



# Supplier Code of Conduct

## 1. Purpose

QSC, LLC strives to conduct its business in a lawful and ethical manner and expects suppliers of goods and services, contract manufacturers, and other third-party providers (together, "Suppliers") that it engages with to be committed to the same principles to ensure a long-term, sustainable, and successful relationship for all parties.

## 2. Scope

QSC, LLC requires all Suppliers to operate in accordance with the principles in this document, as well as in full compliance with all applicable laws and regulations. This policy applies to QSC, LLC Suppliers and their subsidiaries, affiliates, and subcontractors (each a "Supplier") providing goods or services to QSC, LLC. In some cases, this policy goes beyond compliance with applicable laws and draws upon internationally recognized standards to advance social and environmental responsibility. In the event there are any differences between this policy, applicable laws and regulations, and any agreement between QSC and Supplier, the strictest standard shall apply, in compliance with applicable law.

## 3. Objectives

- QSC, LLC expects compliance to the highest standards of ethical conduct from all its Suppliers.
- QSC, LLC reserves the right to audit its Suppliers' compliance with this policy and will work with its suppliers to continuously improve their performance.

## 4. Policy

Each Supplier shall comply with all laws, rules, regulations, and treaties applicable to products and services it supplies to QSC, and that apply to Supplier in its performance of any work relating to the products and/or services provided to QSC, LLC in all locations in which business operations are conducted. This includes, but is not limited to, laws related to anti-bribery, competition, business conduct, environmental, occupational health and safety, labor and employment, and any others that are applicable. In order to ensure these standards are cascaded throughout QSC, LLC supply chain, suppliers are expected to hold their suppliers and subcontractors to the standards and practices covered here, and to share relevant information about their due diligence with QSC, LLC upon request.

### 4.1 Conducting Business

QSC, LLC expects the highest standards of ethical conduct from all its Suppliers and third-party providers. Suppliers shall address identified operational risks related to this Code of Conduct in a timely manner.

- **Compliance:** In addition to complying with all applicable laws and regulations in the countries where the supplier operates. Supplier must also comply with international laws and regulations on human rights (particularly, ILO's Fundamental Principles and UN Guiding Principles on Business and Human Rights (UNGPs)).
- **Bribery:** Supplier shall comply with all applicable anti-bribery and anti-corruption laws and regulations, including but not limited to the US Foreign Corrupt Practices Act.
- **Responsible Sourcing of Materials:** Supplier shall exercise due diligence on raw and component materials used in its supply chains. Supplier shall develop due diligence policies and management systems such as those outlined in the OECD Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas, to identify risks and take appropriate steps to mitigate them. Supplier shall conduct due diligence to the materials processing level in order to determine whether relevant materials originate from regions with high risks, including those associated with conflict, the worst forms of child labor, forced labor and human trafficking, gross human rights violations (such as widespread sexual violence), or other reasonably objective high-risk activities, including severe health and safety risks and negative



environmental impacts. Suppliers shall provide QSC, LLC with information necessary to demonstrate sourced materials are not from such high-risk zones.

- **Protection of Intellectual Property:** Supplier shall respect intellectual property rights and shall safeguard all QSC, LLC intellectual property and confidential information it obtains during the course of doing business with QSC, LLC. Supplier shall manage technology and know-how in a manner that protects intellectual property rights.
- **Gifts and Hospitality:** Gifts and hospitality must be reasonable and entirely for maintaining good business relations, not intended to influence the outcome of decision making. Any gifts, entertainment, and hospitality given or received by Supplier shall comply with any rules or standards applicable to the relationship in question.
- **Financial Management:** Supplier must record all commercial dealings accurately and transparently in its record-keeping systems. Suppliers shall not conduct any money-laundering activities. Confidential information of QSC, LLC must not be used inappropriately or to support insider trading activity.
- **Conflict of Interest:** All conflicts of interest relating to the subject matter of the relationship with QSC must be reported to QSC, LLC so that appropriate action can be taken. Any ownership or interest in Supplier's business by government officials or political parties or a QSC, LLC employee must be declared prior to entering the business relationship with QSC, LLC, and any related changes shall be updated by Supplier during the relationship with QSC, LLC.
- **Whistle-Blower Protections:** Supplier must create a mechanism for its employees and agents to submit any grievances and report any ethics or other violations anonymously and demonstrate that these are investigated and reviewed with confidence and without retaliation.

**Audits and Assessments:** QSC, LLC reserves the right to audit compliance with this Policy. Audits may include virtual or facility inspections that include employee interviews and a review of supplier records and business practices. Such audits may be conducted by QSC, LLC employees or another approved monitoring firm. If an audit identifies a violation of this Policy, Supplier shall act promptly to correct the situation to QSC, LLC satisfaction.

## 4.2 Human Rights and Labor Practices

QSC, LLC believes all workers in its supply chain deserve a fair, safe, and ethical workplace. Workers must be treated with dignity and respect, and QSC, LLC suppliers shall uphold human rights standards. As a minimum, suppliers are required to comply with all applicable laws and regulations regarding working conditions and labor standards. Where local laws are less stringent than the ILO's Fundamental Principles and the UNGP, then the ILO's Fundamental Principles and UNGP will apply.

- **No Forced Labor:** Supplier shall ensure that all workers it engages are working voluntarily. Supplier shall not use any enslaved, involuntary, forced, prison or debt bondage labor of any kind. Supplier will not be involved in human trafficking activity or any activity that promotes modern slavery. Supplier shall not use any corporal punishment, physical or psychological abuse, coercion, or threats of violence to secure or retain its employees. Supplier shall not confiscate original employee identification documents (passports or identity papers) from its workers. Supplier shall not place any unreasonable restrictions on the ability of its workers to leave the workplace or find alternative employment.
- **No Child Labor:** Supplier shall comply with all laws preventing child labor. Only workers who meet the minimum legal age requirements of the country shall be permitted to work. If there is any doubt about applicable minimum age of employment, the ILO's Minimum Age Convention, 1973 (No. 138) should be applied. Supplier shall not allow workers under the age of 18 to work night shifts or be involved in any hazardous work as specified in the ILO's Worst Forms of Child Labor Convention, 1999 (No. 182).



- **Wages, Benefits and Working Hours:** Supplier shall adhere to all applicable laws regarding working hours, wages, social security payments and overtime payments. Supplier shall pay its workers at least the minimum legal wage in the jurisdiction where work is performed or better. Where there is no legislated minimum legal wage, Supplier must be able to demonstrate that an employee's wages meet industry norms. Wages shall be paid promptly and in full. Suppliers will limit working hours and overtime to levels that are humane and safe, and will ensure productive working conditions. All overtime shall be voluntary. Workers shall receive annual leave and public holidays in accordance with local law.
- **Employment Contracts:** All employees shall be provided with written and understandable information in their local language about their employment conditions in respect to wages, benefits and working hours. If a worker is required to relocate for their employment, Supplier shall provide the employment contract prior to the worker departing from their country of origin and there shall be no changes or substitutions allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local laws and provide equal or better terms.
- **Deductions:** Supplier shall not use deductions from basic wages as a disciplinary measure. Supplier shall maintain disciplinary measures based on documented disciplinary procedures that are communicated to all staff. All instances of disciplinary action shall be recorded.
- **Freedom of Association:** Supplier shall respect its employees' right of freedom of association, including the right to collective bargaining, the right to join a trade union and all other workplace rights as mandated by legislation. Where there is legislation that mandates the election of work representatives or the establishment of joint consultative mechanisms, Supplier shall make sure these are in place. Supplier shall ensure that representatives of trade unions and their associated activities are not subject to discrimination and are able to undertake their representative functions in the workplace.
- **Discrimination and Harassment:** Supplier will comply with all local laws and regulations regarding unlawful discrimination, such as the considerations in ILO Discrimination (Employment and Occupation) Convention (No. 111). Supplier shall not discriminate directly or indirectly against its employees in relation to compensation, access to training, promotion, termination, retirement, or any other aspect of their work. This is in relation to their race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, political opinion, HIV/AIDS status, or any other characteristic that might give rise to discrimination.
- **Privacy:** Supplier shall protect the employees' privacy and shall only gather personal information of employees for genuine legal use.
- **Immigration Compliance:** Supplier may only engage workers who have a legal right to work in the location where work is performed. If Supplier engages foreign or migrant workers, such workers must be engaged in full compliance with the immigration and labor laws of the host country.

### 4.3 Health and Safety

Suppliers shall provide and maintain a safe work environment and integrate sound health and safety management practices into their businesses. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

- **Health and Safety Permits:** Supplier shall obtain, keep current, and comply with all necessary permits required by laws regarding health, safety, hygiene, sanitation, fire safety, electrical, mechanical, and structural safety. Suppliers shall have a structured health and safety management system in place.
- **Management Commitment:** Supplier shall set a policy and objectives for health and safety. A competent and qualified health and safety responsible person will be appointed and will report into an appropriate level of Supplier's organization.



- **Investigation:** Supplier shall put in place processes to record and investigate accidents, near misses and first-aid events. This investigation will include a root cause analysis and preventative and corrective actions to prevent reoccurrence. Supplier is prohibited from taking punitive measures against its employees for reporting or having accidents, near misses or first-aid events, unless the employee is shown to be willfully negligent.
- **Safe Working Environment:** Supplier shall routinely assess its work environment for health and safety hazards and eliminate, control or mitigate these identified risks. Suppliers shall provide workers with appropriate workplace health and safety training in their primary language. Health- and safety-related information shall be accessible at the point of work. Supplier shall issue its employees with the necessary personal protective equipment, at no cost, to protect their health, safety, and welfare. Supplier shall monitor its working environments to assess the exposure of workers and visitors to occupational health hazards, including but not limited to chemical exposure, dust, noise, and fumes.
- **Emergency Response:** Supplier must identify and plan for emergency situations, and implement and train its workers on response systems, including emergency reporting, alarm systems, worker notification and evacuation procedures, worker training and drills, first-aid supplies, fire detection and suppression equipment, and accessible exit facilities.
- **Contractor Management:** Supplier shall have health and safety processes to ensure effective contractor management.
- **Housing Conditions:** Supplier shall provide workers with easily accessible and clean toilet facilities and potable water. Supplier-provided dining, food preparation and storage facilities shall be sanitary. Worker dormitories provided by Supplier, or a third party shall be clean and safe and shall provide reasonable living space.

#### 4.4 Environmental Standards

Suppliers shall comply with all applicable environmental laws, regulations, permits and standards in relation to their business and operations. Supplier should develop robust means by which it identifies and monitors the environmental impacts of its activities. Supplier shall demonstrate compliance with permits and show effective control of its impacts required by local laws.

- **Environmental Permits and Reporting:** Supplier shall obtain and keep current all environmental permits (e.g., discharge monitoring), approvals and registrations required by local laws.
- **Greenhouse Gas Emissions:** Supplier is expected to proactively seek opportunities to reduce their emissions across their value chain. Continuous tracking and monitoring are essential to reduce the impact on the environment and make enhancements to company operations. QSC LLC expects their suppliers to share relevant emissions information upon request.
- **Air Pollution:** Supplier is urged to monitor, control, and treat air pollutants of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations. Ozone depleting substances shall be effectively managed in accordance with the Montreal Protocol and applicable regulations. Suppliers are encouraged to conduct routine monitoring the performance of its air emissions control systems.
- **Hazardous Waste Management:** Supplier must effectively identify and manage the safe handling, movement, storage, and disposal of chemicals and other substances that pose a threat to the environment, including providing workers with appropriate training on the safe-handling and disposal of hazardous substances.
- **Non-Hazardous Waste Management:** Supplier is expected to manage and dispose of all materials in accordance with applicable laws, rules, regulations, and directives, in an environmentally responsible manner. The supplier is encouraged to recycle materials where possible.
- **Sustainable Materials:** Supplier shall adhere to applicable laws, regulations, and customer requirements regarding prohibited or restricted substances in products and manufacturing, including labeling for recycling and disposal. The supplier is expected to collaborate with QSC LLC to utilize and integrate environmentally-friendly materials, where possible, in the products and packaging materials during production. Upon request, suppliers shall share information on materials used in products and packaging.



- **Water Management:** Supplier is encouraged to implement a water management program that documents, monitors, and identifies water sources, use and discharge; identify ways to conserve water; and implement control channels of contamination. All wastewaters shall be monitored, controlled, and treated as requested prior to discharge or disposal. Suppliers should routinely monitor the performance of its wastewater treatment and containment systems to optimize performance and comply with regulations.
- **Management of Environmental Impact:** Supplier should manage compliance, minimize environmental impact, and drive continual improvement through the implementation of a supplier management system.

If the supplier is subject to enforcement action, such as fines of prosecution as a result of compliance failures, these will be notified to QSC, LLC.

Systemic violations of this policy may jeopardize the supplier's business relationship with QSC, LLC up to and including termination. In the case where there is a discrepancy between the agreement and the Supplier Code of Conduct between QSC, LLC and Supplier, the agreement will take precedence, but Supplier is expected to mitigate the gaps between the agreement and this document in a timely manner.

## 5. Supplier's Acknowledgement

We, the undersigned hereby confirm that:

- We have received and taken due note of the contents of this policy,
- We are aware of all relevant laws and regulations of the countries in which our company operates,
- We will report to QSC any case of violations of this policy,
- We will inform all of our employees/subcontractors of the content of this policy, and that we will ensure that they also comply with the provisions incorporated therein. We hereby authorize QSC or any organization acting on behalf of QSC to carry out audits with advance notice at our premises and the business premises of our subcontractors to verify compliance with this policy content.

Name of Company \_\_\_\_\_

Name and Title \_\_\_\_\_

Signature \_\_\_\_\_

Date & Place \_\_\_\_\_

This document must be signed by an authorized representative of the Supplier & returned to the QSC requester.