



# Supplier Code of Conduct Guide

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## Introduction

Hirsh Industries requires that all suppliers implement safe working conditions, ensure all employees are treated with dignity and respect, and perform business operations in a manner that is environmentally friendly. It is our goal to work with suppliers to ensure that we all operate in a safe, ethical, and sustainable manner.

With the establishment of a **Supplier Code of Conduct**, we require suppliers and their supply chains to meet or exceed this standard. This code applies to any labor agency and/or Supplier and their supply chain providing goods and services for use in Hirsh Industries products.

It is imperative that supplier activities are in compliance with and adhere to the regulations of each country in which they operate, as well as instituting a focus on ethics and responsible business practices.

If a contract between Hirsh Industries and a Supplier contains stricter or more detailed requirements than this Supplier Code, then we expect the Supplier to meet those stricter or more detailed contractual requirements.

The basis for Hirsh's Supplier Code of Conduct is the *Responsible Business Alliance* (RBA) Code of Conduct version 7.0 (2021.)

The Supplier Code of Conduct provides detailed guidance on topics such as human rights, health and safety, environment, and alignment with the RBA Code of Conduct. Suppliers will be notified of any revisions to the Supplier Code of Conduct or supporting policies.

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Per the Responsible Business Alliance 6.0 Code of Conduct guidelines, the following sections describe the requirements that must be met by all suppliers in order to be in compliance with the Code of Conduct:

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# Supplier Code of Conduct

## Labor

Hirsh Industries is committed to human rights of workers and the dignity and respect as understood by the international community. This applies to all workers, including temporary, migrant, student, contract, direct employees and any other type of worker. The labor standards are:

### Freely Chosen Employment; Anti-Human Trafficking

Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, sex trafficking, slavery or trafficking of people shall not be used. This includes transporting, harboring, recruiting, transferring or receiving any person by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restriction on workers freedom of movement in the facility or unreasonable restrictions on entering or leaving.

Workers must be provided with a written work agreement in their native language that contains a description for the terms of agreement for employment. All work must be voluntary and all workers must be free to leave work at any time or terminate their employment without reprisal. Workers will not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Excessive fees are unacceptable and Supplier will disclose all fees charged to workers.

### Young Workers; Child Labor

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 shall not perform work that is likely to jeopardize their health

Or safety, including night shifts and overtime. Participants shall ensure proper management of student workers and provide appropriate support and training.

Supplier may use legitimate, voluntary workplace apprenticeship programs, such as student internships, as long as they comply with all laws and regulations. Workers under the age of 18 will not perform work that is likely to jeopardize their health, safety or well-being. In the absence of any student wage rate, workers shall receive comparable entry level wages.

### Working Hours

Supplier's workweeks will not exceed the maximum set by local law. Further, Supplier's workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers must receive at least one day off per seven-day week.

### Wages and Benefits

Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Supplier will compensate workers for overtime consistent with applicable local law. Supplier will not permit deductions from wages as a disciplinary measure. Supplier will provide workers with the basis on which workers are paid via pay stub or similar documentation. All use of temporary, dispatched, or outsourced labor will be within the limits of the law.

### Humane Treatment

There is to be no inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, including the threat of any such treatment. Supplier will clearly define and communicate to workers the disciplinary policies and procedures in support of these requirements.



### Non-Discrimination

Supplier should be committed to a workforce free of harassment and unlawful discrimination. Companies will not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, caste, disability, pregnancy, religion, political affiliation, union membership or marital status, in hiring and employment practices such as promotions, rewards and access to training. In addition, workers or potential workers to medical tests that could be used in a discriminatory way.

### Freedom of Association and Collective Bargaining

In conformance with local law, suppliers shall respect the right of all workers to form and join trade unions of their choosing. Suppliers will respect the rights of workers to associate freely, bargain collectively, join or not join labor unions, seek representation and join workers' councils in accordance with local laws. Supplier will permit workers to openly communicate and share grievances with management about working conditions and management practices without fear of reprisal, intimidation or harassment.

### Immigration Law and Compliance

All of Supplier's employees, including migrant and foreign workers, must be employed in full compliance with applicable immigration and labor laws.

## Health and Safety

Supplier recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Supplier also recognizes that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

The health and safety standards are:

### Health & Safety Management System

Supplier will have a Health & Safety Management System in accordance with OHSAS 18001 or equivalent. The Health & Safety Management System will be implemented and functioning. Third-party registration is strongly recommended but not required unless requested by Hirsh Industries.

### Occupational Safety

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, extreme temperature and sound exposure and fall hazards) through proper design, engineering and administrative controls, preventative maintenance and safe work procedures and ongoing safety training. Where hazards cannot be adequately controlled by these means, Supplier will provide workers with appropriate, well-maintained, personal protective equipment. Workers will not be disciplined for raising safety concerns.

### Emergency Preparedness

Supplier will identify and address potential emergency situations and events, and will minimize their impact by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

### Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes and facilitate return of workers to work.

### Industrial Hygiene

Supplier will identify, evaluate, monitor and control worker exposure to chemical, biological and physical agents. Engineering or administrative controls must be in place to control overexposures. When Supplier cannot adequately control these hazards by such means, Supplier will protect worker health by appropriate personal protective equipment programs.

### Physically Demanding Work

Supplier will identify, evaluate, monitor and control worker exposure to ergonomic and physical stressors, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks.

### Machine Safeguarding

Supplier will evaluate production and other machinery for safety hazards. Supplier must provide and properly maintain physical guards, interlocks and barriers where machinery presents an injury hazard to workers.

### Sanitation, Food and Housing

Supplier will provide workers with ready access to clean toilet facilities, potable water and sanitary food preparation, storage and eating facilities. Supplier will ensure that worker dormitories are clean and safe and provided with appropriate emergency egress, hot water for bathing and showering, adequate heat, and

Ventilation and reasonable personal space along with reasonable entry and exit privileges.

#### Health and Safety Communications

Participant shall provide workers with appropriate work place health and safety training in their native language. Health and safety information will be clearly posted in the facility.

## ENVIRONMENTAL

Hirsh Industries recognizes that environmental responsibility is integral to producing world-class products. We require that in manufacturing operations, Suppliers will minimize adverse effects on the community, environment and natural resources while safeguarding the health and safety of the public.

The environmental standards are:

### Environmental Management System

Supplier will have an Environmental Management System (“EMS”) in accordance with ISO 14001 or [equivalent](#). The EMS will be implemented and functioning. Third-party registration is strongly recommended but not required unless requested by Hirsh Industries.

### Environmental Permits and Reporting

Supplier will maintain and keep current all required environmental permits (e.g., discharge monitoring), approvals and registrations and Supplier will follow their operational and reporting requirements.

### Pollution prevention and Resource Reduction

The use of resources and generation of waste of all types, including water and energy are to be reduced or eliminated by practices such as modifying production, maintenance and facility processes, material substitution, conservation, recycling and reusing materials.

### Hazardous Substances

Supplier will identify and manage chemicals and other materials posing a hazard to human health, human safety or the environment to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

### Wastewater and Solid Waste

Supplier will characterize, monitor, control and treat as required prior to discharge or disposal all wastewater and solid waste generated from operations, industrial processes and sanitation facilities. Supplier shall conduct routine monitoring of the performance of its wastewater treatment.

### Air Emissions

Supplier will characterize, monitor, control and treat as required prior to discharge all air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations. Supplier shall conduct routine monitoring of the performance of its air emissions systems.

### Product Content/ Materials Restrictions

Supplier will adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

### **All suppliers will provide compliant materials and documentation where applicable to the following regulations:**

[Regulation EC 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals \(“EU REACH”\)](#) – A European chemical regulation administered by the European Chemicals Agency (ECHA) which requires the registration and control of many substances and which requires companies to report the presence of certain “Substances of Very High Concern” (SVHCs) when present at greater than 0.1% in “Articles” (products). REACH came into force on June 1, 2007 and the SVHC candidate list is updated every 6 months. The Candidate list currently has **223 SVHCs** listed. The Restricted list has 70 SVHCs. For the latest list of SVHCs to comply with – go directly to the ECHA website <https://echa.europa.eu/candidate-list-table> .

[Directives 2002/95/EC, 2011/65/EC, and 2015/863 \(EU RoHS 2\)](#) on the restriction of the use of certain hazardous substances in electrical and electronic equipment (“EU RoHS1, 2, 2.1”) – A European Union (EU) Directive that restricts (with exceptions) the use of ten hazardous materials in the manufacture of various types of electronic and electrical equipment – Pb, Hg, Cd, Cr6+, PBB, PBDE and four phthalates. This review includes the discussion on exemptions, exclusions, and expanding scope in 2020. To review the latest developments for compliance requirements to EU RoHS, see the following website [https://ec.europa.eu/environment/waste/rohs\\_eee/index\\_en.htm](https://ec.europa.eu/environment/waste/rohs_eee/index_en.htm) .

[Requirements for California Proposition 65](#) – a substance and chemical regulation set forth to protect human health and the environment by providing safe harbor warnings for all products, parts, and manufacturing processes where exposure to cancer and reproductive harm might occur. The current list has over 1000 substances and materials and new warning labels were enforced in 2018.

Enforcement fines and fees are in effect. For the latest Prop 65 requirements, see the following website <https://www.p65warnings.ca.gov/> .

**Consumer Product Safety Information Act (CPSIA)** - The CPSIA included provisions addressing, among other things, lead, phthalates, toy safety, durable infant or toddler products, third party testing and certification, tracking labels, imports, ATVs, civil and criminal penalties. [Saferproducts.gov](https://www.saferproducts.gov/) is a publically - searchable database of reports of harm.

**California Air Resources Board – CARB – Phase 2** - CARB is shorthand for the California Air Resources Board. This body governs air quality and researches causes and solutions to air pollution. Phase II of CARB’s Airborne Toxic Control Measure (ATCM) went into effect in California in 2010. The rule limits formaldehyde emissions from hardwood plywood (HWPW), medium-density fiberboard (MDF), and particleboard (PB), as well as household and other finished goods containing these products manufactured or sold in California.

(<https://www.europeancabinets.com/news/carb-2-compliance-formaldehyde-emissions-composite-wood/>)

**Toxic Substance Control Act** - The Toxic Substances Control Act of 1976 provides EPA with authority to require reporting, record-keeping and testing requirements, and restrictions relating to chemical substances and/or mixtures. Certain substances are generally excluded from TSCA, including, among others, food, drugs, cosmetics and pesticides.

(<https://www.epa.gov/laws-regulations/summary-toxic-substances-control-act> )

### Resource Efficiency/Energy Consumption/Greenhouse Gas Emissions

Hirsh Industries is committed to using resources efficiently. It is important that Suppliers share our commitment to the environment and conduct their business in a similar way. Supplier must work to reduce consumption of resources, including raw materials, energy and water, throughout all aspects of the product lifecycle (e.g., product design, manufacturing process, packaging design, transportation, and product use and product end-of-life management).

### Materials Disposal

Supplier will manage and dispose of all materials in accordance with applicable laws, rules, regulations and directives, and in an environmentally responsible and secure manner, protective of the environment. At Hirsh’s request, Supplier will provide documentary evidence acceptable to Hirsh Industries that Supplier has managed and disposed of materials in accordance with this Supplier Code.

## Ethics

To meet social responsibilities and to achieve success in the marketplace, Supplier will uphold the highest standards of ethics including:

### Business Integrity; No Improper Advantage

Supplier will uphold the highest standards of integrity in all business interactions. Supplier will have a zero-tolerance policy for offering and accepting any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). Supplier will perform all business dealings transparently and these dealings will be accurately reflected on Supplier's business books and records. Supplier will not make illegal payments themselves or through a third party (or agent). Supplier will implement monitoring and enforcement procedures to ensure compliance with anti-corruption laws.

### Disclosure of Information

Supplier will disclose information regarding Supplier labor, health and safety, environmental practices, business activities, structure, financial situation and performance in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the Supply Chain is unacceptable and not permitted.

### Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how in a manner that protects intellectual property rights and customer information is to be safeguarded.

Transfer of technology and know-how is to be done in a manner that protects intellectual property rights and in accordance with the most stringent information protection requirements under applicable agreements. Suppliers shall implement processes as well as procedures and exercise due diligence to detect and avoid counterfeit parts and avoid others' intellectual property rights.

All suppliers will sign and abide by Hirsh Industries non-disclosure agreement. The following is a link to the non-disclosure agreement. Print, sign, date, and return via email to Hirsh Industries. <X:\Sales and Marketing - Enterprise Sharing\Product Regulations\2020 Compliance Regulatory Information\Supplier Code of Conduct\Hirsh Industries LLC Mutual Non-Disclosure Agreement 2015.docx>





### Fair Business, Advertising and Competition

Supplier will comply with all applicable fair business, advertising and competition laws, including fair trading and antitrust laws. Appropriate means to safeguard customer information must be available.

### Responsible Sourcing of Minerals

Hirsh Industries expects full compliance with the [Dodd-Frank Wall Street Reform and Consumer Protection Act's provision and corresponding enabling regulations regarding conflict minerals, including regulations passed by the Securities and Exchange Commission and other applicable laws \(the "Act"\)](#).

Supplier will exercise due diligence to comply, and demonstrate compliance, with the Act, regarding the source and chain of custody of these materials. Supplier will make its due diligence measures available to Hirsh Industries upon Hirsh's request and will respond to Hirsh's request for compliance information in a timely manner. Supplier will have a policy to ensure compliance with this section.

### International Trade

Supplier will comply with all applicable laws and regulations concerning importing and exporting products and services. This includes complying with regulations preventing U.S. companies from supporting or cooperating with an unsanctioned boycott of another country, or from doing business with certain persons or entities.

### Privacy

Supplier will commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Supplier will comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted and shared.

### Non-Retaliation

Supplier will have a communicated process for their personnel to be able to raise any concerns without fear of retaliation. Supplier will also maintain programs that ensure the confidentiality and protection of supplier and employee whistleblowers. A whistleblower is any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

## MANAGEMENT SYSTEM

Supplier will adopt or establish a management system whose scope is related to the content of this Supplier Code. The management system will be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the Supplier's operations and products; (b) conformance with this Supplier Code; and (c) identification and mitigation of operational risks related to this Supplier Code. It should also facilitate continual improvement.

The management system should contain the following elements:

### Company Commitment

A corporate social and environmental responsibility policy affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management.

### Management Accountability and Responsibility

Clear identification by the Supplier of company representatives responsible for ensuring implementation of the management systems and associated programs. Senior management will review the status of the management system on a regular basis.

### Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Supplier Code.

### Risk Assessment and Risk Management

A process to identify the environmental, health and safety and labor practice and ethics risks associated with Supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

### Improvement Objectives

Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.

### Training

Programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

### Communication

A process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, suppliers and customers.

### Worker Feedback and Participation

Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Supplier Code and to foster continuous improvement.

### Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Supplier Code and customer contractual requirements related to social and environmental responsibility.

Product compliance requirements will be assessed during ongoing supplier audit activities on a yearly basis. Suppliers defined as high-risk to compliance will be put on notice and future sales may be impacted. Training will be made available for any supplier who needs clarification of compliance requirements or requires assistance.

### Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

### Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

### Supplier Responsibility

A process to communicate Supplier Code requirements to the Supply Chain and to monitor Supply Chain compliance to the Supplier Code.

## ONGOING ASSESSMENTS, MONITORING AND CONTINUED IMPROVEMENT

If requested by Hirsh Industries, a Supplier may need to provide additional information to ensure adherence to this Supplier Code.

Requests may include, among other things, information on social and environmental practices, social and environmental self-assessments, product content details, environmental metrics (e.g., greenhouse gas emissions, water use, water quality data), social metrics (e.g., working hour data, wage information, injury rates), management systems certifications, etc.

Monitoring and ongoing resolution of findings are critical for advancing social and environmental responsibility, so Supplier will cooperate with announced or unannounced formal assessments and audits by Hirsh Industries and its agents (who have agreed to obligations of confidentiality similar to those agreed between Supplier and Hirsh Industries).

### Thank You!

We thank you for your commitment and ongoing support to responsible business. This Supplier Code is intended to show shared commitment and practices between Hirsh Industries and its Suppliers. The Supplier Code in conjunction with the obligations and requirements specified in agreements are to be used in all business conducted between the parties.