ethics and Compliance Program. Please see attached report: DZ Help Line Complaint Investigation.
5. Report back to the complainant regarding the resolution of their complaint.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.41] When you call the Company Ethics Help Line you will speak to a trained communications specialist who will document your concerns or questions and get them to the Company representative whose job it is to help. The 800 number is toll free and has TTY capability for the hearing-impaired and translation services if you need them. Outside of the United States, this number is accessible from anywhere in the world by calling the ATT operator in the country in question. The calls are handled by an external vendor and they reduce the verbal complaint into a written report and send it to the Company's Chief Ethics Officer.

[8] Self-Auditing Our Ethics Program (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf>

[p.14] Help Line Complaints Resolution

We review all investigation reports to ensure that the complaints are resolved appropriately in accordance with the pre-established protocol and with the application of appropriate resources (e.g., Law, HR, Audit) and corrective actions are taken, if needed, to prevent similar situations in the future.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
2
Comments
<p>There is evidence the company commits to reporting material findings of bribery and corruption to members of its Leadership Council. There is evidence that an appropriate senior individual, the General Counsel, is responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if necessary. It is noted that the company only makes reference to authorities in the United States.</p>
Evidence
<p>[16] Compliance with FAR Disclosure Requirement (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201103%20Mandatory%20DisclosureREV.pdf <p>[p.1] <u>Responsible Officer: Senior VP, General Counsel and Secretary</u></p> <p>Policy It is the Company's policy to comply with all applicable federal, state, and local laws, regulations, and contract terms and conditions governing our business operations. One way the Company monitors compliance with such governing authorities is to review and investigate possible noncompliance with those authorities.</p> <p>We rely on our managers, employees, and agents to raise concerns internally so that the Company can evaluate possible noncompliance and, where appropriate, adopt responsive corrective action. Certain types of violations involving our federal government contracts and subcontracts must be reported by the Company to the federal government when they involve the award, performance, or closeout of a government contract or subcontract. The FAR Mandatory Disclosure Rule (effective December 12, 2008) requires the Company to disclose to the government when the Company determines it has "credible evidence" of a violation of federal criminal law involving fraud, conflict of interest, bribery, gratuity, or a violation of the civil False Claims Act. The Company must also disclose to the government when it becomes aware of significant overpayments made by the government on a contract. In addition, the Company may choose to report to the federal government even in the absence of an explicit requirement to do so.</p> <p>[p.2] Reporting Channels All Company employees must comply with this internal reporting procedure and with the Company's Code of Ethics and Standards of Business Conduct. Violations involving the Company, its principals, managers, employees, agents, vendors, subcontractors, teaming partners, and others with whom it does business must be reported internally through the Company channels set forth below.</p> <ul style="list-style-type: none"> • Any possible violation should be first reported to your immediate supervisor within 48 hours. The immediate supervisor must report the violation to the appropriate Leadership Council member within 48 hours. The Leadership Council member shall immediately report the possible violation to the Senior Vice President and General Counsel. • Employees also have the option to report the violation directly to the Vice President of Internal Audit (215-299-8035) or anonymously using the Company's Helpline (1-877-319-0270) or visiting https://dayzim.alertline.com. <p>Reports will be handled in a confidential manner, consistent with any legal requirements and the need to investigate, report and correct any misconduct. The Company expects all employees to cooperate fully with the Company's internal investigation of any reported allegations.</p> <p>[p.4] The Senior Vice President and General Counsel or his designee will report the violation, if any, to the appropriate governing authorities.</p> <p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019</p> </p>

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] Compliance Program

The compliance program shall include the following components:

[...]

- Taking appropriate disciplinary action when necessary, including termination and reporting to law.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.37] Reporting Ethical Violations

While the company encourages employees to report their concerns through our Ethics Program, we do not restrict employees from lawfully reporting fraud, waste or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

[p.41] When you call the Company Ethics Help Line you will speak to a trained communications specialist who will document your concerns or questions and get them to the Company representative whose job it is to help. The 800 number is toll free and has TTY capability for the hearing-impaired and translation services if you need them. Outside of the United States, this number is accessible from anywhere in the world by calling the ATT operator in the country in question. The calls are handled by an external vendor and they reduce the verbal complaint into a written report and send it to the Company's Chief Ethics Officer.

Question									
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?									
Score									
1									
Comments									
<p>The company publishes some high-level data on calls received on its ethics and corruption reporting service.</p> <p>However, it does not publish data on ethical and corruption-related investigations or disciplinary actions involving its employees.</p>									
Evidence									
<p>[13] Inquiry and Reporting Mechanisms Accessed 05/04/2020 https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of calls Received</th> <th>Percentage of Anonymous calls</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>161</td> <td>47</td> </tr> <tr> <td>2017</td> <td>123</td> <td>52</td> </tr> </tbody> </table> <p>As shown above, there is an increase in the number of calls received in 2018 compared to 2017. We believe this is due to the increase in awareness of our Help Line and employee belief that the Company takes all complaints seriously. We also noted that the percentage of anonymous calls has decreased by 5%. This is an indication of the awareness of the Company’s commitment to not retaliate for reporting a concern about a violation of the Code of Ethics.</p>	Year	Number of calls Received	Percentage of Anonymous calls	2018	161	47	2017	123	52
Year	Number of calls Received	Percentage of Anonymous calls							
2018	161	47							
2017	123	52							

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
2
Comments
<p>There is evidence that the company provides training on its Code of Business Conduct, which outlines the principles of the company’s anti-bribery and corruption policy, including the whistleblowing options available to employees. There is evidence that the company provides this training to all employees across all divisions and countries of operation, and in all appropriate languages. There is evidence that employees are required to undertake refresher courses on the anti-bribery and corruption programme on an annual basis.</p>
Evidence
<p>[18] Integrity - Awareness and Training (webpage) Accessed 11/06/2019 https://www.dayzim.com/about/vision-values/integrity/awareness-training Orientation and Refresher: All regular full- and part-time new employees receive an initial orientation to the Code of Ethics and Standards of Business Conduct. Employees also receive an annual refresher to the Code of Ethics beginning their second year with the Company.</p> <p>We electronically monitor completions of the training by all employees. 100% completions of the required courses is mandatory for all employees.</p> <p>Offline Offline training is for all regular full- and part-time employees who are not enrolled in online training. These are generally non-exempt employees. We select a new course each year. Course will be delivered by one of the following two methods:</p> <p>By Facilitator to employees who do not have computer and Internet access. By Self-Study Booklet to employees who do not have computer and Internet access and who cannot be trained in a group setting.</p> <p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf [p.4] Training Business Unit heads are responsible for ensuring that employees are regularly trained and that new employees involved in international business positions receive appropriate training before commencing work that could pose risk of non-compliance for the Company. Training will be conducted for employees involved in international business at least annually and will be made available via computer or otherwise for use by employees who are unable to attend in person. Training on anti-corruption issues should also address the connection between anti-corruption laws and export laws, prevention of human trafficking, and other international laws. Depending on the circumstances (including, but not limited to, risk factors, type of business partner, location of performance, and in-house capabilities), the Company may provide training on anti-corruption policies to its subcontractors, suppliers, and agents.</p> <p>The Law Department and the Ethics and Compliance Department shall make the Company’s Anti-Corruption Policy and training, as needed, available in languages other than English as required to communicate with employees or third parties.</p> <p>[17] Communication Plan and Awareness Initiatives (webpage) Accessed 11/06/2019</p>

<https://www.dayzim.com/about/vision-values/integrity/communications-plan>

Our communication plan to increase awareness of the Ethics and Compliance Program includes the following: We have published our Code of Ethics in 6 languages. (English, Arabic, Hindi, French, Spanish and German) and they are all listed on www.dayzim.com

[3] Values - Integrity (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity>

Ethics and Compliance Program

Our Ethics and Compliance Program is founded on Day & Zimmermann's Code of Ethics and Standards of Business Conduct and includes a comprehensive training program that consists of both classroom and online courses that help our employees meet their responsibilities in conducting business in an ethical manner, thereby preserving and enhancing our reputation. In addition, our program is supported by a network of Ethics Officers throughout our office locations, an Ethics Help Line (877.319.0270) an Ethics Violation web site to report any issues, and an Ethics Committee that provides general oversight, issues resolution and program guidance.

[8] Self-Auditing Our Ethics Program (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf>

[p.8] Code of Ethics

For each plant location we audit, we obtain a list of their employees and request that their Ethics Officers provide signed acknowledgement cards from all employees, which document that the employee has received the Code of Ethics and an orientation to its content and agree to abide by it. NOTE: The employees at non-plant locations do acknowledgements of orientation and refresher training online. We monitor such acknowledgements to ensure 100% completion.

[p.10] Ethics Audit Procedure

We randomly select about 15 employees at each location and interview them to assess their understanding of the major areas of our Code of Ethics. There is a standard questionnaire that is provided to each Ethics Auditor to be used in these interviews. The results of the interviews are summarized on a standard form.

[p.11] Training

We require every employee to attend an annual Refresher course to our Code of Ethics and take certain Ethics courses throughout the year. During the Ethics Audits at the plants, we ask the Ethics Officers to provide evidence that such training was provided (sign-in-sheets). In addition, we ask employees if they remember certain key aspects of the Refresher training:

- We ask them if they have the Code of Ethics and know where to find it.
- We ask them if they think the Company is serious about the commitment to Ethics, if not, why not.

NOTE: All Ethics training for non-plant locations is done online.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.2] Message to Employees

Our Code of Ethics and Standards of Business Conduct offers guidelines to help you make ethical decisions when faced with these dilemmas. In addition, our Ethics and Compliance Training Program, our Employee Help Line and our many Ethics Officers are there to help you identify and react appropriately to any ethical dilemma you may encounter in your job.

[p.13] RESPONSIBILITIES OF EMPLOYEES:

Employees are expected to read, understand and use the Code of Ethics and Standards of Business Conduct, learn the details of the Company or business unit policies that apply to them and educate themselves on the laws, rules and regulations that impact their work assignments. Employees must complete the required training, seek guidance from their supervisors, Human Resources, the Ethics Office or the Law Department when needed and hold themselves and co-workers accountable to our ethical work standards.

Question
<p>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</p> <ul style="list-style-type: none"> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
2
Comments
<p>There is evidence that the company tailors its anti-bribery and corruption training programme to the different levels of risk facing employees in different roles, with specific reference to senior executives, as well as senior, middle and lower management, and those engaged in international business. There is evidence that all employees are expected to undertake anti-corruption and ethics training annually. There is also evidence that employees working in high risk positions, namely those involved in international business, are required to refresh their training in this area on at least an annual basis.</p>
Evidence
<p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf</p> <p>[p.4] <u>Training</u> Business Unit heads are responsible for ensuring that employees are regularly trained and that new employees involved in international business positions receive appropriate training before commencing work that could pose risk of non-compliance for the Company. Training will be conducted for employees involved in international business at least annually and will be made available via computer or otherwise for use by employees who are unable to attend in person. Training on anti-corruption issues should also address the connection between anti-corruption laws and export laws, prevention of human trafficking, and other international laws.</p> <p>Depending on the circumstances (including, but not limited to, risk factors, type of business partner, location of performance, and in-house capabilities), the Company may provide training on anti-corruption policies to its subcontractors, suppliers, and agents.</p> <p>[8]Self-Auditing Our Ethics Program (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf</p> <p>[p.12] There are specific requirements for on-line Ethics courses based on the grade levels of employees:</p> <ul style="list-style-type: none"> • Senior Executives (SE) – Leadership Council – 6 courses per year • Senior Managers and Executives – 5 courses per year • Team Leaders, Supervisors and Managers – 3 courses per year • All other exempt employees – 2 courses per year • All non-exempt employees – 1 course per year <p>We obtain quarterly reports from our vendor to monitor the completions of Ethics courses by employees. We ensure that we have 100% completion by all employees.</p>

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
2
Comments
<p>There is evidence that the company reviews the effectiveness of its anti-bribery and corruption communications and personnel training programme. There is evidence that the company has a system to do this, via annual audits and interviews with randomly selected employees designed to assess employees' knowledge and memory of the content of training sessions. The company also states that it monitors training completion rates. The Ethics and Compliance Committee reviews the company's training and communications programme on a quarterly basis and there is evidence to suggest the results are used to specific parts of the company's anti-bribery and corruption communications training programme.</p>
Evidence
<p>[18] Integrity - Awareness and Training (webpage) Accessed 11/06/2019 https://www.dayzim.com/about/vision-values/integrity/awareness-training <u>Ethics and Compliance Training</u> We electronically monitor completions of the training by all employees. 100% completions of the required courses is mandatory for all employees.</p> <p>[8]Self-Auditing Our Ethics Program (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf [p.3] <u>Self-Auditing Our Ethics Program</u> The purpose of our audits is to ensure that our Ethics Program is functioning as intended and our business units and staff functions are complying with its requirements. We audit about 20 of our 150 locations annually.</p> <p>[p.6] We examine:</p> <ul style="list-style-type: none"> • Acknowledgements of the Code of Ethics • Evidence of compliance with all Ethics training requirements including Ethics Orientation and annual Ethics Refresher • Help Line complaints resolutions • Ethics-related internal audits • Letters to suppliers regarding our Ethics Program • Awareness about Ethics Officers, Ethics posters, Help Line number, and Ethics web site • Conflict of Interest/Second Job Disclosure Statement from employees <p>[p.7] • Selected Job Descriptions to ensure that Ethics Program responsibilities are clearly mentioned</p> <p>We also interview selected members of the senior management team to assess their awareness of the Ethics Program and their commitment to it.</p> <p>[p.8] <u>Code of Ethics</u> For each plant location we audit, we obtain a list of their employees and request that their Ethics Officers provide signed acknowledgement cards from all employees, which document that the employee has received the Code of Ethics and an orientation to its content and agree to abide by it. NOTE: The employees at non-plant locations do acknowledgements of orientation and refresher training online. We monitor such acknowledgements to ensure 100% completion.</p> <p>[p.10] We randomly select about 15 employees at each location and interview them to assess their understanding of the major areas of our Code of Ethics. There is a standard questionnaire that is provided to each Ethics Auditor to be used in these interviews. The results of the interviews are summarized on a standard form.</p>

[p.11] During the Ethics Audits at the plants, we ask the Ethics Officers to provide evidence that such training was provided (sign-in-sheets). In addition, we ask employees if they remember certain key aspects of the Refresher training:

- We ask them if they have the Code of Ethics and know where to find it.
- We ask them if they think the Company is serious about the commitment to Ethics, if not, why not.

[p.12] We obtain quarterly reports from our vendor to monitor the completions of Ethics courses by employees. We ensure that we have 100% completion by all employees.

[p.17] Ethics Officers, Ethics Posters, Help Line Number During employee interviews, we ask the employees if they can name their Ethics Officer, and if they know how to report their concerns about Ethics. We also physically examine the facility to see if the Ethics Posters are displayed and changed twice a year.

[p.19] Senior Manager Interviews

We interview two members of the senior management team at each location and ask the following questions:

1. What is your role in implementing the company's Ethics Program? Have you been formally briefed regarding your responsibility for its success?
2. What is the single biggest problem in implementing the Ethics Program encountered to date?
3. Do you sense that employees believe the company to be serious regarding its commitment to integrity?
4. What do you think of the Company's training efforts, regarding Ethics?
5. As you perceive it, what is the company's biggest exposure on ethics related matters?
6. What could we be doing at the corporate level to make the Program better?

[p.20] Audit Tools

The following documents are provided to each Ethics Auditor to ensure that the audits are conducted consistently throughout the Company:

- Audit Preparation Memo
- Audit Procedure (Step by step instructions on how to do the audit)
- Employee Interview Questionnaire
- Management Interview Questionnaire
- Interview Summary Matrix
- Audit Report Guidelines

[p.42] Audit Tools

Ethics Program Audit – Senior Management Questionnaire (example)

5. What do you think of the company's training efforts regarding Ethics?
6. As you perceive it, what is the company's biggest exposure on ethics related matters?
7. What could the Company be doing at the corporate level to make the program better?

[p.46] 4. Communication of program responsibilities - Describe your review of position description files to identify specified language. Note discrepancies and include a copy of one sample position description that is correct (and all that are not) with your report. (This is relevant for only those locations where they do not use the D&Z HR provided Job Descriptions.)

[p.47] 5. Performance appraisal against Ethics Program responsibilities when appropriate—Describe your review of performance evaluations forms. Note evaluation forms that do not include specified language and send a copy of one sample performance evaluation form that is correct (and all that are not) with your report. (This is relevant for only those locations where they do not use the D&Z HR provided Performance Evaluation form.)

6. Posters/Notices—Quantify the number of locations where posters ought to be and where they are, noting discrepancies. Mention if the poster is the standard poster provided by Corporate. If not, attach a copy of the current poster to your report.

[p.48] 7. Ethics related self audits—Describe your review of the self audit log, and assess if these audits cover the 5 areas of the Code of Ethics. Realize that not all areas may be covered in all locations. Keep a copy of the self audit log to include with your report.

8. Describe if employees you interviewed understand the conflicts of interest inherent in their association with other businesses and with their relationships with other employees in the Company. Keep copies of selected Conflict of Interest/Second Job Disclosure Statement forms to attach to your report.

[p.49] 9. Describe your review of Conflict of Interest/Second Job Disclosure Statement forms (were all disclosures reviewed and approved).

10. Describe your review of corrective actions taken on prior year audit findings.

NOTE: Before you leave the site, provide an oral briefing to the resident Ethics Officer and the senior most person available on-site as to what is working well and what needs corrective actions or improvements.

[p.50] Reporting of Ethics Audit Findings: Summary of Ethics Audit Findings

A summary of Ethics Audit findings, noting corrective actions taken, is presented to:

- Ethics and Compliance Committee
 - General Counsel
 - CFO
 - SVP HR
 - Vice President, Internal Audit

- Leadership Council
 - CEO
 - CFO
 - CIO
 - General Counsel
 - SVP HR
 - Four Business Unit Presidents

[17] Communications Plan and Awareness Initiatives (webpage)

Accessed 11/06/2019

<https://www.dayzim.com/about/vision-values/integrity/communications-plan>

Our communication plan to increase awareness of the Ethics and Compliance Program includes the following:

The Program is described in detail on the following websites:

- Mydayzim.com – Our internal employee intranet
- Dayzim.com – Our external website
- We publish Ethics Blogs from Business Unit leaders on a quarterly basis in our employee newsletter.
- We provide Ethics Awareness short videos in our employee newsletter a quarterly basis.
- We have published our Code of Ethics in 6 languages. (English, Arabic, Hindi, French, Spanish and German) and they are all listed on www.dayzim.com
- Our Ethics posters are posted at all of our business locations. The posters include contact info of the appropriate Ethics Officer.
- We have an Ethics and Compliance tab on our employee intranet. This lists the names and contact info of all Company Ethics Officers.

[6] Ethics and Compliance Governance (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/>

The mission of the Ethics and Compliance Committee is to promote an organizational culture that encourages ethical conduct and to support the Company and its operating leaders in their commitment to comply with applicable laws and regulations.

[...]

The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:

- Review reports from the Company's Ethics Office, including a review of significant trends in, and corrective actions taken in response to, calls to the Company's Help Line;
- Review trends and "Best Practices" from industry
- Review results of internal audits, if any, assessing or reflecting on legal or regulatory compliance, and suggest topics for future internal audits
- Review communications and engagement with employees on ethics and compliance issues, including awareness training (both live and online) on the Company Code of Conduct and other issues of importance;
- Review new laws or regulations impacting the Company's businesses and new lines of business, new services or products being offered by the Company
- Assess integration of newly acquired businesses or newly formed joint ventures
- Recommend changes, if appropriate, in the Company's policies, procedures or programs related to legal or regulatory compliance

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no publicly available evidence to determine whether the company's incentive schemes are designed to discourage corrupt practices.
Evidence
No evidence found.

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
1
Comments
<p>There is evidence that the company will protect employees who refuse to act unethically to gain business.</p> <p>However, there is no publicly available evidence that the company assures itself of employees' confidence in this commitment such as through anonymised surveys or clearly stated means.</p>
Evidence
<p>[13] Inquiry and Reporting Mechanisms (Webpage) Accessed 05/04/2020 https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms Our recommended protocol for reporting a concern about violations of the Company's Code of Ethics is for employees to report a concern to their immediate supervisor. However, we do not discourage anyone from reporting a concern through the Help Line. We remind employees that there will be no retaliation for reporting a concern about unethical behavior by anyone even if their reported concern is not substantiated. The Company will protect employees who refuse to act unethically to gain business. We also assure that our non-retaliation policy applies to all whistle blowers who report bribery and corruption incidents from all of our locations around the world including employees of joint venture partners.</p> <p>[2] Letter From The Chair and CEO (Webpage) Accessed 05/04/2020 https://www.dayzim.com/about/vision-values/integrity/letter-from-ceo/ Therefore, our continued success hinges on our employees conducting business with integrity every day. And it is why we encourage you to report employee misconduct when suspected. To help you, we are providing this website as another option – in addition to Ethics Officers and the Ethics Help Line – for reporting a suspected violation of the Company's Code of Ethics and Standards of Business Conduct.</p> <p>This website allows you to submit a report confidentially and from any location with Internet access. And like our Ethics Help Line, it also allows you to submit your report anonymously. However, I encourage you to include contact information when submitting your report so that we can expedite a resolution of your concern.</p> <p>In either case, your information will be treated confidentially, and there is never any retribution or reprisals for making a report in good faith.</p> <p>Every time you report a concern regarding a violation of our Code of Ethics, you are making a difference for everyone at Day & Zimmermann and you have my full support and appreciation.</p> <p>Harold L. Yoh, III CHAIRMAN & CEO</p> <p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p.2] <u>Message To Our Employees</u> Our reputation is on the line every day. One questionable act by one employee can damage the Company's stature overnight. As an employee, you are responsible for making honorable choices and decisions that preserve and enhance the company's reputation. When you do what is right, even when it is difficult or unpopular, you have my support and my appreciation.</p> <p>Hal Yoh Chairman & CEO Day & Zimmermann</p>

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
2
Comments
<p>There is evidence the company promotes a policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. This policy explicitly applies to all employees across the organisation, including those engaged by the group as third parties, sub-contractors, suppliers and joint venture partners. There is evidence the company assures itself of its employees' confidence in this commitment through employee questionnaires. The company additionally monitors the statistics and usage of its whistleblowing telephone and email service.</p>
Evidence
<p>[13] Inquiry and Reporting Mechanisms (Webpage) Accessed 05/04/2020 https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms Our recommended protocol for reporting a concern about violations of the Company's Code of Ethics is for employees to report a concern to their immediate supervisor. However, we do not discourage anyone from reporting a concern through the Help Line. We remind employees that there will be no retaliation for reporting a concern about unethical behavior by anyone even if their reported concern is not substantiated. The Company will protect employees who refuse to act unethically to gain business. We also assure that our non-retaliation policy applies to all whistle blowers who report bribery and corruption incidents from all of our locations around the world including employees of joint venture partners.</p> <p>[19] No Retaliation Policy (Web Page) Accessed 11/06/2019 https://www.dayzim.com/about/vision-values/integrity/no-retaliation-policy/ <u>It's Never Wrong to do What's Right.</u> It's often said that doing what's right isn't always easy. At its most basic form, ethics is about doing what's right, and Day & Zimmermann strives to equip employees with all the knowledge and tools needed to do what's right. To help everyone understand and do what's right, we have a comprehensive Ethics & Compliance Program built on our values, particularly integrity, and including our Code of Ethics, on-line and live training and 22 Ethics Officers at Company locations across the country. Importantly, to do what's right we must hold ourselves and each other accountable for how we conduct business. That means reporting unethical behavior. That's why we offer a toll free and confidential ethics help line (877-319-0270) and website. Every concern reported is thoroughly and properly investigated and addressed appropriately. I want to emphasize that we have a strict zero tolerance policy against retaliation against any employee who reports a concern in good faith. You can feel safe in knowing that the Company views this protection from retaliation with the utmost seriousness.</p> <p>[8]Self-Auditing Our Ethics Program (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf [p.6] Ethics Audit Procedure - We examine: <ul style="list-style-type: none"> • Acknowledgements of the Code of Ethics • Evidence of compliance with all Ethics training requirements including Ethics Orientation and annual Ethics Refresher • Help Line complaints resolutions • Ethics-related internal audits • Letters to suppliers regarding our Ethics Program • Awareness about Ethics Officers, Ethics posters, Help Line number, and Ethics web site • Conflict of Interest/Second Job Disclosure Statement from employees [p.7] We examine:</p>

- Selected Job Descriptions to ensure that Ethics Program responsibilities are clearly mentioned

We also interview selected members of the senior management team to assess their awareness of the Ethics Program and their commitment to it.

[p.11] Ethics Training

We require every employee to attend an annual Refresher course to our Code of Ethics and take certain Ethics courses throughout the year. During the Ethics Audits at the plants, we ask the Ethics Officers to provide evidence that such training was provided (sign-in-sheets). In addition, we ask employees if they remember certain key aspects of the Refresher training: • We ask them if they have the Code of Ethics and know where to find it. • We ask them if they think the Company is serious about the commitment to Ethics, if not, why not.

[p.35] Ethics Program Audit – Employee Questionnaire (example) – Cont'd

What do you think the role of the Ethics Officer is?

Are you aware of the Ethics Helpline or website? Yes/ No

If you wanted to use the helpline or website, do you know where to find the phone number and the website link?

Yes/No

Where would you find the helpline number and website?

[p.37] Would you have any concern about retaliation if you were to report a possible ethics violation that you saw somewhere around here? Yes/ No

If yes, would you say that your concern is:

- Serious
- Medium
- Minor

[If the answer was “yes,] ask for an explanation Yes No for their concern and then ask, even if you had this concern, would you go ahead and report it anyway?

[1]Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.4] REPORTING VIOLATIONS:

Employees, subcontractors, representatives, agents, or other third parties must report any potential or actual violations of the Company’s Anti-Corruption Policy or the FCPA to the Company Law Department or the Company’s Ethics Help Line (877.319.0270). Employees may also make reports to a Company Ethics Officer. Contacts made through the help line or the websites may be made anonymously. There will be no reprisals for reports made in good faith.

[2] Letter From The Chair and CEO (Webpage)

Accessed 05/04/2020

<https://www.dayzim.com/about/vision-values/integrity/letter-from-ceo/>

Letter from the Chair and CEO

This website allows you to submit a report confidentially and from any location with Internet access. And like our Ethics Help Line, it also allows you to submit your report anonymously. However, I encourage you to include contact information when submitting your report so that we can expedite a resolution of your concern.

In either case, your information will be treated confidentially, and there is never any retribution or reprisals for making a report in good faith.

Every time you report a concern regarding a violation of our Code of Ethics, you are making a difference for everyone at Day & Zimmermann and you have my full support and appreciation.

Harold L. Yoh, III

CHAIRMAN & CEO

[12] Whistleblower Policy (Document)

Accessed 11/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-whistleblower.pdf>

[p.1] Whistleblower Protections for Contractor Employees

10 U.S.C. 2409 prohibits contractors from discharging, demoting, or otherwise discriminating against an employee as a reprisal for disclosing, to any of the following entities, information that the employee reasonably believes is evidence of gross mismanagement of a DoD contract, a gross waste of DoD funds, a substantial and specific danger to public health or safety, or a violation of law related to a DoD contract (including the competition for or negotiation of a contract):

- A Member of Congress;
- A representative of a committee of Congress;
- An Inspector General that receives funding from or has oversight over contracts awarded for or on behalf of DoD;
- The Government Accountability Office;
- A DoD employee responsible for contract oversight or management; or
- An authorized official of an agency or the Department of Justice.

In addition to the procedures at FAR 3.904, any contractor employee who believes that he or she has been discharged, demoted, or otherwise discriminated against contrary to the policy in 203.903 may file a complaint with the DoD Inspector General.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.37] REPORTING ETHICAL VIOLATIONS - NO RETALIATION:

There will be no retribution or reprisals for good faith reports, even if unfounded. We have zero tolerance for retaliation by anyone in the Company. A report is made in good faith as long as you believe the information you report is truthful, even if it is later determined that an ethical violation has not occurred. Employees who encourage others to commit ethical violations, or deliberately withhold information about violations, will also be disciplined, as will supervisors who neglect or tolerate violations by those who report to them, or who retaliate against employees who report such violations.

[p.38] In addition, the Company will not retaliate against any employee who discloses to governmental officials, Inspector Generals, Members of Congress, the Law Department or Ethics Officer information that the employee reasonably believes is evidence of waste, mismanagement, abuse of authority or violations of law related to U.S. government contracts, grants or funds; or evidence of a substantial and specific danger to public health and safety. RESULTS: If it is determined that an ethical violation has occurred, the Company will take appropriate action which could include Company disclosures to our customers or law enforcement officials or disciplinary action against individuals, ranging from verbal reprimand to termination and civil or criminal prosecution. You are encouraged to report violations even if you are involved in the misconduct. Your voluntary report will be considered in your favor when determining appropriate discipline.

[26] Letter to Suppliers (updated 2017) (Document)

Accessed 12/06/2019

<https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf>

[p.6] A. Whistleblower Protection - We expect our suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. We expect our suppliers to take action to prevent, detect, and correct any retaliatory actions.

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
2
Comments
<p>The company has multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. Channels are sufficiently varied to allow the employee to raise concerns across the management chain to a supervisor, Ethics Officer, or one of several internal departments, as well as to external bodies through an ethics helpline managed by a third party. There is evidence that the company's reporting channels allow for confidential and, wherever possible, anonymous reporting. It is also clear that the company's ethics reporting helpline is available to all employees – including sub-contractors, representatives, agents or other third parties – in all jurisdictions; while the company's Code of Ethics and Standards of Business Conduct, which outlines all the company's whistleblowing options, is available in six languages.</p>
Evidence
<p>[26] Letter to Suppliers (updated 2017) (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf As part of providing an avenue for employees to express concerns about suspected improper conduct, we expect suppliers to provide a hotline or other method where employees can raise issues confidentially and anonymously. If suppliers or their employees have questions or concerns associated with their business dealing with Day & Zimmermann, they may address them to their Day & Zimmermann contract representative or they may utilize our toll-free Ethics hotline: (877) 319-0270. Information can be provided anonymously. There will be no retribution or reprisals for good faith reports, even if unfounded. For further information, please visit our website at: https://dayzim.alertline.com.</p> <p>[5] Code of Ethics (webpage) Accessed 10/06/2019 https://www.dayzim.com/about/vision-values/integrity/code-of-ethics/</p> <p>Code of Ethics</p> <p>Our Code of Ethics applies to all employees of Day & Zimmermann, and its subsidiaries, including the Company's CEO and other senior executives, as well as the Company's directors, consultants, contract laborers and other agents when they act on behalf of the Company.</p> <div style="display: flex; flex-direction: column; gap: 10px;"> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">DOWNLOAD IN ENGLISH</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">DOWNLOAD IN SPANISH</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">DOWNLOAD IN ARABIC</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">DOWNLOAD IN HINDI</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">DOWNLOAD IN FRENCH</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">DOWNLOAD IN GERMAN</div> </div>
<p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019</p>

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.36] Reporting Ethical Violations

You should be alert for situations that might reflect poorly on your personal reputation for integrity or on the reputation of your co-workers, the Company or its customers. You should report promptly any violations or suspected violations of this Code of Conduct or applicable laws or regulations to your supervisor or your Ethics Officer. You also have the option to report your concerns to:

- The Company's Law Department, Human Resources Department, or Business Unit Controllershship
- Internal Audit Department
- Employee Help Line at 1-877-319-0270
- Ethics website at <https://dayzim.alertline.com>

In some cases, talking to your supervisor may resolve your concern. If you are uncomfortable taking this step, choose one of the alternatives mentioned above.

Managers and executives who are aware of any evidence of fraud, conflict of interest, bribery and gratuity must promptly report such evidence to the Law Department for investigation. Inaccurate invoices to and/ or overpayments from Government customers must also be reported promptly to the Law Department for investigation.

[p.37] While the company encourages employees to report their concerns through our Ethics Program, we do not restrict employees from lawfully reporting fraud, waste or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

YOUR RIGHTS:

You have the right and an obligation to report violations of this Code of Conduct or violations of laws or regulations. Your report will be handled in a confidential manner, consistent with any legal requirements and the need to investigate, report and correct misconduct. Anonymous reports are accepted, but the investigation may be more effective if you identify yourself and discuss your observations with the Company's investigator.

[p.41] Help Line

When you call the Company Ethics Help Line you will speak to a trained communications specialist who will document your concerns or questions and get them to the Company representative whose job it is to help. The 800 number is toll free and has TTY capability for the hearing-impaired and translation services if you need them. Outside of the United States, this number is accessible from anywhere in the world by calling the ATT operator in the country in question. The calls are handled by an external vendor and they reduce the verbal complaint into a written report and send it to the Company's Chief Ethics Officer.

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.4] REPORTING VIOLATIONS:

Employees, subcontractors, representatives, agents, or other third parties must report any potential or actual violations of the Company's Anti-Corruption Policy or the FCPA to the Company Law Department or the Company's Ethics Help Line (877.319.0270). Employees may also make reports to a Company Ethics Officer. Contacts made through the help line or the websites may be made anonymously.

[13] Inquiry and Reporting Mechanisms (Webpage)

Accessed 05/04/2020

<https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms>

Calls to the Ethics Help Line are answered by a trained third party communications specialist who will document caller concerns or questions and get them to the Chief Ethics Officer and the Ethics and Compliance Administrator.

Help Lines

The 800 number is toll-free and has capability for the hearing-impaired and translation services, if needed. Outside of the United States, this number is accessible from anywhere in the world by calling the ATT operator in the country in question. The Help Line number is 1 (877) 319-0270.

In addition, employees can also report their concerns via <https://dayzim.alertline.com>. No action will be taken against those who report a suspected violation. There will be no retributions or reprisals for reporting a concern. Complaints can be filed anonymously. The Company does not attempt to identify anonymous complainants.

The employees, and others also have the option to report a concern to the Company's Ethics Officer. The names and contact information of the Ethics Officers are shown on Ethics Posters displayed at various locations throughout the Company.

All calls are categorized into three categories: A, B or C depending on the significance. Status of Help Line complaints are reported quarterly to the appropriate business unit President, Ethics and Compliance Committee Members and the CEO showing the investigation status, resolution and corrective actions taken.

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
2
Comments
<p>There is evidence the company formally addresses conflict of interest as a corruption risk. The company’s Code of Ethics and Standards Business Conduct defines conflicts of interest, including actual, potential and perceived conflicts. The company’s policy covers conflicts in employee relationships, government relationships, financial interests and in secondary employment positions. There is evidence that the policy applies to all employees and board members, including those of subsidiaries and other controlled entities.</p>
Evidence
<p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p.8] <u>Standards of Business Conduct</u> Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company’s CEO and other senior executives, as well as the Company’s directors, consultants, contract laborers and other agents when they act on behalf of the Company.</p> <p>[p.22] <u>Conflicts of Interest - OUR COMMITMENT:</u> We are committed to avoiding conflicts of interest in the performance of our responsibilities. Conflicts of interest arise when, as a result of financial interests or gifts or the prospect of other gains or favors, obligations of loyalty, fairness, impartiality or objectivity appear to be undermined or divided.</p> <p><u>REASON BEHIND IT:</u> To ensure that while seeking or performing work for the Company, you are not seeking financial gain for your relatives or yourself beyond your employee compensation. You must not influence a customer, vendor or supplier (or any of their employees or relatives) by offering improper rewards or kickbacks for favoring our Company. Avoid actions or relationships that create the appearance of a conflict of interest, even if there is no actual conflict. We do what we say.®</p> <p><u>OUR STANDARDS: OFFERING BRIBES, KICKBACKS OR FAVORS/GRATUITIES:</u> Do not offer a customer, vendor or supplier a bribe, kickback or favor/gratuity. Reasonable meals and entertainment, and small, inexpensive gifts may be exchanged with commercial business contacts, but you must make sure that the exchange is not given to secure any favorable treatment for the Company. Government employees tend to be under tighter restrictions. Employees must seek guidance on these issues especially when dealing with federal contracts or international business. When “it might look bad” to offer a gift or favor, don’t do it.</p> <p>[p.23] <u>PERSONAL GAIN:</u> You may not receive personal gain beyond your employee compensation from situations or knowledge that result from your employment with the Company either directly or indirectly through family or friends. For instance, you may not accept gifts, meals, transportation, entertainment or other benefits from a vendor to the Company that might suggest that the vendor is seeking favorable treatment. The Company’s guidelines regarding giving and receiving gifts, meals and entertainment are described in the Policy listed. Do not buy or sell any securities based on non-public information that came to you through your job. Do not accept loans or loan guarantees from suppliers, customers or competitors.</p> <p><u>LOYALTIES TO A CUSTOMER, SUPPLIER OR A COMPETITOR:</u> You must report to your supervisor any relationship with an outside entity that is a customer, supplier or a competitor of the Company. Your supervisor shall discuss that relationship with your Ethics Officer to determine if that creates a conflict of interest for you and advise you accordingly. The types of relationships that you are required to disclose include, but are not limited to, relationship as an owner, part owner, employee or consultant, as</p>

well as family and close personal relationships with customers, suppliers, competitors and those who own and manage them.

[p.24] THE SECOND JOB: Report any non-Company employment to your supervisor. The Company must be confident you will be on the job when needed and that there are no conflicts posed by your second job. All employees must complete the Conflict of Interest form annually to document their second job or conflict of interest status. Employees must update their Ethics Officers immediately of any change in their situations noted in this form.

ORGANIZATIONAL CONFLICTS OF INTEREST:

Where the Company pursues new business with the government, and has an unfair competitive advantage because of one of the scenarios listed below, the Company may be subject to an Organizational Conflict of Interest (OCI) that will either disqualify it from the new work or that will need to be disclosed to the government and mitigated in an acceptable manner.

1. Impaired Objectivity – The Company has a financial interest that could be affected by its performance of the new work (e.g. the new work would be to evaluate the performance of a Company affiliate and thus the impartiality of that advice could be called into question).
2. Unequal Access to Information – As a result of work for the government on other contracts, the Company has access to procurement-sensitive data furnished by the government or others that would not be available to other bidders for the new work.
3. Biased Ground Rules – The Company was involved in writing a specification that favors its own products or services.

[p.25] Potential OCIs should be immediately brought to the attention of your supervisor and the Law Department. It is better that the Company disclose an actual or potential OCI, than to inaccurately state that no OCI exists, which could subject the Company to loss of work and potential civil and criminal liabilities.

PROCUREMENT INTEGRITY: Both commercial and government procurements must rely on fair and equal competition. If you are involved in proposals, bid preparations or contract negotiations, you must be certain that all statements, communications and representations to prospective customers and suppliers are accurate and truthful. If you are involved in U.S. government contracting, the provisions of the Procurement Integrity Act apply and you must not ask for or accept any unauthorized contractor bid or proposal information or source selection information that is not available to all competitors. It is important to avoid even the appearance of unfair advantage.

CURRENT AND FORMER GOVERNMENT EMPLOYEES: Procurement officials and certain other U.S. government officers and employees are subject to restrictions on who they may work for and what they may do in the private sector for a period of time after they leave government employment. Some government employees must disclose to their government supervisors any employment discussions with private employers and recuse themselves from participation in decisions involving such potential employers.

[p.26] Before you discuss potential employment – or a consulting or representational relationship – with a current or former government employee (or with members of their immediate families), you must seek guidance from Human Resources and/or the Law Department.

OUR POLICIES ADDRESSING CONFLICTS OF INTEREST INCLUDE: • 1306-04 Giving and Receiving Gifts, Meals and Entertainment.

[8] Self-Auditing Our Ethics Program (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf>

[p.16] Ethics Audit Procedure - Letters to Vendors

We review the list of vendors from locations where purchasing is not handled by Corporate Purchasing and request the Purchasing function to provide evidence of annual letters to their vendors reminding them about our Code of Ethics, the Company's policy regarding Gifts and Entertainment, and Conflicts of Interest.

[p.18] Conflict of Interest/Second Job Disclosure Statement (COI)

Each employee is required to fill out a (COI) form indicating whether or not they have a second job and/or a relationship with an outside entity that may be a customer, supplier or a competitor of the Company. We review these forms for all employees at the plant locations we visit during the Ethics Audits to make sure Conflicts of

Interest, if disclosed, are properly communicated to all appropriate individuals and resolved. The COI forms are completed on-line by employees at non-plant sites. We monitor the completions electronically. Also, any disclosures are vetted with the appropriate managers. We monitor the COI form completions to ensure that all employees complete the form annually.

[20] Conflict of Interest - Second Job Disclosure Statement (Document)

Accessed 11/06/2019

[https://cdn2.hubspot.net/hubfs/208537/Conflict%20of%20Interest_Second%20Job%20Disclosure%20Statement%20\(002\).pdf](https://cdn2.hubspot.net/hubfs/208537/Conflict%20of%20Interest_Second%20Job%20Disclosure%20Statement%20(002).pdf)

[p.1] Conflicts of Interest/Second Job Disclosure Statement

The Company's Code of Ethics addresses, among other things, conflicts of interest that may arise from a second job or any other relationship with an outside entity that is a customer, supplier or competitor of the Company.

Generally, these relationships do not impact your employment at Day & Zimmermann. However, you must disclose such relationships so that the Company can determine if they can cause a conflict of interest or impair your ability to perform your primary job. Please fill out the 3 sections below checking the correct boxes. Please update your Ethics Officer regarding any changes in the future regarding the situations below.

SECOND JOB:

- I DO NOT have a second job (including self employment and/or consulting).
- I DO have a second job;

The information about that second job is listed below.

Company:

Address:

Phone:

Brief description of the responsibilities of the second job:

Manager's Approval _____

Date Approved _____

OUTSIDE RELATIONSHIPS:

Please report relationships you have with customers, competitors or suppliers that can cause a conflict of interest or create an appearance of conflict of interest. The types of relationships that you are required to disclose include, but are not limited to, relationships as an owner, part owner, employee, consultant, as well as family and close personal relationships with customers, suppliers, competitors and with those who own and manage them.

- I DO NOT have a relationship with a Company that may be a customer, supplier or competitor.
- I DO have a relationship with a Company that may be a customer, supplier or competitor and information about the relationship is listed below.

Company:

Address:

Phone:

Brief description of the relationship:

Manager's Approval _____ Date Approved _____

YOU MUST ALSO COMPLETE THIS SECTION:

Would you like to meet with the Ethics Officer to discuss this survey? YES NO

PRINT NAME:

SIGNATURE:

BADGE #: DATE: DEPT: NAME OF SUPERVISOR:

[21] Giving and Receiving Gifts, Meals and Entertainment Policy (Document)

Accessed 11/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Giving%20and%20Receiving%20Gifts%20Meals%20and%20Entertainment.pdf>

[p.1] 1.0 Purpose

This policy is designed to:

- Foster a standard of conduct, which reflects positively on the Company and its employees in the eyes of the public.
- Protect the Company from embarrassment and financial loss.
- Preserve a climate, which acknowledges the integrity of individual employees, as well as the advantages to the Company of certain outside activities by its employees.

2.0 Policy

Employees must avoid activities with the Company's business partners that may conflict or appear to conflict with the interest of the Company. Employees should also avoid activities that can unduly influence others in favor of the Company or create the appearance of undue influence. Receiving excessive gifts, meals and entertainment from the Company's customers or suppliers can create such conflicts of interest or the appearance of conflicts of interest. Also, providing excessive gifts and entertainment to employees of customers may result in or create the appearance of undue influence on those individuals in their business dealings with the Company.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
1
Comments
<p>There is evidence the company has procedures to identify, declare and manage conflicts of interest, actual, potential and perceived. The company explicitly states that violations of its Code of Ethics and Standards of Business Conduct policy, which contains the company's conflict of interest policy, will lead to disciplinary action and possible termination. There is evidence that the company's ethics and compliance department collects conflict of interest declarations from every employee and oversees the process of regulating and mitigating conflict of interest cases.</p> <p>However, there is no publicly available evidence that all employee conflict of interest disclosures are recorded in a central register.</p>
Evidence
<p>[6] Ethics and Compliance Governance (Webpage) Accessed 10/06/2019 https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/ The mission of the Ethics and Compliance Committee is to promote an organizational culture that encourages ethical conduct and to support the Company and its operating leaders in their commitment to comply with applicable laws and regulations.</p> <p><u>Compliance Topics</u> Among the compliance topics that may be addressed at a given meeting are the following:</p> <ul style="list-style-type: none"> • Government Contracting (e.g., bribery/gratuities, contract pricing, Procurement Integrity, Organizational Conflicts of Interest, Mandatory Disclosure) <p>[8] Self-Auditing Our Ethics Program (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf [p.18] <u>Conflict of Interest/Second Job Disclosure Statement (COI)</u> Each employee is required to fill out a (COI) form indicating whether or not they have a second job and/or a relationship with an outside entity that may be a customer, supplier or a competitor of the Company. We review these forms for all employees at the plant locations we visit during the Ethics Audits to make sure Conflicts of Interest, if disclosed, are properly communicated to all appropriate individuals and resolved. The COI forms are completed on-line by employees at non-plant sites. We monitor the completions electronically. Also, any disclosures are vetted with the appropriate managers. We monitor the COI form completions to ensure that all employees complete the form annually.</p> <p>[21] Conflict of Interest - Second Job Disclosure Statement (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/Conflict%20of%20Interest_Second%20Job%20Disclosure%20Statement%20(002).pdf [p.1] <u>Conflicts of Interest/Second Job Disclosure Statement</u> The Company's Code of Ethics addresses, among other things, conflicts of interest that may arise from a second job or any other relationship with an outside entity that is a customer, supplier or competitor of the Company.</p> <p>Generally, these relationships do not impact your employment at Day & Zimmermann. However, you must disclose such relationships so that the Company can determine if they can cause a conflict of interest or impair your ability to perform your primary job. Please fill out the 3 sections below checking the correct boxes. Please update your Ethics Officer regarding any changes in the future regarding the situations below.</p> <p>SECOND JOB:</p> <ul style="list-style-type: none"> • I DO NOT have a second job (including self employment and/or consulting).

- I DO have a second job;
The information about that second job is listed below.
Company:
Address:
Phone:

Brief description of the responsibilities of the second job:

Manager's Approval _____
Date Approved _____

OUTSIDE RELATIONSHIPS:

Please report relationships you have with customers, competitors or suppliers that can cause a conflict of interest or create an appearance of conflict of interest. The types of relationships that you are required to disclose include, but are not limited to, relationships as an owner, part owner, employee, consultant, as well as family and close personal relationships with customers, suppliers, competitors and with those who own and manage them.

- I DO NOT have a relationship with a Company that may be a customer, supplier or competitor.
- I DO have a relationship with a Company that may be a customer, supplier or competitor and information about the relationship is listed below.

Company:
Address:
Phone:
Brief description of the relationship:
Manager's Approval _____ Date Approved _____

YOU MUST ALSO COMPLETE THIS SECTION:

Would you like to meet with the Ethics Officer to discuss this survey? YES NO

PRINT NAME:
SIGNATURE:
BADGE #: DATE: DEPT: NAME OF SUPERVISOR:

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.8] Standards of Business Conduct

Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company's CEO and other senior executives, as well as the Company's directors, consultants, contract laborers and other agents when they act on behalf of the Company.

[p.22] Conflicts of Interest - OUR COMMITMENT:

We are committed to avoiding conflicts of interest in the performance of our responsibilities. Conflicts of interest arise when, as a result of financial interests or gifts or the prospect of other gains or favors, obligations of loyalty, fairness, impartiality or objectivity appear to be undermined or divided.

REASON BEHIND IT:

To ensure that while seeking or performing work for the Company, you are not seeking financial gain for your relatives or yourself beyond your employee compensation. You must not influence a customer, vendor or supplier (or any of their employees or relatives) by offering improper rewards or kickbacks for favoring our Company. Avoid actions or relationships that create the appearance of a conflict of interest, even if there is no actual conflict. We do what we say.®

OUR STANDARDS: OFFERING BRIBES, KICKBACKS OR FAVORS/GRATUITIES:

Do not offer a customer, vendor or supplier a bribe, kickback or favor/gratuity. Reasonable meals and entertainment, and small, inexpensive gifts may be exchanged with commercial business contacts, but you must make sure that the exchange is not given to secure any favorable treatment for the Company. Government

employees tend to be under tighter restrictions. Employees must seek guidance on these issues especially when dealing with federal contracts or international business. When “it might look bad” to offer a gift or favor, don’t do it.

[p.23] PERSONAL GAIN: You may not receive personal gain beyond your employee compensation from situations or knowledge that result from your employment with the Company either directly or indirectly through family or friends. For instance, you may not accept gifts, meals, transportation, entertainment or other benefits from a vendor to the Company that might suggest that the vendor is seeking favorable treatment. The Company’s guidelines regarding giving and receiving gifts, meals and entertainment are described in the Policy listed. Do not buy or sell any securities based on non-public information that came to you through your job. Do not accept loans or loan guarantees from suppliers, customers or competitors.

LOYALTIES TO A CUSTOMER, SUPPLIER OR A COMPETITOR:

You must report to your supervisor any relationship with an outside entity that is a customer, supplier or a competitor of the Company. Your supervisor shall discuss that relationship with your Ethics Officer to determine if that creates a conflict of interest for you and advise you accordingly. The types of relationships that you are required to disclose include, but are not limited to, relationship as an owner, part owner, employee or consultant, as well as family and close personal relationships with customers, suppliers, competitors and those who own and manage them.

[p.24] THE SECOND JOB: Report any non-Company employment to your supervisor. The Company must be confident you will be on the job when needed and that there are no conflicts posed by your second job. All employees must complete the Conflict of Interest form annually to document their second job or conflict of interest status. Employees must update their Ethics Officers immediately of any change in their situations noted in this form.

ORGANIZATIONAL CONFLICTS OF INTEREST:

Where the Company pursues new business with the government, and has an unfair competitive advantage because of one of the scenarios listed below, the Company may be subject to an Organizational Conflict of Interest (OCI) that will either disqualify it from the new work or that will need to be disclosed to the government and mitigated in an acceptable manner.

1. Impaired Objectivity – The Company has a financial interest that could be affected by its performance of the new work (e.g. the new work would be to evaluate the performance of a Company affiliate and thus the impartiality of that advice could be called into question).
2. Unequal Access to Information – As a result of work for the government on other contracts, the Company has access to procurement-sensitive data furnished by the government or others that would not be available to other bidders for the new work.
3. Biased Ground Rules – The Company was involved in writing a specification that favors its own products or services.

[p.25] Potential OCIs should be immediately brought to the attention of your supervisor and the Law Department. It is better that the Company disclose an actual or potential OCI, than to inaccurately state that no OCI exists, which could subject the Company to loss of work and potential civil and criminal liabilities.

PROCUREMENT INTEGRITY: Both commercial and government procurements must rely on fair and equal competition. If you are involved in proposals, bid preparations or contract negotiations, you must be certain that all statements, communications and representations to prospective customers and suppliers are accurate and truthful. If you are involved in U.S. government contracting, the provisions of the Procurement Integrity Act apply and you must not ask for or accept any unauthorized contractor bid or proposal information or source selection information that is not available to all competitors. It is important to avoid even the appearance of unfair advantage.

CURRENT AND FORMER GOVERNMENT EMPLOYEES: Procurement officials and certain other U.S. government officers and employees are subject to restrictions on who they may work for and what they may do in the private sector for a period of time after they leave government employment. Some government employees must disclose to their government supervisors any employment discussions with private employers and recuse themselves from participation in decisions involving such potential employers.

[p.26] Before you discuss potential employment – or a consulting or representational relationship – with a current or former government employee (or with members of their immediate families), you must seek guidance from Human Resources and/or the Law Department.

OUR POLICIES ADDRESSING CONFLICTS OF INTEREST INCLUDE: • 1306-04 Giving and Receiving Gifts, Meals and Entertainment.

[p.38] Reporting ethical Violations - Results

If it is determined that an ethical violation has occurred, the Company will take appropriate action which could include Company disclosures to our customers or law enforcement officials or disciplinary action against individuals, ranging from verbal reprimand to termination and civil or criminal prosecution.

[p.40] ACKNOWLEDGEMENT CARD - ACKNOWLEDGEMENT & CERTIFICATION

Please remove at perforation and return this portion. All employees are required to certify that they have read, understand and will comply with this Code of Conduct.

I certify the following:

- I have read Day & Zimmermann's Code of Conduct, and agree to comply with it and the Company policies.
- I understand and agree that if I violate this Code of Conduct and the Company policies, I may be subject to disciplinary action up to and including termination.

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
1
Comments
<p>There is evidence that the company recognises the corruption risks associated with employing government officials. The company has a policy which includes controls to assess and regulate employment and offers of employment or consultancy engagement to current and recently departed public officials, including politicians. The policy requires the consultation and approval of the human resources and legal departments before initiating any employment discussions with present or past government officials.</p> <p>However, the company does not state that it has a policy to implement a cooling-off period of at least 12 months before former public officials are permitted to have any form of contact or relationship with their former organisation on the company's behalf. There is also no evidence that the company reviews the former state employee's position and past responsibilities to mitigate any potential conflict of interests arising as part of their work with the company.</p>
Evidence
<p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p.25] CURRENT AND FORMER GOVERNMENT EMPLOYEES: Procurement officials and certain other U.S. government officers and employees are subject to restrictions on who they may work for and what they may do in the private sector for a period of time after they leave government employment. Some government employees must disclose to their government supervisors any employment discussions with private employers and recuse themselves from participation in decisions involving such potential employers.</p> <p>[p.26] Before you discuss potential employment – or a consulting or representational relationship – with a current or former government employee (or with members of their immediate families), you must seek guidance from Human Resources and/or the Law Department.</p> <p>[22] Government Relations Policy (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-govt-relations.pdf [p.1] Congressional Activities All communications, contacts and meetings with members of the United States Congress, and with their congressional and committee staffs, must be coordinated through the Vice President of Government Affairs, in advance, except as provided below.</p> <p>[p.2] If a Company employee is contacted by a member of Congress, or by congressional or committee staffs, or encounters any of them without an opportunity to consult with others in advance, that employee must promptly notify the Vice President of Government Affairs and coordinate with the Vice President of Government Affairs if there is any response to or actions arising out of or related to that contact. If an employee of the Company contacts his or her congressional representatives in connection with a matter of personal concern to the employee, the employee must identify himself or herself as an individual constituent, not a representative of the Company.</p>

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no publicly available evidence that the company reports details of the contracted services of serving politicians nor that the company has a policy not to contract serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>There is evidence that the company has a policy on political contributions to ensure that these payments are not used as vehicles for bribery and corruption. However, there is evidence that the company may make political donations when approved by the Law Department or the Company’s Vice President of Government Affairs. In addition, there is evidence that the company is associated with a Political Action Committee (PAC) in the United States.</p> <p>Since the company does not prohibit political donations and is associated with a PAC, it receives a score of ‘0’ in line with the scoring criteria.</p>
Evidence
<p>[23] Participation in Political Causes Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Participation%20in%20Political%20Causes.pdf [p.1] Political Contributions/DAYPAC The Company does not make political contributions. The Company does cooperate with the legally organized state political action committee of its employees, known as DAYPAC. Employee contributions to DAYPAC are used to support candidates that, regardless of party, are deemed most likely to support the Company’s interests and perpetuate our Company values. The Company’s Senior Vice President of Corporate Strategy and Finance acts as the advisor to DAYPAC to maximize the effectiveness of the use of the money in making meaningful contributions to deserving candidates. The Company will, under no circumstances, reimburse employees for voluntary contributions to DAYPAC and will not apply any sort of pressure on employees or contributors.</p> <p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p.8] <u>Standards of Business Conduct</u> Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company’s CEO and other senior executives, as well as the Company’s directors, consultants, contract laborers and other agents when they act on behalf of the Company.</p> <p>[p.33] <u>POLITICAL ACTIVITY:</u> Political and civic activities are a personal choice. If you speak out on public issues, do not state or imply that you are speaking for the Company. You may support DAYPAC, a Company-sponsored Political Action Committee that supports business-friendly candidates. The Company may solicit for contributions to DAYPAC. Such contributions are voluntary, and the Company will never favor or disfavor an employee for contributing or declining to contribute to DAYPAC. Many countries, including the United States, prohibit the Company from donating corporate funds, goods or services to political candidates directly, and restrict or regulate indirect political contributions, including the work time of Company employees.</p> <p>[p.34] You must consult the Law Department or the Company’s Vice President of Government Affairs before using any Company funds, assets or facilities for the benefit of political parties or candidates, and before contacting U.S. Congressional and Executive Branch employees and staff on behalf of the Company. Contacts or political contributions to foreign governments, officials or candidates must be coordinated with the Law Department to ensure compliance with applicable laws and regulations.</p>

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] POLITICAL CONTRIBUTIONS:

The FCPA prohibits providing anything of value (whether in cash or in-kind) to a candidate for political office, political party, or party officials in order to obtain, retain or direct business. Any contribution, participation during work hours, or use of Company facilities or resources for a non-U.S. political activity may be prohibited by local law and the FCPA. All such contributions and actions must be approved by the Company's Law Department and the Company's Director of Government Relations.

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no evidence that the company publishes any details of its corporate political contributions or of the donations made through the Political Action Committee (PAC).
Evidence
No evidence found.

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
0
Comments
<p>There is evidence that the company has a policy covering charitable donations, requiring the approval of the company's legal department. The company states that it reviews charitable donations to assess whether they are associated with a foreign government official.</p> <p>However, the company receives a score of '0' because there is no publicly available evidence that its policy includes criteria for charitable donations, nor is there evidence that it publishes comprehensive details of the charitable donations made in the most recently reported financial year.</p>
Evidence
<p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf [p.3] CHARITABLE DONATIONS: Legitimate charitable donations (whether monetary or in-kind) in a foreign location where the Company operates may be made by the Company, but only in accordance with the Company authority levels and with approval of the Company Law Department.</p> <p>Donations must be reviewed to determine whether the charitable organization or community group is associated with a foreign government official.</p> <p>If the donation is affiliated with a foreign government official or suggested by a foreign government official, then the donation must be reviewed and approved by the Law Department in advance of any promise, commitment, or donation.</p> <p>[24] Giving Back (Webpage) Accessed 12/06/2019 https://www.dayzim.com/about/giving-back Supporting Communities in Need We're also passionate about giving back to our communities. We support education from early childhood through secondary, and have supported initiatives promoting science, technology, engineering and math (STEM) for students. Additionally, we have donated our time and resources toward causes that assist underprivileged children, health and wellness as well as support for our U.S. Veterans.</p> <p>Our efforts support our core values of Safety, Integrity, Diversity and Success and are evaluated by our actions, at work, within the community and in life.</p>

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
1
Comments
<p>There is evidence that the company has a policy covering lobbying which assigns oversight of the company's lobbying activities to the Vice President of Government Affairs. Any contacts with lobbyists must be coordinated through the company's government affairs department. There is some evidence the policy applies company-wide to all employees and third parties engaged in lobbying activities on the company's behalf, although the policy does not explicitly refer to members of the company's board.</p> <p>However, the company receives a score of '1' because responsible lobbying is not clearly defined in publicly available evidence. There is also no publicly available evidence that the company has specific standards of conduct or specific oversight mechanisms that apply to all types of lobbyists, nor that specific controls or guidelines are provided.</p>
Evidence
<p>[22] Government Relations Policy (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-govt-relations.pdf</p> <p>[p.1] 1.0 Purpose The purpose of this policy is to ensure that the Company effectively and lawfully manages its relationship and interaction with the United States Congress.</p> <p>2.0 Background The congressional branch of the United States government can impact the Company in a variety of ways, including the annual process of authorizing and appropriating funds in support of programs in which the Company has an interest, periodic requests for testimony or information relating to legislative, investigative or policy initiatives and the enactment of tax, employment, environmental or other legislation affecting the Company, its customers or employees. To enhance its reputation and effectiveness as a federal government contractor, and to protect interests vital to the Company, it is wholly appropriate for the Company to engage in congressional activities. In doing so, the Company must adhere rigorously to all applicable laws, including those relating to lobbying and campaign finance, and to its own values of integrity and accountability.</p> <p>3.0 Congressional Activities The Vice President of Government Affairs, a registered lobbyist under the Lobbying Reform Act of 1994, has primary responsibility for management of the Company's relationship and interactions with the United States Congress.</p> <p>To ensure that the Company's messages are consistent and coordinated, to balance the sometimes competing priorities of the Company's various lines of business, and to ensure compliance with law and Company values, all employees must adhere to the following:</p> <p>All consultants retained for the purpose of lobbying or conducting other congressional activities must be retained, coordinated and supervised by the Vice President of Government Affairs.</p> <p>All communications, contacts and meetings with members of the United States Congress, and with their congressional and committee staffs, must be coordinated through the Vice President of Government Affairs, in advance, except as provided below.</p> <p>[p.2] If a Company employee is contacted by a member of Congress, or by congressional or committee staffs, or encounters any of them without an opportunity to consult with others in advance, that employee must promptly notify the Vice President of Government Affairs and coordinate with the Vice President of Government Affairs if there is any response to or actions arising out of or related to that contact.</p>

If an employee of the Company contacts his or her congressional representatives in connection with a matter of personal concern to the employee, the employee must identify himself or herself as an individual constituent, not a representative of the Company.

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
1
Comments
<p>The company publishes limited details regarding its regarding its lobbying activities.</p> <p>However, it does not publish supporting details of the aims and significant topics of the lobbying activities the company carries out.</p>
Evidence
<p>[22] Government Relations Policy (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-govt-relations.pdf [p.1] <u>1.0 Purpose</u> The purpose of this policy is to ensure that the Company effectively and lawfully manages its relationship and interaction with the United States Congress.</p> <p><u>2.0 Background</u> The congressional branch of the United States government can impact the Company in a variety of ways, including the annual process of authorizing and appropriating funds in support of programs in which the Company has an interest, periodic requests for testimony or information relating to legislative, investigative or policy initiatives and the enactment of tax, employment, environmental or other legislation affecting the Company, its customers or employees. To enhance its reputation and effectiveness as a federal government contractor, and to protect interests vital to the Company, it is wholly appropriate for the Company to engage in congressional activities. In doing so, the Company must adhere rigorously to all applicable laws, including those relating to lobbying and campaign finance, and to its own values of integrity and accountability.</p>

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes any details about its lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
1
Comments
<p>There is evidence that the company has a policy on the giving and receiving of gifts and hospitality with procedures designed to ensure that such promotional expenses are bona fide and not used for bribery. This policy establishes financial limits, along with an approval procedure, for the different types of promotional expense that employees may encounter. The policy also addresses the risks associated with gifts and hospitality given to and/or received from domestic and foreign public officials by specifying a lower financial value of such gratuities.</p> <p>However, there is no explicit evidence that all gifts and hospitality above a certain threshold are recorded in a dedicated register or central depository that is accessible to those responsible for oversight of the process.</p>
Evidence
<p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf [p.22] OUR COMMITMENT: We are committed to avoiding conflicts of interest in the performance of our responsibilities. Conflicts of interest arise when, as a result of financial interests or gifts or the prospect of other gains or favors, obligations of loyalty, fairness, impartiality or objectivity appear to be undermined or divided.</p> <p>REASON BEHIND IT: To ensure that while seeking or performing work for the Company, you are not seeking financial gain for your relatives or yourself beyond your employee compensation. You must not influence a customer, vendor or supplier (or any of their employees or relatives) by offering improper rewards or kickbacks for favoring our Company. Avoid actions or relationships that create the appearance of a conflict of interest, even if there is no actual conflict. We do what we say.®</p> <p>OUR STANDARDS: OFFERING BRIBES, KICKBACKS OR FAVORS/GRATUITIES: Do not offer a customer, vendor or supplier a bribe, kickback or favor/gratuity. Reasonable meals and entertainment, and small, inexpensive gifts may be exchanged with commercial business contacts, but you must make sure that the exchange is not given to secure any favorable treatment for the Company. Government employees tend to be under tighter restrictions. Employees must seek guidance on these issues especially when dealing with federal contracts or international business. When “it might look bad” to offer a gift or favor, don’t do it.</p> <p>[p.23] You may not receive personal gain beyond your employee compensation from situations or knowledge that result from your employment with the Company either directly or indirectly through family or friends. For instance, you may not accept gifts, meals, transportation, entertainment or other benefits from a vendor to the Company that might suggest that the vendor is seeking favorable treatment. The Company’s guidelines regarding giving and receiving gifts, meals and entertainment are described in the Policy listed.</p> <p>[21] Giving and Receiving Gifts, Meals and Entertainment Policy (Document) Accessed 11/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Giving%20and%20Receiving%200Gifts%20Meals%20and%20Entertainment.pdf [p.1] 1.0 Purpose</p> <p>This policy is designed to:</p> <ul style="list-style-type: none"> • Foster a standard of conduct, which reflects positively on the Company and its employees in the eyes of the public. • Protect the Company from embarrassment and financial loss.

- Preserve a climate, which acknowledges the integrity of individual employees, as well as the advantages to the Company of certain outside activities by its employees.

2.0 Policy

Employees must avoid activities with the Company's business partners that may conflict or appear to conflict with the interest of the Company. Employees should also avoid activities that can unduly influence others in favor of the Company or create the appearance of undue influence. Receiving excessive gifts, meals and entertainment from the Company's customers or suppliers can create such conflicts of interest or the appearance of conflicts of interest. Also, providing excessive gifts and entertainment to employees of customers may result in or create the appearance of undue influence on those individuals in their business dealings with the Company. Accordingly, the Company establishes the following guidelines for giving and accepting gifts, meals and entertainment:

2.1 Gifts and Entertainment Involving Suppliers or Non-Government Customers Accepting Gifts and Entertainment

An employee is permitted to accept gifts or meals from customers or suppliers or from potential customers or suppliers in accordance with the guidelines below:

- An employee may accept up to two gifts, not to exceed \$200.00 in value in total, and up to two meals, also limited to \$200.00 in value in total, from the same entity in a calendar year. Employees receiving such gifts and meals must inform their direct supervisors in writing prior to or immediately after receiving such gifts and meals.
- An employee may accept up to two tickets per calendar year to a social event, such as a play or sporting event hosted by the Company's customers or suppliers or by potential customers or suppliers, even if the total value is more than \$200.00. In addition, an employee is allowed to accept two invitations to play golf or other sport with such customers or suppliers, even if the value of a single event is more than \$200.00 per person. An employee should not accept more than two such invitations per year from the same customer or supplier.

2.2 Providing Gifts and Entertainment

- An employee may provide a gift with a monetary value of up to \$200.00 per person, per year to a customer or a potential customer. An employee may also provide meals with a monetary value of up to \$200.00 per meal to a customer or potential customer, with no annual limit on the number of meals. The \$200.00 limit is not applicable for social events such as golf games, sporting events and plays that an employee may host to entertain customers or potential customers on behalf of the Company.
- An employee can provide a gift or a meal with a monetary value of up to \$200.00 per person, per calendar year to employees of suppliers or potential suppliers. In addition, an employee may provide to such suppliers up to two tickets per person, per calendar year to a social event such as a play, sporting event or an activity hosted by the Company, even if the total value is more than \$200.00.

[p.2] 2.3 Related Issues

- The permissible invitation in all situations mentioned above cannot be for an event that includes plane fare or hotel stays, nor can it include entertainment that would reflect adversely on the Company's reputation or image in the marketplace or the community at large.
- Business and corporate staff unit heads can establish a lower dollar limit for both giving and receiving gifts, meals and entertainment, if deemed appropriate.
- Giving or receiving of cash in any amount is prohibited. Allowable gifts are seasonal/holiday gifts and general sales and promotional items.

2.4 Approval of Exceptions

Any exception to the above guidelines must be approved in writing by the department's or business unit's Leadership Council Member. Any exception to the above guidelines for a member of the Leadership Council requires the approval of the Chairman and CEO. The approving party should consider the following:

- Whether or not the Company is in any contract negotiation with the inviting or invited party.
- Whether or not participating in a social or sporting event or receiving/giving a gift during such negotiation can create the appearance of unduly influencing the invited employee or the invited guest.

2.5 Gifts and Entertainment Involving Government Employees or Public Office Holders

It is prohibited by Federal law to provide any gifts, meals or other gratuities to an employee of the U.S. government (executive branch or military service) or to any U.S. Congressional member or staff person. However, small dollar value mementos and or refreshments (worth \$20.00 or less) are permissible in certain situations. Employees should consult with the Law Department to determine the permissibility of such gifts and entertainment to U.S. Government personnel.

Gifts and entertainment expenses involving political candidates, state and local government employees, state or local public office holders, foreign government employees, or foreign public holders must be authorized in advance by appropriate management in consultation with the Law Department.

3.0 Application

Responsibility for conduct within the letter and spirit of this policy rests with each individual. Recognizing the value of certain outside activities, the intent of this policy is to ensure management awareness and control rather than to prohibit outright those activities that might create a potential conflict of interest. Thus, each individual is responsible for reporting through the normal organizational channels any such activity in which he or she is engaged. The CEO or Leadership Council Member, with the advice of counsel, is responsible for determining whether or not an actual or potential conflict exists and establishing any controls required.

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] GIFTS:

The FCPA allows for gifts of nominal or modest value in the appropriate circumstances where customary and reasonable. Promotional gifts which are of nominal value and bear the Company logo (e.g., company coins, t-shirts, plaques, etc) may be provided without Law Department approval. All other gifts must be approved by the Law Department before given. In general, gifts must meet the following criteria:

- A gift should comply with any local laws or business policies that apply to the non-U.S. government official.
- A gift of cash is never appropriate.
- A gift should not be extravagant or lavish.
- The Company shall avoid a pattern of providing nominal gifts to the same person or group, as it may begin to take on the appearance of a bribe.
- The gift should be customary under the circumstances.
- The gift should be transparent, and Employees should not allow anyone to conceal the facts.

[p.4] • The gift should be given in a manner that avoids any appearance of impropriety.

- The expense of the gift must be fairly and accurately accounted for in the Company's books and records.

HOSPITALITY, MEALS, TRAVEL, ENTERTAINMENT, AND PROMOTIONAL ITEMS:

Offers of hospitality, visits by foreign government officials to work sites, or providing gifts, travel, or entertainment may be allowed under the FCPA, but such activities must be approved in advance by the Law Department. Reasonable and bona fide expenditures in connection with the promotion or execution of a contract may be allowed.

[25] Supplier Anti-Corruption Policy (Document)

Accessed 12/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-supplier-anti-corruption.pdf>
Gifts/Business Courtesies

[p.2] We expect our suppliers to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, our suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient's organization, and are consistent with reasonable marketplace customs and practices.

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
1
Comments
<p>There is evidence that the company requires the involvement of its procurement department in the establishment of new supplier relationships. This department is named as the single point of contact for all new vendors, and there is evidence that it communicates with all suppliers on anti-corruption issues on an annual basis, suggesting that they are the main body responsible for oversight of the company’s supplier base.</p> <p>However, although procurement integrity is one the topics which may be discussed by the Ethics and Compliance Committee, there is no publicly available evidence that the company assures itself that proper procedures regarding the onboarding of suppliers are followed through clearly stated means, such as an audit, at least every three years.</p>
Evidence
<p>[25] Supplier Anti-Corruption Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-supplier-anti-corruption.pdf [p.3] 4.2 Vetting Suppliers for Anti-Corruption Matters</p> <p>4.2.1 Corporate Purchasing will be the single point of contact for vendor set up in SAP. The Purchasing function will verify that suppliers and subcontractors who are involved with government contracts are not identified on the U.S. Governments OFAC and EPLS lists. The Company will also comply with any other such list published by relevant authorities in the countries where we do business where practical.</p> <p>4.2.2 In addition, for D&Z’s Munitions and Government (DZMG) business, for any purchase of non-commercial goods over \$30,000 the buyer will verify through a third party, that the vendor is not listed on any of the U.S. Government’s “do not use” list. Per FAR 9.409.</p> <p>[p.4] 4.2.3 The Procurement Organization will issue an annual communication to the Company’s suppliers to reiterate the requirements for suppliers to conform to the Company’s anti-corruption policies. The suppliers will also be reminded that failure to comply may result in loss of business.</p> <p>4.2.4 Possible reasons for the Company to suspend a supplier include:</p> <ul style="list-style-type: none"> a) Commission of fraud or criminal offense in obtaining or performing a contract b) Violating antitrust laws related to the submission of offers c) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal criminal tax laws, or receiving stolen property d) Intentionally using a false "Made in America" label e) Violations of the Drug-Free Workplace Act of 1988 f) Committing unfair trade practices g) Any action indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contractor <p>5.0 Responsibilities 5.1 The Company’s Procurement organizations are responsible for ensuring that the suppliers they source are vetted in accordance with the requirements of this policy and that these suppliers understand the Company’s expectations regarding Anti-Corruption as described in Section 4.1 above.</p> <p>[4] Code of Ethics and Standards of Business Conduct (Document) Accessed 10/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf</p>

[p.25] **PROCUREMENT INTEGRITY:**

Both commercial and government procurements must rely on fair and equal competition. If you are involved in proposals, bid preparations or contract negotiations, you must be certain that all statements, communications and representations to prospective customers and suppliers are accurate and truthful. If you are involved in U.S. government contracting, the provisions of the Procurement Integrity Act apply and you must not ask for or accept any unauthorized contractor bid or proposal information or source selection information that is not available to all competitors. It is important to avoid even the appearance of unfair advantage.

[6] Ethics and Compliance Governance (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/>

The mission of the Ethics and Compliance Committee is to promote an organizational culture that encourages ethical conduct and to support the Company and its operating leaders in their commitment to comply with applicable laws and regulations.

[...]

The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program

Compliance Topics

Among the compliance topics that may be addressed at a given meeting are the following:

- Government Contracting (e.g., bribery/gratuities, contract pricing, Procurement Integrity)

[7] Day & Zimmerman Integrity - Ethics Audits (Webpage)

Accessed 10/06/2019

<https://www.dayzim.com/about/vision-values/integrity/ethics-audits/>

Our Ethics Officers participate in annual Ethics audits of other operations, and support audits of their own sites by other Ethics Officers. The purpose of these audits is to ensure that the Ethics Program is being implemented in accordance with the Company's guidelines.

Conflicts of Interest including audit of reports/verifications required by federal procurement integrity laws; inquiry into second jobs of employees. The Conflict of Interest/Second Job Disclosure Statement needs to be completed annually by each employee.

[33] Active Suppliers (Webpage)

Accessed 17/01/2020

<https://www.dayzim.com/about/active-suppliers>

All suppliers currently providing goods and services to the Day & Zimmermann family of companies will be invited to join the Ariba Network and confirm a "trading relationship" with Day & Zimmermann in the coming months. Once a supplier is asked to join the Ariba Network, conducting business on the Ariba Network will be required to transact with Day & Zimmermann going forward. All purchase orders, order confirmations, advanced ship notices and invoices will be transmitted using this platform.

It is each supplier's choice whether they wish to become fully enabled on the Ariba Network (incurs a fee) or light enabled (free).

Initial Supplier On-boarding:

If you are a new supplier to Day & Zimmermann, your company's contact and payment information will need to be loaded into our system. Day & Zimmermann utilizes Ariba as well to on-board suppliers through its Supplier Lifecycle & Performance (SLP) module. You will receive an email from Ariba asking you to follow a D&Z-specific link to load your company's information so we can issue you future purchase orders and agreements, and so that you can get paid.

If you experience difficulties with completing this link, we have created this [Supplier Registration Guide](#) that walks you through step-by-step how to create a new profile with us through Ariba SLP.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
1
Comments
<p>There is some evidence that the company has formal procedures to conduct due diligence on all its suppliers, and that the company might be willing to terminate supplier relationships in circumstances where a red flag highlighted in the due diligence cannot be mitigated.</p> <p>However, there is no evidence to suggest that high risk suppliers are subject to enhanced due diligence. It is also not clear from publicly available evidence whether the company repeats due diligence on its existing suppliers. There is also no evidence that due diligence includes checks on the beneficial ownership of suppliers.</p>
Evidence
<p>[25] Supplier Anti-Corruption Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-supplier-anti-corruption.pdf [p.3] 4.2 Vetting Suppliers for Anti-Corruption Matters</p> <p>4.2.1 Corporate Purchasing will be the single point of contact for vendor set up in SAP. The Purchasing function will verify that suppliers and subcontractors who are involved with government contracts are not identified on the U.S. Governments OFAC and EPLS lists. The Company will also comply with any other such list published by relevant authorities in the countries where we do business where practical.</p> <p>4.2.2 In addition, for D&Z's Munitions and Government (DZMG) business, for any purchase of non-commercial goods over \$30,000 the buyer will verify through a third party, that the vendor is not listed on any of the U.S. Government's "do not use" list. Per FAR 9.409.</p> <p>[p.4] 4.2.3 The Procurement Organization will issue an annual communication to the Company's suppliers to reiterate the requirements for suppliers to conform to the Company's anti-corruption policies. The suppliers will also be reminded that failure to comply may result in loss of business.</p> <p>4.2.4 Possible reasons for the Company to suspend a supplier include:</p> <ul style="list-style-type: none"> a) Commission of fraud or criminal offense in obtaining or performing a contract b) Violating antitrust laws related to the submission of offers c) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal criminal tax laws, or receiving stolen property d) Intentionally using a false "Made in America" label e) Violations of the Drug-Free Workplace Act of 1988 f) Committing unfair trade practices g) Any action indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contractor <p>5.0 Responsibilities</p> <p>5.1 The Company's Procurement organizations are responsible for ensuring that the suppliers they source are vetted in accordance with the requirements of this policy and that these suppliers understand the Company's expectations regarding Anti-Corruption as described in Section 4.1 above.</p>

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
2
Comments
<p>There is evidence that the company ensures that all its suppliers have adequate anti-bribery and corruption policies and procedures in place. There is evidence that suppliers must have policies that prohibit foreign and domestic bribery, facilitation payments, as well as maintaining policies relating to conflicts of interest, gifts & hospitality and whistleblowing. There is evidence that the company’s procurement department is responsible for monitoring suppliers’ compliance with these policies and that the company assures itself of this on at least an annual basis.</p>
Evidence
<p>[26] Letter to Suppliers (updated 2017) (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf [p.4] Ethics Program Expectations: <u>IV. Anti-Corruption</u> A. Anti-Corruption Laws Our suppliers must comply with the anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.</p> <p>[p.5] We require our suppliers to refrain from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law. Personal safety payments are permitted where there is an imminent threat to health or safety.</p> <p>We expect our suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.</p> <p>B. Illegal Payments Our suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of monies or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.</p> <p>C. Anti-Trust Our suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Our suppliers must refrain from participating in a cartel.</p> <p>D. Gifts/Business Courtesies We expect our suppliers to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, our suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient’s organization, and are consistent with reasonable marketplace customs and practices.</p> <p>E. Insider Trading Our suppliers and their personnel must not use material, non-publicly disclosed information obtained in the course of their business relationship with us as the basis for trading or for enabling others to trade in the securities of our company or those of any other company.</p> <p><u>Conflict of Interest</u> We expect our suppliers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with our company. We expect our suppliers to provide notification to all affected parties in</p>

the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of our company and personal interests or those of close relatives, friends or associates.

[p.6] X. Ethics Program Expectations

A. Whistleblower Protection

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

B. Consequences for Violating Code

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

C. Ethics Policies

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

[...]

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

[25] Supplier Anti-Corruption Policy (Document)

Accessed 12/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-supplier-anti-corruption.pdf>

[p.1] Objectives

2.1 To communicate the expectations we hold for our suppliers regarding Anti-Corruption.

2.2 To establish the requirements for vetting suppliers for Anti-Corruption matters in accordance with applicable laws and regulations prior to signing contracts with the suppliers.

4.1.1 Anti-Corruption Laws

[p.2] Our suppliers must comply with the anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. We require our suppliers to refrain from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law. Personal safety payments are permitted where there is an imminent threat to health or safety. Our suppliers must be aware that in some countries, commercial enterprises are often owned or controlled by the government. Employees of such state-run enterprises could fall under the definition of "government officials" and payments to them could be considered bribery under the U.S. Foreign Corrupt Practices Act or other anti-corruption laws. We expect our suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.

[...]

Vetting Suppliers for Anti-Corruption Matters

4.2.1 Corporate Purchasing will be the single point of contact for vendor set up in SAP. The Purchasing function will verify that suppliers and subcontractors who are involved with government contracts are not identified on the U.S.

Governments OFAC and EPLS lists. The Company will also comply with any other such list published by relevant authorities in the countries where we do business where practical.

4.2.2 In addition, for D&Z's Munitions and Government (DZMG) business, for any purchase of non-commercial goods over \$30,000 the buyer will verify through a third party, that the vendor is not listed on any of the U.S. Government's "do not use" list. Per FAR 9.409.

[p.3] 4.2.3 The Procurement Organization will issue an annual communication to the Company's suppliers to reiterate the requirements for suppliers to conform to the Company's anti-corruption policies. The suppliers will also be reminded that failure to comply may result in loss of business.

4.2.4 Possible reasons for the Company to suspend a supplier include:

- a) Commission of fraud or criminal offense in obtaining or performing a contract
- b) Violating antitrust laws related to the submission of offers
- c) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal criminal tax laws, or receiving stolen property
- d) Intentionally using a false "Made in America" label
- e) Violations of the Drug-Free Workplace Act of 1988
- f) Committing unfair trade practices
- g) Any action indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contractor

[p.3] 5.0 Responsibilities

5.1 The Company's Procurement organizations are responsible for ensuring that the suppliers they source are vetted in accordance with the requirements of this policy and that these suppliers understand the Company's expectations regarding Anti-Corruption as described in Section 4.1 above.

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] Compliance Program

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business. The compliance program shall include the following components:

- Providing training on the Foreign Corrupt Practice Act, anti-corruption laws, export control laws, trade restrictions, human trafficking, and other associated international laws to all Company employees in business units involved in international business transactions.
- Ensuring that employees who are involved in international business transactions in a marketing, sales, project management, finance, operations, or executive role have received appropriate training on compliance with the FCPA and other applicable laws.
- Vetting and training of all international agents, representatives, subcontractors, suppliers, and any other international business partners (collectively "International Business Partners").
- Encouraging compliance of the Company's anti-corruption policies regarding by Company employees and International Business Partners.
- Providing a reporting mechanism through the Company's Ethics and Compliance Program to employees and third parties to report potential violations of the Company's anti-corruption policies or applicable law on an anonymous basis without fear of reprisal.
- Ensuring that potential business partners and other third party stakeholders are aware of the Company's compliance policies and expectations for employees and business partners through publication of the Company's commitment to compliance on its website or other means.

- Taking appropriate disciplinary action when necessary, including termination and reporting to law enforcement.
- Requiring certifications of compliance on a regular basis from International Business Partners.
- Providing clear direction to all Employees and International Business Partners.

[p.4] Day & Zimmermann's Anti-Corruption Policy - BUSINESS PARTNERS:

The Company shall require all of its business partners, including joint venture partners, subcontractors, suppliers, agents, and representatives to certify compliance with the Company's Anti-Corruption policies or a policy of similar restrictions, including prohibitions on facilitation payments.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
1
Comments
<p>There is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain.</p> <p>However, this evidence is in the form of a simple statement and it is unclear how the company ensures itself of subcontractor compliance in practice.</p>
Evidence
<p>[34] Munitions Business Unit – General Terms and Conditions (Document) Accessed 17/01/2019 https://cdn2.hubspot.net/hubfs/208537/DZM%20Standard%20Terms%20and%20Conditions%20Amended%207-22-2019.pdf</p> <p>[p.12] a. Seller shall comply with all Laws, ordinances, rules and regulations governing the import and export of the Seller’s Product provided under this AGREEMENT and any components and raw materials used in the manufacture of the Products. This includes, but not limited to, the International Traffic-in-Arms Regulations (“ITAR”), 27 CFR 55, and the Foreign Corrupt Practices Act, with respect to the Products furnished hereunder, Seller certifies it has not and will not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise securing the sale of defense Products and services to or for the use of the armed forces of an international organization or non-U.S. country, any: (i) fees or commissions in excess of \$1,000; or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. person or entity. Seller intends to conduct work for Buyer in a foreign country, including but not limited to the use of Seller’s own facility outside of the U.S., or the use of a foreign affiliate or unrelated subcontractor, Seller shall provide advance written notification to Buyer. Seller is responsible for obtaining all import and export control licenses required by law, regulation or as otherwise requested by the Buyer. Seller shall flow the substance of this clause in any subcontracts.</p> <p>[26] Letter to Suppliers (updated 2017) (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf</p> <p>[p.1] In this annual ethics letter release to our suppliers, Day & Zimmermann would like to introduce you to the DII Model Supplier Code of Conduct, inclusive of our associated one-page addendum. This document officially replaces our former “Ethics Standards and Guidelines for Supplier Personnel”.</p> <p>[p.2] The goal of Day & Zimmermann standardizing on the DII Code is simple: it promotes inter-organizational ethics (e.g. each part of the supply chain affects others), while limiting the number of codes flowed to common suppliers in the defense industry. We also include a one-page addendum as the last page to further express additional perspective on our core values.</p> <p>Please remain aware that our employees may not solicit or receive any gifts, gratuities, hospitality or the like to influence their decisions regarding any business matter. They may never accept any such items or services that exceed a nominal value.</p> <p>Our suppliers must comply with all anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Our suppliers are expected to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements and the hiring of consultants and agents. As stated in our addendum, suppliers must avoid unfair competitive practices.</p> <ul style="list-style-type: none"> • Attempting to control or monopolize markets • Defaming or lying about a competitor's business, products or services • Inducing a customer to fail to honor a contract with a competitor • Intentionally misrepresenting or concealing information about its products and services, or making deceptive, misleading or false statements or claims about them that have no factual basis

- Industrial spying, or improperly accepting or using a competitor's trade secrets
- Bribing a customer's agents and employees. We invite all of our suppliers and their employees to read through the DII Model Supplier Code of Conduct, inclusive of our associated one-page addendum. More information on Day & Zimmermann's values and strong commitment to integrity can be found on our Integrity website page.

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

[p.6] X. Ethics Program Expectations

B. Consequences for Violating Code

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

C. Ethics Policies

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

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.2] GENERAL STATEMENT OF COMPLIANCE:

The Company and all of its Business Units, employees, subcontractors, suppliers, agents, or representatives shall comply with the United States Foreign Corrupt Practices Act and any other applicable anti-corruption laws that govern the Company's operations. Paying money or providing anything of value to a foreign government official – directly or indirectly – as set forth in the FCPA is a violation of U.S. law punishable by imprisonment and fines. Similarly, it is a violation of the Company's policy for lower-tier subcontractors, agents, employees or other third parties working for the Company's benefit to make any such payments. In general, the Company prohibits the paying of any bribes, kickbacks, or illegal gratuities, including facilitating payments, to any individual in order to obtain business.

FACILITATION OR "GREASE" PAYMENTS PROHIBITED:

It is a violation of the Company's policy to make facilitation or "grease" payments in order to expedite or secure routine governmental functions, including, but not limited to, the issuance or processing of permits, licenses, registrations, visas, other official documents or approvals, scheduling appointments, clearing goods through customs, and obtaining municipal services. Likewise, lower-tier subcontractors, employees, agents, and other third parties working under or for the Company are not allowed to make any facilitation payments on the Company's behalf or that would benefit the Company.

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations or disciplinary actions involving its suppliers.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
2
Comments
<p>There is evidence that the company has a policy to control the use of agents which addresses the corruption risks associated with the use of agents and provides details of specific controls to mitigate these risks. As part of this policy, the company commits to establishing and verifying that the use of an agent is, in each case, necessary to perform a legitimate business function. This policy applies to all divisions within the organisation which might employ agents, including subsidiaries and joint ventures. It is noted that the company's policy covering agents relates specifically to those employed in positions either dealing with foreign customers or based outside of the United States, as outlined in the International Business Relationships policy document. Evidence suggests that the company does not employ agents in dealing with US clients.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf [p.1] 1.0 Definitions The following definitions shall apply to this section:</p> <p>“International Business Representative” shall mean: an individual or firm, whether U.S. or foreign, possessing special knowledge, expertise, skill and operational experience in the development, solicitation, acquisition, business operations, licensing, and/or retention of contracts with/from "Foreign Customers" or in a Foreign country.</p> <p>For the purpose of this policy, “International Business Representative” shall also mean any agent, consultant, broker or any other person or firm by whatever name known, whether U.S. or foreign, who/which has, or is likely to have, contact with Foreign Customers (including contact within the United States) or Foreign Government Officials and is hired or otherwise retained to provide services related to obtaining, retaining or facilitating business or business opportunities from/with Foreign Customers or in foreign locations, including obtaining or retaining licenses, registrations, visas, tax rulings or other decisions or permissions from a foreign government, or in satisfying offset/countertrade commitments to Foreign Customers, by either advising or representing the Company in such activities with Foreign Customers or who may be engaged to interact with Foreign Government officials relating to business of the Company whether or not with a Foreign Customer.</p> <p><u>2.0 Policy</u> It is the policy of the Company that when International Business Representatives are required to further the business interests of its business units and staff units, they shall be vetted with “due diligence” and retained in accordance with practices and procedures that help ensure that they:</p> <ul style="list-style-type: none"> • Are not on lists of persons with whom the Company is forbidden by the U.S. government to contract (“Bad Guys Lists”). • Are persons of integrity, good business judgment and good reputation. • Understand the Company’s ethical and business practice standards and commitments, and will honor them. • Understand and will accept and honor the anti-corruption laws and other laws and regulations of the country or region where they operate or will represent the Company.

[p.2] • Understand and will accept and honor, as their own obligations, the Company's obligations under the Foreign Corrupt Practices Act and, as appropriate, the International Traffic in Arms Regulations, the Export Administration Regulations, the Toxic Substances Control Act, the regulations administered by the Bureau of Alcohol, Tobacco and Firearms, the regulations administered by the Treasury Department's Office of Foreign Asset Control ("OFAC"), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), and applicable foreign country laws and regulations.

• Understand and will accept and honor recordkeeping and reporting obligations that evidence compliance with the foregoing laws and regulations, and that provide adequate audit support for payments made to them.

Unless expressly authorized by the CEO, the following are prohibited:

- Binding verbal commitments to International Business Representatives that have not been set forth in a written agreement signed by the Company and the Representative.
- Written agreements with such Representatives that are not expressly conditioned upon satisfactory completion of due diligence.

[p.3] Monitoring Performance

Throughout the course of the Agent's engagement, the Company representative must monitor the Agent's performance. The Business Unit must:

- Carefully examine each invoice the Agent submits.
- Require a detailed accounting of services performed and payments made on the Company's behalf.
- Coordinate with the Law Department to conduct periodic updates of due diligence throughout the Agent's engagement to ensure compliance with applicable laws and the Company's policies.
- Ensure that the Business Representative certifies compliance with the Company's anti-corruption policies, including the Foreign Corrupt Practices Act, on at least an annual basis, using the form 1502-D.
- Advise the Law Department if a Business Representative refuses to sign or requests alterations to the certification.
- The Law Department should be contacted with any questions regarding compliance with the FCPA or if any doubt exists as to the propriety of a particular engagement, payment or transaction.

[p.4] Record Keeping

The Business Unit shall maintain (1) a complete executed copy of the Representative Agreement, (2) a complete and executed copy of all modifications and extensions of the Representative Agreement; (3) a copy of all written direction given to the Business Representative; (4) a copy of all Reports of Activities provided by the Business Representative; (5) a copy of all invoices; and (6) a copy of all payments made to the Business Representative. A copy of all documents shall be provided to the Law Department contemporaneously.

Audit

All Business Representative Agreements shall include provisions providing the Company with the authority to audit the books and records of the Business Representative relating to the engagement.

[26] Letter to Suppliers (updated 2017) (Document)

Accessed 12/06/2019

<https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf>

[p.4] IV. Anti-Corruption

A. Anti-Corruption Laws

Our suppliers must comply with all anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Our suppliers are expected to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements and the hiring of consultants and agents.

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.2] **GENERAL STATEMENT OF COMPLIANCE:**

The Company and all of its Business Units, employees, subcontractors, suppliers, agents, or representatives shall comply with the United States Foreign Corrupt Practices Act and any other applicable anti-corruption laws that govern the Company's operations. Paying money or providing anything of value to a foreign government official – directly or indirectly – as set forth in the FCPA is a violation of U.S. law punishable by imprisonment and fines. Similarly, it is a violation of the Company's policy for lower-tier subcontractors, agents, employees or other third parties working for the Company's benefit to make any such payments. In general, the Company prohibits the paying of any bribes, kickbacks, or illegal gratuities, including facilitating payments, to any individual in order to obtain business.

[p.3] **COMPLIANCE PROGRAM:**

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business. The compliance program shall include the following components:

- Vetting and training of all international agents, representatives, subcontractors, suppliers, and any other international business partners (collectively "International Business Partners").
- Encouraging compliance of the Company's anti-corruption policies regarding by Company employees and International Business Partners.
- Providing a reporting mechanism through the Company's Ethics and Compliance Program to employees and third parties to report potential violations of the Company's anti-corruption policies or applicable law on an anonymous basis without fear of reprisal.
- Ensuring that potential business partners and other third party stakeholders are aware of the Company's compliance policies and expectations for employees and business partners through publication of the Company's commitment to compliance on its website or other means.
- Taking appropriate disciplinary action when necessary, including termination and reporting to law enforcement.
- Requiring certifications of compliance on a regular basis from International Business Partners.
- Providing clear direction to all Employees and International Business Partners.

[p.4] **BUSINESS PARTNERS:**

The Company shall require all of its business partners, including joint venture partners, subcontractors, suppliers, agents, and representatives to certify compliance with the Company's Anti-Corruption policies or a policy of similar restrictions, including prohibitions on facilitation payments.

REPORTING VIOLATIONS:

Employees, subcontractors, representatives, agents, or other third parties must report any potential or actual violations of the Company's Anti-Corruption Policy or the FCPA to the Company Law Department or the Company's Ethics Help Line (877.319.0270). Employees may also make reports to a Company Ethics Officer. Contacts made through the help line or the websites may be made anonymously. There will be no reprisals for reports made in good faith.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.8] **Standards of Business Conduct**

Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company's CEO and other senior executives, as well as the Company's directors, consultants, contract laborers and other agents when they act on behalf of the Company.

[p.27] **Our commitment:**

We are committed to conducting our relations with customers, competitors, suppliers, agents, business associates, and governments in a manner that is above reproach.

[p.28] CUSTOMER, SUBCONTRACTOR, SUPPLIER AND AGENT RELATIONS:

In all of your business dealings with customers, subcontractors, suppliers and agents, learn and honor established norms of business ethics. When you are unsure whether a proposed action is right or wrong, raise the issue, and seek guidance.

[p.30] Community Relations - Anti Corruption

Lower-tier subcontractors, employees, agents and other third parties working under or for the Company are also prohibited from making any facilitation payments on the Company's behalf or that would benefit the Company. Facilitation payments must be authorized by the Law Department in certain circumstances such as safety and protection of life. Anti-corruption laws are complex and require specialized expertise.

Before undertaking any transaction to perform work in a foreign country or offer to sell the Company's products or services to a foreign national or U.S. citizen representing a foreign entity, you must first consult with the Law Department.

We have zero tolerance for corruption. Any violation of this policy by an employee or agent of the Company may lead to disciplinary action, including termination of employment or contract.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
1
Comments
<p>There is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to engaging agents and intermediaries.</p> <p>However, while the company refers to conducting periodic due diligence, there is no publicly available evidence that due diligence is repeated at least every two years or when there is a significant change in the business relationship. There is also insufficient evidence that all agents and the highest risk intermediaries are subject to enhanced due diligence.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf [p.2] <u>Standard Practice and Procedure</u> The following Standard Practice and Procedure will be honored by units of the Company unless and until alternative practices and procedures are developed that honor the Company's Policy and are approved by the Group President and the Senior Vice President – Law.</p> <p>Before establishing a business relationship with an International Business Representative, the Business Unit should consult with the Law Department to determine the appropriate level of due diligence and oversight needed based on the risk posed by the transaction or engagement using the guidelines set forth in Policy 1102-20 and its supplement. This requirement applies to proposed agreements and renewals of agreements for consultants, joint venture partners, teammates, subcontractors, and suppliers, and any other business partner.</p> <p>It is the Standard Practice and Procedure of the Company that business units and staff units ("User") will propose retention of candidate representatives by executing DZG Form 1502-A or its equivalent (User's Recommendation to Appoint International Business Representative) and attaching to it DZG Form 1502-B or its equivalent (Application for Appointment as International Business Representative), which has been duly executed by the candidate, and furnishing both forms to the Law Department or Company Compliance Representative.</p> <p>[p.3] Upon receipt of these two forms, the Law Department will:</p> <ul style="list-style-type: none"> • Prepare and send to the candidate a letter using the format set forth in DZG Form 1502-C or its equivalent (Disclaimer Letter); • Continue the due diligence function by, among other things, checking references (including asking each reference to comment in writing on the candidates reputation for honesty and integrity), contacting other sources and confirming the legality of the type of compensation and appropriateness of the amount; and • If appropriate, prepare a draft agreement or authorize the User to prepare a draft agreement, specifying certain clauses for inclusion in the agreement based on the nature and extent of the services to be procured. <p>The Law Department shall endeavor to ensure that any agreement complies with local as well as U.S. law. Local law may, for instance, limit the use of contingent fees or where payment may be made to the Representative. The Law Department may utilize in this process such outside counsel and/or investigative specialists, domestic or foreign, as may be deemed necessary, advising the business or staff unit Head (where possible) of the anticipated costs, which shall be borne by the business unit. The International Representative Agreement shall include, at the least, the following provisions (unless otherwise determined unnecessary by the Law Department because of a risk assessment):</p> <p>a) Requirement for compliance with the Foreign Corrupt Practice Act and other applicable anticorruption laws</p>

- b) Prohibition on the payment of facilitation payments without advance written approval of the Company's Law Department
- c) Requirement for regular reports of activities
- d) A clause which allows the Company to audit the books and records of the Business Representative to ensure compliance with anti-corruption laws
- e) Requirement for annual certifications of compliance with anti-corruption laws

Before it is renewed or extended, the Law Department shall cause a check to be made of the Representative's reputation, including a check of the "Bad Guys Lists" to ensure that the Representative is not on them. User will ensure that the candidate cooperates fully with the Law Department to complete the due diligence face-to-face or virtual meeting with a Law Department Representative (as needed), at which the candidate will be briefed in detail on the following:

- The Company's Code of Ethics and Standards of Business Conduct, standards for written activity reports (if required by the agreement).
- The applicable provisions of the Foreign Corrupt Practices Act and, as appropriate:
 - The International Traffic in Arms Regulations.
 - The OFAC Regulations and the Export Administration Regulations.
 - The OECD Anti-bribery Convention.
 - U.S. anti-boycott regulations.
 - Specific provisions in the candidate's agreement, which requires compliance with all other applicable U.S. laws and regulations, and all other laws and regulations of the jurisdiction(s) in which the candidate will operate pursuant to the terms of the agreement.

After the face-to-face/virtual meeting, the Law Department will advise the User that the agreement is acceptable. The Law Department will then sign (or authorize the signing) of the agreement on behalf of the Company, and ensure that the Law Department is furnished with an electronic copy of the agreement as signed, if the Law Department is not the custodian of the hard copy of the agreement.

Throughout the course of the Agent's engagement, the Company representative must monitor the Agent's performance. The Business Unit must:

[...]

- Coordinate with the Law Department to conduct periodic updates of due diligence throughout the Agent's engagement to ensure compliance with applicable laws and the Company's policies.

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[p.2] GENERAL STATEMENT OF COMPLIANCE:

The Company and all of its Business Units, employees, subcontractors, suppliers, agents, or representatives shall comply with the United States Foreign Corrupt Practices Act and any other applicable anti-corruption laws that govern the Company's operations. Paying money or providing anything of value to a foreign government official – directly or indirectly – as set forth in the FCPA is a violation of U.S. law punishable by imprisonment and fines. Similarly, it is a violation of the Company's policy for lower-tier subcontractors, agents, employees or other third parties working for the Company's benefit to make any such payments. In general, the Company prohibits the paying of any bribes, kickbacks, or illegal gratuities, including facilitating payments, to any individual in order to obtain business.

[p.3] COMPLIANCE PROGRAM:

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business. The compliance program shall include the following components:

- Vetting and training of all international agents, representatives, subcontractors, suppliers, and any other international business partners (collectively “International Business Partners”).

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
There is no evidence that the company aims to establish the beneficial ownership of its agents nor that the company is committed to not engaging or terminating its engagement with agents or intermediaries if beneficial ownership cannot be established.
Evidence
No evidence found.

Question
7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
2
Comments
<p>There is evidence that the company’s anti-bribery and corruption policy applies to all agents and intermediaries acting for or on behalf of the company. The company also makes it clear that all agents and intermediaries will be subject to disciplinary action and possible termination of contract in the event that they breach the Code of Ethics and Standards of Business Conduct, which includes provisions for clear audit rights to detect, control and prevent corruption.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf [p.1] <u>Policy</u> It is the policy of the Company that when International Business Representatives are required to further the business interests of its business units and staff units, they shall be vetted with “due diligence” and retained in accordance with practices and procedures that help ensure that they:</p> <ul style="list-style-type: none"> • Are not on lists of persons with whom the Company is forbidden by the U.S. government to contract (“Bad Guys Lists”). • Are persons of integrity, good business judgment and good reputation. • Understand the Company’s ethical and business practice standards and commitments, and will honor them. <p>[p.2] • Understand and will accept and honor the anti-corruption laws and other laws and regulations of the country or region where they operate or will represent the Company.</p> <ul style="list-style-type: none"> • Understand and will accept and honor, as their own obligations, the Company’s obligations under the Foreign Corrupt Practices Act and, as appropriate, the International Traffic in Arms Regulations, the Export Administration Regulations, the Toxic Substances Control Act, the regulations administered by the Bureau of Alcohol, Tobacco and Firearms, the regulations administered by the Treasury Department’s Office of Foreign Asset Control (“OFAC”), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), and applicable foreign country laws and regulations. • Understand and will accept and honor recordkeeping and reporting obligations that evidence compliance with the foregoing laws and regulations, and that provide adequate audit support for payments made to them. <p>Unless expressly authorized by the CEO, the following are prohibited:</p> <ul style="list-style-type: none"> • Binding verbal commitments to International Business Representatives that have not been set forth in a written agreement signed by the Company and the Representative. • Written agreements with such Representatives that are not expressly conditioned upon satisfactory completion of due diligence. <p>[p.3] <u>Monitoring Performance</u> Throughout the course of the Agent’s engagement, the Company representative must monitor the Agent’s performance. The Business Unit must:</p> <ul style="list-style-type: none"> • Carefully examine each invoice the Agent submits. • Require a detailed accounting of services performed and payments made on the Company’s behalf.

- Coordinate with the Law Department to conduct periodic updates of due diligence throughout the Agent's engagement to ensure compliance with applicable laws and the Company's policies.
- Ensure that the Business Representative certifies compliance with the Company's anti-corruption policies, including the Foreign Corrupt Practices Act, on at least an annual basis, using the form 1502-D.
- Advise the Law Department if a Business Representative refuses to sign or requests alterations to the certification.
- The Law Department should be contacted with any questions regarding compliance with the FCPA or if any doubt exists as to the propriety of a particular engagement, payment or transaction.

[p.4] Record Keeping

The Business Unit shall maintain

- (1) a complete executed copy of the Representative Agreement,
- (2) a complete and executed copy of all modifications and extensions of the Representative Agreement;
- (3) a copy of all written direction given to the Business Representative;
- (4) a copy of all Reports of Activities provided by the Business Representative;
- (5) a copy of all invoices; and
- (6) a copy of all payments made to the Business Representative.

A copy of all documents shall be provided to the Law Department contemporaneously.

Audit

All Business Representative Agreements shall include provisions providing the Company with the authority to audit the books and records of the Business Representative relating to the engagement.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.8] Standards of Business Conduct

Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company's CEO and other senior executives, as well as the Company's directors, consultants, contract laborers and other agents when they act on behalf of the Company.

[p.30] Anti-Corruption

Lower-tier subcontractors, employees, agents and other third parties working under or for the Company are also prohibited from making any facilitation payments on the Company's behalf or that would benefit the Company. Facilitation payments must be authorized by the Law Department in certain circumstances such as safety and protection of life. Anti-corruption laws are complex and require specialized expertise.

Before undertaking any transaction to perform work in a foreign country or offer to sell the Company's products or services to a foreign national or U.S. citizen representing a foreign entity, you must first consult with the Law Department. We have zero tolerance for corruption. Any violation of this policy by an employee or agent of the Company may lead to disciplinary action, including termination of employment or contract.

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] Compliance Program

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business. The compliance program shall include the following components:

- Ensuring that employees who are involved in international business transactions in a marketing, sales, project management, finance, operations, or executive role have received appropriate training on compliance with the FCPA and other applicable laws.
- Vetting and training of all international agents, representatives, subcontractors, suppliers, and any other international business partners (collectively "International Business Partners").

- Encouraging compliance of the Company's anti-corruption policies regarding by Company employees and International Business Partners.
- Providing a reporting mechanism through the Company's Ethics and Compliance Program to employees and third parties to report potential violations of the Company's anti-corruption policies or applicable law on an anonymous basis without fear of reprisal.
- Ensuring that potential business partners and other third party stakeholders are aware of the Company's compliance policies and expectations for employees and business partners through publication of the Company's commitment to compliance on its website or other means.
- Taking appropriate disciplinary action when necessary, including termination and reporting to law enforcement.

BUSINESS PARTNERS:

The Company shall require all of its business partners, including joint venture partners, subcontractors, suppliers, agents, and representatives to certify compliance with the Company's Anti-Corruption policies or a policy of similar restrictions, including prohibitions on facilitation payments.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
1
Comments
<p>There is some evidence that the company considers incentive structures as a risk factor in agent behaviour. The company indicates that it monitors agent performance throughout the contract, and states that all invoices submitted are carefully examined. The company also stipulates that all payments must be properly documented</p> <p>However, the company receives a score of '1' because it does not provide further publicly available details on its measures to ensure that incentives for agents do not pose a bribery and corruption risk, for example by imposing a threshold on the payment of sales commissions or requiring stage payments.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf [p.3] Monitoring Performance Throughout the course of the Agent's engagement, the Company representative must monitor the Agent's performance. The Business Unit must:</p> <ul style="list-style-type: none"> • Carefully examine each invoice the Agent submits. • Require a detailed accounting of services performed and payments made on the Company's behalf

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes details of the agents currently contracted to act for or on behalf of the company.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
1
Comments
<p>There is some evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to entering and while operating in joint ventures.</p> <p>However, there is no publicly available evidence that the company's due diligence includes checks on the ultimate beneficial ownership of the partner company, nor that enhanced due diligence is required in vetting possible joint venture partners in high risk markets and jurisdictions. While the company refers to conducting periodic due diligence, there is also no evidence that due diligence is repeated at least every two years. It is also noted that the policy only seems to relate to joint ventures outside of the United States.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf [p.1] 1.0 Definitions The following definitions shall apply to this section: "International Business Representative" shall mean: an individual or firm, whether U.S. or foreign, possessing special knowledge, expertise, skill and operational experience in the development, solicitation, acquisition, business operations, licensing, and/or retention of contracts with/from "Foreign Customers" or in a Foreign country.</p> <p>For the purpose of this policy, "International Business Representative" shall also mean any agent, consultant, broker or any other person or firm by whatever name known, whether U.S. or foreign, who/which has, or is likely to have, contact with Foreign Customers (including contact within the United States) or Foreign Government Officials and is hired or otherwise retained to provide services related to obtaining, retaining or facilitating business or business opportunities from/with Foreign Customers or in foreign locations, including obtaining or retaining licenses, registrations, visas, tax rulings or other decisions or permissions from a foreign government, or in satisfying offset/countertrade commitments to Foreign Customers, by either advising or representing the Company in such activities with Foreign Customers or who may be engaged to interact with Foreign Government officials relating to business of the Company whether or not with a Foreign Customer.</p> <p>[...]</p> <p>It is the policy of the Company that when International Business Representatives are required to further the business interests of its business units and staff units, they shall be vetted with "due diligence" and retained in accordance with practices and procedures that help ensure that they:</p> <ul style="list-style-type: none"> • Are not on lists of persons with whom the Company is forbidden by the U.S. government to contract ("Bad Guys Lists"). • Are persons of integrity, good business judgment and good reputation. • Understand the Company's ethical and business practice standards and commitments, and will honor them. • Understand and will accept and honor the anti-corruption laws and other laws and regulations of the <p>[p.2] country or region where they operate or will represent the Company.</p> <ul style="list-style-type: none"> • Understand and will accept and honor, as their own obligations, the Company's obligations under the Foreign Corrupt Practices Act and, as appropriate, the International Traffic in Arms Regulations, the Export Administration Regulations, the Toxic Substances Control Act, the regulations administered by the Bureau

of Alcohol, Tobacco and Firearms, the regulations administered by the Treasury Department's Office of Foreign Asset Control ("OFAC"), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), and applicable foreign country laws and regulations.

- Understand and will accept and honor recordkeeping and reporting obligations that evidence compliance with the foregoing laws and regulations, and that provide adequate audit support for payments made to them.

[...]

Standard Practice and Procedure

The following Standard Practice and Procedure will be honored by units of the Company unless and until alternative practices and procedures are developed that honor the Company's Policy and are approved by the Group President and the Senior Vice President – Law. Before establishing a business relationship with an International Business Representative, the Business Unit should consult with the Law Department to determine the appropriate level of due diligence and oversight needed based on the risk posed by the transaction or engagement using the guidelines set forth in Policy 1102-20 and its supplement. This requirement applies to proposed agreements and renewals of agreements for consultants, joint venture partners, teammates, subcontractors, and suppliers, and any other business partner.

[p.3] Throughout the course of the Agent's engagement, the Company representative must monitor the Agent's performance. The Business Unit must:

[...]

- Coordinate with the Law Department to conduct periodic updates of due diligence throughout the Agent's engagement to ensure compliance with applicable laws and the Company's policies.

[26] Letter to Suppliers (updated 2017) (Document)

Accessed 12/06/2019

<https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf>

[p.5] A. Anti-Corruption

We expect our suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.

[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document)

Accessed 10/06/2019

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.3] Compliance Program

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business. The compliance program shall include the following components:

- Vetting and training of all international agents, representatives, subcontractors, suppliers, and any other international business partners (collectively "International Business Partners").

[p.4] BUSINESS PARTNERS:

The Company shall require all of its business partners, including joint venture partners, subcontractors, suppliers, agents, and representatives to certify compliance with the Company's Anti-Corruption policies or a policy of similar restrictions, including prohibitions on facilitation payments.

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture relationships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
1
Comments
<p>There is some evidence that the company requires all joint venture partners to adhere to its own anti-corruption standards and procedures and that the company includes audit rights in its contractual agreements.</p> <p>However, the company receives a score of ‘1’ because there is no clear, publicly available evidence that all joint venture partners are required to sign anti-corruption clauses with termination rights in contracts with the company.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf [p.3] Monitoring Performance</p> <p>Throughout the course of the Agent's engagement, the Company representative must monitor the Agent's performance. The Business Unit must:</p> <ul style="list-style-type: none"> • Carefully examine each invoice the Agent submits. • Require a detailed accounting of services performed and payments made on the Company's behalf. • Coordinate with the Law Department to conduct periodic updates of due diligence throughout the Agent's engagement to ensure compliance with applicable laws and the Company's policies. • Ensure that the Business Representative certifies compliance with the Company's anti-corruption policies, including the Foreign Corrupt Practices Act, on at least an annual basis, using the form 1502-D. • Advise the Law Department if a Business Representative refuses to sign or requests alterations to the certification. <p>[p.4] • The Law Department should be contacted with any questions regarding compliance with the FCPA or if any doubt exists as to the propriety of a particular engagement, payment or transaction.</p> <p>Record Keeping</p> <p>The Business Unit shall maintain</p> <ol style="list-style-type: none"> (1) a complete executed copy of the Representative Agreement, (2) a complete and executed copy of all modifications and extensions of the Representative Agreement; (3) a copy of all written direction given to the Business Representative; (4) a copy of all Reports of Activities provided by the Business Representative; (5) a copy of all invoices; and (6) a copy of all payments made to the Business Representative. <p>A copy of all documents shall be provided to the Law Department contemporaneously. Audit All Business Representative Agreements shall include provisions providing the Company with the authority to audit the books and records of the Business Representative relating to the engagement.</p> <p>Audit</p> <p>All Business Representative Agreements shall include provisions providing the Company with the authority to audit the books and records of the Business Representative relating to the engagement.</p> <p>[1] Anti-Corruption/Foreign Corrupt Practices Act Compliance (Document) Accessed 10/06/2019</p>

https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf

[p.4] **BUSINESS PARTNERS:**

The Company shall require all of its business partners, including joint venture partners, subcontractors, suppliers, agents, and representatives to certify compliance with the Company's Anti-Corruption policies or a policy of similar restrictions, including prohibitions on facilitation payments.

[4] Code of Ethics and Standards of Business Conduct (Document)

Accessed 10/06/2019

<https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf>

[p.8] **Standards of Business Conduct**

Our Code of Ethics applies to all employees of Day & Zimmermann and its subsidiaries, including the Company's CEO and other senior executives, as well as the Company's directors, consultants, contract laborers and other agents when they act on behalf of the Company.

[26] Letter to Suppliers (updated 2017) (Document)

Accessed 12/06/2019

<https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf>

[p.5] **A. Anti-Corruption**

We expect our suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
There is no evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
<p>[6] Ethics and Compliance Governance (Webpage) Accessed 10/06/2019 https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/ The mission of the Ethics and Compliance Committee is to promote an organizational culture that encourages ethical conduct and to support the Company and its operating leaders in their commitment to comply with applicable laws.</p> <p><u>Meetings</u> The Committee shall meet quarterly to review and analyze the Company's Ethics and Compliance Program and, as appropriate, address the following agenda topics:</p> <p>[...]</p> <ul style="list-style-type: none"> Assess integration of newly acquired businesses or newly formed joint ventures.

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
<p>There is some evidence that the company recognises the corruption risks associated with offset contracting. The company requires suppliers to conduct due diligence on offset agreements.</p> <p>However, the company receives a score of '0' because there is no evidence that the company itself has specific policies and procedures to address the corruption risks associated with offset contracting. There is also no evidence that the company has a dedicated body, department or team responsible for managing and monitoring the company's offset obligations. The company does not alternatively state publicly that it has no offset agreements.</p>
<p>[26] Letter to Suppliers (updated 2017) (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf [p.2] Our suppliers must comply with all anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Our suppliers are expected to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements and the hiring of consultants and agents.</p> <p>[p.5] <u>Model Supplier Code of Conduct</u> We expect our suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.</p>

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
1
Comments
<p>There is some evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations. The company states that it conducts anti-corruption due diligence into its broker partners at the beginning of a proposed business relationship and updates due diligence on a periodic basis.</p> <p>However, the company does not specifically mention checks on beneficial ownership and/or conflicts of interest. There is also no clear evidence that the company seeks to assure itself of the legitimacy of the investment nor that due diligence is refreshed at least every two years.</p>
Evidence
<p>[27] International Business Relationships Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf</p> <p>[p.1] <u>1.0 Definitions</u> For the purpose of this policy, “International Business Representative” shall also mean any agent, consultant, broker or any other person or firm by whatever name known, whether U.S. or foreign, who/which has, or is likely to have, contact with Foreign Customers (including contact within the United States) or Foreign Government Officials and is hired or otherwise retained to provide services related to obtaining, retaining or facilitating business or business opportunities from/with Foreign Customers or in foreign locations, including obtaining or retaining licenses, registrations, visas, tax rulings or other decisions or permissions from a foreign government, or in satisfying offset/countertrade commitments to Foreign Customers, by either advising or representing the Company in such activities with Foreign Customers or who may be engaged to interact with Foreign Government officials relating to business of the Company whether or not with a Foreign Customer.</p> <p>[p.2] <u>2.0 Policy</u> It is the policy of the Company that when International Business Representatives are required to further the business interests of its business units and staff units, they shall be vetted with “due diligence” and retained in accordance with practices and procedures that help ensure that they:</p> <ul style="list-style-type: none"> • Are not on lists of persons with whom the Company is forbidden by the U.S. government to contract (“Bad Guys Lists”). • Are persons of integrity, good business judgment and good reputation. • Understand the Company’s ethical and business practice standards and commitments, and will honor them. • Understand and will accept and honor the anti-corruption laws and other laws and regulations of the country or region where they operate or will represent the Company. • Understand and will accept and honor, as their own obligations, the Company’s obligations under the Foreign Corrupt Practices Act and, as appropriate, the International Traffic in Arms Regulations, the Export Administration Regulations, the Toxic Substances Control Act, the regulations administered by the Bureau of Alcohol, Tobacco and Firearms, the regulations administered by the Treasury Department’s Office of Foreign Asset Control (“OFAC”), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), and applicable foreign country laws and regulations. • Understand and will accept and honor recordkeeping and reporting obligations that evidence compliance with the foregoing laws and regulations, and that provide adequate audit support for payments made to them. <p>[p.3] <u>Standard Practice and Procedure</u></p>

Before establishing a business relationship with an International Business Representative, the Business Unit should consult with the Law Department to determine the appropriate level of due diligence and oversight needed based on the risk posed by the transaction or engagement using the guidelines set forth in Policy 1102-20 and its supplement. This requirement applies to proposed agreements and renewals of agreements for consultants, joint venture partners, teammates, subcontractors, and suppliers, and any other business partner.

[...]

Throughout the course of the Agent's engagement, the Company representative must monitor the Agent's performance. The Business Unit must:

[...]

- Coordinate with the Law Department to conduct periodic updates of due diligence throughout the Agent's engagement to ensure compliance with applicable laws and the Company's policies.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company's offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes details of its offset obligations and/or contracts.
Evidence
No evidence found.

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
1
Comments
<p>There is evidence that the company acknowledges the corruption risks associated with operating in different markets and that it has a dedicated assessment process in place to assess such risks.</p> <p>However, there is no evidence that the policy includes clear risk management procedures. There is additionally no clear evidence to suggest that the results of the company's high risk market assessments have an impact on business decisions or trigger the implementation of additional controls.</p>
Evidence
<p>[28] International Sales and Services Policy (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/Policy%201501%20International%20Sales%20and%20Services.pdf</p> <p>[p.1] • Corruption Risk: Does the country pose significant risk of corruption based on the Transparency International ratings or other sources? Can the Company implement appropriate and effective risk mitigation in order to comply with U.S. and other applicable anti-corruption laws?</p> <p>[p.2] <u>3.0 Law Department Advice and Assistance</u> Selling the Company's goods and services internationally requires familiarity with and adherence to specific laws and regulations, both U.S. and foreign. In order to facilitate the conduct of its international business in accordance with such laws and regulations, the Company's Law Department will provide advice and assistance with respect to these matters.</p> <p>The Law Department will prepare/provide FOMs and ensure that they are made available to the Company's Units that contemplate performing services in a foreign nation.</p> <p>Upon request of a Company unit, the Law Department will provide requested advice and assistance to help unit personnel:</p> <ul style="list-style-type: none"> • Explore or penetrate markets outside the United States (e.g., by seeking information from U.S. embassy and consular sources and from foreign nations outside counsel in order to obtain preliminary outlines of the applicable foreign laws and regulations). <p>[p.2] • Train sales, marketing, project management, and executive personnel involved in international business transactions regarding the following:</p> <ul style="list-style-type: none"> • Company's Code of Ethics and Standards of Business Conduct, • Foreign Corrupt Practices Act, • International Traffic in Arms Regulations, • Export Administration Regulations, • Toxic Substances Control Act, • regulations administered by the Bureau of Alcohol, Tobacco and Firearms, • regulations administered by the Treasury Department's Office of Foreign Asset Control ("OFAC"), • OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-bribery Convention), • Other applicable U.S. or foreign country laws and regulations.

Question
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?
Score
0
Comments
There is no evidence that the company publishes a consolidated list of its subsidiaries. The company publishes a list of its 'locations' and it mentions its 'businesses', but it is not clear what relationship these entities have with the parent company.
Evidence
<p>[26] Letter to Suppliers (updated 2017) (Document) Accessed 12/06/2019 https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf [p.1] Over the last year, your company has supported one of the following Day & Zimmermann businesses:</p> <ul style="list-style-type: none"> • Day & Zimmermann Engineering, Construction & Maintenance: One of the nation's leading providers of total plant lifecycle solutions for the power, process and industrial markets. • Day & Zimmermann Government Services: An integrated provider of global security, critical infrastructure solutions, and architecture and engineering services to the U.S. Government and commercial clients. Government Services includes SOC LLC and Mason & Hanger. • Day & Zimmermann Munitions and Government: One of the country's leading munitions contractors of manufacturing, storing and demilitarizing a wide variety of ammunition products and providing related services to customers in the U.S. Government and approved foreign countries. Munitions includes American Ordnance and Lone Star. • Yoh Services LLC: Offers a wide array of contingent workforce services including temporary staffing and direct placement services, 1099 audit and control, SOW classification, contingent payroll, recruitment process outsourcing (RPO), and the Yoh Exchange. Yoh Services includes Starpoint Solutions LLC and Embedded Resource Group, Inc. DBA ERG. <p>[32] Locations (Webpage) Accessed 19/08/2019 https://www.dayzim.com/about/locations/</p> <p>Engineering, Construction & Maintenance Brian Hartz, Sr. VP, Business Development</p> <p>United States Birmingham, AL 1 Perimeter Park South, Suite 300S, Birmingham, AL 35243 205.905.5673</p> <p>Charlotte, NC 2801 Yorkmount Road Charlotte, NC 28208 980-287-2600</p> <p>Chester, PA 2501 Seaport Drive, Suite 200, Chester, PA 19013 484.768.3800</p> <p>Glendale, AZ 6751 North Sunset Blvd, Westgate Office District, Suite E-280, Glendale, AZ 85305 623.687.2024</p>

Greenville, SC

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866.542.2028

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717.481.5600

Norfolk, VA

5426 Robin Hood Rd, Norfolk, VA 23513
757.857.6400

Scott Depot, WV

4 Mission Way Scott Depot, WV 25560
304.757.3703

Canada (Day & Zimmermann Canada Corporation)

Hamilton, Ontario
King Street West 5th Floor, Hamilton, Ontario L8P 4W7 Canada

Munitions (Munitions, Security, Logistics, Base Operations, Program Management)

1500 Spring Garden Street, Philadelphia, PA 19130
Paul Heidenreich, SVP

American Ordnance

Iowa Army Ammunition Plant
17575 Hwy 79, Middletown, IA 5263

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23018 Rooks Rd., Suite A, Parsons, KS 67357
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Highway 82 West, Texarkana, TX 75501
903.255.2800

Government Services

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222 Central Park Avenue, Suite 1200 Virginia Beach, VA 23462
phone: 757.222.2010
fax: 757.222.2022

SOC

Chantilly, VA
3975 Virginia Mallory Dr Suite 200, Chantilly, VA 20151
phone: 703.955.5702

Question

9.3 Does the company disclose its beneficial ownership and control structure?

Score

0

Comments

There is no evidence that the company discloses its beneficial ownership on its own website. Company ownership information cannot be found through a publicly accessible corporate register. The company states that it is family-owned but does not clearly disclose the identities of its shareholders on its website.

Evidence

[29] Leadership - Harold L. Yoh, III (Webpage)
 Accessed 12/06/2019
<https://www.dayzim.com/about/leadership/harold-yoh/>
Chair and CEO
 Hal Yoh is chair and chief executive officer of Day & Zimmermann (dayzim.com), a leader in construction & engineering, staffing and defense solutions for leading corporations and government agencies around the world. He is the third generation of the Yoh family to lead Day & Zimmermann—a family-owned business and former recipient of the U.S. National Family Business of the Year award.

[31] Open Ownership Register (Webpage)
 Accessed 25/06/2019
<https://register.openownership.org/search?utf8=%E2%9C%93&q=%22Day+%26+Zimmermann%22>

The screenshot shows the Open Ownership Register search interface. At the top, there is a navigation bar with 'OPEN OWNERSHIP REGISTER' logo and links for Home, What we do, Connect with us, and Feedback. A search bar contains the text '"Day & Zimmermann"'. Below the search bar, the results are displayed under the heading 'Who controls, influences, or benefits from a company?'. The search results show 8238 total matches. Three results are visible:

- PAVOL ZIMMERMANN** (Slovak): 99 Kúpeľná, Liptovský Ján, 03203. Controls: Pavol Zimmermann ALFA.
- ZIMMERMANN LIMITED** (United Kingdom): Minster House, 126a High St, Whitton, Twickenham, Middlesex, TW2 7LL.
- ROMAN ZIMMERMANN** (Austrian): Born December 1986. Khunngasse 7/22, Vienna, 1030. Controls: MORE ONION LTD.

On the right side, there are filters for 'FILTER BY TYPE' (Legal entity: 4908, Person: 3330) and 'FILTER BY COUNTRY' (United Kingdom: 7842, Denmark: 56, Germany: 40, Australia: 13, New Zealand: 10).

Question
9.4 Does the company publish a percentage breakdown of its defence sales by customer?
Score
0
Comments
There is no evidence that the company publishes any information about its major defence sales by customer.
Evidence
No evidence found.

10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download date	Link
01	Document	Anti-Corruption/Foreign Corrupt Practices Act Compliance	10/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Anti%20Corruption_Foreign%20Corrupt%20Practices%20Act%20Compliance.pdf
02	Webpage	Letter From The Chair and CEO	05/04/2020	https://www.dayzim.com/about/vision-values/integrity/letter-from-ceo/
03	Webpage	Values - Integrity	10/06/2019	https://www.dayzim.com/about/vision-values/integrity
04	Document	Code of Ethics and Standards of Business Conduct	10/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Code%20of%20Ethics/dz-code-of-ethics-english.pdf
05	Webpage	Code of Ethics	05/04/2020	https://www.dayzim.com/about/vision-values/integrity/code-of-ethics/
06	Webpage	Ethics and Compliance Governance	10/06/2019	https://www.dayzim.com/about/vision-values/integrity/ethics-and-compliance-governance/
07	Webpage	Ethics Audits	10/06/2019	https://www.dayzim.com/about/vision-values/integrity/ethics-audits/
08	Document	Self-Auditing Our Ethics Program	10/06/2019	https://cdn2.hubspot.net/hubfs/208537/Self-Auditing%20Our%20Ethics%20Program.pdf
09	Document	Ethics Program Org Chart	10/06/2019	https://cdn2.hubspot.net/hubfs/208537/Ethics%20Org%20Chart.docx
10	Webpage	Leadership - Bill Hamm	05/04/2020	Evidence no longer published on site
11	Web Page	Compliance Risk Assessment	11/06/2019	https://www.dayzim.com/about/vision-values/integrity/risk-assessment
12	Document	Whistleblower Policy	11/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-whistleblower.pdf
13	Webpage	Inquiry and Reporting Mechanisms	05/04/2020	https://www.dayzim.com/about/vision-values/integrity/inquiry-and-reporting-mechanisms
14	Web Page	Alertline Website	11/06/2019	https://dayzim.alertline.com/gcs/welcome
15	Document	Help Line Investigation Checklist	11/06/2019	https://cdn2.hubspot.net/hubfs/208537/Exhibit%20A%20-%20Investigation%20Checklist.doc
16	Document	Compliance with FAR Disclosure Requirement	11/06/2019	https://cdn2.hubspot.net/hubfs/208537/Policy%201103%20Mandatory%20DisclosureREV.pdf

17	Webpage	Communications Plan and Awareness Initiatives	11/06/2019	https://www.dayzim.com/about/vision-values/integrity/communications-plan
18	Webpage	Awareness and Training	11/06/2019	https://www.dayzim.com/about/vision-values/integrity/awareness-training
19	Webpage	No Retaliation Policy	11/06/2019	https://www.dayzim.com/about/vision-values/integrity/no-retaliation-policy/
20	Document	Conflict of Interest/ Second Job Disclosure Statement	11/06/2019	https://cdn2.hubspot.net/hubfs/208537/Conflict%20of%20Interest_Second%20Job%20Disclosure%20Statement%20(002).pdf
21	Document	Giving and Receiving Gifts, Meals and Entertainment Policy	11/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Giving%20and%20Receiving%20Gifts%20Meals%20and%20Entertainment.pdf
22	Document	Government Relations Policy	11/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-govt-relations.pdf
23	Document	Participation in Political Causes Policy	12/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/Participation%20in%20Political%20Causes.pdf
24	Webpage	Giving Back	12/06/2019	https://www.dayzim.com/about/giving-back
25	Document	Supplier Anti-Corruption Policy	12/06/2019	https://cdn2.hubspot.net/hubfs/208537/assets/PDF/Anti%20Corruption%20Policies/dz-supplier-anti-corruption.pdf
26	Document	Letter to Suppliers	12/06/2019	https://cdn2.hubspot.net/hubfs/208537/2017%20DZ%20Ethics%20Letter%20final%20email.pdf
27	Document	International Business Relationships Policy	12/06/2019	https://cdn2.hubspot.net/hubfs/208537/Policy%201502%20International%20Business%20Relationships.pdf
28	Document	International Sales and Services Policy	12/06/2019	https://cdn2.hubspot.net/hubfs/208537/Policy%201501%20International%20Sales%20and%20Services.pdf
29	Webpage	Leadership - Harold L. Yoh, III	12/06/2019	https://www.dayzim.com/about/leadership/harold-yoh/
30	Webpage	Leadership Team	05/04/2020	https://www.dayzim.com/about/leadership/
31	Webpage	Open Ownership Register	25/06/2019	https://register.openownership.org/search?utf8=%E2%9C%93&q=%22Day+%26+Zimmermann%22
32	Webpage	Locations	19/08/2019	https://www.dayzim.com/about/locations/
33	Webpage	Active Suppliers	17/01/2020	https://www.dayzim.com/about/active-suppliers
34	Document	Munitions Business Unit – General Terms and Conditions	17/01/2020	https://cdn2.hubspot.net/hubfs/208537/DZM%20Standard%20Terms%20and%20Conditions%20Amended%207-22-2019.pdf