

# Hunter Industries Supplier Code of Conduct

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This Supplier Code of Conduct applies to all suppliers that produce goods, components, or raw materials for Hunter Industries or any of its subsidiaries, divisions, or agents. This agreement sets forth the basic conditions suppliers must meet in order to do business with Hunter Industries.

The Code provides the foundation for Hunter Industries' ongoing evaluation of human rights and environmental compliance of its suppliers. The Code is based on internationally accepted standards, including the International Labour Organization (ILO)'s core conventions, the Universal Declaration of Human Rights, and the UN Global Compact.

## 1. *Compliance with Laws*

Suppliers that produce goods for Hunter Industries shall operate in full compliance with the laws of their respective countries and with all other rules and regulations that Hunter requires in this Code of Conduct.

- A. Suppliers operate in full compliance with all applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.
- B. Suppliers allow Hunter Industries and any of its representatives or agents access to all relevant records and facilities to audit compliance on the items in this document.

## 2. *Environment*

Suppliers shall comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Hunter Industries' own, suppliers are strongly encouraged to meet the standards below.

- A. **Air emissions** are gases and particles put into the air and can be transmitted by various sources. Emissions include pollutants and/or toxins that damage the environment and are hazardous to human health.
  - 1. Suppliers track onsite emissions.
  - 2. Suppliers have a plan to control onsite emissions.
  - 3. Suppliers have a strategy to reduce onsite emissions relative to their growth.
- B. **Waste management** involves the collection, transport, processing, and recycling or disposal (whichever is applicable) of waste materials for health, environmental, and aesthetic purposes. Proper waste disposal affects land use and greenhouse gas emissions.
  - 1. Suppliers track their waste.
  - 2. Suppliers work to prevent the generation of waste.
  - 3. Suppliers promote reuse of waste.
  - 4. Suppliers promote recycling of waste.
- C. **Hazardous waste** is waste that poses potential hazards to human health and natural resources. A waste may be considered hazardous if it is ignitable (i.e., burns readily), corrosive, or reactive (e.g., explosive). Waste may also be considered hazardous if it contains certain amounts of toxic chemicals. Hazardous waste takes many physical forms and may be solid, semisolid, or liquid.
  - 1. Suppliers have an environmental emergency plan with procedures for notifying local community authorities in case of accidental discharge or release or any other environmental emergency.
  - 2. Suppliers have an ongoing inventory of all hazardous or toxic materials.
  - 3. Suppliers store hazardous and combustible materials in secure areas.
  - 4. Suppliers dispose of hazardous materials in a safe and legal manner.

- D. **Water Use:** Both healthy watersheds and storage are components of an adequate and reliable water supply. When either component is compromised, a shortage will occur affecting communities and ecosystems downstream.
  - 1. Suppliers track their water use.
  - 2. Suppliers have a plan in place to reduce their water use.
  - 3. Suppliers are responsible stewards of water.
- E. **Stormwater** is a subset of wastewater that originates during a precipitation event and can soak into the soil, evaporate, or runoff into surface or underground water.
  - 1. Suppliers monitor the quality of their storm water effluent.
  - 2. Suppliers treat waste water to meet local requirements.
- F. Suppliers adopt reasonable measures to mitigate negative operational impacts on the environment and strive to continuously improve its environmental performance while promoting greater environmental responsibility.
- G. Suppliers support a precautionary approach to new products and processes that pose environmental challenges.
- H. Suppliers encourage the development and diffusion of environmentally friendly technologies.

### 3. *Anti-Corruption*

Corruption can take many forms that vary in degree from the minor use of influence to institutionalized bribery and extortion. Transparency International's definition of corruption is "the abuse of entrusted power for private gain." Corruption can be used for both financial gain and non-financial advantages.

- A. Suppliers should work against corruption in all its forms, including extortion, bribery, and blackmail.
  - 1. **Extortion** is a demand to obtain money or something of value accompanied by the threat of violence, destruction of property, or improper government action in the conduct of the supplier's business.
  - 2. **Bribery** is an offer or receipt of any gift, loan, fee, reward or other advantage from any person as a motive to do something which is dishonest, illegal, or a breach of trust in the conduct of the supplier's business.
  - 3. **Blackmail** is a demand to obtain money or something of value accompanied by a threat to reveal information that is potentially embarrassing, socially damaging, or incriminating in the conduct of the supplier's business.
- B. Suppliers have policies and programs to address corruption.
  - 1. Suppliers report on work to fight corruption.
  - 2. Suppliers join forces with industry peers and with other stakeholders.

#### 4. *Supply Chain*

- A. Suppliers shall take reasonable measures to ensure that their suppliers adhere to similar environmental and social responsibility principals.
  - 1. Hunter suppliers are held accountable for the actions of their subcontractors or suppliers, and the Hunter supplier will be in violation of the terms of this Code of Conduct if their subcontractors or suppliers perform actions in violation of this Code of Conduct.
- B. Suppliers shall take reasonable measures to ensure products, parts, components, and materials supplied to Hunter are “DRC” (Democratic Republic of Congo) conflict free as that term is used under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).
  - 1. Suppliers annually report if materials that may contain conflict minerals are necessary for the functionality of products, production of products, or use as raw materials for Hunter Industries.
  - 2. Suppliers shall take reasonable measures to ensure their suppliers do not use materials that include conflict minerals and adhere to requirements of the “Dodd-Frank Act”.
- C. All material, components, and assemblies are required to comply with Directive 2011/65/EU and Directive 2012/19/EU of the European Parliament on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and waste electrical and electronic equipment (WEEE).
  - 1. Hunter products include electronic components that have the potential to end up as electronic waste. These products can be classified as at risk within the EU RoHS Directive.
  - 2. Any component changes must be submitted to and approved by Hunter Industries.
    - i. Please include technical details regarding the change.
    - ii. Please include a timeframe for the change and the availability of legacy items.
  - 3. Hunter requires all OEM end user product assemblies with electrical components to have Waste Electronic and Electrical Equipment (WEEE) labeling.

#### 5. *Labor*

- A. **Child Labor:** Suppliers shall employ only workers who meet the applicable minimum legal age requirements or are at least 15 years of age, whichever is greater. Suppliers must also comply with all other applicable child labor laws.
  - 1. Every worker employed by the supplier is at least 15 years of age and meets the applicable minimum legal age requirement. If the minimum legal age is higher under local law, the higher age applies.
  - 2. Suppliers comply with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime, and working conditions.
  - 3. Suppliers encourage and allow eligible workers to attend night classes and participate in work-study programs and other government-sponsored educational programs.
  - 4. Suppliers maintain official documentation for every worker that verifies the worker’s date of birth. In those countries where official documents are not available to confirm exact date of birth, the supplier confirms age using an appropriate and reliable assessment method.

**B. Contract Labor Requirements (if applicable)**

1. Suppliers that recruit or employ foreign contract workers shall ensure that these workers are treated fairly and on an equal basis with its local workers.

**C. Discrimination:** Suppliers shall not discriminate based on race, color, creed, gender (including gender identity and gender expression), religion, marital status, registered domestic partner status, age, national origin or ancestry, physical or mental disability, medical condition (including cancer and genetic characteristics), genetic information, sexual orientation, membership in workers' organizations including unions, or political affiliation or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

1. Suppliers shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.
2. Suppliers hire, employ, promote, terminate, and provide access to training and retirement to workers without discrimination.
3. Suppliers pay workers' wages and provide benefits without discrimination.

**D.** Suppliers shall not use involuntary labor of any kind, including forced labor, indentured labor, prison labor, or forced labor by governments.

**E.** Suppliers shall not subject workers to any form of compulsion, coercion, or human trafficking.

**F. Employee grievances:** Employees shall be able to voice grievances of unlawful behavior without fear of reprisal.

**G. Humane Treatment:** Suppliers shall treat all workers with respect and dignity. Suppliers shall not use corporal punishment or any other form of physical or psychological coercion.

1. Suppliers do not engage in or permit physical acts to punish or coerce workers.
2. Suppliers do not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming, or other verbal abuse.

**H. Wages & Benefits**

1. Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater.
2. Suppliers pay overtime and any incentive (or piece) rates that meet all legal requirements or the local industry standard, whichever is greater. Hourly wage rates for overtime must be higher than the rate for the regular work shift.
3. Suppliers provide paid annual leave and holidays as required by law or the local industry standard, whichever is greater.
4. For each pay period, suppliers provide workers an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances, and legal or contractual deductions.
5. Suppliers shall not modify or terminate workers' contracts for the sole purpose of avoiding the provision of benefits.
6. All employees including contractors have a signed agreement between the employer and the employee that outlines the basic details of the job.

I. **Working hours:** Suppliers shall set working hours in compliance with all applicable laws. Suppliers shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.

1. The maximum allowable working hours in a regular work week (without overtime) shall be the lesser of (a) what is permitted by national law, or (b) 48 hours.
2. Workers may refuse overtime without any threat of penalty, punishment or dismissal.
3. Other than exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 85 hours.

## 6. Working Conditions

### A. Occupational Health and Safety

1. Suppliers shall comply with all applicable laws and regulations regarding working conditions and shall provide workers with a safe and healthy environment. This includes worker health and safety, sanitation, fire safety, risk protection, electrical, mechanical, and structural safety.
2. Record all occupational accidents, diseases and fatalities.
3. Work area surface lighting is sufficient for the safe performance of production activities.
4. The work area is well ventilated. There are windows, fans, and if necessary air conditioners and heaters in all work areas for adequate circulation, ventilation, and temperature control.
5. There are sufficient, clearly marked exits allowing for the orderly evacuation of workers in case of fire or other emergencies. Emergency exit routes are posted and clearly marked.
6. Employees are allowed to leave the grounds during non-working hours and for appropriate reasons during working hours.
7. Aisles, exits, and stairwells are kept clear of work in-process that could obstruct the orderly evacuation of workers in case of fire or other emergencies. Firefighting equipment, control panels, and potential fire sources are kept clear.
8. The supplier indicates with a “yellow box” or other markings the areas in front of exits.
9. Doors and other exits are kept accessible and unlocked during all working hours for orderly evacuation in case of fire or other emergencies. All main exit doors open to the outside.
10. Fire extinguishers are appropriate to the types of possible fires in the various areas of the work area, and they are regularly maintained and charged. The extinguishers display the date of their last inspection. The extinguishers are mounted on walls and columns throughout the work area, so they are visible and accessible to workers in all areas.
11. Fire alarms are on each floor and emergency lights are placed above exits and on stairwells.
12. Evacuation drills are conducted at least annually.
13. Machinery is equipped with operational safety devices as required by local regulations and local industry standards. Machinery is inspected and serviced on a regular basis.
14. Assembly equipment is designed to minimize ergonomic stress on workers.
15. Workers have access to emergency response services (medical, fire, police).
16. Appropriate personal protective equipment (PPE)—such as masks, gloves, goggles, ear plugs—are made available at no cost to all workers that require. Instruction on use of each PPE is provided.

17. Suppliers provide potable water for all workers and allow reasonable access to it throughout the working day.
18. Suppliers provide nutritious food and adequate calories if meals are provided.
19. Suppliers have at least one well-stocked first aid kit on every floor, and train specific staff in basic first aid. Suppliers have procedures for dealing with serious injuries that require medical treatment outside the supplier.
20. Suppliers maintain clean and sanitary toilet areas and place no unreasonable restrictions on their use.

**B. Dormitory (if applicable)**

1. Housing for workers shall be clean and safe.
2. Dormitory facilities meet all applicable laws and regulations related to health and safety, including fire safety, sanitation, risk protection, and electrical, mechanical, and structural safety.
3. Sleeping quarters are segregated by sex.
4. The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.
5. Workers are provided their own individual mats or beds.
6. Dormitory facilities are well ventilated. There are windows, fans, and if necessary air conditioners and heaters in dormitories for adequate circulation, ventilation and temperature control.
7. Workers are provided their own storage space for their clothes and personal possessions.
8. There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells, and above each exit.
9. Halls and exits are kept clear of obstructions for safe and rapid evacuation in case of fire or other emergencies.
10. Directions for evacuation in case of fire or other emergencies are posted in all quarters.
11. Fire extinguishers are placed in or accessible to all sleeping quarters.
12. Hazardous and combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.
13. Fire drills are conducted at least every six months.
14. Sleeping quarters have adequate lighting.
15. Sufficient toilets and showers are provided in safe, sanitary, accessible, and private areas.
16. Potable water is available to dormitory residents.
17. Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for safety and comfort.

**7. Monitoring, Enforcement & Compliance Management**

- A. As a condition of doing business with Hunter Industries, suppliers must comply with this Supplier Code of Conduct. Hunter Industries will continue to develop monitoring systems to assess and ensure compliance.
- B. It is the responsibility of each supplier to Hunter Industries to ensure compliance with this Code of Conduct and to inform Hunter Industries if and when a situation develops that causes the supplier to operate in violation of this Code.
- C. Hunter Industries may request the removal of any representative of the supplier who behaves in a manner that is unlawful or inconsistent with this Code or any Hunter Industries policy.
- D. If Hunter Industries determines that any supplier has violated this code, Hunter Industries may at its discretion either terminate its business relationship and/or require the supplier to implement a corrective action plan. If corrective action is advised but not taken, Hunter Industries will suspend placement of future orders and may terminate current production.
- E. Hunter Industries has a zero-tolerance for forced/prison labor, slavery, human trafficking, child labor, physical/sexual abuse, and bribery or cohesion. These violations of the Code require immediate remediation. Hunter may terminate future purchase orders and current production depending on the circumstances.
- F. Hunter Industries strongly encourages Suppliers to define and implement a policy for social accountability and environmental responsibility and to adopt or establish a management system to ensure that the requirements of this Supplier Code of Conduct can be met in a consistent way.

**Please add any addendum to the terms below:**

**By signing below, \_\_\_\_\_ (supplier), agrees to the terms and addendum to the Hunter Industries Supplier Code of Conduct.**

\_\_\_\_\_  
SUPPLIER REPRESENTATIVE *(please print)*

\_\_\_\_\_  
SUPPLIER SIGNATURE DATE

\_\_\_\_\_  
HUNTER INDUSTRIES, INC. REPRESENTATIVE *(please print)*

\_\_\_\_\_  
REPRESENTATIVE SIGNATURE DATE