



## SUPPLIER'S CODE OF CONDUCT

"XXX" has agreed to abide by moral and ethical values in the management of the company. We expect our third party suppliers to respect and adhere to the same philosophy in the management of their own companies.

We require strict compliance with these standards on the part of all our suppliers, their factories, subcontractors, as well as their own suppliers.

Please note that where national and other applicable laws and the Supplier's code of conduct address the same issue, the provision that is the highest workplace standard will apply.

Further, where the Supplier's code of conduct is in contradiction with the applicable law, the applicable law shall apply.

We seek to work with suppliers that agree to comply with the requirements of this code of conduct which also abides by the principles stipulated in the Conventions of the International Labor Organization, the Universal Declaration on Human Rights, the guiding principles of the OECD and the principles of the Global Compact.

Any breach of conduct or any violation of this code of conduct by our suppliers or their subcontractors will result in a review and possible termination of the business relationship.

### EMPLOYMENT REQUIREMENTS AND RESPONSIBILITIES

**Forced Labor:** The use of forced labor by our suppliers, whether obtained under the threat of punishment, withholding identity papers, requiring workers to deposit a bond or any other constraint is strictly prohibited.

**Child Labor:** Work by children under the age of 15 is strictly prohibited. In countries where local laws set a higher age for child labor or impose mandatory education beyond the age of 15, this higher age will apply.

**Harassment and Abuse:** We expect our suppliers to treat their employees with respect and dignity. Our suppliers may not allow or engage in any kind of corporal punishment, psychological or physical harassment or any other kind of abuse.

**Discrimination:** We expect our suppliers to treat all employees equally and fairly. Our suppliers may not practice any kind of discrimination in relation to hiring, access to training, promotion, or dismissal based on gender, race, religion, age, disability, sexual orientation, political opinions, nationality, or social or ethnic origin.

**Wages and Benefits:** As a minimum, our suppliers shall pay regular wages and pay for overtime at the legal rate imposed by the country of original manufacture and provide their workers with the benefits the law currently requires. If there is no legal minimum wage or overtime pay in the country of origin, the supplier shall ensure that the wages are at least equal to the

average minimum in the industrial sector in question and that overtime pay is at least the same as the usual rate of pay. Deductions from wages are not to be made for disciplinary purposes.

**Working Hours:** In relation to working hours and overtime, our suppliers shall comply with the limits set by the laws of the country of manufacture. Our suppliers may not impose excessive overtime. The total number of hours worked per week may not exceed 60 hours, including all overtime, and at least one day off in every seven-day period, or in both cases, the maximum established by the laws in effect in the country.

**Freedom of Association:** We expect our suppliers to respect and recognize the right of each employee to negotiate collectively, to create or join the union organization of their choice and without penalty, discrimination or harassment.

**Health and Safety:** Based on the specific risks present in their industrial sector, our suppliers shall provide a safe and healthy workplace to avoid accidents or bodily injuries which may be caused by, associated with, or result from the work or from handling the equipment. They shall set up systems to detect, avoid or neutralize any threat to their employees' health and safety and comply with local and international regulations and laws currently in effect. The same principles will apply to suppliers who provide housing to employees.

## **ENVIRONMENTAL REQUIREMENTS AND RESPONSIBILITIES**

We expect our suppliers to share our commitment to a clean and safe environment. We encourage initiatives to reduce the impact on the environment, particularly through the use of environmentally-friendly technologies. Our suppliers shall agree to respect local and international environmental regulations and standards. Our suppliers shall be able to prove the effective implementation of the following requirements:

- The existence of an environmental management system, possibly ISO 14001 or EMAS certified.
- Proper waste management, with special attention to hazardous waste and emissions which may not be dumped or discharged in an unlawful manner.
- Employees whose work has a direct impact on the environment shall be trained, competent and have the necessary resources to do their jobs.

## **WORKING METHODS**

**Legal Requirements:** We expect our suppliers to act in full compliance with the law. Our suppliers shall abide by all national, local and international laws relating to the management of their businesses.

**Customs and Security Authorities:** Our suppliers shall comply with applicable customs laws, including those relating to imports and the ban on the transshipment of merchandise into the country of import.

**Subcontractors:** Our suppliers shall receive "XXX's" approval before subcontracting any part of the manufacturing process. Our approval is subject to acceptance by the subcontractors of this code of conduct and all other applicable conditions.

**Anti-Corruption:** Our suppliers shall agree to condemn and act against corruption in all its forms, including extortion and kickbacks.

## INSPECTION AND AUDIT

**Inspection:** We reserve the right to check adherence to these principles and to conduct compliance audits at any time without notice. Our suppliers shall supply the necessary information and grant access to "XXX's" representatives who seek to verify compliance with the requirements of this code. They shall agree to improve and correct any deficiency discovered.

**Access to information:** The supplier shall keep proper records to prove compliance with this code of conduct. Our suppliers shall provide access to complete, original, and accurate files to our representatives.