

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

## FINAL ASSESSMENT

### MEGGITT PLC

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	7/12
3. Support to Employees	7	10/14
4. Conflict of Interest	4	2/8
5. Customer Engagement	6	6/12
6. Supply Chain Management	5	4/10
7. Agents, Intermediaries and Joint Ventures	10	7/20
8. Offsets	4	1/8
9. High Risk Markets	4	5/8
10. State-Owned Enterprises	N/A	N/A
<b>TOTAL</b>		<b>50/100</b>
<b>BAND</b>		<b>C</b>

\*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
<b>1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?</b>
Score
<b>2</b>
Comments
<p>There is evidence that 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. It is clear that this commitment was authorised and endorsed by the company's CEO.</p>
Evidence
<p><b>[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)</b>            Accessed 14/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf">https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf</a>            [p. 1] Tony Wood            Chief Executive</p> <p>Dear Colleague,            I am pleased to introduce to you the Meggitt Ethics Guide. Within these pages you will find our Ethics and Business Conduct Policy, our Code of Conduct and our Anti-corruption Policy. It is important that each of us understands our responsibilities and shares the commitment to the values embodied in them.</p> <p>Meggitt is a global organisation and we have the strongest commitment to ethical behaviour in every part of the world. We each come to Meggitt from different life experience, backgrounds, cultures, and we speak many languages. Together, we deliver products and services to public and private customers on every continent. Honesty, integrity and respect are at the heart of the way we do things at Meggitt. Understanding these principles—and putting them into action every day is the key to our success. It is what our customers expect and it is what we expect of ourselves. This Guide is very important to help us understand those values.</p> <p>If you have any questions or concerns about anything in this Ethics Guide, please speak up. People in the company are ready to help you. Their names and contact information are listed at the end.</p> <p>As we continue to grow it is vital that we each behave in a way that maintains and builds our reputation. Thank you for the contribution that you make to our success and for embracing our Code of Conduct.</p> <p>[p.12] Our Anti-corruption Policy is key to the way we do business, reinforcing our commitment to legal and ethical practices.</p> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>            Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>            “Here at Meggitt, Integrity is one of our core values. We strive to conduct ourselves with Integrity in everything we do; whether that be assembling a part on the shop floor to interacting with our colleagues. We recognise that people are at the heart of our business so we are creating a high performing culture for all, where Teamwork, Integrity and Excellence Enables the Extraordinary for our people, our business and our customers.”            Marina Thomas            Senior Vice President &amp; Group Company Secretary</p> <p><b>[4] Corporate Responsibility Policy (Webpage)</b>            Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/</a>            The Board of Directors of Meggitt PLC (“the Company”) recognises the important responsibility it has to balance the interests of its shareholders, employees, customers, suppliers, and the wider community and recognises that the responsible and sustainable development of our business is very important for its long term success. The Company</p>

aims for continuous improvement in financial, social, safety and environmental performance. This Corporate Responsibility policy sets out Meggitt's values relating to the management of social, ethical and environmental matters.

Meggitt is committed to:

[...]

#### Ethics and business conduct

- encouraging dialogue with employees through a clear and open system of internal communications;
- providing a grievance procedure and a confidential Ethics Line by which employees can raise matters of potential concern; and
- conducting business relationships in an ethical manner, by:
- applying the principles and provisions laid out in our Ethics & Business Conduct Policy, Code of Conduct and Anti-Corruption Policy (see our website).

<b>Question</b>
<p><b>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</b></p> <p><b>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</b></p> <p><b>b) All board members, including non-executive directors.</b></p>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes a clear anti-bribery and corruption policy, which specifically prohibits bribery, payments to public officials, commercial bribery, and facilitation payments. There is evidence that this policy clearly applies to all employees and board members as listed in (a) and (b) in the question.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 14/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  Meggitt is committed to the highest standards of ethical business conduct.</p> <p>Our continued success depends on competing aggressively, but fairly, and in full compliance with the laws and regulations in those countries where we are located or do business. This Policy applies to all business units worldwide. Local customs and practices will not provide any excuse for breaches of this Policy. The Policy covers the following issues:</p> <ol style="list-style-type: none"> <li>1. Bribery</li> <li>2. Gifts and entertainment</li> <li>3. Conflicts of interest</li> <li>4. Competition and antitrust</li> <li>5. Money laundering</li> <li>6. Sales representatives</li> <li>7. Distributors</li> <li>8. Political contributions and lobbying activities</li> <li>9. Breaches of this Policy and reporting obligations</li> </ol> <p>Consider the following before you act:-</p> <ol style="list-style-type: none"> <li>a) a breach of this Policy will be regarded as a serious matter which may lead to internal disciplinary action, up to and including termination of employment;</li> <li>b) a breach of this Policy might also lead to prosecution;</li> <li>c) in addition to complying with the Policy, employees must ensure that people they manage or supervise understand their responsibilities;</li> <li>d) employees must report, without delay, any suspected irregular payment or breach of this Policy. If in doubt as to how the Policy works, you should seek guidance from the individuals listed in the final section of this Policy ("Breaches of this Policy and Reporting Obligations"); Meggitt's Escalation Policy provides further guidance on how to raise questions or concerns and get answers without fear of punishment or retaliation.</li> <li>e) Meggitt will provide training regarding this Policy and such training is mandatory for all employees, officers and directors; and</li> <li>f) this Policy will be enforced through regular monitoring and auditing.</li> </ol> <p><b>2.1. Bribery</b>                  Definition:                  Bribery" is giving or receiving any gift, loan, fee, reward or other thing of value to influence the behaviour of someone, including those in government or business, in order to obtain or retain commercial or personal advantage; to transact business on more favourable terms; or to engage in any form of improper conduct. Bribery includes the misuse of public or commercial office for private gain. Bribery is a crime.</p> <p>Generally, there are two aspects to this kind of corruption: The first is a bribe paid to obtain something that the bribe recipient is not obliged to give. Examples include awarding a contract outside the normal bid and proposal process; payments to induce someone to award a contract (possibly at a higher value or on more favourable terms); or, to</p>

break the law; or make kickbacks. At Meggitt, offering, soliciting, providing, or accepting such payments are NEVER permitted.

The second is a facilitation or “grease” payment which involves making a payment to officials as a way of ensuring that they perform, either more promptly or at all, the tasks that they should in any event be undertaking. Examples could include payments to ensure mail delivery; the connection of utilities (such as telephone lines or electricity supplies); or, payments for releasing goods held in customs. In most countries this kind of payment is also a criminal offence. Meggitt policy is that such payments should NOT be made.

[...]

NOTE: Clearance from Meggitt Legal Counsel or VP, Ethics and Business Conduct should always be sought before making payments to public officials, because in some countries there is a presumption that such gifts are corrupt. It is not always obvious if someone is a public official. Special rules apply to government contracts and government officials. Meggitt prohibits gifts to employees or representatives of the United States Government. See Meggitt's Standards of Business Conduct for the US Government Marketplace and consult Meggitt Legal Counsel.

### **[5] Code of Conduct (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/>

#### 1.0 Purpose

Meggitt PLC and all subsidiary companies will conduct business fairly, impartially, and in compliance with all applicable laws and regulations. Our values of Teamwork, Integrity and Excellence are at the heart of how we do things, and we reinforce these daily by applying our high performance culture principles. We are firmly committed to integrity, honesty and respect for others in all our business relationships, including those with customers, suppliers, communities where we conduct business, and amongst employees. The highest standard of ethical behaviour is expected from all of our employees, directors, and from those who act on Meggitt's behalf in the performance of their professional responsibilities and in their own personal conduct.

#### 2.0 Policy

Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should:

- Read and regularly review this Code of Conduct;
- Participate in training to learn about business ethics, compliance, laws and regulations that affect our business;
- Be alert to any Code violations, illegal or unethical conduct and promptly report them to management or other appropriate officials. If you believe that our Code of Conduct or related policies are being violated, you have a responsibility to speak up;
- Raise questions or concerns about the business and follow them through to appropriate conclusion according to Meggitt's Escalation Policy, which is available to all employees from your site Human Resources organization or your on-site Ethics Coordinator;
- Comply with all applicable laws and regulations;
- Deal fairly and impartially in all transactions;
- Not participate in activities that may raise questions as to Meggitt's integrity, impartiality, and reputation;
- Not engage in conduct that might create a conflict of interest for Meggitt or for themselves individually;
- Safeguard all Meggitt and customer assets and use them only for approved activities. In furtherance of this protection, no one shall seek personal gain through the inappropriate use of Meggitt's intellectual property and confidential information or the intellectual property or confidential information of any third party which has been entrusted into Meggitt's care;
- No one shall buy or sell Meggitt's shares:
  - i. whilst in possession of price sensitive information or
  - ii. during a Closed Period for such transactions as advised by Meggitt's management from time to time.
- Be familiar with and refer to the other ethics and business conduct policies, including our Anti-corruption Policy.

<b>Question</b>
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
Based on publicly available information, there is evidence that a designated board committee – the Corporate Responsibility Committee – is responsible for oversight of the company’s anti-bribery and corruption programme. There is evidence to indicate that the committee’s role includes reviewing reports from management on the programme’s performance, and that it has the authority to require that any necessary changes to the programme are made.
<b>Evidence</b>
<p><b>[9] Board of Directors (Webpage)</b>  Accessed 14/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/">https://www.meggitt.com/about-us/our-company/board-of-directors/</a>  Corporate Responsibility Committee</p> <p>Membership: One non-executive director and the executive directors</p> <p>Nancy Gioia (Committee Chair), Tony Wood, Philip Green, Louisa Burdett, Guy Berruyer</p> <p>Role: The Corporate Responsibility Committee is responsible for ensuring that the Board complies with requirements under the UK Corporate Governance Code and UK Companies Acts on stakeholder engagement, including but not limited to employees. It oversees the implementation of the Group’s strategy and programmes in the areas of corporate responsibility, charity and community, ethics and business conduct (including anti-corruption) and environment.</p> <p><b>[10] Terms of Reference for the Corporate Responsibility Committee (Webpage)</b>  Accessed 14/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/</a></p> <p>1. Membership</p> <p>1.1 The Corporate Responsibility Committee (the “Committee”) shall comprise a minimum of two non-executive directors, the Chief Executive, the Chief Financial Officer and the Executive Director, Commercial &amp; Corporate Affairs.</p> <p>1.2 The Chairman of the Committee shall be a Non-Executive Director (or in his/her absence, any other non-executive director or the Chief Executive).</p> <p>1.3 The quorum necessary for the transaction of business shall be two, at least one of whom should be a non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>2. Attendance at meetings</p> <p>2.1 The Committee shall meet at least two times a year and at such other times as the Chairman of the Committee shall require;</p> <p>2.2 The Company Secretary or their nominee shall act as the secretary of the Committee; and</p> <p>2.3 The Committee may invite any other person to attend any meeting of the Committee.</p> <p>4. Duties</p> <p>The Committee shall:</p> <p>4.1 monitor and review compliance with the following policies and scrutinise the effectiveness of the delivery of the policy requirements by the Executive:</p> <ul style="list-style-type: none"> <li>– Corporate Responsibility Policy</li> <li>– Ethics and Business Conduct Policy and Code of Conduct</li> <li>– Anti-Corruption Policy</li> <li>– Environmental Policy</li> <li>– Charitable Giving and Charitable Sponsorship Policy;</li> </ul>

- 4.2 oversee the implementation of the Group's strategy and programmes in the areas of corporate responsibility, charity and community, ethics and business conduct (including anti-corruption) and environment;
- 4.3 ensure appropriate resources are available for the implementation of the respective policies and programmes;
- 4.4 ensure that appropriate training is provided for employees, where appropriate;
- 4.5 have oversight of any significant ethics violations which occur and the actions taken in response to these;
- 4.6 review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 4.7 review the Group's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 4.8 Oversee reporting requirements in areas governed by the Committee including but not limited to carbon emission disclosures, modern slavery and supplier payment practices; and
- 4.9 Ensure that the Board complies with requirements under the UK Corporate Governance Code and UK Companies Acts on stakeholder engagement, including but not limited to employees.
- 4.10 to agree and approve the annual Corporate Responsibility Report within the Annual Report (this approval can be given by email should it fall between scheduled Committee meetings);

#### 5. Reporting responsibilities

5.1 Minutes of Committee meetings shall be circulated to all members of the Committee and be available to all members of the Board; and

5.2 The Committee shall report its activities to the Board after every meeting.

#### 6. Other

6.1 to undertake any other duties as directed by the Board

6.2 to annually review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the board for approval.

Approved by the Board of Directors of Meggitt PLC on 13 December 2018.

#### [1] Annual Report and Accounts 2018 (Document)

Accessed 14/06/2019

[https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt\\_AR2018.pdf](https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf)

[p. 61] During 2018, the Ethics and Trade Compliance Committee became the Corporate Responsibility Committee (CR Committee), maintaining oversight of ethics and business conduct, and adding further responsibility for oversight of environment, charity and community activities.

[p. 62] Corporate Responsibility Committee

As Chairman of the Corporate Responsibility Committee, Nancy Gioia's role is to ensure that we oversee the Group's important activities in the areas of ethics and business conduct, environment and charity and community. The Committee has oversight of ethics and business conduct, environment, charity and community. It also ensures that the Board meets its responsibilities under the 2018 UK Corporate Governance Code and UK Companies Act 2006 on stakeholder engagement, and other reporting requirements such as on greenhouse gas emissions, Modern Slavery Act 2015, gender pay gap and supplier payment practices.

#### [3] Ethics and Business Conduct Policy (Webpage)

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/ethics-and-business-conduct-policy/>

The Board delegates responsibility for oversight of the Ethics and Business Conduct Policy to the Ethics and Trade Compliance Committee. The Chief Executive and Executive Director, Commercial and Corporate Affairs will have executive responsibility and will report at least twice a year on these matters to the Ethics and Trade Compliance Committee and at least once a year to the full Board. Strategic Business Unit Presidents and business unit leaders are responsible for local implementation of this policy.

Originally approved by the Board on 12 May 2005. Last reviewed and reapproved by the Board on 12 December 2019.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
Based on publicly available information, there is evidence that the Group Company Secretary has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. There is evidence of reporting activity between this individual and the board as part of the company's reporting structure. The company indicates that the Group Company Secretary acts as the secretary of the Corporate Responsibility Committee, which reports on its activities to the Board after each meeting.
<b>Evidence</b>
<p><b>[1] Annual Report and Accounts 2018 (Document)</b>  Accessed 14/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf">https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf</a>  [p. 61] Ultimately, the Board is responsible for the implementation and performance of our Corporate Responsibility Policy. In 2018, we allocated the day-to-day responsibilities of the Board and the Chief Executive in relation to the Corporate Responsibility Policy in the following way:</p> <ul style="list-style-type: none"> <li>• the Group Operations Strategy Director now has functional responsibility for health, safety and the environment;</li> <li>• the Group HR Director led initiatives focused on culture, diversity, inclusion and employee engagement;</li> <li>• the Group Company Secretary has functional responsibility for ethics and business conduct; and</li> <li>• the Executive Director, Commercial &amp; Corporate Affairs and Group Company Secretary have responsibility for charity and community activity.</li> </ul> <p>Group support is provided to ensure we fulfil the requirements outlined in our Corporate Responsibility Policy, and divisional presidents and site directors take responsibility for implementing Group policies and procedures locally.</p> <p><b>[11] Executive Committee (Webpage)</b>  Accessed 14/06/2019  <a href="https://www.meggitt.com/about-us/our-company/executive-committee/">https://www.meggitt.com/about-us/our-company/executive-committee/</a>  Marina joined Meggitt PLC in 2005 as Company Secretarial Manager, becoming Senior Vice President &amp; Group Company Secretary in 2012, with responsibility for the Board, Board Committees and the Executive Committee, corporate governance and UK listing rules compliance. She currently has responsibility for the Group's ethics programme, data protection, share schemes, annual report, company secretarial support in the UK and overseas, UK pensions, insurance, business continuity and communications.  She became a member of the Executive Committee on 1 January 2018.</p> <p><b>[10] Terms of Reference for the Corporate Responsibility Committee (Webpage)</b>  Accessed 14/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/</a>  2.2 The Company Secretary or their nominee shall act as the secretary of the Committee  5. Reporting responsibilities  5.1 Minutes of Committee meetings shall be circulated to all members of the Committee and be available to all members of the Board; and  5.2 The Committee shall report its activities to the Board after every meeting.</p>



## 2. Internal Controls

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has an enterprise risk management process in place that includes reviews of bribery and corruption risk. There is evidence that the results of these assessments are reviewed by the board on an annual basis.</p> <p>However, the company receives a score of '1' because there is no clear evidence that the results of such reviews are used to update specific parts of the company's anti-bribery and corruption programme. The company indicates that it updated its approach to commercial intermediaries as part of a risk management plan, however it is not clear that the results of risk assessments are used to update the company's anti-corruption initiatives as a whole.</p>
<b>Evidence</b>
<p><b>[20] Annual Report and Accounts 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p. 44] Our process  Our risk management processes require identified risks throughout the Group to be owned by a named individual. They must review them regularly and consider related new risks. Risk identification is embedded within other processes, including strategy, project and programme management, bid approvals and other operational activities. Risk tolerance levels are flowed down to the divisions and functions. The likely timeframe within which the impact of risks might be felt ('risk velocity') and how we prioritise risks is considered as part of our risk management strategy and feeds into our assessment of long term viability.</p> <p>Once identified, risks are reviewed at a facility level and aggregated for review at divisional and functional levels on a consistent basis, before being submitted for the Group's regular review process.</p> <p>The resultant Group Risk Register is subject to a detailed review and discussion by the Executive Committee which includes discussion of risks which may not have been identified through the normal channels. The Board assesses the outputs from this process and takes comfort from the '3 lines of defence' risk assurance model. The first line represents operational management who own and manage risk on a day-to-day basis, utilising effective internal controls. Group functions and divisions monitor and oversee these activities, representing governance and compliance at the second line. The third line is the independent assurance over these activities provided by internal and external audits.</p> <p>The Board takes overall responsibility, determining the nature and extent of the principal risks it is willing to take in achieving our strategic objectives; and overseeing the Group's risk governance structure and internal control framework. During 2019, the Board carried out a robust assessment of the principal risks facing the Group, including those emerging, that would threaten its business model, future performance, solvency or liquidity. This report describes those risks and how they are being managed or mitigated.</p> <p>[p. 50] Oversight of risk and internal control</p> <p>The Board is responsible for risk management and internal control and for maintaining and reviewing its financial and operational effectiveness. The Board has taken into account the guidance provided by the FRC on Risk Management and Internal Control in carrying out its duties. The system of internal control is designed to manage, but not to eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.</p> <p>[...]</p>

The following features allow the Group to monitor the effective implementation of policies and process controls by business units:

- A business performance review process (including financial, operational and compliance performance);
- Semi-annual business unit and divisional sign-off of compliance with Group policies and processes;
- Compliance programmes and external audits (including trade compliance, ethics, anti-corruption, health, safety and environmental);
- An effective internal audit function which, primarily, performs business unit reviews by rotation (including finance, programme management, IT, HR and ethics); and
- A whistleblowing line to enable employees to raise concerns.

To review the effectiveness of the system of internal controls, the Board and Audit Committee applied the following processes and activities in 2019 and up to the date of approval of the Annual Report:

- Reviews of the risk management process, risk register and risk appetite;

[...]

- Regular compliance reports from the Executive Director, Commercial and Corporate Affairs;

[...] The risk management and internal control systems have been in place for the year under review and up to the date of approval of the Annual Report, and are regularly reviewed by the Board. The Board monitors executive management's action plans to implement improvements in internal controls that have been identified following the above mentioned reviews and reports. The Board confirms that it has not identified any significant failings or weaknesses in the Group's systems of risk management or internal control as a result of information provided to the Board and resulting discussions.

[p.73] Commercial intermediaries

2019 saw us introduce our Continuous Improvement Plan for Commercial Intermediaries which not only looks at potential corruption and bribery risks across our business but also how we can work better with such appointed parties. [...] The continuous improvement plan has strengthened our work with independent organisations assessing potential country corruption risk, which leads to enhanced due diligence and alerts in our customer relationship management tool which is reviewed by internal and external auditors. The changes to the governance process in this area have led to an increase in risk analysis which is driving our future commercial intermediary strategy and how we operate in potential higher risk locations.

#### [1] Annual Report and Accounts 2018 (Document)

Accessed 16/06/2019

[https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt\\_AR2018.pdf](https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf)

[p.52] To review the effectiveness of the system of internal controls, the Board and Audit Committee applied the following processes and activities in 2018 and up to the date of approval of the Annual Report:

- Reviews of the risk management process, risk register and risk appetite;
  - A presentation on IT security activities and plans;

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company's anti-bribery and corruption programme is subject to a regular audit process. This includes provisions for continuous improvement, supplemented by internal and external audits. There is also evidence that all findings are presented to the Audit Committee, with ownership assigned to units for planned updates and improvements to the anti-bribery and corruption programme. In addition, the company indicates that it conducts internal and external audits on a rolling basis based on an assessment of risk.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  Internal and External Audit is utilised on a constant basis in regard to Anti-Bribery &amp; Corruption detection, protection and education.</p> <p><b>[12] Terms of Reference for the Audit Committee (Webpage)</b>  Accessed 16/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-audit-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-audit-committee/</a>  6. Frequency of meetings  Meetings shall be held not less than three times a year, and where appropriate should coincide with key dates in the Group's financial reporting and audit cycle and otherwise as required.</p> <p>7.3 Internal financial controls, risk management, viability and fraud</p> <p>The Committee shall:</p> <p>7.3.1 review the adequacy and effectiveness of the Group's internal financial controls and other internal control and risk management systems review and approve the statements to be included in the annual report concerning internal financial controls; and</p> <p>7.3.2 review the Group's procedures for detecting fraud.</p> <p>7.3.3 review the adequacy and effectiveness of the Group's risk management processes and approve the statements to be included in the annual report concerning the risk management processes; and</p> <p>7.3.4 keep under review the Group's overall risk assessment processes including the processes being used to determine the Group's overall risk appetite, tolerance and strategy, and advise the Board on the appropriateness of those processes</p> <p>7.3.5 oversee the production of the viability statement required under the UK Corporate Governance Code, including a review of the stress-testing and other processes management has applied, and provide advice to the Board on the overall appropriateness of the viability statement</p> <p>7.3.6 ensure the risk management function has adequate resources and appropriate access to information to enable it to perform its function effectively. Ensure the Head of Risk Management has direct access to the Chairman of the Board and the Chairman of the Audit Committee.</p> <p>7.4 Internal audit</p> <p>The Committee shall:</p> <p>7.4.3 review and assess the annual internal audit work plan to ensure it is aligned to the key risks of the business and receive a report on the results of the internal auditor's work on a periodic basis;</p> <p>7.4.4 review and monitor management's responsiveness to the internal auditor's findings and recommendations;</p> <p>7.4.5 monitor and carry out an annual review of the effectiveness of the Group's internal audit function having regard to the overall context of the Group's risk management system; and</p> <p>7.4.6 consider whether an independent, third party review of processes is appropriate.</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a></p>

[p.50] To review the effectiveness of the system of internal controls, the Board and Audit Committee applied the following processes and activities in 2019 and up to the date of approval of the Annual Report:

- Reviews of the risk management process, risk register and risk appetite;
- Written and verbal reports to the Audit Committee from internal and external audit on progress with internal control activities, including:
  - Reviews of business processes and activities, including action plans to address any identified control weaknesses and recommendations for improvements to controls or processes;
  - The results of internal audits;
  - Internal control recommendations made by the external auditors; and
  - Follow-up actions from previous internal control recommendations.
- Regular compliance reports from the Executive Director, Commercial and Corporate Affairs;

[p.86] Key activities in 2019 and areas of focus for 2020

During the year, as well as the matters described on the next page, significant progress has been made to improve internal controls at our Engine Composites site in Erlanger in the US. Internal audit have also reviewed IT user access controls, Group procurement processes and the project to transition to Ansty to provide real time assurance to the Committee. In 2020, we will continue to improve internal and operational controls. We will also continue to monitor the controls around the Ansty transition project as it moves into the key execution phase. Further reviews will be undertaken on our general risk management processes in light of the grounding of the 737 MAX and the COVID-19 outbreak.

[p.87] Committee Activities

Reviewed

[...]

- The adequacy and effectiveness of: (i) the systems of internal control; (ii) the risk management process; and (iii) the process executive management used to enable the Board to make the viability statement.

[p.89] Internal audit

The Audit Committee agrees the annual internal audit plan which is developed according to a risk assessment process and ensures adequate resources are available to execute the plan. The risk assessment process initially divides our business units into three tiers determined by financial measures. Tier 1 businesses are visited annually, with Tier 2 businesses visited every other year and Tier 3 businesses every third year. This is then subject to a further discretionary risk based adjustment if there are circumstances which suggest a business unit should have an audit accelerated. Reasons for this can include adverse prior audit findings, a change in IT system, site location moves, senior leadership changes or operational performance issues.

[...] The results of the audits are regularly discussed with the Group Head of Audit & Risk by the Chairman of the Audit Committee between Audit Committee meetings. At each meeting, the Committee receives a status update on the internal audit programme, discusses and challenges any significant issues arising and monitors implementation by the business of any recommendations made.

[p.122] Audit procedures performed by the Group engagement team and/or component auditors included:

- Holding discussions with Meggitt PLC's Group management, Head of Internal Audit, legal and tax advisors, including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;

#### **[1] Annual Report and Accounts 2018 (Document)**

Accessed 16/06/2019

[https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt\\_AR2018.pdf](https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf)

[p. 52] To review the effectiveness of the system of internal controls, the Board and Audit Committee applied the following processes and activities in 2018 and up to the date of approval of the Annual Report:

- Reviews of the risk management process, risk register and risk appetite;
- Written and verbal reports to the Audit Committee from internal and external audit on progress with internal control activities, including:
  - Reviews of business processes and activities, including action plans to address any identified control weaknesses and recommendations for improvements to controls or processes;
  - The results of internal audits;
  - Internal control recommendations made by the external auditors; and
  - Follow-up actions from previous internal control recommendations.
- Regular compliance reports from the Executive Director, Commercial and Corporate Affairs;
- Regular reports on the state of the business from the Chief Executive and Chief Financial Officer;

A presentation on IT security activities and plans;  
Strategy reviews, review of the ten year financial plan and review and approval of the 2019 budget;  
Written reports to the Ethics and Trade Compliance Committee on the effectiveness and outcomes of whistleblowing procedures; and  
Reports on insurance coverage and uninsured risks.

[p. 120] Audit procedures performed by the Group engagement team and/or component auditors included:  
-Discussions with management, internal audit and the Group's legal and tax advisors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;  
-Evaluation of management's controls designed to prevent and detect irregularities, in particular their anti-bribery controls;  
-Assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters;

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company commits to investigating incidents and that it has a specific procedure in place to deal with whistleblowing cases. There is evidence indicating that investigations are handled by an independent team and that the company publicly commits to providing whistleblowers with updates on the outcomes of investigations. There is also evidence that the Corporate Responsibility Committee receives all information on significant ethics violations and that this information is communicated to the board after each meeting, at least twice a year.</p> <p>However, the company receives a score of '1' because it does not provide any further publicly available information on the whole investigation process from receipt to final outcome, including documentation and actions to be taken at each step.</p>
<b>Evidence</b>
<p><b>[10] Terms of Reference for the Corporate Responsibility Committee (Webpage)</b>  Accessed 16/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/</a>  2. Attendance at meetings  2.1 The Committee shall meet at least two times a year and at such other times as the Chairman of the Committee shall require;  [...]  4. The Committee shall:  [...]  4.5 have oversight of any significant ethics violations which occur and the actions taken in response to these;  4.6 review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action  [...]  5.2 The Committee shall report its activities to the board after every meeting.</p> <p><b>[2] Anti-Corruption Policy (Webpage)</b>  Accessed 16/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>  2.8 Breaches of this Policy and Reporting Obligations  [...]  Any director or employee who suspects or becomes aware of any violation of this Policy or any anti-corruption statute or regulation shall report the suspicion or violation to one of his or her supervisor; to Meggitt Legal Counsel; to the Group Company Secretary; or to the Executive Director, Commercial &amp; Corporate Affairs. Anyone making such a report will be protected from punishment or retaliation in accordance with Meggitt's Code of Conduct. Anyone receiving such a report shall be responsible for escalating the report to the next higher level or to another appropriate senior employee, and for following up until it is resolved. See Meggitt's Escalation Policy.  Seek the advice of Meggitt Legal Counsel or the Group Company Secretary any time you have questions or concerns in this regard.</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>  Accessed 17/04/2020</p>

[https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt\\_Annual\\_Report\\_and\\_Accounts\\_2019.pdf](https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf)

[p.73] Our programme also sets out the names and contact information for people who can help employees if there are any concerns. This information is available on our intranet, throughout the policies and on posters located around all sites.

Each Meggitt business site has a designated Ethics Champion who is available to assist employees with questions or concerns, and ethical behaviour is also drawn out in our employee engagement surveys which are monitored and impact future strategy decisions with our stakeholders.

We operate an Ethics Line that enables employees to raise questions or concerns anonymously and confidentially, 24 hours a day, 7 days a week from anywhere in the world. Employees are entitled to a thorough investigation of concerns raised and receive feedback whether the issues are substantiated or not.

[p. 81] Employee Engagement Non-Executive Director

Nancy Gioia

- Engage with employees through a range of formal and informal channels;
- Acts as the conduit for employees to share ideas and concerns with senior management and the Board;
- Ensure that employee policies and practices are in line with the Group’s purpose and values and support the desired culture; and
- Regularly review ethics line reports.

[p. 89] Whistleblowing

The Corporate Responsibility Committee is responsible for oversight and review of the process for handling allegations from whistleblowers. Whistleblowing is included in our Ethics and Business Conduct Policy and Code of Conduct, which is available on our website. The Group sponsors an independently operated and monitored Ethics Line, enabling employees to report concerns about possible misconduct, with proportionate and independent investigation and appropriate follow-up action.

<b>Question</b>
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company assures itself of the quality of its internal investigations. There is evidence that the Corporate Responsibility Committee reviews the company's investigations procedure and that the Company Secretariat conducts a continuous review of the quality of investigations.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that it has a procedure in place to receive and handle complaints about the investigation process. There is also no clear evidence that staff conducting investigations are properly trained and qualified to perform their function.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  Meggitt has policies in place to ensure the quality of investigations. Review is continuous through the Company Secretariat department.</p> <p><b>[10] Terms of Reference for the Corporate Responsibility Committee (Webpage)</b>  Accessed 16/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/</a>  4. The Committee shall:  4.5 have oversight of any significant ethics violations which occur and the actions taken in response to these;  4.6 review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p. 81] Employee Engagement Non-Executive Director  Nancy Gioia</p> <ul style="list-style-type: none"> <li>• Engage with employees through a range of formal and informal channels;</li> <li>• Acts as the conduit for employees to share ideas and concerns with senior management and the Board;</li> <li>• Ensure that employee policies and practices are in line with the Group's purpose and values and support the desired culture; and</li> <li>• Regularly review ethics line reports.</li> </ul> <p>[p. 89] Whistleblowing  The Corporate Responsibility Committee is responsible for oversight and review of the process for handling allegations from whistleblowers. Whistleblowing is included in our Ethics and Business Conduct Policy and Code of Conduct, which is available on our website. The Group sponsors an independently operated and monitored Ethics Line, enabling employees to report concerns about possible misconduct, with proportionate and independent investigation and appropriate follow-up action.</p> <p><b>[1] Annual Report and Accounts 2018 (Document)</b>  Accessed 15/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf">https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf</a>  [p. 120] Audit procedures performed by the Group engagement team and/or component auditors included:  -Assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters;</p>



<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
Based on publicly available information, there is evidence that the company commits to report material findings of bribery and corruption from investigations to the board-level Corporate Responsibility Committee. There is evidence that the company commits to report material findings of bribery and corruption from investigations to the relevant authorities, where necessary, and indicates that the chair of the Corporate Responsibility Committee, with oversight from the board, would be responsible for this process.
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  Meggitt commits to the highest levels of integrity including reporting alleged criminal conduct to the authorities.</p> <p>[...] We are constantly looking at ways to improve our policies and the way we work from an ethical perspective. This includes reporting investigative findings to the Board and potentially to the wider community our incidents and investigations related to Business Conduct.</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p. 81] Employee Engagement Non-Executive Director  Nancy Gioia</p> <ul style="list-style-type: none"> <li>• Engage with employees through a range of formal and informal channels;</li> <li>• Acts as the conduit for employees to share ideas and concerns with senior management and the Board;</li> <li>• Ensure that employee policies and practices are in line with the Group's purpose and values and support the desired culture; and</li> <li>• Regularly review ethics line reports.</li> </ul> <p><b>[10] Terms of Reference for the Corporate Responsibility Committee (Webpage)</b>  Accessed 16/06/2019  <a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/</a>  The Committee shall:</p> <p>4.1 monitor and review compliance with the following policies and scrutinise the effectiveness of the delivery of the policy requirements by the Executive:</p> <ul style="list-style-type: none"> <li>– Corporate Responsibility Policy</li> <li>– Ethics and Business Conduct Policy and Code of Conduct</li> <li>– Anti-Corruption Policy</li> </ul> <p>[...]</p> <p>4.5 have oversight of any significant ethics violations which occur and the actions taken in response to these;</p> <p>4.6 review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action</p> <p>[...]</p> <p>5.2 The Committee shall report its activities to the Board after every meeting.</p>

<b>Question</b>
<b>2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any data on ethical or bribery and corruption investigations or disciplinary actions involving its employees.
<b>Evidence</b>
No evidence found.

### 3. Support to Employees

<b>Question</b>				
<b>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?</b>				
<b>Score</b>				
<b>2</b>				
<b>Comments</b>				
<p>There is evidence that the company provides training for its employees that outlines the basic principles of its anti-bribery and corruption policy, including the whistleblowing options available. There is also evidence that it provides this training on an annual basis to all employees across all divisions and countries of operation. In addition, the company indicates that it provides training in multiple languages.</p>				
<b>Evidence</b>				
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  We provide annual training in a variety of languages on Anti-Bribery &amp; Corruption to all employees, including board members.</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.49]</p> <p><b>Corporate risks</b></p> <table border="1"> <tr> <td style="background-color: #333; color: white; padding: 10px;"> <p><b>Legal and compliance</b></p> <p>3 — H</p> <p><b>KPIs:</b></p> <ul style="list-style-type: none"> <li>Financial performance</li> <li>TRIR</li> </ul> </td> <td style="padding: 10px;"> <p>Significant breach of increasingly complex trade compliance, bribery and corruption, US Government contracting, ethics, intellectual property, data protection or competition/antitrust laws and facilitation of tax evasion.</p> </td> <td style="background-color: #333; color: white; padding: 10px;"> <p>Damage to reputation, loss of supplier accreditations, suspension of activity, fines from civil and criminal proceedings.</p> </td> <td style="padding: 10px;"> <ul style="list-style-type: none"> <li>Continuing investment in compliance programmes including Board-approved policies and roll out of training and IT solutions.</li> <li>Regular monitoring by Corporate Responsibility Committee, supported by on-going trade compliance programme including third-party audits.</li> <li>Comprehensive ethics programme including training, anti-corruption policy and Ethics line.</li> <li>Third-party audits including HS&amp;E and the Criminal Finance Act.</li> <li>MPS implementation to enhance safety measures, validated by third-party audits.</li> </ul> </td> </tr> </table> <p>[p.73] In addition to the updated Ethics &amp; Business Conduct Policy in 2019, we continued to promote our ethics programme and Code of Conduct through training issued to all employees, more targeted training delivered at specific sites, and also briefings delivered to our Ethics Champions who are located at every site. Our training reminds employees about ethics and business conduct, and we provide examples of how to apply the principles laid out in our policies. Every employee receives an Ethics Guide upon joining the Group, which is also available on our intranet.</p> <p><b>[1] Annual Report and Accounts 2018 (Document)</b>                  Accessed 16/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf">https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf</a>                  [p.72] Ethics and business conduct training provided to all employees</p> <p>Throughout 2018, we continued to promote our ethics programme through training issued to all employees, more targeted training delivered at specific sites, and also briefings delivered to our Ethics Champions. Our training reminds employees about ethics and business conduct, and we provide examples of how to apply the</p>	<p><b>Legal and compliance</b></p> <p>3 — H</p> <p><b>KPIs:</b></p> <ul style="list-style-type: none"> <li>Financial performance</li> <li>TRIR</li> </ul>	<p>Significant breach of increasingly complex trade compliance, bribery and corruption, US Government contracting, ethics, intellectual property, data protection or competition/antitrust laws and facilitation of tax evasion.</p>	<p>Damage to reputation, loss of supplier accreditations, suspension of activity, fines from civil and criminal proceedings.</p>	<ul style="list-style-type: none"> <li>Continuing investment in compliance programmes including Board-approved policies and roll out of training and IT solutions.</li> <li>Regular monitoring by Corporate Responsibility Committee, supported by on-going trade compliance programme including third-party audits.</li> <li>Comprehensive ethics programme including training, anti-corruption policy and Ethics line.</li> <li>Third-party audits including HS&amp;E and the Criminal Finance Act.</li> <li>MPS implementation to enhance safety measures, validated by third-party audits.</li> </ul>
<p><b>Legal and compliance</b></p> <p>3 — H</p> <p><b>KPIs:</b></p> <ul style="list-style-type: none"> <li>Financial performance</li> <li>TRIR</li> </ul>	<p>Significant breach of increasingly complex trade compliance, bribery and corruption, US Government contracting, ethics, intellectual property, data protection or competition/antitrust laws and facilitation of tax evasion.</p>	<p>Damage to reputation, loss of supplier accreditations, suspension of activity, fines from civil and criminal proceedings.</p>	<ul style="list-style-type: none"> <li>Continuing investment in compliance programmes including Board-approved policies and roll out of training and IT solutions.</li> <li>Regular monitoring by Corporate Responsibility Committee, supported by on-going trade compliance programme including third-party audits.</li> <li>Comprehensive ethics programme including training, anti-corruption policy and Ethics line.</li> <li>Third-party audits including HS&amp;E and the Criminal Finance Act.</li> <li>MPS implementation to enhance safety measures, validated by third-party audits.</li> </ul>	

principles laid out in our policies. Every employee receives a printed Ethics Guide on joining the Group, which is also available on our website.

**[2] Anti-Corruption Policy (Webpage)**

Accessed 16/06/2019

<https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/>

e. Meggitt will provide training regarding this Policy and such training is mandatory for all employees, officers and directors

Each employee has received a copy of the Code of Conduct which also contains the Ethics Line phone numbers. The Code of Conduct and the phone numbers are available from your site's Ethics Coordinator. The Ethics Line should also be used if reports made to supervisors do not appear to have been addressed satisfactorily.

**[5] Code of Conduct (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/>

Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should:

- Participate in training to learn about business ethics, compliance, laws and regulations that affect our business;

**[3] Ethics and Business Conduct Policy (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/ethics-and-business-conduct-policy/>

The company has implemented an Ethics and Business Conduct Programme across the Group which includes:

- 4. Training and awareness presentation;

**[17] Investor Relations – Ethics and Business Conduct (Webpage)**

Accessed 18/06/2019

<http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new>

[...] All employees receive ethics and anti-corruption training and are required to undertake ethics training regularly.

**[10] Terms of Reference for the Corporate Responsibility Committee (Webpage)**

Accessed 16/06/2019

<https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/>

The Committee shall:

[...]

- 4.4 ensure that appropriate training is provided for employees, where appropriate;

Question
<p><b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b></p> <p>a) Employees in high risk positions, b) Middle management, c) Board members.</p>
Score
1
Comments
<p>There is some evidence that the company provides tailored anti-corruption training to employees based on their role or exposure to corruption risk. The company states that all board members and directors must undertake anti-corruption training, and indicates that employees working with third parties receive training on preventing corruption.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that it provides tailored anti-corruption training to middle management. The company indicates that tailored training is delivered at specific sites, but it is not clear which employees this applies to or whether the selection is based on an assessment of corruption risk. There is also no evidence that employees in high risk positions must refresh their training on an annual basis.</p>
Evidence
<p><b>[20] Annual Report and Accounts 2019 (Document)</b> Accessed 17/04/2020 <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a> [p.73] In addition to the updated Ethics &amp; Business Conduct Policy in 2019, we continued to promote our ethics programme and Code of Conduct through training issued to all employees, more targeted training delivered at specific sites, and also briefings delivered to our Ethics Champions who are located at every site.</p> <p><b>[2] Anti-Corruption Policy (Webpage)</b> Accessed 16/06/2019 <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a> e. Meggitt will provide training regarding this Policy and such training is mandatory for all employees, officers and directors</p> <p><b>[5] Code of Conduct (Webpage)</b> Accessed 04/05/2020 <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/">https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/</a> Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should: -Participate in training to learn about business ethics, compliance, laws and regulations that affect our business;</p> <p><b>[3] Ethics and Business Conduct Policy (Webpage)</b> Accessed 04/05/2020 <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/ethics-and-business-conduct-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/ethics-and-business-conduct-policy/</a> Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should: -Participate in training to learn about business ethics, compliance, laws and regulations that affect our business;</p> <p><b>[17] Investor Relations – Ethics and Business Conduct (Webpage)</b> Accessed 18/06/2019 <a href="http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new">http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new</a> [...] As part of our commitment to combat all forms of corruption, we have adopted a Groupwide approach to dealing with intermediaries, specifically sales representatives and distributors. The company has put in place internal policies that address the hiring and management of those third party relationships. The policies themselves and the protocol documents that must be used in all cases, require:  [...] 6. Training, provided to all Group employees on preventing corruption.</p>

<b>Question</b>
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company reviews the effectiveness of its anti-bribery and corruption communications and personnel training programme. The company indicates that it has a system in place to conduct employee engagement surveys on an annual basis, which include questions on ethics, communications and training. In addition, there is evidence to indicate that the results are used to update specific parts of the company's anti-bribery and corruption initiatives.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  All employees are invited to participate in our annual engagement survey. There are questions related to ethics, communications and our training provisions. All information is collated and disseminated within the organisation each year to improve standards from a company perspective.</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.60]</p> <ul style="list-style-type: none"> <li>• All employees receive a full induction, including a video message from Tony Wood, a Group overview presentation, a video on diversity and inclusion at Meggitt, details of our policies and processes, health and safety and more.</li> <li>• Biannual employee engagement surveys, and more frequent 'pulse' surveys, are issued to employees with the results discussed by the Board. Specific actions are then agreed and progress reported to the Board.</li> </ul> <p>[p.64]</p> <ul style="list-style-type: none"> <li>• Employees – the CR Committee reviewed the activities of executive management engaging with employees using employee engagement surveys, direct feedback and discussions and site visits. The results of the employee engagement survey as well as the whistleblowing hotline and ethics programme were also reviewed by the Board and CR Committee</li> </ul> <p>[p.73] Each Meggitt business site has a designated Ethics Champion who is available to assist employees with questions or concerns, and ethical behaviour is also drawn out in our employee engagement surveys which are monitored and impact future strategy decisions with our stakeholders.</p> <p><b>[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf">https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf</a>                  [p. 9] Throughout each year we provide regular training on topics such as "Preventing Harassment in the Workplace"; "Working Together: Promoting Mutual Respect" and "Diversity: Another Perspective". We also regularly update our training on the Code of Conduct as well as Health and Safety and Trade Compliance. We welcome feedback on any training session.</p>

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company's incentive schemes for employees incorporate ethical principles. The company indicates that annual salary evaluations take into account personal performance and that all employees set annual objectives in line with the company's values and culture.</p> <p>However, the company receives a score of '1' because it does not provide further publicly available information on how its incentives are designed or how they reward ethical behavior while discouraging corrupt practices. There is no evidence that the company ensures such rewards are proportionate to base salary, nor is there evidence that it addresses employees in high risk positions or departments.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  All employees set objectives which are reviewed annually. These are closely set with each employees manager and are closely linked to our Values and competencies.</p> <p><b>[20] Annual Report 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p.100] Remuneration policy for other employees</p> <p>In light of the 2018 UK Corporate Governance Code (the "2018 Code") extending expectations of the Committee to review and consider "workforce remuneration and related policies and the alignment of incentives and rewards with culture", the Committee agreed the approach to executive remuneration with management in 2019. In setting the Remuneration Policy, the Committee reviewed:</p> <ul style="list-style-type: none"> <li>• Our Global Compensation Policy – it noted alignment between pay for performance provisions for executive directors and the wider workforce, along with an alignment of historic average pay increases;</li> <li>• Our incentive plans (STIP and LTIP) – it noted alignment between the plans for the top 200 senior managers and the executive directors and that work is underway to align other short-term incentive plans lower down the organisation; and</li> <li>• Alignment of reward with Culture, Values and long-term success – it noted the successful implementation of our High Performance Culture programme (which is linked to our culture strategic priority) which is embedded in performance and talent processes across the Group. The success of our High Performance Culture is enhanced by the increase in employee engagement.</li> </ul> <p>A report will be provided each year to the Committee, ensuring it is updated on remuneration of the wider workforce and ensuring context as it makes remuneration decisions related to the executive directors.</p> <p>The remuneration policy for other employees is based on broadly consistent principles as that for executive directors. Annual salary reviews take into account personal performance, Group performance, local pay and market conditions, and salary levels for similar roles in comparable companies. Some employees below executive level are eligible to participate in annual bonus schemes; opportunities and performance measures vary by organisational level, geographical region and an individual's role. [...]</p> <p>[p.104] Link to strategy and long-term sustainable success  The Group's remuneration arrangements are designed to support strategy and promote long-term sustainable success and are also aligned to the Group's purpose and values and clearly linked to successful delivery of long-term strategy. This approach is evident in our proposed Remuneration Policy which links through metrics to our strategy and through personal performance to our High Performance Culture.</p>

Question
<b>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?</b>
Score
1
Comments
<p>The company publishes a clear statement that it will support and protect employees who choose to “do the right thing” and indicates that this approach informs all areas of the business. However, the company receives a score of ‘1’ because there is no evidence that it assures itself of its employees’ confidence in this statement through anonymised surveys or other clearly stated means.</p>
Evidence
<p><b>[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)</b>  Accessed 17/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf">https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf</a></p> <p>[p.1] If you have any questions or concerns about anything in this Ethics Guide, please speak up. People in the company are ready to help you.</p> <p>[p. 5] What is expected of me?  If you have any questions or concerns, speak up. If you are ever worried that someone might be working against these principles, share your concerns. If there is something you don’t understand, ask questions. Doing nothing is as unethical as doing the wrong thing.</p> <p>[p. 10] Meggitt’s Code of Conduct promotes “doing the right thing” and “doing things right” so that we maintain our personal and business integrity. No Code of Conduct can address every possible situation. Where a specific action is not mentioned or you are not sure what action to take, you should always seek guidance. The Code will help you identify the right resources and the people who can help you.</p> <p>Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt’s related policies and procedures, should:</p> <ul style="list-style-type: none"> <li>• Be alert to any Code violations, illegal or unethical conduct and promptly report them to management or other appropriate officials. If you believe that our Code of Conduct or related policies are being violated, you have a responsibility to speak up;</li> <li>• Not participate in activities that may raise questions as to Meggitt’s integrity, impartiality, and reputation;</li> <li>• Raise questions or concerns about the business and follow them through to appropriate conclusion according to Meggitt’s Escalation Policy, which is available to all employees from your site Human Resources organization or your on-site Ethics Coordinator;</li> </ul> <p>[p. 11] Meggitt has implemented an Ethics and Business Conduct Programme across the Group in order to:</p> <ul style="list-style-type: none"> <li>• Create an environment where employees feel confident that they may raise questions or concerns and report suspected violations without fear of punishment or retaliation for doing so or for participating in an investigation.</li> </ul> <p><b>[20] Annual Report 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a></p> <p>[p.69] Integrity  At Meggitt we do the right thing, in the right way wherever we operate. Our colleagues, customers and the communities we are part of can count on us to act with integrity, honesty and respect. We form lasting positive relationships built on open communication, understanding, fairness and impartiality. We conduct ourselves with integrity and the highest standards of ethical behaviour across the business.</p> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a></p> <p>Meggitt is firmly committed to integrity, honesty, and respect for others in all its business relationships; including those with customers, suppliers, communities where we conduct business, and amongst its employees.</p>



<b>Question</b>
<b>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</b>
<b>Score</b>
1
<b>Comments</b>
<p>There is evidence the company promotes a policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents. The company indicates that this applies to all employees, and since this commitment appears in global policies it is understood to apply to employees of suppliers and third parties.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that it assures itself of its employees’ confidence in this commitment through surveys, usage data, or other clearly stated means.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Whistleblowers are protected at Meggitt and we aim to provide a safe environment where a person will feel safe to speak up without the fear of recrimination or retaliation.</p> <p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  Our continued success depends on competing aggressively, but fairly, and in full compliance with the laws and regulations in those countries where we are located or do business. This Policy applies to all business units worldwide.</p> <p>d. employees must report, without delay, any suspected irregular payment or breach of this Policy. If in doubt as to how the Policy works, you should seek guidance from the individuals listed in the final section of this Policy (“Breaches of this Policy and Reporting Obligations”); Meggitt’s Escalation Policy provides further guidance on how to raise questions or concerns and get answers without fear of punishment or retaliation.</p> <p>2.8 Breaches of this Policy and Reporting Obligations</p> <p>Violations of this Policy are punishable by disciplinary action up to and including termination of employment. Violations may also result in criminal prosecution of the individuals involved.</p> <p>Any director or employee who suspects or becomes aware of any violation of this Policy or any anti-corruption statute or regulation shall report the suspicion or violation to one of his or her supervisor; to Meggitt Legal Counsel; to the Group Company Secretary; or to the Executive Director, Commercial &amp; Corporate Affairs. Anyone making such a report will be protected from punishment or retaliation in accordance with Meggitt’s Code of Conduct. Anyone receiving such a report shall be responsible for escalating the report to the next higher level or to another appropriate senior employee, and for following up until it is resolved. See Meggitt’s Escalation Policy.</p> <p><b>[5] Code of Conduct (Webpage)</b>                  Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/">https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/</a>                  Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt’s related policies and procedures, should:</p> <ul style="list-style-type: none"> <li>• Be alert to any Code violations, illegal or unethical conduct and promptly report them to management or other appropriate officials. If you believe that our Code of Conduct or related policies are being violated, you have a responsibility to speak up;</li> <li>• Raise questions or concerns about the business and follow them through to appropriate conclusion according to Meggitt’s Escalation Policy, which is available to all employees from your site Human Resources organization or your on-site Ethics Coordinator;</li> <li>• Comply with all applicable laws and regulations;</li> <li>• Deal fairly and impartially in all transactions;</li> <li>• Not participate in activities that may raise questions as to Meggitt’s integrity, impartiality, and reputation;</li> </ul>

Meggitt has implemented an Ethics and Business Conduct Programme across the Group in order to:

- Create an environment where employees feel confident that they may raise questions or concerns and report suspected violations without fear of punishment or retaliation for doing so or for participating in an investigation;

**[20] Annual Report 2019 (Document)**

Accessed 17/04/2020

[https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt\\_Annual\\_Report\\_and\\_Accounts\\_2019.pdf](https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf)

[p. 89] Whistleblowing

The Corporate Responsibility Committee is responsible for oversight and review of the process for handling allegations from whistleblowers. Whistleblowing is included in our Ethics and Business Conduct Policy and Code of Conduct, which is available on our website. The Group sponsors an independently operated and monitored Ethics Line, enabling employees to report concerns about possible misconduct, with proportionate and independent investigation and appropriate follow-up action.

**[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)**

Accessed 17/06/2019

[https://www.meggitt.com/wp-content/uploads/2018/07/Ethics\\_2017-English-aw\\_edition2.pdf](https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf)

[p.8] We share our Code, and the whole Ethics Guide, with our partners, customers and suppliers. We will only work with other organisations and individuals who share our commitments to Honesty, Integrity and Respect for others.

[p.10] Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should:

- Read and regularly review this Code of Conduct;
- Participate in training to learn about business ethics, compliance, laws and regulations that affect our business;
- Be alert to any Code violations, illegal or unethical conduct and promptly report them to management or other appropriate officials. If you believe that our Code of Conduct or related policies are being violated, you have a responsibility to speak up;
- Raise questions or concerns about the business and follow them through to appropriate conclusion according to Meggitt's Escalation Policy, which is available to all employees from your site Human Resources organization or your on-site Ethics Coordinator;

[p.23] Anyone making such a report will be protected from punishment or retaliation in accordance with Meggitt's Code of Conduct.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company provides whistleblowing and advice channels for its employees to report instances of suspected corrupt activity and seek advice on its anti-bribery and corruption programme. The company indicates that these channels are sufficiently varied to allow the employee to raise concerns across the management chain, as well as externally to an independent third party. These channels allow for anonymous and confidential reporting, and they are available to all employees in all relevant countries and in multiple languages. The company indicates that this applies to all employees, and since this commitment appears in global policies it is understood to apply to employees of suppliers and third parties.</p>
<b>Evidence</b>
<p><b>[20] Annual Report 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p.73] We operate an Ethics Line that enables employees to raise questions or concerns anonymously and confidentially, 24 hours a day, 7 days a week from anywhere in the world.</p> <p>[p. 89] Whistleblowing  The Corporate Responsibility Committee is responsible for oversight and review of the process for handling allegations from whistleblowers. Whistleblowing is included in our Ethics and Business Conduct Policy and Code of Conduct, which is available on our website. The Group sponsors an independently operated and monitored Ethics Line, enabling employees to report concerns about possible misconduct, with proportionate and independent investigation and appropriate follow-up action.</p> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  We utilize an independent provider to collate and track alleged incidents raised through our Whistleblower channels.</p> <p><b>[2] Anti-Corruption Policy (Webpage)</b>  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>  Our continued success depends on competing aggressively, but fairly, and in full compliance with the laws and regulations in those countries where we are located or do business. This Policy applies to all business units worldwide.</p> <p>d. employees must report, without delay, any suspected irregular payment or breach of this Policy. If in doubt as to how the Policy works, you should seek guidance from the individuals listed in the final section of this Policy (“Breaches of this Policy and Reporting Obligations”); Meggitt’s Escalation Policy provides further guidance on how to raise questions or concerns and get answers without fear of punishment or retaliation.</p> <p>2.8 Breaches of this Policy and Reporting Obligations  Any director or employee who suspects or becomes aware of any violation of this Policy or any anti-corruption statute or regulation shall report the suspicion or violation to one of his or her supervisor; to Meggitt Legal Counsel; to the Group Company Secretary; or to the Executive Director, Commercial &amp; Corporate Affairs. Anyone making such a report will be protected from punishment or retaliation in accordance with Meggitt’s Code of Conduct. Anyone receiving such a report shall be responsible for escalating the report to the next higher level or to another appropriate senior employee, and for following up until it is resolved. See Meggitt’s Escalation Policy.</p>

Seek the advice of Meggitt Legal Counsel or the Group Company Secretary any time you have questions or concerns in this regard. Names and contact information for people who can help, are contained in the Code of Conduct and on posters provided throughout your facility.

Meggitt also provides an independently operated Ethics Line, available 24 hours a day, seven days a week, which may be used to raise questions or concerns. Each Meggitt facility contains posters listing the toll free phone number to be used to place such calls. Those phone numbers are also available on line, on Meggitt's public web site: [www.meggitt.com](http://www.meggitt.com).

An internet application is also available for these purposes at [www.expolink.co.uk/meggitt](http://www.expolink.co.uk/meggitt). Log on information will be provided on message boards throughout the company.

Each employee has received a copy of the Code of Conduct which also contains the Ethics Line phone numbers. The Code of Conduct and the phone numbers are available from your site's Ethics Coordinator. The Ethics Line should also be used if reports made to supervisors do not appear to have been addressed satisfactorily.

Division Presidents and the senior on-site executives are responsible for the implementation of this policy in their businesses and at their sites.

### **[5] Code of Conduct (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-f-conduct/>

If you have any questions or concerns about any aspect of this Code of Conduct or the way in which we are conducting business or treating people, you should address them to your line manager or your local site or product group leader. You may contact Human Resources at any time or your local ethics champion. If you do not consider these options appropriate you may also email the Group ethics team on [ethics@meggitt.com](mailto:ethics@meggitt.com), or contact any of the following directly:

#### Ethics team

Rebecca Mayfield

Ethics & Corporate Responsibility Director

+44 (0) 7392 197 320

Marina Thomas

Group Company Secretary

+44 (0) 7432 738 520

#### Legal team

Eric Lardiere

Senior Vice President, Secretary & General Counsel (US)

+1 805 217 6876

Kate Coulson

Senior Legal Counsel (UK)

+44 (0) 2476 668 973

Andrew Garard

Group General Counsel & Director, Corporate Affairs

+44 (0) 7880 751 094

#### Contact details for Speak-Up Line are:

Australia: 1 800 121 889

Belgium: 0800 71025

Brazil: 0800 891 8807

Canada: 1888 268 5816

China: 10800 441 0078

Denmark: 8088 4368

France: 0800 900 240

Germany: 0800 182 3246

India: 000 800 440 1286

Mexico: 01800 123 0193

Netherlands: 0800 022 9026

Singapore: 800 4411 140

Spain: 900 944 401

Switzerland: 0800 563 823

UK: 0800 374 199

USA: 1 877 533 5310  
Vietnam: 02513 836 622

Originally approved by the Board on 12 May 2005. Last reviewed and approved by the Board on 12 December 2019.

**[4] Corporate Responsibility Policy (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/>

Ethics and business conduct

encouraging dialogue with employees through a clear and open system of internal communications;  
providing a grievance procedure and a confidential Ethics Line by which employees can raise matters of potential concern;

**[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)**

Accessed 17/06/2019

[https://www.meggitt.com/wp-content/uploads/2018/07/Ethics\\_2017-English-aw\\_edition2.pdf](https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf)

[p. 10] Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should:

- Be alert to any Code violations, illegal or unethical conduct and promptly report them to management or other appropriate officials.

[p.11] Meggitt has implemented an Ethics and Business Conduct Programme across the Group in order to:

- Sponsor an independently operated and monitored Ethics Line to enable employees to report questions or concerns about possible misconduct or to seek guidance about the proper course of action. The free telephone numbers are provided at the end of this Code and on message boards throughout our businesses. A web based application of the Ethics Line is also available for these purposes at: [www.expolink.co.uk/meggitt](http://www.expolink.co.uk/meggitt).

[p.13] [...] If that is not possible, for any reason, and you have any questions or concerns, then consider contacting the people listed at the end of this Guide or call the independent Ethics Line. You will also find the right number for your country at the end of this Guide and on message boards at your business site.

## 4. Conflict of Interest

<b>Question</b>
<b>4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has a formal policy which defines conflicts of interest, including actual, potential and perceived conflicts. The company’s policy clearly addresses possible conflicts arising from employee relationships, financial interests and other employment. The policy applies to all employees and board members.</p> <p>However, there is no clear evidence that the company’s policy addresses possible conflicts arising from government relationships. It is noted that the company references a document with specific standards of business conduct for those working on United States government contracts; but this does not appear to be available in the public domain and it is not clear that this would apply Group-wide.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  2. This Policy applies to all business units worldwide.</p> <p>[...]</p> <p>2.3 Conflicts of Interest                  Definition: A personal “conflict of interest” occurs when an employee’s personal, social, financial or political activities interfere or have the potential to interfere with the employee’s loyalty and objectivity towards Meggitt. Actual conflicts of interest must be avoided but even the appearance of a conflict of interest can be harmful.</p> <p>Conflicts of interest can include:</p> <ul style="list-style-type: none"> <li>• having a second job</li> <li>• performing services</li> <li>• serving as a director or consultant</li> <li>• holding a financial interest</li> </ul> <p>The activities of close relatives and friends can sometimes create conflicts of interest. A “close relative” means a spouse, partner, parent, step-parent, child, step-child, sibling, step-sibling, cousin, nephew, niece, aunt, uncle, grandparent, grandchild, or an in-law, or other person, where a legal or common law relationship exists.</p> <p>In general, a relative should not have any business dealings with you, with anyone working in your business unit, or with anyone who reports to you. In addition, you should never be in a situation where you have the ability to hire, supervise, affect terms and conditions of employment, or influence the management of any close relative, regardless of whether that person is a Meggitt employee or employed by a Meggitt customer, contractor, supplier, or similar entity.</p> <p>NOTE: Special “organisational conflict of interest” rules apply to Meggitt as a company where government contracts are involved. See Meggitt’s Standards of Business Conduct for the US Government Marketplace and consult Meggitt Legal Counsel.</p> <p><b>[5] Code of Conduct (Webpage)</b>                  Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/">https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/</a>                  Employees, directors and those who act on behalf of Meggitt, in accordance with Meggitt’s related policies and procedures, should:</p>

- Not engage in conduct that might create a conflict of interest for Meggitt or for themselves individually;

**[19] Ethics & Business Conduct (Webpage)**

Accessed 17/04/2020

<https://www.meggitt.com/ethics-business-conduct/>

Meggitt has a robust recruitment process and fosters an environment to ensure employees and Board Members notify HR of any conflicts of interest.

**[20] Annual Report 2019 (Document)**

Accessed 17/04/2020

[https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt\\_Annual\\_Report\\_and\\_Accounts\\_2019.pdf](https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf)

[p.104] External appointments held by executive directors

The Board believes that the Group can benefit from experience gained when executive directors hold external non-executive directorships. Executive directors are allowed to hold external appointments and receive payment provided such appointments are agreed by the Board or Committee in advance, there are no conflicts of interests and the appointment does not lead to deterioration in the individual's performance. Details of external appointments and associated fees received are included in the annual report on remuneration on page 114.

With the exception of Guy Hachey, none of the non-executive directors has, or has had, any personal financial interests or conflicts of interest arising from cross-directorships or day-to-day involvement in running the business. Mr Hachey holds a directorship with Hexcel Corporation which has announced a possible merger with Woodward, Inc., a competitor of the Group.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence the company has procedures to identify, declare and manage conflicts of interest. The company states that it conducts an annual conflict of interest survey to identify any actual or potential conflicts, and there is evidence that it maintains a conflict of interest register for board members. The company indicates that disciplinary measures will apply if the company's policy is breached.</p> <p>However, the company receives a score of '1' because there is no evidence that it has a conflict of interest register in place for employee declarations; the company's publicly available information indicates that its register is specifically for conflicts relating to the board. In addition, it is not clear from publicly available information which individual or body holds oversight and accountability for handling all conflict of interest cases.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  2.3 Conflicts of Interest</p> <p>[...]</p> <p>Conflicts of interest or potential conflicts of interest should be disclosed to your line manager. Under appropriate circumstances, conflicts may be waived, or safeguards may be put in place to ensure they are properly managed.</p> <p>Meggitt will conduct an annual Conflict of Interest survey for the purpose of disclosing and attempting to resolve conflicts of interest.</p> <p>NOTE: Special "organisational conflict of interest" rules apply to Meggitt as a company where government contracts are involved. See Meggitt's Standards of Business Conduct for the US Government Marketplace and consult Meggitt Legal Counsel.</p> <p>[...]</p> <p>2.8 Breaches of this Policy and Reporting Obligations                  Violations of this Policy are punishable by disciplinary action up to and including termination of employment. Violations may also result in criminal prosecution of the individuals involved.</p> <p><b>[20] Annual Report 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.81] 2019 Board activities</p> <p>[...] Approved the conflicts of interest register for the board.</p> <p>[p.118] Conflicts of interest</p> <p>The Company has a procedure for the disclosure, review, authorisation and management of directors' conflicts of interest and potential conflicts of interest, in accordance with the provisions of the Companies Act 2006. In deciding whether to authorise a conflict or potential conflicts, the directors must have regard to their general duties under the Companies Act 2006. The authorisation of any conflict matter and the terms of authorisation are regularly reviewed by the Board.</p>



<b>Question</b>
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
<b>Score</b>
0
<b>Comments</b>
There is no publicly available evidence that the company has a policy regulating the employment of current or former public officials.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>4.4. Does the company report details of the contracted services of serving politicians to the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes details of the contracted services of serving politicians.
<b>Evidence</b>
No evidence found.

## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

Question
<b>5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?</b>
Score
<b>2</b>
Comments
<p>Based on publicly available information, there is evidence that the company publishes a clear statement that it does not make corporate political contributions. The company states that it does not make financial or in kind contributions to political parties, campaigns or organisations, and indicates that this applies to all businesses worldwide.</p>
Evidence
<p><b>[2] Anti-Corruption Policy (Webpage)</b>  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>  2.7 Political Contributions and Lobbying Activities</p> <p>It is the policy of the Company not to participate directly in any party political activity and not to make political contributions whether in cash or in kind, anywhere in the world. It is understood that Company activities, such as being members of or involved with organisations concerned with matters of public policy, law reform and representation of the business community, and communicating with the Government and political parties at local, national and European level, could be construed as direct political activity but is not generally prohibited (see Lobbying and Advocacy below).</p> <p>Meggitt recognises employees' rights to participate as individuals in the political process, in ways that are appropriate to each country. However, employees should be careful to make it clear that they do not represent the Company as they participate in the political process. Therefore:</p> <ol style="list-style-type: none"> <li>do not use Company time, property or equipment to carry out or support your personal political activities. In short, engage in the political process on your own time and with your own resources (we may allow you time off work for these purposes, including in particular where we are obliged by law to do so);</li> <li>always make clear that your views and actions are your own and not Meggitt's;</li> <li>if you plan to seek or accept a public office, you should seek the approval of your manager in advance. Approval may not be given if the manager considers that there will be an adverse impact on the performance of your job or the Company.</li> </ol> <p><b>[20] Annual Report 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p.118] Political donations</p> <p>Neither the Group nor the Company made any political donations or incurred any political expenditure during the year (2018: None).</p> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  Meggitt will not consider funding political organisations and campaigns.</p>

**[13] Charitable Giving and Sponsorship Policy (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/group-sponsorship-and-charitable-giving/>

(2) We will not consider funding

- a) Sponsorship or initiatives involving employees or other people participating in dangerous or extreme activities such as bungee jumping or parachuting; and
- b) Political organisations and campaigns.

**[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)**

Accessed 17/06/2019

[https://www.meggitt.com/wp-content/uploads/2018/07/Ethics\\_2017-English-aw\\_edition2.pdf](https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf)

[p. 22] Meggitt's approach to corporate political participation is simple and applies everywhere we do business:-

- The Company will not participate directly in party political activity.
- The Company will make no political contributions whether in cash or in kind, anywhere in the world.

Meggitt recognises employees' rights to participate as individuals in the political process, in ways that are appropriate to each country. However, employees should be careful to make it clear that they do not represent the Company as they participate in the political process. Therefore:-

- a. do not use Company time, property or equipment to carry out or support your personal political activities. In short, engage in the political process on your own time and with your own resources (we may allow you time off work for these purposes, including in particular where we are obliged by law to do so);
- b. always make clear that your views and actions are your own and not Meggitt's;
- c. if you plan to seek or accept a public office, you should seek the approval of your manager in advance. Approval may not be given if the manager considers that there will be an adverse impact on the performance of your job or the Company.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>N/A</b>
<b>Comments</b>
The company states that it does not make political contributions under any circumstances and therefore it is exempt from scoring on this question.
<b>Evidence</b>
<p><b>[20] Annual Report 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.118] Political donations                  Neither the Group nor the Company made any political donations or incurred any political expenditure during the year (2018: None).</p>

Question
<b>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?</b>
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on charitable donations and sponsorships to ensure that such contributions are not used as vehicles for bribery and corruption. In addition, the company's policy includes criteria for donations and sign-off from the Group Communications Director or Group Company Secretary. The company indicates that Corporate Responsibility Committee provides oversight of this policy.</p> <p>However, the company receives a score of '1' because there is no evidence that it publishes full details of all charitable contributions made, such as details of the recipient, amount, country of recipient and which corporate entity made the payment.</p>
Evidence
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  We have a charitable giving policy which is reviewed in line with Anti-Bribery and Corruption risks and appropriate business conduct.</p> <p><b>[13] Charitable Giving and Sponsorship Policy (Webpage)</b>  Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/group-sponsorship-and-charitable-giving/">https://www.meggitt.com/about-us/our-responsibility/group-policies/group-sponsorship-and-charitable-giving/</a></p> <p><b>1.0 PURPOSE</b>  The purpose of this policy is to set out the principles which govern Group sponsorship of events and activities. The policy also sets out the principles applicable to charitable giving and sponsorship, both charitable and non-charitable. This policy applies to all Meggitt sites globally.</p> <p><b>2.0 POLICY</b></p> <p><b>2.1 Group sponsorship</b>  Meggitt will sponsor events and activities where there is a clear reputational advantage in promoting Meggitt either locally, regionally or nationally as a prospective employer. All sponsorship requests are subject to approval by the Group Communications Director or Group Company Secretary, although they should be funded from local budgets. Meggitt will generally consider sponsoring events and activities run locally, regionally or nationally that promote Meggitt as an employer of choice.</p> <p>Sponsorship of events and activities under this Policy does not include attendance at trade and air shows.</p> <p><b>2.2 Charitable giving</b>  Meggitt seeks to contribute to the communities in which our employees live and work. In addition to providing employment opportunities and minimising our environmental impact, we support a variety of local community initiatives and charitable organisations. Each Meggitt business is responsible for agreeing and administering its own budget for charitable giving.</p> <p>We will consider funding the following charitable activities:  Local charities and non-profit organisations that will enhance the well-being of people living in our community.  Local and national charities and non-profit organisations that (i) operate for the benefit of the health and welfare of military/defence personnel; (ii) support education initiatives, scholarships and competitions in science, technology, engineering and mathematics subjects; or (iii) support diversity and inclusion-related objectives.</p> <p>Sponsorship of an employee for the benefit of charities and non-profit organisations which we would usually support under (a).</p>

We will not consider funding or supporting initiatives involving employees or other people participating in dangerous or extreme activities such as bungee jumping or parachuting and political organisations and campaigns.

## 2.3 Responsibilities

### 2.3.1 Group Communications Director and Group Company Secretary

The Group Communications Director and Group Company Secretary are responsible for providing guidance and approval on Group Sponsorship matters.

The Group Company Secretary is responsible for providing guidance on charitable giving, and for communicating this Policy across the Group.

### 2.3.2 Executive Committee

The Executive Committee is responsible for approving and implementing this Policy at a local level.

### 2.3.3 Corporate Responsibility Committee

The Corporate Responsibility Committee of the Board of Directors has oversight of this Policy and its implementation.

## 3.0 APPLICABILITY

This policy applies to all Meggitt sites.

### **[20] Annual Report 2019 (Document)**

Accessed 17/04/2020

[https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt\\_Annual\\_Report\\_and\\_Accounts\\_2019.pdf](https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf)

[p.59] On-going monitoring of CR activities has been delegated by the Board to the Corporate Responsibility Committee (CR Committee) to maintain oversight of ethics and business conduct, sustainability, charity and community activities.

[...] Data in other key areas, such as employees, environment, and charity and community were monitored and assessed at a Group level and our Group progress is reported in this section and in the Nominations Committee report (see page 90).

[p.61] Our approach to local communities and charities and implementation of the Group Sponsorship and Charitable Giving Policy is discussed at each meeting of the Corporate Responsibility Committee.

### [p.68] Community activities

Each site is ultimately responsible for agreeing and administering its own budget for charitable donations and sponsorships in line with the updated policy to ensure they have a positive impact on the local community or support sectors in which their business operates. Our annual survey reveals the exceptional generosity of many employees who give time and money to a wide range of national and local initiatives. In 2019, our sites around the world organised events to support employees and local communities. A few highlights from 2019 are outlined:

- Our Rockmart (US) site is a major employer in the local area – during 2019 the site made various charitable donations to not-for-profit community assistance groups and libraries while also organising community events such as painting school days, hosting of blood drives and the facilitation of a mammogram event for female employees.
- Our Coventry (UK) site held charity events for Mind and the Samaritans during 2019. These were organised by our Mental Health Employee Resource Group; SHINE.
- Our Troy (US) site focused on employee engagement by arranging a fun day for their families. The donations from the day were given to the local fire department. The event had a significant impact on improving engagement and morale across the site.

### **[1] Annual Report and Accounts 2018 (Document)**

Accessed 17/06/2019

[https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt\\_AR2018.pdf](https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf)

[p. 73] Our sites contribute to the communities in which our employees live and work, to enhance the well being of people living in our communities. We reinforce this through our Charitable Giving Policy. The policy includes our commitment to activities and fundraising to benefit the health and welfare of defence personnel and to support education initiatives, scholarships and competitions in science, technology, engineering and mathematics (STEM) subjects.

Each site is ultimately responsible for agreeing and administering its own budget for charitable donations and sponsorships to ensure they have a positive impact on the local community or support sectors in which their business operates. Annual reports reveal the exceptional generosity of many employees who give time and money to a wide range of national and local initiatives.

[p.185] Registered charity  
Evershed & Ayrton Fund



## 5.2 Lobbying

<b>Question</b>
<b>5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?</b>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company that the company has a policy on lobbying, which applies to all employees, board members and third parties engaged in lobbying activities on the company's behalf. The company states that all lobbying activities are overseen by its legal department.</p> <p>However, there is no evidence that the company publishes further information such as guidelines or standards of conduct for all types of lobbyists which would constitute a responsible approach to lobbying.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  This Policy applies to all business units worldwide.</p> <p>[...]</p> <p>2.7.1 Lobbying and Advocacy</p> <p>Although Meggitt will not directly participate in party politics, we will continue to engage in policy debate on subjects of legitimate concern to the Group, its staff and the communities in which we operate, by processes such as lobbying.</p> <p>Lobbying activity on behalf of Meggitt is highly regulated by law. Our Legal Counsel are responsible for overseeing this activity. Consult your line manager before any non-routine contact is made with government officials or employees.</p> <p>Non-routine is defined as:</p> <ul style="list-style-type: none"> <li>• other than as required by normal government processes and monitoring contracts; and</li> <li>• relating to government policy or legal/regulatory changes.</li> </ul> <p><b>[5] Code of Conduct (Webpage)</b>                  Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/">https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/</a>                  Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should:</p> <ul style="list-style-type: none"> <li>• Be familiar with and refer to the other ethics and business conduct policies, including our Anti-corruption Policy.</li> </ul> <p>Meggitt's Anti-corruption Policy covers the following issues:</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• Political contributions and lobbying activities</li> </ul> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Our Legal team oversee all lobbying Activity to ensure compliance.</p>

<b>Question</b>
<b>5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
<b>Evidence</b>
No evidence found.

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

### 5.3 Gifts and Hospitality

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has a policy on the giving and receipt of gifts and hospitality. This policy recognises the possible corruption and bribery risks associated with gifts and hospitality, and stipulates that employees may only accept such promotional expenses when they are of nominal value. There is evidence that all gifts and hospitality given or received are recorded in a dedicated central register that is regularly audited and accessible to those responsible for oversight of the process. Although the company does not provide financial limits for gifts and hospitality, there is sufficient evidence that only nominal gifts may be accepted, so the company receives a score of '2'.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a></p> <p><b>2.1 Bribery</b>                  Definition: "Bribery" is giving or receiving any gift, loan, fee, reward or other thing of value to influence the behaviour of someone, including those in government or business, in order to obtain or retain commercial or personal advantage; to transact business on more favourable terms; or to engage in any form of improper conduct. Bribery includes the misuse of public or commercial office for private gain. Bribery is a crime.</p> <p>[...]</p> <p><b>2.2 Gifts and Entertainment</b>                  Definition: A "gift" is anything of value given or received as a result of a business relationship, where the recipient does not pay fair market value. A business gift can be in any form – for example, dinner in a restaurant or club; tickets to the theatre or a sporting event; travel; a discount not available to the general public; consumer goods; or use of an individual's or company's time, materials, equipment or facilities. A gift offered or given to a relative of an individual with whom Meggitt has or seeks to do business is considered a gift directly to that individual. Likewise, any gift offered to or received by a relative of a Meggitt employee because of that employee's position with Meggitt shall be considered a gift to that employee.</p> <p>Gifts in the business context are not personal but are a reflection of the relationship between Meggitt and the other entity. The sale of Meggitt products and services should always be free from even the perception that favourable treatment was sought, received, or given in exchange for the gifts. As such, gifts may only be accepted by Meggitt employees if they are not extravagant or frequent, are intended to encourage normal business relations, and could not be construed reasonably as an attempt to influence a decision to award a contract, work or favourable treatment. So, for example, promotional items of nominal value are permissible. Gifts of money are never acceptable. If in doubt you should not accept the gift, or declare it to your immediate supervisor as soon as possible and seek guidance as to whether you can keep it.</p> <p>Employees whose duties include negotiation of contracts or concessions, or who are involved in the evaluation of products or services for potential use or purchase by Meggitt must be especially careful to avoid any appearance of favouritism or unfair dealing. Gifts should not be accepted from vendors and suppliers before a contract is awarded, during bidding, evaluations or negotiations.</p> <p>Gift giving by a Meggitt employee should be disclosed to the employee's supervisor and approved in advance. In all cases gifts or hospitality should be kept to a scale that could not be considered as extravagant, particularly in the context of the recipient's position and likely salary. Always consider whether the other person is allowed to accept such gifts under their policies. Another test is whether a Meggitt employee or director could accept such a gift.</p>

Meggitt has implemented and maintains an on-line gift registry and all gifts and hospitality of more than nominal value, given or received, shall be entered in the registry by the individual involved. The frequency of such gifts and hospitality shall also be recorded. The registry will be audited regularly.

NOTE: Clearance from Meggitt Legal Counsel or VP, Ethics and Business Conduct should always be sought before making payments to public officials, because in some countries there is a presumption that such gifts are corrupt. It is not always obvious if someone is a public official. Special rules apply to government contracts and government officials. Meggitt prohibits gifts to employees or representatives of the United States Government. See Meggitt's Standards of Business Conduct for the US Government Marketplace and consult Meggitt Legal Counsel.

**[5] Code of Conduct (Webpage)**

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/>

Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt's related policies and procedures, should:

- Be familiar with and refer to the other ethics and business conduct policies, including our Anti-corruption Policy.

[...]

Meggitt's Anti-corruption Policy covers the following issues:

- Bribery
- Gifts and Entertainment

**[19] Ethics & Business Conduct (Webpage)**

Accessed 17/04/2020

<https://www.meggitt.com/ethics-business-conduct/>

We have a gifts and hospitality register which provides a check and balance to prevent corruption.

## 6. Supply Chain Management

<b>Question</b>			
<b>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?</b>			
<b>Score</b>			
<b>1</b>			
<b>Comments</b>			
<p>Based on publicly available information, there is evidence that the company’s procurement department is the main body responsible for oversight of the company’s supplier base. It is clear that this function is responsible for onboarding, managing and ensuring compliance of all suppliers.</p> <p>However, the company receives a score of ‘1’ because there is no publicly available evidence that the company assures itself that its procurement department is appropriately functioning and involved in all supplier management at least every three years.</p>			
<b>Evidence</b>			
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Our Procurement function manages the supply chain into the business. We have policies and procedures in place to safeguard our supply chain including the commitment that our suppliers can demonstrate compliance in relation to Anti-Bribery and Corruption, Ethics, Anti-Fraud, conflict minerals and modern slavery. All suppliers must have working whistleblower policies. Audits on our suppliers are carried out by our Supplier Quality function.</p> <p><b>[14] Supplier Quality Requirements Document (Document)</b>                  Accessed 18/06/2019  <a href="https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf">https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf</a>                  [p. 1] Core Function: Procurement                  Process Owner: Group Head of Supplier Excellence</p> <p>[p. 10] 2.1 Supplier Surveillance                  Meggitt shall maintain a supplier scorecard for all key suppliers. Dependent on supplier performance and risk to Meggitt, suppliers may be subject to continual surveillance.</p> <p><b>[20] Annual Report 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.61]</p> <table border="1"> <tr> <td> <p><b>Suppliers</b>                      Our suppliers enable us to deliver on our commitments responsibly and sustainably.</p> </td> <td> <ul style="list-style-type: none"> <li>• To ensure high standards throughout our supply chain.</li> <li>• To ensure compliance with recognised standards that uphold human rights and safety, prohibit modern slavery and promote sustainable sourcing.</li> <li>• To reduce the number of commercial intermediaries in our supply chain to mitigate against potential risks of corruption and bribery.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Annual update from our Chief Procurement Officer and regular monitoring by the Corporate Responsibility Committee.</li> <li>• Attendance by the CEO and Chief Procurement Officer at our global supplier conferences, which includes two-way engagement with key suppliers.</li> <li>• Payment practices are highlighted to the Corporate Responsibility Committee and the Chief Financial Officer monitors actions to improve payments to suppliers.</li> </ul> </td> </tr> </table> <p>[p.64] Suppliers – the Chief Procurement Officer presented an update to the Board and a written report was provided to the CR Committee in 2019. This highlighted that Meggitt’s approach to supply chain management is evolving, with a targeted reduction in the cost and complexity of our supply chain. Conferences for larger suppliers also took place in 2019 with more active engagement taking place with preferred suppliers.</p>	<p><b>Suppliers</b>                      Our suppliers enable us to deliver on our commitments responsibly and sustainably.</p>	<ul style="list-style-type: none"> <li>• To ensure high standards throughout our supply chain.</li> <li>• To ensure compliance with recognised standards that uphold human rights and safety, prohibit modern slavery and promote sustainable sourcing.</li> <li>• To reduce the number of commercial intermediaries in our supply chain to mitigate against potential risks of corruption and bribery.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual update from our Chief Procurement Officer and regular monitoring by the Corporate Responsibility Committee.</li> <li>• Attendance by the CEO and Chief Procurement Officer at our global supplier conferences, which includes two-way engagement with key suppliers.</li> <li>• Payment practices are highlighted to the Corporate Responsibility Committee and the Chief Financial Officer monitors actions to improve payments to suppliers.</li> </ul>
<p><b>Suppliers</b>                      Our suppliers enable us to deliver on our commitments responsibly and sustainably.</p>	<ul style="list-style-type: none"> <li>• To ensure high standards throughout our supply chain.</li> <li>• To ensure compliance with recognised standards that uphold human rights and safety, prohibit modern slavery and promote sustainable sourcing.</li> <li>• To reduce the number of commercial intermediaries in our supply chain to mitigate against potential risks of corruption and bribery.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual update from our Chief Procurement Officer and regular monitoring by the Corporate Responsibility Committee.</li> <li>• Attendance by the CEO and Chief Procurement Officer at our global supplier conferences, which includes two-way engagement with key suppliers.</li> <li>• Payment practices are highlighted to the Corporate Responsibility Committee and the Chief Financial Officer monitors actions to improve payments to suppliers.</li> </ul>	

<b>Question</b>
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>Based on publicly available information, there is no clear evidence that the company conducts anti-bribery and corruption due diligence on all suppliers. The company indicates that it conducts due diligence on commercial arrangements, but it does not provide any further publicly available information on its procedures. For example, there is no evidence that such checks include establishing the beneficial ownership of the supplier, nor that high risk suppliers are subject to enhanced due diligence or that such checks are undertaken frequently.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Meggitt will conduct risk based due diligence (including anti-bribery and corruption risks) when entering into any commercial arrangements, including customer relations, joint ventures and intermediaries.</p> <p><b>[14] Supplier Quality Requirements Document (Document)</b>                  Accessed 18/06/2019  <a href="https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf">https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf</a>                  [p. 10] 2.1 Supplier Surveillance</p> <p>Meggitt shall maintain a supplier scorecard for all key suppliers. Dependant on supplier performance and risk to Meggitt, suppliers may be subject to continual surveillance.</p> <p>Meggitt surveillance of suppliers shall include as appropriate, onsite audits, assessments or inspections as deemed necessary. At any time, Meggitt may revoke the approval granted to a supplier (thus removing them from any Approved Supplier List) or place conditions on a supplier’s approval(s). Where required the supplier shall implement an improvement plan approved by Meggitt, and submit a follow up status report as defined and agreed by Meggitt.</p>

<b>Question</b>
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company requires suppliers to have adequate anti-bribery and corruption policies and procedures in place. The company requires suppliers to follow its Code of Conduct, Anti-Corruption Policy and other Group policies, all of which prohibit bribery and facilitation payments and address conflicts of interest, gifts &amp; hospitality and whistleblowing. The company also indicates that suppliers may implement their own equivalent standards. There is evidence that the company conducts audits of its suppliers.</p> <p>However, the company receives a score of '1' because there is no clear evidence that the company conducts assurance when onboarding new suppliers and when there is a significant change in the business relationship.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  We have policies and procedures in place to safeguard our supply chain including the commitment that our suppliers can demonstrate compliance in relation to Anti-Bribery and Corruption, Ethics, Anti-Fraud, conflict minerals and modern slavery. All suppliers must have working whistleblower policies. Audits on our suppliers are carried out by our Supplier Quality function.</p> <p><b>[8] Meggitt Ethics and Business Conduct 2017 edition II (Document)</b>  Accessed 14/06/2019  <a href="https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf">https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf</a>  [p.8] We share our Code, and the whole Ethics Guide, with our partners, customers and suppliers. We will only work with other organisations and individuals who share our commitments to Honesty, Integrity and Respect for others.</p> <p><b>[6] Corporate Responsibility (Webpage)</b>  Accessed 18/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/corporate-responsibility/">https://www.meggitt.com/about-us/our-responsibility/corporate-responsibility/</a>  Under "Policy"  We are committed to:  -Acting as a responsible supplier and encouraging our contractors and suppliers to do the same</p> <p><b>[2] Anti-Corruption Policy (Webpage)</b>  Accessed 18/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>  Meggitt is committed to the highest standards of ethical business conduct.  Our continued success depends on competing aggressively, but fairly, and in full compliance with the laws and regulations in those countries where we are located or do business. This Policy applies to all business units worldwide. Local customs and practices will not provide any excuse for breaches of this Policy.</p> <p>Consider the following before you act:-  a) a breach of this Policy will be regarded as a serious matter which may lead to internal disciplinary action, up to and including termination of employment;  b) a breach of this Policy might also lead to prosecution;  c) in addition to complying with the Policy, employees must ensure that people they manage or supervise understand their responsibilities;  d) employees must report, without delay, any suspected irregular payment or breach of this Policy. If in doubt as to how the Policy works, you should seek guidance from the individuals listed in the final section of this Policy ("Breaches of this Policy and Reporting Obligations"); Meggitt's Escalation Policy provides further guidance on how to raise questions or concerns and get answers without fear of punishment or retaliation.  e) Meggitt will provide training regarding this Policy and such training is mandatory for all employees, officers and directors; and</p>



f) this Policy will be enforced through regular monitoring and auditing.

[...]

#### 2.8 Breaches of this Policy and Reporting Obligations

Violations of this Policy are punishable by disciplinary action up to and including termination of employment. Violations may also result in criminal prosecution of the individuals involved.

[...]

Seek the advice of Meggitt Legal Counsel or the Group Company Secretary any time you have questions or concerns in this regard. Names and contact information for people who can help, are contained in the Code of Conduct and on posters provided throughout your facility.

Meggitt also provides an independently operated Ethics Line, available 24 hours a day, seven days a week, which may be used to raise questions or concerns. Each Meggitt facility contains posters listing the toll free phone number to be used to place such calls. Those phone numbers are also available on line, on Meggitt's public web site: [www.meggitt.com](http://www.meggitt.com).

An internet application is also available for these purposes at [www.expolink.co.uk/meggitt](http://www.expolink.co.uk/meggitt). Log on information will be provided on message boards throughout the company.

#### [14] Supplier Quality Requirements Document (Document)

Accessed 18/06/2019

[https://www.meggitt.com/resources/commercial/2018/quality/01\\_MPRC-10\\_Supplier\\_Quality\\_Requirements\\_Document.pdf](https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf)

[p. 10] 2.1 Supplier Surveillance

Meggitt shall maintain a supplier scorecard for all key suppliers. Dependant on supplier performance and risk to Meggitt, suppliers may be subject to continual surveillance.

Meggitt surveillance of suppliers shall include as appropriate, onsite audits, assessments or inspections as deemed necessary. At any time, Meggitt may revoke the approval granted to a supplier (thus removing them from any Approved Supplier List) or place conditions on a supplier's approval(s). Where required the supplier shall implement an improvement plan approved by Meggitt, and submit a follow up status report as defined and agreed by Meggitt.

#### [4] Corporate Responsibility Policy (Webpage)

Accessed 04/05/2020

<https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/>

Suppliers

Encouraging our contractors and suppliers to adopt and implement these principles, by:

- building long term relationships with them;
- disseminating our Corporate Responsibility Policy and all related policies to our contractors and suppliers; and
- encouraging our contractors and suppliers to adopt recognised standards (e.g. ISO 14001) and the standards we set ourselves in our policies and Code of Conduct.

#### [15] Meggitt Global Standard Purchasing Conditions - Version applicable to purchases by Meggitt sites in US, UK, Singapore and India (Document)

Accessed 18/06/2019

[https://www.meggitt.com/resources/commercial/2018/purchase/001\\_Meggitt\\_Global\\_Standard\\_Purchasing\\_Conditions\\_UK-US-Singapore-India\\_1\\_February\\_2018.pdf](https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf)

[p.1] 1. Orders Authorisation and Conditions of Order

The Buyer shall not be liable in respect of any orders other than those issued or confirmed on its official forms or approved by the Buyer on its electronic ordering system. The conditions set out herein shall be the conditions of the contract. No written or printed terms inconsistent herewith or additional hereto shall be binding upon the Buyer unless expressly accepted in writing by one of its authorised officials, and unless so accepted in writing, delivery of the Goods shall be deemed to be an unconditional acceptance of this order. The Seller's terms and conditions will not apply to any order.

[p.5] Compliance with Laws

(a) The Seller shall comply and shall ensure that each of its subcontractors complies in all respects with all applicable laws and regulations and shall indemnify the Buyer against all damages, costs, losses, charges, expenses or liabilities whatsoever caused by or arising out of any breach by the Seller of such legislation or regulation.

[p.6] 27. Anti-Corruption, Ethics and Policies

(a) The Seller warrants that its directors, employees, agents, representatives, contractors and subcontractors, and any other person acting on its behalf will not:

- (i) offer, give or agree to give or receive, request or accept any financial or other advantage of any kind as an inducement or reward for doing or not doing any improper act or for the improper performance of any function associated with the order or the Goods; nor
- (ii) act in any way which would constitute an offence by the Seller or would cause the Buyer to commit an offence under any anti-bribery legislation; nor
- (iii) employ any workers under the age of 15 or, in the countries subject to the developing country exception of the ILO Convention 138, employ any workers under the age of 14; nor
- (iv) breach applicable anti-slavery legislation, nor any applicable anti-corruption legislation.

(b) If the Seller breaches any of the above warranties, the Buyer shall be entitled to terminate the order by written notice with immediate effect. Any termination shall be without prejudice to the accrued rights of the Buyer.

(c) The Seller shall comply with the Meggitt Ethics and Business Conduct and Anti-Corruption Policies accessible under "Governance and Policies" at <http://www.meggittinvestors.com>, or, with the Buyer's consent, equivalent policies adopted by the Seller.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
Based on publicly available information, 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. The company has procedures in place to ensure this, in the form of a contractual commitment.
<b>Evidence</b>
<p><b>[4] Corporate Responsibility Policy (Webpage)</b>  Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/</a>  Suppliers  Encouraging our contractors and suppliers to adopt and implement these principles, by:</p> <ul style="list-style-type: none"> <li>• building long term relationships with them;</li> <li>• disseminating our Corporate Responsibility Policy and all related policies to our contractors and suppliers; and</li> <li>• encouraging our contractors and suppliers to adopt recognised standards (e.g. ISO 14001) and the standards we set ourselves in our policies and Code of Conduct.</li> </ul> <p><b>[15] Meggitt Global Standard Purchasing Conditions - Version applicable to purchases by Meggitt sites in US, UK, Singapore and India (Document)</b>  Accessed 18/06/2019  <a href="https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf">https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf</a></p> <p>[p.5] Compliance with Laws  (a) The Seller shall comply and shall ensure that each of its subcontractors complies in all respects with all applicable laws and regulations and shall indemnify the Buyer against all damages, costs, losses, charges, expenses or liabilities whatsoever caused by or arising out of any breach by the Seller of such legislation or regulation.  (b) The Seller shall comply with all of the Buyer's mandatory customer terms that it is required to flow down to its suppliers.</p> <p>[p.6] 27. Anti-Corruption, Ethics and Policies  (a) The Seller warrants that its directors, employees, agents, representatives, contractors and subcontractors, and any other person acting on its behalf will not:</p> <ul style="list-style-type: none"> <li>(i) offer, give or agree to give or receive, request or accept any financial or other advantage of any kind as an inducement or reward for doing or not doing any improper act or for the improper performance of any function associated with the order or the Goods; nor</li> <li>(ii) act in any way which would constitute an offence by the Seller or would cause the Buyer to commit an offence under any anti-bribery legislation; nor</li> <li>(iii) employ any workers under the age of 15 or, in the countries subject to the developing country exception of the ILO Convention 138, employ any workers under the age of 14; nor</li> <li>(iv) breach applicable anti-slavery legislation, nor any applicable anti-corruption legislation.</li> </ul> <p>(b) If the Seller breaches any of the above warranties, the Buyer shall be entitled to terminate the order by written notice with immediate effect. Any termination shall be without prejudice to the accrued rights of the Buyer.  (c) The Seller shall comply with the Meggitt Ethics and Business Conduct and Anti-Corruption Policies accessible under "Governance and Policies" at <a href="http://www.meggittinvestors.com">http://www.meggittinvestors.com</a>, or, with the Buyer's consent, equivalent policies adopted by the Seller.</p> <p>[p.7] (d) The Seller shall indemnify and hold harmless the Buyer from any loss, damage and expense, including all legal fees, incurred or sustained by the Buyer which is caused by or arises as a result of a breach of this condition 27.</p>

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

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

<b>Question</b>
<b>7.1.1 Does the company have a clear policy on the use of agents?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company has a policy on the use of agents, which address the corruption risks associated with their use and provide details of specific controls to mitigate these risks. The company states that it has decided not to appoint any new sales representatives nor to renew existing agreements other than in exceptional circumstances. There is evidence the policy applies to all divisions within the organisation which might employ agents or intermediaries.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  This Policy applies to all business units worldwide.</p> <p>Bribes may take many forms, and it can often be difficult to distinguish inappropriate behaviour from legitimate business activity. Risks arise particularly where you may be working with agents or with individuals in countries whose conduct you do not directly oversee.</p> <p>[...]</p> <p>2.5 Sales Representatives</p> <p>Definition: A “sales representative” is an individual or an established legal entity performing services in good faith for the purpose of securing business for Meggitt. For such services Meggitt provides appropriate remuneration, generally in the form of a percentage of sales, but occasionally as a fee for services. Sales representatives are independent contractors and, as such, are not to use the Meggitt name on business cards, for stationery, or in any other manner that implies that they are Meggitt employees.</p> <p>Any arrangement obligating Meggitt to pay a finder’s fee if Meggitt receives a contract shall be considered a sales representative agreement and is subject to this policy. Such an arrangement could be considered a “contingent fee” arrangement which is generally prohibited in relation to US Government contracts. Employees should consult Meggitt’s Standards of Business Conduct for the US Government Marketplace and Meggitt Legal Counsel before entering into such a sales representative agreement where the ultimate customer would be the US Government.</p> <p>Meggitt has decided not to appoint any new sales representatives nor to renew existing agreements other than in exceptional circumstances.</p> <p>Sales representatives must scrupulously avoid any practices which are unlawful, improper or unethical; and they must conduct themselves at all times with business associates and potential Meggitt customers, in a manner that will avoid even the appearance of impropriety and will not cause embarrassment to Meggitt, to its customers, or to the representative in the event of public disclosure. Sales representatives must act in accordance with Meggitt’s Code of Conduct and this policy, copies of which are available on line at: <a href="http://www.meggitt.com">www.meggitt.com</a>. The policy and Code of Conduct should also be provided to the sales representative by the Meggitt site which engages the sales representative, at the outset of the relationship.</p> <p>Conduct that would be improper or illegal if committed by a Meggitt employee may not be committed by a third party, such as a sales representative or consultant, on Meggitt’s behalf. That would be improper or illegal as well.</p>

NOTE: See Meggitt's Sales Representatives Policy. That policy incorporates elements of this Anti-Corruption Policy and should be consulted, along with Meggitt's Legal Counsel, at all stages of the relationship with a sales representative.

**[20] Annual Report 2019 (Document)**

Accessed 17/04/2020

[https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt\\_Annual\\_Report\\_and\\_Accounts\\_2019.pdf](https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf)

[p.73] Commercial intermediaries

2019 saw us introduce our Continuous Improvement Plan for Commercial Intermediaries which not only looks at potential corruption and bribery risks across our business but also how we can work better with such appointed parties. We continued to take steps to reduce the number of our commercial intermediaries. Further efforts will continue in 2020 including reviewing our distributor footprint globally in order to best serve our customers, while minimising potential corruption risks. The continuous improvement plan has strengthened our work with independent organisations assessing potential country corruption risk, which leads to enhanced due diligence and alerts in our customer relationship management tool which is reviewed by internal and external auditors. The changes to the governance process in this area have led to an increase in risk analysis which is driving our future commercial intermediary strategy and how we operate in potential higher risk locations.

**[19] Ethics & Business Conduct (Webpage)**

Accessed 17/04/2020

<https://www.meggitt.com/ethics-business-conduct/>

We have developed a Commercial Intermediaries Continuous Improvement Plan which reviews anti-bribery and corruption risk. Our Internal Audit team have the scope to review policy application on site and report findings.

[...]

Our Commercial function manages the governance of our Commercial Intermediaries. In line with independent tools we vet and conduct due diligence on our intermediaries to establish risk profiles and ownership of such companies. We also ask all our intermediaries to act in accordance with our Code of Conduct and Anti-Corruption Policy.

<b>Question</b>
<b>7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence prior to engaging with its third parties and agents. There is evidence that agents and the highest risk intermediaries are subject to enhanced due diligence, and the company indicates such checks are repeated at least every two years or when there is a significant change in the business relationship.</p>
<b>Evidence</b>
<p><b>[17] Investor Relations – Ethics and Business Conduct (Webpage)</b>  Accessed 18/06/2019  <a href="http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new">http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new</a>  As part of our commitment to combat all forms of corruption, we have adopted a Group-wide approach to dealing with intermediaries, specifically sales representatives and distributors. The company has put in place internal policies that address the hiring and management of those third party relationships. The policies themselves and the protocol documents that must be used in all cases, require:</p> <ol style="list-style-type: none"> <li>1. Full vetting of all sales representatives and distributors through an independent organisation such as TRACE International.</li> <li>2. A questionnaire to be completed by a senior executive at the Group site appointing the intermediary; the questionnaire details all pertinent information justifying the choice of that particular intermediary.</li> <li>3. A standard form agreement with a maximum term of two years for sales representatives and three years for distributors. The agreements also cap the amount of commissions or discounts.</li> <li>4. Legal review for all agreements.</li> <li>5. Periodic audit by internal audit and external resources; and</li> <li>6. Training, provided to all Group employees on preventing corruption.</li> </ol> <p><b>[20] Annual Report 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p.73] Commercial intermediaries</p> <p>2019 saw us introduce our Continuous Improvement Plan for Commercial Intermediaries which not only looks at potential corruption and bribery risks across our business but also how we can work better with such appointed parties. [...] The continuous improvement plan has strengthened our work with independent organisations assessing potential country corruption risk, which leads to enhanced due diligence and alerts in our customer relationship management tool which is reviewed by internal and external auditors. The changes to the governance process in this area have led to an increase in risk analysis which is driving our future commercial intermediary strategy and how we operate in potential higher risk locations.</p> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  We have developed a Commercial Intermediaries Continuous Improvement Plan which reviews anti-bribery and corruption risk. Our Internal Audit team have the scope to review policy application on site and report findings.</p> <p>[...]</p> <p>Our Commercial function manages the governance of our Commercial Intermediaries. In line with independent tools we vet and conduct due diligence on our intermediaries to establish risk profiles and ownership of such companies. We also ask all our intermediaries to act in accordance with our Code of Conduct and Anti-Corruption Policy.</p>

<b>Question</b>
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>There is some evidence that the company seeks to establish the ownership of agents and intermediaries. However, there is no clear evidence that the company commits to independently verify beneficial ownership information of high risk agents, nor that it commits to not engage or terminate its engagement with intermediaries if beneficial ownership cannot be established.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Our Commercial function manages the governance of our Commercial Intermediaries. In line with independent tools we vet and conduct due diligence on our intermediaries to establish risk profiles and ownership of such companies.</p> <p><b>[17] Investor Relations – Ethics and Business Conduct (Webpage)</b>                  Accessed 18/06/2019  <a href="http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new">http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new</a>                  As part of our commitment to combat all forms of corruption, we have adopted a Group-wide approach to dealing with intermediaries, specifically sales representatives and distributors. The company has put in place internal policies that address the hiring and management of those third party relationships. The policies themselves and the protocol documents that must be used in all cases, require:</p> <p>1. Full vetting of all sales representatives and distributors through an independent organisation such as TRACE International.</p>



<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company’s anti-bribery and corruption policy applies to all agents and intermediaries acting for or on its behalf. The company indicates that all sales representatives receive and must follow its Code of Conduct and Anti-Corruption Policy. In addition, there is evidence that the company has provisions to conduct audits on intermediaries.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that its contracts with agents and intermediaries include clear anti-bribery and corruption clauses, which include termination rights.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  [...] Sales representatives must act in accordance with Meggitt’s Code of Conduct and this policy, copies of which are available on line at: www.meggitt.com. The policy and Code of Conduct should also be provided to the sales representative by the Meggitt site which engages the sales representative, at the outset of the relationship.</p> <p>Conduct that would be improper or illegal if committed by a Meggitt employee may not be committed by a third party, such as a sales representative or consultant, on Meggitt’s behalf. That would be improper or illegal as well.</p> <p>NOTE: See Meggitt’s Sales Representatives Policy. That policy incorporates elements of this Anti-Corruption Policy and should be consulted, along with Meggitt’s Legal Counsel, at all stages of the relationship with a sales representative.</p> <p>[...]</p> <p>Violations of this Policy are punishable by disciplinary action up to and including termination of employment. Violations may also result in criminal prosecution of the individuals involved.</p> <p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  We have developed a Commercial Intermediaries Continuous Improvement Plan which reviews anti-bribery and corruption risks. Our Internal Audit team have the scope to review policy application on site and report findings.</p> <p>[...]</p> <p>Our Commercial function manages the governance of our Commercial Intermediaries. In line with independent tools we vet and conduct due diligence on our intermediaries to establish risk profiles and ownership of such companies. We also ask all our intermediaries to act in accordance with our Code of Conduct and Anti-Corruption Policy.</p> <p><b>[5] Code of Conduct (Webpage)</b>                  Accessed 04/05/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/">https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/</a>                  Employees, directors, and those who act on behalf of Meggitt, in accordance with Meggitt’s related policies and procedures, should:</p> <ul style="list-style-type: none"> <li>• Read and regularly review this Code of Conduct;</li> <li>• Participate in training to learn about business ethics, compliance, laws and regulations that affect our business;</li> <li>• Be alert to any Code violations, illegal or unethical conduct and promptly report them to management or other appropriate officials. If you believe that our Code of Conduct or related policies are being violated, you have a responsibility to speak up;</li> </ul>

- Raise questions or concerns about the business and follow them through to appropriate conclusion according to Meggitt's Escalation Policy, which is available to all employees from your site Human Resources organization or your on-site Ethics Coordinator;
- Comply with all applicable laws and regulations;
- Deal fairly and impartially in all transactions;
- Not participate in activities that may raise questions as to Meggitt's integrity, impartiality, and reputation;
- Not engage in conduct that might create a conflict of interest for Meggitt or for themselves individually;
- Safeguard all Meggitt and customer assets and use them only for approved activities. In furtherance of this protection, no one shall seek personal gain through the inappropriate use of Meggitt's intellectual property and confidential information or the intellectual property or confidential information of any third party which has been entrusted into Meggitt's care;
- No one shall buy or sell Meggitt's shares:
  - i. whilst in possession of price sensitive information or
  - ii. during a Closed Period for such transactions as advised by Meggitt's management from time to time.
- Be familiar with and refer to the other ethics and business conduct policies, including our Anti-corruption Policy.

#### **[17] Investor Relations – Ethics and Business Conduct (Webpage)**

Accessed 18/06/2019

<http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new>

As part of our commitment to combat all forms of corruption, we have adopted a Group-wide approach to dealing with intermediaries, specifically sales representatives and distributors. The company has put in place internal policies that address the hiring and management of those third party relationships. The policies themselves and the protocol documents that must be used in all cases, require:

1. Full vetting of all sales representatives and distributors through an independent organisation such as TRACE International.
2. A questionnaire to be completed by a senior executive at the Group site appointing the intermediary; the questionnaire details all pertinent information justifying the choice of that particular intermediary.
3. A standard form agreement with a maximum term of two years for sales representatives and three years for distributors. The agreements also cap the amount of commissions or discounts.
4. Legal review for all agreements.
5. Periodic audit by internal audit and external resources; and
6. Training, provided to all Group employees on preventing corruption.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that incentive structures for agents are highlighted as a factor in bribery and corruption risk. The company indicates that its remuneration usually accords to a percentage of sales, and there is some evidence that it requires further review if a sales representative requests a commission payment.</p> <p>However, the company receives a score of ‘1’ because it does not provide further publicly available information on its specific controls to mitigate bribery and corruption risks in agent incentives. There is no clear evidence that the company imposes a threshold on the payment of sales commissions to agents, nor that remuneration is paid in stage payments or into local bank accounts.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 18/06/2019  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  2.5 Sales Representatives                  Definition: A “sales representative” is an individual or an established legal entity performing services in good faith for the purpose of securing business for Meggitt. For such services Meggitt provides appropriate remuneration, generally in the form of a percentage of sales, but occasionally as a fee for services.</p> <p>Any arrangement obligating Meggitt to pay a finder’s fee if Meggitt receives a contract shall be considered a sales representative agreement and is subject to this policy. Such an arrangement could be considered a “contingent fee” arrangement which is generally prohibited in relation to US Government contracts. Employees should consult Meggitt’s Standards of Business Conduct for the US Government Marketplace and Meggitt Legal Counsel before entering into such a sales representative agreement where the ultimate customer would be the US Government.</p> <p><b>[17] Investor Relations – Ethics and Business Conduct (Webpage)</b>                  Accessed 18/06/2019  <a href="http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new">http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new</a>                  As part of our commitment to combat all forms of corruption, we have adopted a Group-wide approach to dealing with intermediaries, specifically sales representatives and distributors. The company has put in place internal policies that address the hiring and management of those third party relationships. The policies themselves and the protocol documents that must be used in all cases, require:</p> <ol style="list-style-type: none"> <li>1. Full vetting of all sales representatives and distributors through an independent organisation such as TRACE International.</li> <li>2. A questionnaire to be completed by a senior executive at the Group site appointing the intermediary; the questionnaire details all pertinent information justifying the choice of that particular intermediary.</li> <li>3. A standard form agreement with a maximum term of two years for sales representatives and three years for distributors. The agreements also cap the amount of commissions or discounts.</li> <li>4. Legal review for all agreements.</li> <li>5. Periodic audit by internal audit and external resources; and</li> <li>6. Training, provided to all Group employees on preventing corruption.</li> </ol>

<b>Question</b>
<b>7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of the agents currently contracted to act for or on behalf of the company. It is noted that the company states that it is taking steps to reduce its number of intermediaries and indicates that it will not enter into new agreements.
<b>Evidence</b>
<p><b>[2] Anti-Corruption Policy (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>                  Meggitt has decided not to appoint any new sales representatives nor to renew existing agreements other than in exceptional circumstances.</p> <p><b>[20] Annual Report and Accounts 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.73] Commercial intermediaries</p> <p>2019 saw us introduce our Continuous Improvement Plan for Commercial Intermediaries which not only looks at potential corruption and bribery risks across our business but also how we can work better with such appointed parties. We continued to take steps to reduce the number of our commercial intermediaries.</p>

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

## 7.2 Joint Ventures

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company has procedures to conduct risk-based anti-bribery and corruption due diligence prior to entering into joint ventures.</p> <p>However, there is no further publicly available evidence to suggest that its due diligence includes establishing the beneficial ownership of the partner company, nor that joint ventures operating in high risk markets or with high risk partners are subject to enhanced due diligence. It is also not clear how frequently this due diligence is conducted or repeated.</p>
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Meggitt will conduct risk based due diligence (including anti-bribery and corruption risks) when entering into any commercial arrangements, including customer relations, joint ventures and intermediaries.</p>

<b>Question</b>
<b>7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publicly commits to establishing anti-bribery and corruption policies or procedures in its joint ventures, nor that it requires anti- corruption clauses in its contracts with such partners.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publicly commits to take an active role in preventing bribery and corruption in all of its joint ventures.
<b>Evidence</b>
No evidence found.



## 8. Offsets

Question
<b>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?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is some evidence that the company recognises corruption risks associated with offset contracting. The company states that its Commercial function is responsible for managing its offset activities, and indicates that any requests for offsets are subject to Group approval.</p> <p>However, the company receives a score of '1' because there is no evidence that employees within the Commercial function receive tailored anti-bribery and corruption training on the risks associated with offsets. There is also no indication that the company publishes further details about its specific processes or controls to mitigate risks when engaged in offsets.</p>
Evidence
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>            Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>            The Commercial function manages the company's offset activities. Due to the corruption risks associated with offset contracting we we review all requests for offsets which are subject to Group approval.</p> <p><b>[20] Annual Report 2019 (Document)</b>            Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>            [p.63] Our Policies</p> <p>[...]</p> <p>Anti-corruption Policy – covers bribery, gifts and entertainment, conflicts of interest, competition and anti-trust, operating with intermediaries such as sales representatives and distributors, offset contracting, political contributions and lobbying activities and breaches of this policy and reporting obligations.</p> <p>[p.73] As part of our commitment to acting as a responsible supplier, we commit to abstaining from practices such as slavery, human trafficking, forced labour and child labour and reduce offset contracting.</p> <p><b>[15] Meggitt Global Standard Purchasing Conditions - Version applicable to purchases by Meggitt sites in US, UK, Singapore and India (Document)</b>            Accessed 18/06/2019  <a href="https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf">https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf</a>            b) The Buyer may use all or any part of the value of the contract, including the value of any subcontracts placed by the Seller for the contract, for satisfying international offset obligations of the Buyer, the Buyer's affiliates, or any entity to which the Buyer transfers such value. The Seller may use the offset credit generated by the contract or the subcontracting of the contract only with the Buyer's prior written consent.</p>

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>                  Meggitt will conduct risk based due diligence (including anti-bribery and corruption risks) when entering into any commercial arrangements, including customer relations, joint ventures and intermediaries.</p>

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme.
<b>Evidence</b>
No evidence found.

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

## 9. High Risk Markets

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
There is evidence that the company acknowledges the corruption risks associated with operating in different markets and there is evidence that it has a dedicated assessment process in place to assess such risks. There is evidence that the results of these assessments have an impact on business decisions and trigger the implementation of additional controls.
<b>Evidence</b>
<p><b>[19] Ethics &amp; Business Conduct (Webpage)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>  Meggitt carries out enhanced risk management for markets in high risk locations, which is embedded in our Customer Relationship Management tool.</p> <p><b>[20] Annual Report 2019 (Document)</b>  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>  [p.73] Commercial intermediaries</p> <p>2019 saw us introduce our Continuous Improvement Plan for Commercial Intermediaries which not only looks at potential corruption and bribery risks across our business but also how we can work better with such appointed parties. We continued to take steps to reduce the number of our commercial intermediaries. Further efforts will continue in 2020 including reviewing our distributor footprint globally in order to best serve our customers, while minimising potential corruption risks. The continuous improvement plan has strengthened our work with independent organisations assessing potential country corruption risk, which leads to enhanced due diligence and alerts in our customer relationship management tool which is reviewed by internal and external auditors. The changes to the governance process in this area have led to an increase in risk analysis which is driving our future commercial intermediary strategy and how we operate in potential higher risk locations.</p>

Question		
<b>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)?</b>		
Score		
<b>1</b>		
Comments		
<p>There is evidence that the company publishes a list of its consolidated subsidiaries and non-fully consolidated holdings, including joint ventures. For each entity, the list shows the company's percentage ownership and country of incorporation. There is evidence to indicate that this list is updated on an annual basis.</p> <p>However, the company receives a score of '1' because there is no evidence that it publishes the country or countries of operation for each entity.</p>		
Evidence		
<p><b>[20] Annual Report 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.184] In accordance with section 409 of the Companies Act 2006, a full list of related undertakings as at 31 December 2019 is disclosed below. Unless otherwise stated, undertakings have their registered office at Atlantic House, Aviation Park West, Bournemouth International Airport, Christchurch, Dorset BH23 6EW, United Kingdom, and have a single class of ordinary shares with 100% of the equity owned by the Group. No subsidiary undertakings have been excluded from the consolidation.</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Subsidiaries – directly owned</b></p> <ul style="list-style-type: none"> <li>Avica Limited</li> <li>Dunlop Aerospace Limited</li> <li>Integrated Target Services Limited</li> <li>KDG Holdings Limited</li> <li>Meggitt (Pamphill) Limited</li> <li>Meggitt (Wimborne) Limited</li> <li>Meggitt Engineering Limited</li> <li>Meggitt International Holdings Limited</li> <li>Meggitt Pension Trust Limited</li> <li>Negretti &amp; Zambra Limited</li> <li>Negretti Limited</li> <li>Phoenix Travel (Dorset) Limited<sup>1</sup></li> <li>The Microsystems Group Limited</li> </ul> </td> <td style="vertical-align: top;"> <p><b>Subsidiaries – indirectly owned</b></p> <ul style="list-style-type: none"> <li>ABL Systems (USA)<sup>2</sup> 1204 Massillon Road, Akron, Ohio 44306</li> <li>Aero-Tech Composites de México, S. de R.L. de C.V. (Mexico)<sup>3</sup> Carretera 54 a Zacatecas 5690, Parque Industrial Amistad Sur Saltillo, Coahuila 25070</li> <li>Aircraft Braking Systems Europe Limited</li> <li>Aircraft Braking Systems Services Limited</li> <li>Alston Properties LLC (USA)<sup>4</sup> 14600 Myford Road, Irvine, California 92606</li> <li>Artus SAS (France) Chemin du Champ des Martyrs, 49240 Avrillé</li> <li>Atlantic House Pension Trustee Limited<sup>5</sup></li> <li>BAJ Coatings Limited<sup>6</sup></li> <li>Bells Engineering Limited</li> <li>Bestobell Aviation Products Limited</li> <li>Bestobell Engineering Products Limited</li> <li>Bestobell Insulation Limited</li> <li>Bestobell Meterflow Limited</li> <li>Bestobell Mobrey Limited</li> <li>Bestobell Service Co Limited</li> <li>Bestobell Sparring Limited</li> <li>Cavehurst (Finance) Ireland Unlimited Company (in liquidation) (Republic of Ireland) Gorse Valley, Tipperkevin, Ballymore Eustace, Co Kildare</li> <li>Cavehurst Limited<sup>7</sup></li> <li>Dunlop Aerospace Group Limited<sup>8</sup></li> <li>Dunlop Aerospace Holdings Limited<sup>9</sup></li> <li>Dunlop Aerospace Overseas Investments Limited</li> <li>Dunlop Aerospace Overseas Limited<sup>10</sup></li> <li>Dunlop Holdings Limited<sup>11</sup></li> <li>Dunlop Limited<sup>12</sup></li> <li>Endevco Vertriebs GmbH (Germany) Kaiserleistraße 51, 63067 Offenbach/Main</li> <li>Erlanger Acquisition Corporation (USA)<sup>13</sup> 1955 Surveyor Avenue, Simi Valley, California 93063</li> <li>Europenne de Conception d'Etudes Technologiques SAS (France) 8 Chemin de l'Etang, BP 15, F-16730 FLEAC</li> <li>Evershed &amp; Vignoles Limited</li> <li>GB Aero Engine LLC (USA)<sup>14</sup> 1955 Surveyor Avenue, Simi Valley, California 93063</li> <li>Heatric Limited<sup>15</sup></li> <li>King Tool International Limited</li> <li>Meggitt (Baltimore) Inc. (USA)<sup>16</sup> 3310 Carlins Park Drive, Baltimore, Maryland 21215</li> <li>Meggitt (Canford) Limited</li> <li>Meggitt (Colehill) Limited</li> <li>Meggitt (Erlanger), LLC (USA)<sup>17</sup> 1400 Jamike Avenue, Erlanger, Kentucky 41018</li> <li>Meggitt (France) SAS (France) 10 rue Mercœur, 75011 Paris</li> <li>Meggitt (Hurn) Limited</li> <li>Meggitt (Korea) Limited</li> <li>Meggitt (North Hollywood), Inc. (USA)<sup>18</sup> 12838 Saticoy Street, North Hollywood, California 91605</li> <li>Meggitt (Orange County), Inc. (USA)<sup>19</sup> 14600 Myford Road, Irvine, California 92606</li> <li>Meggitt Overseas Limited</li> <li>Meggitt (Rockmart), Inc. (USA)<sup>20</sup> 669 Goodyear Street, Rockmart, Georgia 30153</li> <li>Meggitt (San Diego), Inc. (USA)<sup>21</sup> 6650 Top Gun Street, San Diego, California 92121</li> <li>Meggitt (Sapphire) Limited</li> <li>Meggitt (Sensorex) SAS (France) 196 rue Louis Rustin, Archamps Technopole, 74160 Archamps</li> <li>Meggitt (Shapwick) Limited</li> <li>Meggitt (Simi Valley), Inc. (USA)<sup>22</sup> 1955 Voyager Avenue, Simi Valley, California 93063</li> <li>Meggitt (Tarrant) Limited</li> <li>Meggitt (Troy), Inc. (USA)<sup>23</sup> 3 Industrial Drive, Troy, Indiana 47588</li> <li>Meggitt (UK) Limited</li> <li>Meggitt (Vietnam) Co., Ltd (Vietnam)<sup>24</sup> No 7, 16A Road, Industrial Zone 2 of Bienhoa, Dongnai</li> <li>Meggitt (Xiamen) Sensors &amp; Controls Company Limited (China)<sup>25</sup> No.230 South 5 Gaoqi Road, Xiamen Area of China (Fujian) Pilot Free Trade Zone 361006</li> <li>Meggitt A/S (Denmark) Porthusvej 4, 3490 Kvistgaard</li> <li>Meggitt Acquisition (Erlanger), Inc. (USA)<sup>26</sup> 1955 Surveyor Avenue, Simi Valley, California 93063</li> <li>Meggitt Acquisition (France) SAS (France) Chemin du Champ des Martyrs, 49240 Avrillé</li> <li>Meggitt Acquisition Limited<sup>27</sup></li> <li>Meggitt Advanced Composites Limited<sup>28</sup></li> <li>Meggitt Aerospace Asia Pacific Pte. Ltd. (Singapore) 1A Seletar Aerospace Link, Seletar Aerospace Park, Singapore 797552</li> <li>Meggitt Aerospace Holdings Limited<sup>29</sup></li> <li>Meggitt Aerospace Limited</li> <li>Meggitt Aircraft Braking Systems Corporation (USA)<sup>30</sup> 1204 Massillon Road, Akron, Ohio 44306</li> <li>Meggitt Aircraft Braking Systems Kentucky Corporation (USA)<sup>31</sup> 190 Corporate Drive, Danville, Kentucky 40422</li> <li>Meggitt Aircraft Braking Systems Queretaro, S. de R.L. de C.V. (Mexico)<sup>32</sup> Carretera Estatal 200 Queretaro-Tequisquiapan, KM 22.547 Interior A, Parque Aeroespacial, Queretaro, CP 76278</li> <li>Meggitt Asia Pacific Pte. Ltd. (Singapore) 1A Seletar Aerospace Link, Seletar Aerospace Park, Singapore 797552</li> <li>Meggitt Brasil Solucoes de Engenharia Ltda. (Brazil)<sup>33</sup> Avenida João Cabral de Mello Neto, No. 850, Suites 815 and 816, Barra da Tijuca, CEP 22.775-057, City and State of Rio de Janeiro</li> <li>Meggitt Defense Systems, Inc. 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(USA)<sup>21</sup> 6650 Top Gun Street, San Diego, California 92121</li> <li>Meggitt (Sapphire) Limited</li> <li>Meggitt (Sensorex) SAS (France) 196 rue Louis Rustin, Archamps Technopole, 74160 Archamps</li> <li>Meggitt (Shapwick) Limited</li> <li>Meggitt (Simi Valley), Inc. (USA)<sup>22</sup> 1955 Voyager Avenue, Simi Valley, California 93063</li> <li>Meggitt (Tarrant) Limited</li> <li>Meggitt (Troy), Inc. (USA)<sup>23</sup> 3 Industrial Drive, Troy, Indiana 47588</li> <li>Meggitt (UK) Limited</li> <li>Meggitt (Vietnam) Co., Ltd (Vietnam)<sup>24</sup> No 7, 16A Road, Industrial Zone 2 of Bienhoa, Dongnai</li> <li>Meggitt (Xiamen) Sensors &amp; Controls Company Limited (China)<sup>25</sup> No.230 South 5 Gaoqi Road, Xiamen Area of China (Fujian) Pilot Free Trade Zone 361006</li> <li>Meggitt A/S (Denmark) Porthusvej 4, 3490 Kvistgaard</li> <li>Meggitt Acquisition (Erlanger), Inc. 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**44. Related undertakings continued**

Meggitt Holdings (France) SAS (France)  
Chemin du Champ des Martyrs, 49240 Avrillé

Meggitt Holdings (USA) Inc. (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Meggitt India Pvt Ltd (India)<sup>12</sup>  
901, Brigade Rbix, No. 20. HMT Main Road, HMT Township, North Bangalore Karnataka 560022

Meggitt International Holdings Limited<sup>2</sup>

Meggitt International Limited<sup>2</sup>

Meggitt Investments Limited<sup>2</sup>

Meggitt-Oregon, Inc. (USA)<sup>7</sup>  
2010 Lafayette Avenue, McMinnville, Oregon 97128

Meggitt Properties PLC

Meggitt Queretaro LLC (USA)<sup>4</sup>  
1204 Massillon Road, Akron, Ohio 44306

Meggitt SA (Switzerland)  
Rte de Moncor 4, PO Box 1616, CH-1701 Fribourg

Meggitt Safety Systems, Inc. (USA)<sup>7</sup>  
1785 Voyager Avenue, Simi Valley, California 93063

Meggitt Training Systems (Quebec) Inc. (Canada)<sup>7</sup>  
6140 Henri Bourassa West, Saint-Laurent, Quebec, H4R 3A6

Meggitt Training Systems Australia Pty Ltd (Australia)  
Unit 2, 48 Conrad Place, Lavington, New South Wales 2641

Meggitt Training Systems Europe BV (The Netherlands)  
Ringweistraat 7, 4181CL Waardenburg

Meggitt Training Systems, Inc. (USA)<sup>7</sup>  
296 Brogdon Road, Suwanee, Georgia 30024

Meggitt Training Systems Limited

Meggitt Training Systems Pte. Ltd. (Singapore)  
1A Seletar Aerospace Link, Seletar Aerospace Park, Singapore 797552

Meggitt-USA Services, Inc. (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Meggitt-USA, Inc. (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Miller Insulation & Engineering Limited<sup>4</sup>

NASCO Aircraft Brake, Inc. (USA)<sup>7</sup>  
13300 Estrella Avenue, Gardena, California 90248

OECO, LLC (USA)<sup>4</sup>  
4607 SE International Way, Milwaukie, Oregon 97222

Pacific Scientific Company (USA)<sup>7</sup>  
1785 Voyager Avenue, Simi Valley, California 93063

Park Chemical Company (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Piher International Limited

Precision Engine Controls Corporation (USA)<sup>7</sup>  
11661 Sorrento Valley Road, San Diego, California 92121

Securaplane Technologies, Inc. (USA)<sup>7</sup>  
12350 N. Vistoso Park Road, Oro Valley, Arizona 85755

Serck Aviation Limited

Target Technology Petrel Limited

TFE Techniques et Fabrications Electroniques SAS (France)  
Rue Jean Perrin Zone Industrielle Actisud Le Capitre, 31100 Toulouse

Tri-scan Limited

Vibro-Meter Limited

Vibro-Meter S.a.r.l (Switzerland)  
Rte de Moncor 4, PO Box 1616, CH-1701 Fribourg

Wallaby Grip (NSW) Pty Ltd (in liquidation) (Australia)  
Bradley Tonks, PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales 2000

Wallaby Grip Australia Pty Ltd (in liquidation) (Australia)  
Bradley Tonks, PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales 2000

Wallaby Grip B.A.E. Pty Ltd (in liquidation) (Australia)  
Bradley Tonks, PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales 2000

Wallaby Grip Industries Australia Pty Ltd (in liquidation) (Australia)  
Bradley Tonks, PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales 2000

Wallaby Grip Limited

Whittaker Aerospace

Whittaker Corporation (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Whittaker Development Co. (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Whittaker Ordnance, Inc. (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Whittaker Technical Products, Inc. (USA)<sup>7</sup>  
1955 Surveyor Avenue, Simi Valley, California 93063

Zambra Legal Pty Ltd (Australia)  
Suite 2, Level 11, 60 Castlereagh Street, Sydney, New South Wales 2000

**Equity accounted investments**

Meggitt UTC Aerospace Systems, LLC (USA)<sup>15</sup>  
1400 Jamike Avenue, Erlanger, Kentucky 41018

Parkway-Hamilton Sundstrand Mexico S. de R.L. de C.V. (Mexico)<sup>16</sup>  
Carretera 54 a Zacatecas 5690, Parque Industrial Amistad Sur Saltillo, Coahuila 25070

Valley Association Corporation (USA)<sup>17</sup>  
1204 Massillon Road, Akron, Ohio 44306

**Private company limited by guarantee without share capital**

Meggitt Pension Plan Trustees Limited

**Registered charity**


Evershed & Ayrton Fund

**Registered branches**

Meggitt (Korea) Ltd has a branch in South Korea  
Meggitt Training Systems Ltd has a branch in the United Arab Emirates  
Meggitt (Xiamen) Sensors & Controls Ltd has a branch in Shanghai

Notes

- 1 Ownership held as ordinary B shares (50%).
- 2 Ownership held as ordinary shares (50%).
- 3 Ownership held as quota interest (100%).
- 4 Ownership held as membership interest (100%).
- 5 The entity has taken the audit exemption under section 479A of the Companies Act 2006 in respect of the financial year ended 31 December 2019.
- 6 Ownership held as deferred shares (55.55%) and ordinary shares (44.45%).
- 7 Ownership held as common stock (100%).
- 8 Ownership held as ordinary A shares (60%) and ordinary B shares (40%).
- 9 Ownership held as owner's capital.
- 10 Ownership held as registered capital (100%).
- 11 Ownership held as class A shares (67.5%), class B shares (12.5%) and class C shares (20%).
- 12 Ownership held as equity shares (100%).
- 13 Ownership held as registered shares (100%).
- 14 Registered at 125 West Regent Street, Glasgow, Lanarkshire, G2 2SA, Scotland.
- 15 Joint venture with Hamilton Sundstrand Corporation – ownership held as membership interest (70%).
- 16 Subsidiary of Parkway-HS, LLC – ownership held as quota interest (99.97%).
- 17 Ownership held as ordinary shares (33.33%).

<b>Question</b>
<b>9.3 Does the company disclose its beneficial ownership and control structure?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
There is evidence that the company is publicly listed, with voting shares admitted to trading on the London Stock Exchange (LSE), and therefore it is not required to disclose further information on its beneficial ownership to receive a score of '2'.
<b>Evidence</b>
<p><b>[22] Financial Times Market Data – “Meggitt PLC”</b>                  Accessed 06/05/2020  <a href="https://markets.ft.com/data/equities/tearsheet/summary?s=MGGT:LSE">https://markets.ft.com/data/equities/tearsheet/summary?s=MGGT:LSE</a></p>  <p><b>[18] Investor Relations- About us (Webpage)</b>                  Accessed 28/08/2019  <a href="http://www.meggittinvestors.com/about-us">http://www.meggittinvestors.com/about-us</a>                  About us                  Headquartered in the UK, Meggitt PLC is an international FTSE-listed engineering group with a workforce of over 11,200 people in facilities across Asia, Europe and the Americas.</p>



<b>Question</b>
<b>9.4 Does the company publish a percentage breakdown of its defence sales by customer?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>There is no evidence that the company publishes any information on its defence sales by customer. The company states that its defence business accounts for 36% of its total revenue, and indicates that it has a diverse portfolio of customers around the world. However, there is no evidence that the company publishes any further details regarding these customers.</p>
<b>Evidence</b>
<p><b>[20] Annual Report 2019 (Document)</b>                  Accessed 17/04/2020  <a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>                  [p.51] We are diversified by end market and by customer</p> <p>We supply into both civil (54% revenue) and defence (36%) aircraft markets, and into selected energy markets (10%);</p> <p>Our revenues are split evenly between equipment sales and aftermarket; and</p> <p>We work with a diverse group of customers from across the globe. Our top 10 customers generate less than 50% of our revenue.</p>

## 10. State-Owned Enterprises (SOEs)

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

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

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

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

<b>Question</b>
<b>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?</b>
<b>Score</b>
N/A
<b>Comments</b>
N/A
<b>Evidence</b>

## List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Annual Report and Accounts 2018	14/06/19	<a href="https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf">https://www.meggitt.com/wp-content/uploads/2019/03/Meggitt_AR2018.pdf</a>
02	Webpage	Anti-Corruption Policy	14/06/19	<a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/anti-corruption-policy/</a>
03	Webpage	Ethics and Business Conduct Policy	04/05/20	<a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/ethics-and-business-conduct-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/ethics-and-business-conduct-policy/</a>
04	Webpage	Corporate Responsibility Policy	04/05/20	<a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/">https://www.meggitt.com/about-us/our-responsibility/group-policies/meggitt-plc-corporate-responsibility-and-sustainability-policy/</a>
05	Webpage	Code of Conduct	04/05/20	<a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/">https://www.meggitt.com/about-us/our-responsibility/group-policies/the-meggitt-code-of-conduct/</a>
06	Webpage	Corporate Responsibility	14/06/19	<a href="https://www.meggitt.com/about-us/our-responsibility/corporate-responsibility/">https://www.meggitt.com/about-us/our-responsibility/corporate-responsibility/</a>
07	Webpage	About us	14/06/19	<a href="https://www.meggitt.com/about-us/our-company/our-vision-and-values/">https://www.meggitt.com/about-us/our-company/our-vision-and-values/</a>
08	Document	Meggitt Ethics and Business Conduct 2017 edition II	14/06/19	<a href="https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf">https://www.meggitt.com/wp-content/uploads/2018/07/Ethics_2017-English-aw_edition2.pdf</a>
09	Webpage	Board of directors	14/06/19	<a href="https://www.meggitt.com/about-us/our-company/board-of-directors/">https://www.meggitt.com/about-us/our-company/board-of-directors/</a>
10	Webpage	Terms of Reference for the Corporate Responsibility Committee	14/06/19	<a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-corporate-responsibility-committee/</a>
11	Webpage	Executive Committee	14/06/19	<a href="https://www.meggitt.com/about-us/our-company/executive-committee/">https://www.meggitt.com/about-us/our-company/executive-committee/</a>
12	Webpage	Terms of Reference for the Audit Committee	16/06/19	<a href="https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-audit-committee/">https://www.meggitt.com/about-us/our-company/board-of-directors/terms-of-reference-for-the-audit-committee/</a>
13	Webpage	Charitable Giving and Sponsorship Policy	04/05/20	<a href="https://www.meggitt.com/about-us/our-responsibility/group-policies/group-sponsorship-and-charitable-giving/">https://www.meggitt.com/about-us/our-responsibility/group-policies/group-sponsorship-and-charitable-giving/</a>
14	Document	Supplier Quality Requirements Document	18/06/19	<a href="https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf">https://www.meggitt.com/resources/commercial/2018/quality/01_MPRC-10_Supplier_Quality_Requirements_Document.pdf</a>
15	Document	Meggitt Global Standard Purchasing Conditions - Version applicable to purchases by Meggitt sites in US, UK, Singapore and India	18/06/19	<a href="https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf">https://www.meggitt.com/resources/commercial/2018/purchase/001_Meggitt_Global_Standard_Purchasing_Conditions_UK-US-Singapore-India_1_February_2018.pdf</a>
16	Webpage	Corporate Responsibility Committee	04/05/20	<a href="https://www.meggitt.com/about-us/our-company/corporate-responsibility-committee/">https://www.meggitt.com/about-us/our-company/corporate-responsibility-committee/</a>

17	Webpage	Investor Relations – Ethics and Business Conduct	19/06/19	<a href="http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new">http://www.meggittinvestors.com/index.php/leadership-and-governance/ethics-business-conduct-new</a>
18	Webpage	Investor Relations- About us	28/08/19	<a href="http://www.meggittinvestors.com/about-us">http://www.meggittinvestors.com/about-us</a>
19	Webpage	Ethics & Business Conduct	17/04/20	<a href="https://www.meggitt.com/ethics-business-conduct/">https://www.meggitt.com/ethics-business-conduct/</a>
20	Document	Annual Report 2019	17/04/20	<a href="https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf">https://www.meggitt.com/wp-content/uploads/2020/03/Meggitt_Annual_Report_and_Accounts_2019.pdf</a>
21	Webpage	Global Terms & Conditions	17/04/20	<a href="https://www.meggitt.com/about-us/our-responsibility/global-terms-conditions/">https://www.meggitt.com/about-us/our-responsibility/global-terms-conditions/</a>
22	Webpage	Financial Times Market Data	06/05/20	<a href="https://markets.ft.com/data/equities/tearsheet/summary?s=MGGT:LSE">https://markets.ft.com/data/equities/tearsheet/summary?s=MGGT:LSE</a>