

## CODE OF VENDOR CONDUCT

This Code of Vendor Conduct applies to all manufacturers that produce goods, 3<sup>rd</sup> party service providers and primary vendors ("Vendors") for Cariuma or any of its subsidiaries, divisions, affiliates or agents ("Buyer").

While Buyer recognizes that there are different legal and cultural environments in which Vendors operate throughout the world; this Code sets forth the basic requirements that all Vendors must meet in order to do business with Buyer. The Code also provides the foundation for Buyer's ongoing evaluation of a Vendor's employment practices and environmental compliance.

As a condition of doing business with Buyer, each and every Vendor must comply with this Code of Vendor Conduct. Buyer will, from time to time, verify Vendor compliance. If Buyer reasonably determines with material evidence that any Vendor has violated this Code and that it is a material obligation herein, Buyer may either terminate its business relationship or require the Vendor to implement a corrective action plan. If corrective action is advised but not taken, Buyer will suspend placement of future orders for goods or services and may terminate outstanding orders for goods or services.

### **General Code of Conduct**

- The Vendor operates in full compliance with all applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.
- The Vendor allows Buyer and/or any of its representatives or agents' unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

### **Child Labor**

- Every worker employed by the Vendor is at least 16 years of age and meets the applicable minimum legal age requirement. Juvenile workers (ages 16-18) shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to jeopardize their health, safety or morals. (ILO Convention 138)
- The Vendor complies with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions.
- The Vendor maintains 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 factory confirms age using an appropriate and reliable assessment method.

### **Forced Labor**

- The Vendor does not use involuntary labor of any kind, including prison labor, debt bondage or forced labor by governments. The Vendor shall not engage in any acts of human trafficking or slavery. (ILO Convention 29)
- No employee shall be compelled to work through force, deception, intimidation or coercion or as a punishment for holding or expressing political views. (ILO Convention 105)

## **Discrimination**

- Vendors shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.
- The Vendor employs, compensate and provide benefits to workers without regard to race, color, gender, sexual orientation, nationality, religion, age, maternity, marital status or political opinion. (ILO Convention 100 and 111)

## **Wages & Benefits**

- The Vendor will comply with all applicable laws, regulations and industry standards concerning wages and benefits. Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater. (ILO Convention 131)
- Compensation for a regular work week should always be sufficient to meet the worker's and their family's basic needs and provide some discretionary income.
- The Vendor provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.

## **Working Hours**

- The Vendor requires reasonable working hours that are consistent with the applicable local labor laws, on a regularly scheduled basis, a work week in excess of 48 hours or 60 hours per week inclusive of overtime. (ILO Convention 1)
- Overtime must be voluntary, mutually agreed and employees must be remunerated according to local law or industry standard, whichever is higher.
- Workers shall be given at least one rest day in any seven days period.

## **Working Conditions**

### **Vendor Working Premises and Facilities ("Facility"):**

- The Vendor does not engage in or permit physical acts to punish or coerce workers.
- The Vendor will treat all employees with dignity and respect and does 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.
- Disciplinary measures may only be permitted with accordance to applicable national or international law.
- The Vendor complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.
- Work surface lighting in the Facility— such as heat molds, machining, electronics assembly, and product assembly — is sufficient for the safe performance of production activities.

- The Facility is well ventilated. There are windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control.
- 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 in all sections of the Facility.
- Aisles, exits and stairwells are kept clear at all times of work in process, finished goods, raw materials, boxes and all other objects that could obstruct the orderly evacuation of workers in case of fire or other emergencies. The Facility indicates with a "yellow box" or other markings that the areas in front of exits, fire fighting equipment, control panels and potential fire sources are to be kept clear.
- 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.
- Fire extinguishers are appropriate to the types of possible fires in the various areas of the Facility, are regularly maintained and charged, display the date of their last inspection, and are mounted on walls and columns throughout the Facility so they are visible and accessible to workers in all areas.
- Fire alarms are on each floor and emergency lights are placed above exits and on stairwells.
- Evacuation drills are conducted at least annually.
- Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.
- Appropriate personal protective equipment — such as masks, gloves, goggles, earplugs and rubber boots — is provided according to specific labor/worker necessity.
- The Facility provides potable water for all workers and allows reasonable access to it throughout the working day.
- The Facility places at least one well-stocked first aid kit on every Facility floor and trains specific staff in basic first aid. The Facility has procedures for dealing with serious injuries that require medical treatment outside the Facility.
- The Facility maintains throughout working hours clean and sanitary toilet areas and places no unreasonable restrictions on their use.
- The Facility stores hazardous and combustible materials in secure and ventilated areas and disposes of them in a safe and legal manner.

**Housing (if applicable):**

- 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.
- Sleeping quarters are segregated by sex.
- The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.

- Workers are provided their own individual mats or beds.
- Dormitory facilities are well ventilated. There are windows to the outside or fans and/or air conditioners and/or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.
- Workers are provided their own storage space for their clothes and personal possessions.
- There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells and above each exit.
- Halls and exits are kept clear of obstructions for safe and rapid evacuation in case of fire or other emergencies.
- Directions for evacuation in case of fire or other emergencies are posted in all sleeping quarters.
- Fire extinguishers are placed in or accessible to all sleeping quarters.
- Hazardous and combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.
- Fire drills are conducted at least every six months.
- Sleeping quarters have adequate lighting.
- Sufficient toilets and bathing facilities are segregated by sex and provided in safe, sanitary, accessible and private areas.
- Potable water or facilities to boil water are available to dormitory residents.
- Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort.

#### **Freedom of Association**

- Workers are free to join associations of their own choosing. Vendors must not interfere with workers who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so should be made solely by the workers without undue penalty, harassment or interference. (ILO Conventions 87, 98 and 135)

#### **Environment**

- Vendors must comply with all applicable environmental laws and regulations.
- The Vendor has an environmental management system or plan in place to minimize negative impact of their operations on the environment including resource management, waste management, emissions, water management and energy efficiency.
- The Vendor has procedures for notifying local community authorities in case of accidental discharge or release or any other environmental emergency.

### **Subcontracting**

- The Vendor is not permitted to subcontract without the Buyer's prior written consent.
- The Vendor is required to continuously monitor approved subcontractors and subcontractors for social and environmental responsibility using standards that meet or exceed the Code. The Vendor shall also provide license, authorization or certificates from reputable organizations to assure accurate traceability of materials origin from the subcontractor.

### **Implementation of the Code**

- The Vendor must effectively communicate to all their employees the content of this Code and undertake actions necessary and appropriate to assure its implementation by posting the code in the local language of the workplace at a prominent, freely accessible location.

### **Development of the Code**

- The Buyer will review this Code on a regular basis and will introduce revisions where necessary or appropriate. The Buyer will notify its Suppliers of any important changes.