

# PIONEER INDUSTRIES

A DIVISION OF



## Ethics and Compliance Supplier Memo

It is our expectation that Suppliers working with Pioneer Industries self-monitor to demonstrate compliance with the substance of this code; and understand and agree to adhere to our core values and shared global and environmental responsibilities, commitments, and promises. This includes ensuring that individuals are aware of their contribution to product and service conformity, their contribution to product safety; and the importance of ethical behavior.

In addition, suppliers must comply fully with all applicable laws, regulations and their contractual obligations with us, and with these fundamental standards of business conduct.

### ***Ethics and Compliance***

#### **1. Ethical Decision Making**

INTERNAL COMMUNICATION: Pioneer Industries empowers employees with the knowledge and tools to make ethical decisions by intentionally and regularly communicating to all employees:

- **Organizational policies and procedures as they apply to ethics and common workplace issues**
- **Applicable laws and regulations**
- **The universally agreed upon values that are: Empathy, Patience, Integrity, Courage, Kindness and Respect**
- **Employee access to a defined interpretation of policies, laws and relevant expectations.**

#### **2. CONFLICT OF INTEREST**

ORGANIZATIONAL CONFLICT OF INTEREST: In addition to personal conflicts of interest, the work Pioneer Industries performs for one customer could conceivably conflict with current or anticipated work for another customer. Employees should be vigilant in identifying all such potential conflicts and bring them to the attention of their management or ask for clarification from a trusted authoritative source.

OUTSIDE INTERESTS: Pioneer Industries does allow employees to engage in other outside business activities provided there are no conflicts with employee performance, the company's mission and/or contractual obligations. While the use of facilities, equipment, and other company resources are not authorized for personal business interests, nominal use of such resources may be approved to support employee participation in professional associations when in the interest of the company and the individual.

#### **3. KEEP ACCURATE AND COMPLETE RECORDS**

RECORD COSTS / TIME PROPERLY: Employees are essential to the health and success of the company. All employees must ensure that their time is properly recorded and/or charged to the appropriate job order numbers, and that any travel or other off-site work activity costs are consistent with customer requirements and in compliance with established policies and protocols. Timekeeping is to be done daily. This helps ensure more accurate time recording and complies with our contractual commitment to our customers to record our work effort on a daily basis.

GET APPROPRIATE APPROVALS: The Signature Authorization System is the means by which internal actions are delegated for authorized approval within the company. Properly approved internal documents are the basis for these actions and for the preparation of documents legally / contractually committing the company. Changes to the established Business Management System (BMS) Processes / Procedures and associated Records / Forms require written authorization prior to implementation.

RECORDS INTEGRITY: Any and all Pioneer Industries records must remain accurate and complete at all times. Stamps and/or other handwritten Initials / Dates reflecting the completion of operations or other documented work activities are records that may be subject to audits by customers and/or the government.

ACCEPTANCE AUTHORITY MEDIA:

- Review completed Work Orders for accuracy (omissions, typos, legibility etc.)
- Review In-Process Work Orders to ensure documentation is completed as planned
- Review In-Process and completed Work Orders and Training Records for unauthorized or untrained personnel, falsification of documentation, work not performed as planned and/or as indicated etc.
- When training, review training material to ensure it adequately communicates the importance of not falsifying records
- Understand the importance of ethical behavior including reporting and not passing on defects or nonconformities; and adhere fully to internal rules and established policies and procedures
- Flow down AAM compliance to relevant sub-tier suppliers

#### **4. DO YOUR JOB**

This may seem obvious but it means more at Pioneer Industries. Our customers and associated government agencies expect from us technically accurate quality, procurement, planning / production, manufacturing and inspection records. An employee who finds contradiction and/or other discrepancies that could impact mission success is required to escalate their concerns to the proper level, even if that means moving those concerns through all of management layers up to the level of Vice-President and CEO. All employees, each and every individual, has this obligation. The potential problem can take any form from material specifications to

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equipment being used or purchased that is not suited to the requirement or need; an administrative software program that has a serious potential vulnerability; or any one of a number of situations that can rise in our daily work. If such a situation occurs, make your concerns known and ensure the situation is resolved. It is the dedication to integrity, no matter what, that has given Pioneer Industries its honorable reputation.

## **5. PROTECT COMPANY PROPERTY AND THE PROPERTY OF OTHERS**

In the performance of Pioneer Industries' mission, we are entrusted with property belonging to others, not only tangible property (for example, government or buyer furnished equipment), but also intangible property such as ITAR / EAR, proprietary, confidential or otherwise protected information belonging to customers or other external providers.

**SENSITIVE PROPRIETARY INFORMATION:** The importance of preventing disclosure of Pioneer Industries / Customer / Government information that could be of value to saboteurs, competitors, and espionage agents, including those engaged in industrial espionage, cannot be overstated. Employees are expected to comply scrupulously with all compliance policies and practices concerning company information. To report known or suspected security violations directly to Management. The company is committed to respecting proprietary information, whether developed by Pioneer Industries, or by customer, government agencies, contractors, or other external providers or interested parties to which Pioneer Industries has received access. This is true and applies whether the information was delivered or received orally, in writing, or by electronic means.

**ORIGINATED INTERNALLY:** The company generates sensitive administrative information and controlled access technical information vital to its industry reputation. Pioneer Industries safeguards this information by ensuring safekeeping and proper disposition / destruction. External distribution or disclosure of such Pioneer Industries originated information is not permitted, except in conformity with company policies and practices.

**ORIGINATED EXTERNALLY:** When proprietary information is accepted from an external source, it must be protected by every practicable precautionary measure to avoid improper use or disclosure to unauthorized persons. This information is also safeguarded in accordance with established Business Management System (BMS) policies and procedures and customer, statutory / regulatory requirements.