

SmarStiq code of conduct

I Smoke Intelligent LLP (hereinafter referred to as “ISI”) is committed to conduct its business ethically and in compliance with the laws of the UK, all of the countries in which ISI buys and sells its products, as well as the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child and applicable ILO Conventions.

Additionally ISI seeks to establish long term business partnerships with companies that share the same commitment (hereinafter referred to as “Partners”), this includes its manufacturers, subcontractors, traders and suppliers.

ISI’s code of conduct (hereinafter referred to as “Code of conduct”) exposes its minimum expectations, it’s not all inclusive, ISI requires its partners to act reasonably, respectfully and to ensure and to certify that no abusive, exploitative or illegal conditions of work exist at their workplaces or those of its manufacturers, subcontractors, traders or suppliers. ISI expects its partners to be fair and honest with their business counterparts including employees, manufacturers, subcontractors, traders, suppliers and other third parties.

ISI will only do business with Partners who are in compliance with the laws of the country in which they operate and the principles expressed in this code of conduct. Therefore, ISI will only do business with Partners that have certified by signing the present agreement that they and their manufacturers, subcontractors, traders and suppliers conduct business ethically, legally and in compliance with this Code of conduct. Additionally Partners and their manufacturers, subcontractors, traders and suppliers agree to be inspected and evaluated to ensure of their compliance with this Code of conduct.

1. Worker’s rights

a. Forced Labor

ISI will not purchase products or components from Partners that use forced labor, prison labor, indentured labor or exploited labor or allow their suppliers to do so.

b. Child Labor

ISI will not purchase products or components from Partners that employ any person younger than 15 years old or any younger than the age of completing compulsory education in the country of manufacture if the age is higher than 15.

c. Harassment or abuse

Partners must treat their employees with respect and dignity and recognize the right of employees to be treated this way. Partners must never tolerate physical, sexual, verbal or psychological harassment or abuse neither corporal punishment.

d. Non –discrimination

Partners must never tolerate any kind of discrimination in employment including hiring, salary, benefits, advancement, discipline, termination or retirement on the basis of religion, gender, age, race, sexual orientation, disability, nationality, political

opinion, social or ethnic origin. Only the employee's ability to fit the job must be taken into consideration when taking any decisions concerning hiring, assignment, salary, benefits, advancements, disciplinary measures, dismissal and pensioning.

e. Freedom of association

The right of employees to freely associate in accordance with the laws of the country in which they are employed must be recognized by Partners. Hiring discrimination because of membership in a union must never be practiced, neither threaten of coerce workers seeking to establish or join workers associations.

f. Contract labor

Partners must not use workers obligated under contracts which exploit them or deny them legal rights available to people and to workers within the countries in which they work or which are inconsistent with this Code of conduct. All employees are entitled to a written employment contract, in the local language, stipulating the employment terms and conditions. Partners have the responsibility to ensure that all employees are aware of their legal rights and obligations.

g. Wages and benefits

Partners must pay employees at least the minimum wage required by local law and provide legally mandated benefits. Each employee must receive a writing accounting for every pay period. Partners must never deduct from employee pay for disciplinary infractions or recruitment fees. Remuneration is paid in cash or check form, in a convenient manner to the workers. Internships and apprenticeships must not be undertaken in an effort to avoid fulfilling their obligations to personnel under applicable laws pertaining to labor and social security legislation and regulations.

h. Work hours

Partners' employees must not be required to work more than the limits on regular and overtime hours allowed by the law of the country of manufacture. Partners' employees shall be entitled at least to one day off in every seven day period. Partners must inform their employees when hiring them if mandatory overtime is a condition of their employment but other than in extraordinary business circumstances, overtime shall be voluntary.

i. Overtime compensation

Partners must always compensate their employees for overtime hours at such premium rate as is legally required in the country of manufacture or, when such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

j. Leave

Partner's employees must be granted and correctly compensated for any types of paid leave to which they are legally entitled. Such as annual leave, maternity/parental leave and sick leave.

2. Health and safety at the workplace

a. Compliance

Partner's compliance with all applicable workplace conditions, safety and environmental laws is indispensable at any time.

b. Working Environment

A safe and healthy working environment must be provided by Partners in order to avoid accidents and injury to health arising out of, linked with, or occurring in the course of work or as a consequence of the operation of employer's facilities. Partners must never, in or outside the workplace, expose employees to hazardous, unsafe or unhealthy situations.

c. Risk management

Adequate evaluation, risk reduction and risk management procedures must be set and defined in writing according to their activities and premises. A system to detect, avoid or respond to potential threats to the personnel's health and safety must be established by Partners.

d. Sanitary facilities

Sufficient sanitary facilities including toilets and drinking water must be provided to the employees by Partners. All facilities must provide enough space and maintaining so as to preserve the workers' health and safety.

e. Health and safety training

Partners must ensure that all employees receive regular health and safety training including new and re assigned workers.

3. Environment

a. Compliance

ISI expects Partners to respect the environment when conducting its business therefore Partners must comply with all applicable environmental laws and regulations in the country of manufacture, this includes but is not limited to, issuing the relevant environmental permits and licenses for its operations.

b. Chemicals

Chemicals used must be in compliance with the standards set by the European Union regarding consumer safety, health and environmental requirements. Chemical containers must be properly labeled and safely stored.

c. Water

Water should be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged. The treated wastewater quality must meet the requirements of local legislation.

d. Waste

Any waste including hazardous waste must be taken care of in a responsible manner and in compliance with local law.

4. Monitoring and compliance

a. Legal and ethical business practices

Partners must fully comply with all applicable local, state, federal, national and international laws, rules and regulations including, but not limited to, those relating to wages, hours, labor, immigration, non-discrimination, health and safety. Partners must conduct their business ethically.

- b. Supervision of suppliers, subcontractors, and sub-suppliers
Partners must establish and maintain appropriate procedures to evaluate and select manufacturers, subcontractors, traders and suppliers based on their ability to meet the requirements of this Code of conduct. Partners must also maintain reasonable evidence that the requirements of this standard are being met by manufacturers, subcontractors, traders and suppliers.
- c. Co-operation
Partners must definitely investigate, address, and respond to the concerns of workers and other stakeholders with regard to compliance/non-compliance with this Code of conduct. Partners must refrain from disciplining, dismissing or discriminating against any employee for providing information concerning non-observance of this code of conduct.
- d. Outside communication
Partners must establish and maintain procedures to regularly communicate to stakeholders data and other information regarding performance concerning the requirements of this Code of conduct, including but not limited to, the results of management reviews and monitoring activities. Partners should provide reasonable information and access to stakeholders seeking to verify conformance to the requirements of this Code of conduct, as well as maintain records to demonstrate conformance to those requirements.
- e. Monitoring
All manufacturers, subcontractors, traders and suppliers have the obligation to inform ISI upon request of where each product is being produced, including subcontracting. ISI reserves the right to make unannounced visits to all units producing goods or services for ISI, at any time. ISI also reserves the right to subcontract an independent third party to conduct audits to evaluate compliance with this Code of Conduct. During audits unrestricted access to all areas of the premises, to all documents and to all employees for interviews is required.
- f. Corrective actions and penalties
If ISI identifies gaps between the requirements of this Code of conduct and the Partner's actual business practices either by an audit or someone's report, the issue will be investigated and discussed with the Partner in question whom will usually have the opportunity to propose and implement a corrective action plan within a determined time frame.
If the Partner fails to remedy the violations within the stipulated time frame, ISI reserves the right to terminate its business relationship with this Partner.
ISI also reserves the right to terminate its business relationship with any Partner who fails to provide written confirmation to ISI that they have a program in place to monitor their manufacturers, subcontractors, traders and suppliers for compliance with this Code of conduct.

By executing the present agreement, the Partner agrees and certifies that it complies entirely with the present Code of conduct.