



## *Code of Conduct (internal and for suppliers)*

This document is an official requirement Merkson Sp. Z o.o.

Merkson Sp. z o.o. is committed to the highest standards of product quality and business integrity in its dealings with Suppliers. Merkson requires that working conditions in the Merkson supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. Suppliers are obligated in all of their activities to operate in full compliance with the laws, rules and regulations of the countries in which they operate and which otherwise apply to them.

This Supplier Code of Conduct (“Code”) encourages Suppliers to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility. Recognized standards such as the International Labour Organization (ILO), Universal Declaration of Human Rights (UDHR), Social Accountability International (SAI), and Ethical Trading Initiative (ETI), and other regional regulations were used as references in preparing this Code and may be useful sources of additional information. Suppliers should adhere to and support these same standards.

Merkson strongly encourages its Suppliers to acknowledge and support this Code and seek to conform to its standards and provisions as documented in detail below. Failure to comply with the standards and provisions set forth in this Code may result in Supplier disqualification.

### **1. LABOR AND HUMAN RIGHTS**

Suppliers must uphold the human rights of workers and treat them with dignity and respect as understood by the international community.

#### **a. Prevention of Involuntary Labor**

Suppliers shall not use any form of forced, bonded, indentured or prison labor. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Suppliers shall ensure that third party labor agencies providing workers are compliant with the provisions of this Code, and sending receiving goods country laws, whichever is more stringent in its protection of workers.



#### **b. Prevention of Under Age Labor**

Child labor is strictly prohibited. The minimum age for employment or work shall be 15 years of age, the minimum age for employment in the relevant country, or the age for completing compulsory education in the relevant country, whichever is higher. Suppliers may employ juveniles who are older than the applicable legal minimum age for employment but are younger than 18 years of age, provided they do not perform work likely to jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138.

#### **c. Antidiscrimination**

Suppliers shall not discriminate against any worker based on age, race, color, sex, sexual orientation, gender identity or expression, transgender status, religion, national origin, ancestry, citizenship, disability, veteran or marital status, genetic information, pregnancy, childbirth or related medical conditions, or any other applicable status protected by national, state or local law. This includes hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline and termination.

#### **d. Fair Treatment**

Suppliers must be committed to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities.

#### **e. Working Hours**

Under no circumstances will workweeks exceed the maximum permitted under applicable laws and regulations. Suppliers must offer vacation time, leave periods, and holidays consistent with applicable laws and regulations.

#### **f. Wages and Benefits**

Suppliers must pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers must be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Workers must be paid in a timely manner, and the basis on which workers are being paid must be clearly conveyed to them in a timely manner.



### **g. Freedom of Association**

Suppliers must respect the right of workers to associate freely, form and join workers organizations of their own choosing, seek representation and bargain collectively, as permitted by applicable laws and regulations. Suppliers must protect against acts of interference with the establishment, functioning, or administration of workers' organizations in accordance with applicable laws and regulations.

## **2. HEALTH AND SAFETY**

Merkson recognizes that integrating sound health and safety management practices into all aspects of business is essential to maintaining high morale and producing innovative products. Suppliers must be committed to creating a safe and healthy work environment for all of their workers.

### **a. Occupational Injury Prevention**

Suppliers should eliminate physical hazards where possible. Where physical hazards cannot be eliminated, Suppliers must provide appropriate engineering controls such as physical guards, interlocks, and barriers. Where appropriate engineering controls are not possible, Suppliers must establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers must provide workers appropriate personal protective equipment. Workers must have the right to refuse unsafe working conditions without fear of reprisal.

### **b. Emergency Prevention, Preparedness, and Response**

Suppliers should anticipate, identify, and assess emergency situations and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment and adequate exit facilities.

### **c. Occupational Safety Procedures and Systems**

Suppliers should establish procedures and systems to manage, track, and report occupational injury and illness. Such procedures and systems should encourage worker reporting, classify and record injury and illness cases, investigate incidents and implement corrective actions to eliminate their causes. Suppliers shall also provide necessary medical treatment and facilitate an injured worker's return to work.



#### **d. Communication**

In order to foster a safe work environment, Suppliers shall ensure that workers receive appropriate workplace health and safety information and training, including warnings provided in the primary or native language of the affected worker force. Suppliers must post Material Safety Data Sheets in the primary or native language of its workers for any hazardous or toxic substances used in the workplace and properly train workers who will come into contact with such substances.

### **3. THE ENVIRONMENT**

At Merkson, environmental considerations are an integral part of its business practices. Suppliers must be committed to reducing the environmental impact of their designs, manufacturing processes and waste emissions. In manufacturing operations, adverse effects on the environment and natural resources are to be minimized while safeguarding the health and safety of the public.

#### **a. Environmental Permits and Reporting**

Suppliers must obtain, maintain, and keep current all required environmental permits (e.g. discharge monitoring) and registrations, and follow the operational and reporting requirements of such permits.

#### **b. Wastewater and Solid Waste Emissions**

Wastewater and solid waste generated from operations, industrial processes, and sanitation facilities must be monitored, controlled, and treated as required by applicable laws and regulations before discharge or disposal.

#### **c. Hazardous Substance Management and Restrictions**

Suppliers must comply with any applicable laws and regulations prohibiting or restricting specific substances. To ensure safe handling, movement, storage, recycling, reuse, and disposal, Suppliers must identify and manage substances that pose a hazard if released to the environment and comply with applicable labeling laws and regulations for recycling and disposal.

#### **d. Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by-products generated from operations must be characterized, monitored, controlled, and treated as required by applicable laws and regulations before discharge.



#### **e. Pollution Prevention and Resource Reduction**

Suppliers must endeavor to reduce or eliminate waste of all types, including water and energy, by implementing appropriate conservation measures in their facilities, in their maintenance and production processes, and by recycling, re-using, or substituting materials.

#### **f. Conflict Minerals**

Suppliers must support Merkson efforts to maintain a socially responsible supply chain and comply with all applicable laws and regulations regarding conflict minerals. Merkson expects Suppliers to conduct reasonable due diligence into their own supply chains to ensure that any tin, tungsten, tantalum, or gold (“3TG”) contained in materials being supplied to Merkson were sourced responsibly from verified mines and smelters. Merkson expects Suppliers to refrain from sourcing, directly or indirectly, 3TG from smelters or mines found to finance or otherwise benefit, directly or indirectly, armed groups.

Suppliers supplying materials to Merkson that may contain 3TG must, at least annually (as well as whenever requested by Merkson), provide Merkson with an industry standard Conflict Minerals Reporting Template (“CMRT”), which includes the disclosure of the 3TG contained in the materials supplied to Merkson and identifies all smelters and mines from which such 3TG is sourced.

### **4. ETHICS**

Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.

#### **a. Corruption, Extortion, Embezzlement, or Tax Evasion**

Suppliers shall not engage in corruption, extortion, embezzlement, or tax evasion in any form and violations of this prohibition may result in immediate termination of its relationship with Merkson, and legal action.

#### **b. No Improper Advantage**

Suppliers shall not offer or accept bribes or other means of obtaining undue or improper advantage.

#### **c. Disclosure and Privacy of Information**

Suppliers must effectively safeguard customer information regarding business activities, structure, financial situation, performance and/or any other information deemed confidential. Disclosure shall only be made in



accordance with the guidelines specified within any agreed upon non-disclosure agreement between Supplier and Merkson and within the guidelines of all applicable laws and regulations.

**d. Import/Export Compliance**

Suppliers must comply with all applicable foreign and domestic laws and regulations relating to the importation or exportation of the materials or product(s) supplied. Supplier acknowledges that Merkson, including all of its global affiliates, are subject to U.S. sanctions laws and regulations, and therefore, Supplier will not do business with denied persons or sanctioned countries on behalf of Merkson.

**e. Fair Business, Advertising, and Competition**

Suppliers should uphold fair business standards in advertising, sales and competition. Suppliers shall not engage in collusive bidding, price fixing, price discrimination or other unfair trade practices in violation of federal or state antitrust laws.

**f. Whistleblower Protections and Anonymous Complaints**

Suppliers should create programs to ensure the protection of whistleblower confidentiality and prohibit retaliation against workers who participate in such programs in good faith. Suppliers shall provide an anonymous complaint mechanism for workers to report workplace grievances in accordance with local laws and regulations.

If a Supplier or other third-party believes that actions have taken place, may be taking place, or may be about to take place (whether by a Merkson employee, a Merkson Supplier, or any other third party acting on Merkson behalf) that violate this Supplier Code of Conduct, Merkson Code of Business Conduct and Ethics, or any applicable legal or regulatory requirements, they are expected to bring the matter to the attention of Merkson by one of the following methods:

- (a) in writing to Merkson Sp. z o.o. ul. Składowa 35a, 27-200 Starachowice
- (b) by sending an e-mail to [info@merkson.pl](mailto:info@merkson.pl) (c) by calling the number +48 41 276-01-01