

# Supplier Code of Conduct (COC)

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June 2023







## INTRODUCTION

At Skechers, we rely on our suppliers around the world to deliver high-quality apparel and footwear to our multifaceted customers. We expect our suppliers to share our values to foster respect for employees in our supply chain, safeguard their health and safety, improve their lives, and promote responsible environmental practices.

This Code of Conduct applies to all facilities that produce goods for Skechers. Our Code strives for alignment with legal regulations, industry standards and universal principles. Although this Code does not include every aspect of ethical operations, nor does it cover any specific legal requirements, it sets the basic requirements that all suppliers must meet in order to collaborate with Skechers.

This Code has been created with the goal of delivering value to consumers, at the same time maintaining our brand's integrity, enhancing productivity and product quality, and working collaboratively with our suppliers toward a resilient and socially responsible supply chain.





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# Skechers Supplier Code of Conduct

## ***Management System***

Suppliers must fully comply with all applicable laws, rules and regulations of the country in which they are located and operating, including those relating to labor, workplace health and safety, and the environment.

Suppliers must comply with all relevant laws and avoid all forms of corruption, including but not limited to extortion, bribery, embezzlement, theft or other abuse of power to gain business or personal advantage.

## ***Discrimination***

Employees shall not be discriminated against on the basis of race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, ethnicity, social origin, disability, sexual orientation, HIV/AIDS status, or trade union and/or political affiliation in employment or occupation, and human resources decisions, including hiring, wages, benefits, advancement, discipline and termination, shall be based on employees' qualifications, abilities, productivity and overall job performance.

## ***Harassment and Abuse***

Suppliers must treat all employees with dignity and respect, and employees shall be free from sexual, psychological, physical and verbal harassment, abuse or intimidation.

## ***Forced Labor***

Suppliers must not use any forms of forced labor, including but not limited to prison, convict, slave, indentured and bonded labor, and involuntary overtime. All work must be completed on a voluntary basis, all employees' freedom are to be respected, and human trafficking is prohibited within our supply chain.

## ***Underage Labor***

Suppliers shall ensure all employees meet the applicable legal minimum employment age requirements or are at least 15 years of age, whichever is higher, at the time of hire, and that they shall have met the age of completion of compulsory education.

## ***Freedom of Association***

Suppliers shall not interfere in the legal exercise of the right to freedom of association, and if the right to freedom of association and collective bargaining is restricted under local or national law, suppliers shall provide alternative forms of independent and free employee representation and negotiation.

## ***Compensation and Benefits***

Suppliers shall ensure compensation for employees (including piece rate employees) are not less than that required by local laws relating to minimum wages, overtime rates and allowances, and mandated benefits (including sick and maternity leave, social insurance, and medical care, as required by law) for each legal employee classification.

## ***Hours of Work***

Suppliers shall ensure work hours are in compliance with local standards and applicable law; employees shall not work in excess of 60 hours per week, including overtime, and shall be provided at least one day off during each seven consecutive work days.

## ***Health and Safety***

Suppliers shall ensure employees are provided with a safe and healthy work environment. Employees' exposure to hazards – including those associated with manufacturing processes, as well as health and safety concerns within the facility should be minimized to the extent possible and in accordance with applicable laws and industry practices.

## ***Subcontracting and Homework***

Suppliers must document and disclose all subcontracting and homework activities to Skechers, and obtain written approval from Skechers before start of production.

## ***Environment***

Suppliers shall comply with all applicable environmental laws, rules and regulations in the community in which they operate, particularly with respect to water, energy, hazardous chemicals, air and noise quality, and waste.

# Supplier Code of Conduct Provisions

1. Management System   2. Labor Management   3. Health & Safety   4. Environment

## Management System

### ***Compliance with Laws***

- Suppliers must fully comply with all applicable laws, rules and regulations of the country in which they are located and operating, including those relating to labor, workplace health and safety, and the environment.

### ***Transparency & Unrestricted Access***

- Suppliers must provide Skechers with full disclosure of all production-related practices, resources and records. All records and documents must be complete and accurate.
- Suppliers must allow all Skechers representatives or authorized agents unrestricted access to its' facilities, employees for interviews, and relevant records at any time.

### ***Corruption, Bribery, & Fraud***

- Suppliers must comply with all relevant laws and avoid all forms of corruption, including but not limited to extortion, bribery, embezzlement, theft or other abuse of power to gain business or personal advantage.
- Suppliers must not engage in fraudulent behavior (e.g. documentation fraud).
- Suppliers must have anti- bribery and corruption policies and procedures in place, and with a zero tolerance stance.
- All management and employees must be trained on these policies and on dealing with bribery and corruption.
- Skechers prohibits any forms of bribery and prohibits against providing monetary gifts of any nature or size. This prohibition against gifts supersedes any local cultural norms or practices (e.g., providing guests a welcome gift or money for refreshments) .

### ***Subcontracting & Homework***

- Suppliers must document and disclose all subcontracting and homework activities to Skechers, and obtain written approval from Skechers before start of production.
- All subcontracting and homework must be monitored by the Supplier using Skechers' Supplier Code of Conduct.
- Skechers reserves the right to audit any subcontracting and homework facilities.



# Supplier Code of Conduct Provisions

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## Labor Management

### ***Labor Contracts***

- Suppliers shall maintain personnel files and all relevant employment information for all types of employees including but not limited to contract/seasonal/temporary/indirect-hired/migrant (local or migrant (domestic or foreign) employees at the facility.
- Employment contract must be directly between supplier and employee.
- Suppliers shall ensure employee employment contracts list, including but not limited to duration of contract (including terms of resignation and termination), work assignments, wage and benefit agreements (including overtime allowances), and employee's identification document(s).
- Employment contracts must be in a language understood by the employee, and is signed by both employee and management.
- Employee probation periods shall be in compliance with law.
- Where training and apprentice contracts and wages are used, the supplier must ensure they are in compliance with law, and limit the timeframe of these contracts for permanent employment.
- Apprentices shall be subjected to the same protection and benefit as regular employees, 'apprentice's' status time period is reasonable, and offers opportunities for regular permanent employment, as required by law.
- Suppliers shall require original legal documents to verify employees' age at the time of hire, and maintain copies of these documents.

### ***Underage & Juvenile Labor***

- Suppliers must ensure all employees meet the applicable legal minimum employment age requirements or are at least 15 years of age, whichever is higher, at the time of hire.
- All employees shall have met the age of completion of compulsory education.
- Suppliers shall maintain up-to-date documentation of applicable law stating the age for completion of compulsory education in the country and the minimum age for work.
- Suppliers shall maintain written policy and procedure on minimum age of employees, in compliance with applicable laws and regulations, including a rigorous recruiting and age verification procedure, remediation for underage labor, and ensure all supervisors and personnel in charge of recruitment are educated on such policy and procedure.
- Suppliers must verify the age of work applicants by the best available official documentation, including but not limited to government issued identification cards, birth certificates, dental records, etc.
- Suppliers shall have an underage labor remediation plan; if an underage employee is found to be working in the facility, ensure that the underage employee receives legal schooling (at the supplier's expense) and base wage payments (if in school) until s/he reaches legal working age.



# Supplier Code of Conduct Provisions

## 1. Management System 2. Labor Management 3. Health & Safety 4. Environment

- Suppliers must maintain records showing the age at which each employee is hired.
- Suppliers shall ensure no underage person be allowed in the production areas, even if they are not working.
- Suppliers shall provide documentation of any legal restrictions applicable to the work of employees under age 18 (juvenile employee) and provided evidence that such restrictions are being adhered to.
- Suppliers shall ensure working conditions of juvenile employees are in compliance with the law, including but not limited to type and hours of work, registration to authorities, wages, benefits and prioritization of education.
- Juvenile employees under the age of 18 shall undergo legally required medical tests before and during employment.
- Juveniles' employment shall not include work which by its nature can jeopardize the health, safety or morals of these employees.
- Payment to juveniles, apprentices and trainees shall be made directly to the employees and not to a third party, including their parents.

### ***Forced Labor***

- Suppliers must not use any forms of forced labor, including but not limited to prison, convict, slave, indentured and bonded labor, and involuntary overtime. All work must be completed on a voluntary basis, and all employees' freedom are to be respected.
- Suppliers must use registered or licensed recruitment agencies when recruiting (local or migrant (domestic and foreign)) employees; recruitment agencies must comply with laws in both sending and receiving countries.
- Suppliers shall execute written, legally binding contracts with recruitment agencies, specifying the terms and conditions for recruitment and hiring of employees.
- Suppliers shall ensure recruitment agencies can provide all foreign migrant employees with copies of the labor contracts, and contracts signed by each foreign migrant employee. The contract must be legal, does not include any unethical items, and that the employee receives a copy of the contract written in his/her own language.
- Employees shall be provided with a written copy of their labour contract before leaving their country of origin (for foreign migrant employees).
- Employment relationship must be directly between Supplier and employee; recruitment agencies shall not have an employer-employee relationship with employees placed at the Suppliers' facilities.
- Employees must be free from paying fees to suppliers and third-party recruitment intermediaries (e.g., fee for transportation, recruitment, and medical tests), taxes, deposits, security payments, and/or bonds for the purpose or condition of recruitment/hiring or employment.
- Where recruitment fees or related costs (including 'introduction fees') are charged, Suppliers must reimburse the employee within 30 days of the start of the employee's employment with Supplier.
- Employees must not be indebted due to the recruitment or hiring process.
- Employees must not incur loans or debts that could tie them to the job.





# Supplier Code of Conduct Provisions

## 1. Management System 2. Labor Management 3. Health & Safety 4. Environment

- Employees shall maintain custody and/or have free access to personal identification documents.
- Employees must be free to terminate employment (in accordance with their labor contract).
- Suppliers must not illegally terminate employees and shall maintain termination records, as required by law.
- Suppliers shall abide by all applicable laws pertaining to mandatory overtime. Mandatory overtime (if legally permitted) shall be within legal overtime limits in policy and in practice.
- Mandatory overtime shall not be implemented under the menace of penalty and employees shall provide written consent to mandatory overtime requirements prior to overtime work.
- All overtime work must be voluntary, and there shall not be any penalties (e.g. wage deductions or threats of dismissal) for refusal to work overtime.
- Employees who cannot complete the production quota shall not be forced to work overtime to complete tasks.
- Employees must be free to leave the facility at the end of their shift, and during the shift under certain circumstances (e.g. illness and family emergencies).
- Employees shall have access to phones (personal mobile phones, etc.) or other means of communication outside working hours.

### ***Harassment, Abuse & Disciplinary Practices***

- Suppliers must treat all employees with dignity and respect, and employees shall be free from sexual, psychological, physical and verbal harassment, abuse or intimidation.
- Suppliers shall maintain written policy against harassment or abuse and ensure all employees understood the policy.
- Suppliers shall ensure management has sufficient training on how to deal with harassment issues.
- Suppliers shall ensure all disciplinary actions are clearly explained and understood by all employees.
- Disciplinary practices shall be legal, appropriate and progressive in character (e.g. from verbal warning, written warning, to suspension and termination), including:
  - Fine regulation
  - Formal warning procedure
  - Scope of termination
- Overtime, deduction or withholding of wages shall not be used as disciplinary measures.
- Suppliers shall maintain disciplinary records for each individual employee.
- Suppliers must ensure body searches and pat downs are conducted in open and only by personnel of the same gender as the employee, are appropriate and not abusive, and do not involve removal of clothing.
- Suppliers shall ensure disciplinary actions taken against employees or management are consistent across the company.



# Supplier Code of Conduct Provisions

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## ***Discrimination***

- Employees shall not be discriminated against on the basis of race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, ethnicity, social origin, disability, sexual orientation, HIV/AIDS status, or trade union and/or political affiliation in employment or occupation.
- Suppliers shall base human resources decisions, including hiring, wages, benefits, advancement, discipline and termination, on employees' qualifications, abilities, productivity and overall job performance.
- Suppliers shall ensure there is no unreasonable age requirement for applicants.
- Suppliers shall not prohibit religious holidays and observances, and prayer breaks.
- Suppliers shall not require employees to undergo medical tests, prior to or during employment (e.g. pregnancy or HIV/AIDS), except as required by law, which in such case, results shall not be used in any discriminatory manner.
- Employees shall be protected against acts of anti-union discrimination and not be subject to discrimination in remuneration.
- Female employees' employment terms and conditions during pregnancy, maternity leave, and return from maternity leave shall be in compliance with law.
- Suppliers shall train all managers and supervisors on the company's policies on equality and non-discrimination.

## ***Hours of Work***

- Suppliers shall ensure work hours are in compliance with local standards and applicable law.
- Employees shall not work in excess of 48 hours per week in a regular work week, or 60 hours per week including overtime. Overtime hours must be consensual and paid at a premium rate.
- Suppliers must maintain legally required overtime waivers, if applicable.
- Suppliers must ensure all overtime work are consensual, voluntary, and are compensated at the legal premium rate.
- Suppliers must ensure written policy of working hours are in compliance with applicable laws and regulations, and employees understand these laws and regulations, including overtime obligations.
- Employees shall have at least one day off during each seven consecutive work days.
- Suppliers shall ensure breaks during and between shifts, as well as special working hours for elderly and pregnant women, disabled and young employees, are given as required by law.
- Suppliers must maintain complete and accurate time records showing each employee's working hours, overtime hours and days of work, by using a time clock or scan-card system.
- Employees shall not have off-clock work or work to be taken home to complete a task or quota.



# Supplier Code of Conduct Provisions

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## ***Wage, Compensation & Benefits***

- Suppliers shall ensure compensation for employees (including piece rate employees) are not less than that required by local laws relating to minimum wages, overtime rates and allowances, mandated benefits (including sick and maternity leave, social insurance, and medical care, as required by law), for each legal employee classification.
- Suppliers shall maintain liability insurance or other commercial insurances as required by law.
- Suppliers shall ensure training wages are in accordance to law, if applicable.
- Suppliers shall not illegally deduct or withhold partial or full wages.
- Suppliers shall retain written consent for any voluntary deductions and loan payments.
- Wage policy and calculation method shall be communicated and understood by all employees. Such policy shall include:
  - Minimum wages
  - Compensation premiums for overtime
  - Rest day and holiday compensation
  - Mandated benefits
- Suppliers shall ensure employees be paid at least once a month, and the method, frequency and time of payment must be in compliance with the law, with wages paid directly to the employee or into an employee-controlled account.
- Suppliers shall provide pay slips to employees, in a language they understand, showing regular and overtime hours, their respective rates, piece rates (if applicable), benefits, deductions, gross and net wage.
- Suppliers shall ensure to make necessary back-payments to employees for missing wages.
- In instances where some or all compensation are based upon piecework or other incentive system, suppliers shall use a parallel calculation system to verify that piecework pay is equal to or greater than minimum pay required by any applicable minimum wage law, including overtime and other premiums, and if the employee's wage is lower than that of the legal minimum, the difference shall be made up; any downtime shall be paid.
- Suppliers shall maintain complete and accurate payroll and production records for all employees; payroll register should include regular working hours or days, overtime working hours, gross wages derived from working hours or pieces produced, production bonuses, allowances, deductions and net wages.
- Employees have the right to or refuse to use employer provided services (e.g. housing and meals).
- Suppliers shall ensure deductions for services or goods to employees (e.g. housing, meals, supplies, etc.) do not exceed the actual cost.
- Suppliers shall ensure full payment of legal termination benefits should an employee be suspended or terminated.
- Suppliers shall date all seniority and other fringe benefits from the first day as a contract/temporary employee, and not from the first day of permanent employment for any previous contract /temporary employees.





# Supplier Code of Conduct Provisions

## 1. Management System 2. Labor Management 3. Health & Safety 4. Environment

- Suppliers shall give retrenched employees opportunity to transfer to other owned facilities in the country at a comparable wage, and make all efforts to facilitate re-employment in other enterprises in the country.
- Suppliers shall maintain at least 12 months' payroll records onsite.

### ***Freedom of Association***

- Suppliers shall not interfere in the legal exercise of the right to freedom of association.
- Suppliers shall provide alternative forms of independent and free employee representation and negotiation if the right to freedom of association and collective bargaining is restricted under local or national law.
- Employees shall not be retaliated against, in any forms, for supporting any unions.
- Suppliers shall permit activities associated with employees' representation, and employee representatives' access to members within the facility.
- Suppliers shall maintain written policy on freedom of association, in compliance with applicable laws and regulations and ensure:
  - All employees are noticed.
  - Employees' representatives are freely selected and participate voluntarily and communicate with management on related issues.
  - Management representatives shall be designated to communicate with the employee representatives on related issues.
  - Employees who report on problems or abuses, and participate in lawful demonstrations and strikes, are not retaliated against.
- Suppliers shall participate in negotiation of legal collective bargaining in good faith, and comply with all contractual provisions.
- Suppliers shall maintain records of all meetings between management and employee representatives.
- Suppliers shall not deduct union membership fees and dues from employees' wages unless the employee has given written consent.

### ***Communication and Grievance***

- Suppliers must ensure proper communication between management, supervisors and employees.
- Where necessary, when employees speak different languages from management, Suppliers shall appoint facilitators/translators to facilitate communication; especially for non-production related issues, outside reliable translators shall be engaged for assistance.
- Suppliers shall assign a committee responsible for overseeing grievances.
- Suppliers shall provide confidential and anonymous means for employees to report grievances to management.
- Grievance channels must include means other than the employee's immediate supervisor.
- Suppliers shall provide a system for dispute resolution among employees, and employees and management.



# Supplier Code of Conduct Provisions

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- Grievances shall be addressed in a timely manner, with the specifics of the grievances and steps taken documented.
- All employees and their legal representatives shall be protected from retaliation, including termination of employment and legal action or violence against them.

## ***End-of-Contract, Post Employment and Repatriation (for Foreign Migrant Employees)***

- Upon the completion of employment contract with foreign migrant employees, suppliers shall pay for the repatriation under these circumstances:
  - Upon contract expiration, and is not voluntarily renewed by either Supplier or the foreign migrant employee before returning to his/her home country.
  - Contract termination due to Supplier's downsizing, facility closure, or other related events.
  - Contract termination by foreign migrant employees due to unforeseen circumstances, such as critical illness or family emergencies.
  - Contract termination due to agreed mutual interest of both the Supplier and the foreign migrant employee.
- Repatriation may include all transportation fees, accommodations and meal expenses until foreign migrant employees arrive back at their country of origin.
- Should the foreign migrant employees wish to pursue other employment in the receiving country, they may do so, and the Supplier is not responsible for their repatriation.

## ***Entertainment for Employees***

- Suppliers are encouraged to provide entertainment and activities for employees in a bid to make employees feel relaxed from their work.
- Suppliers are encouraged to provide facilities for employees' entertainment.



# Supplier Code of Conduct Provisions

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## Health & Safety

*Employees shall be provided with a safe and healthy work environment. Employees' exposure to hazards – including those associated with manufacturing processes, as well as health and safety concerns within the facility should be minimized to the extent possible, and in accordance with applicable laws and industry practices.*

### **General Housekeeping / Safe & Healthy Workplace**

- Suppliers must maintain applicable building and construction permits and licenses, and that the structure of the building is consistent with such permits and licenses.
- Suppliers must adhere to building codes and ensure the facility's infrastructure is used for its stated and approved purpose.
- Suppliers shall regularly conduct visual examination to ensure the building walls do not have visible cracks.
- Suppliers shall maintain up-to-date health and safety permits, licenses, and certificates for the facility and all its operations, including those for machineries and appliances.
- Suppliers shall obtain copies of and comply with applicable laws and regulations governing facility health and safety including those pertaining to air quality, noise, lighting and fire prevention.
- Suppliers shall establish an Occupational Health & Safety Committee (OHS Committee) that is responsible and accountable for all OHS activities with the facility.
- OHS Committee shall conduct periodic evaluations of the facility to identify any practices that may require modification to ensure a safe and healthy workplace.
- The OHS Committee shall meet on a regular basis to review health and safety related incidents, best practices, and protocol implementation towards a safe workplace. All activities and meetings shall be documented.
- Employees shall be trained on topics related to safety in the workplace and workplace hazards, including but not limited to safe operations of machines, use of personal protective equipment, and spotting unsafe behaviors. All trainings shall be documented.
- All safety and warning signs must be clear and in language(s) understood by the employees, posted visibly in designated areas.
- Each floor must be equipped with a well-stocked first aid kit.
- An adequate number of personnel trained on first aid must be available for every shift, and an infirmary and nurse or doctor on-site, if required by law.
- Suppliers shall provide medical tests (e.g. hearing tests) to applicable employees, as required by law.

# Supplier Code of Conduct Provisions

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- Suppliers shall provide employees with safe drinking water:
  - Unlimited and free access at all times (including production areas, dormitories, and dining facilities)
  - Drinking water containers shall be kept clean and have adequate protections to restrict any type of contamination
  - Tested regularly, as required by law, to ensure safety
- Suppliers shall ensure toilets are:
  - Provided with unlimited access
  - Of sufficient quantity (as required by law, if applicable)
  - Segregated by gender
  - Sanitary, well-lit, ventilated and cleaned regularly
  - Provided with appropriate privacy (door equipped with lock)
  - Equipped with flushing water & basic supplies (tissue & soap, provided with unlimited access and free of charge)
- All workplace accidents shall be investigated, remediated and documented.

### ***Personal Protective Equipment (PPE)***

- Suppliers shall establish a system for the identification, maintenance, storage, usage, and training of personal protective equipment (PPE). Suppliers shall assign trained personnel for overall PPE management.
- Suppliers shall provide employees with appropriate PPE, and hazardous materials' protective measures, as required by law.
- PPEs for employees shall be of the correct size, and worn in accordance with manufacturer's instructions to achieve maximal effectiveness.
- Employees shall be trained on PPEs' proper usages, and identifying faulty PPEs for replacement.
- Suppliers shall properly store, track, maintain, replace, and dispose of all PPEs as suggested by the PPE manufacturer.

### ***Chemical Safety***

- Suppliers shall adhere to chemical restrictions, as described in Skechers' Restricted Substance List (SRSL).
- Suppliers shall establish a system for chemicals management, including tracking, identification, maintenance, storage, use, and training of hazardous materials. Suppliers shall assign trained personnel for overall chemicals management.
- Suppliers shall train employees (especially those who work with chemicals) on hazards of chemicals used, and safe chemicals handling procedures.
- Suppliers shall maintain Materials Safety Data Sheet (MSDS) for each chemical, in local language(s), in chemicals use and storage areas, and provide MSDS training for employees.



# Supplier Code of Conduct Provisions

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- Suppliers shall post signage in close proximity to each chemical used, indicating the chemical's name or number, hazards associated with its use, preventive measures and PPEs appropriate for usage, and procedures to follow should a spillage occur.
- Each chemical container must be covered, labeled with the chemical name or identification number, and its associated hazard warning labels.
- Chemicals usage areas must be equipped with eye wash and spill clean-up stations.

### ***Dust Control***

- Suppliers shall ensure equipment that generates dust be fitted with exhaust ducts or vacuum apparatus.
- Employees exposed to dust shall wear the appropriate PPE.

### ***Noise Exposure***

- Suppliers must maintain acceptable noise levels, as required by law.
- Suppliers shall periodically test the noise levels of the facility, and if such levels exceed the legal limit, measures shall be taken to remediate the noise level (e.g. soundproofing, PPE, etc.)

### ***Lighting***

- Suppliers shall ensure adequate lighting, as required by law.
- Suppliers shall periodically test the brightness of the facility to ensure such levels do not fall below the legal minimum, and if so, take measures to remediate the situation.
- Facility shall have powered back-up emergency lights throughout the facility.

### ***Equipment Safety***

- Suppliers shall maintain an updated inventory list for all machineries in the facility.
- Suppliers shall maintain certificates and inspection reports for all machineries, including production machineries and operating equipment such as elevators, forklifts, boilers, generators, compressors and industrial refrigerators, as required by law and regulations.
- Suppliers shall set up a machinery operation and maintenance system, periodically check and maintain all machinery, and keep records for inspection.
- All machinery operators shall be trained on safe operations and training records maintained. Special operators (i.e. electrician, elevator operator, boiler operator, cargo lift operator and welding operator, etc.) must possess special operator certificates or work permits, as required by law.
- Suppliers shall ensure standard operation methods are used, and safety switches and safeguards for all machinery are provided to prevent employees from coming into contact with any machine parts, functions or process that may cause injury.

# Supplier Code of Conduct Provisions

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## **Fire Safety**

- Suppliers must comply with all applicable laws regarding fire safety, and maintain relevant permits and licenses.
- All exit and emergency signage and instructions shall be in language(s) understood by all employees
- Employees shall be given fire safety and evacuation training orientation, with refresher training and fire drills to be conducted at least every six months for the entire facility (jointly with other occupants of the building, if applicable).
- Suppliers shall maintain all training and fire drills records for at least one year.
- Suppliers shall train at least 40% of employees on the proper usage of fire extinguishers and fire hoses, with annual refresher trainings, and training records are maintained.
- Suppliers shall ensure fire extinguishers are:
  - Appropriate (correct types for various types of materials) and sufficient, as required by law
  - Place in areas where flammable or combustible materials are stored
  - Placed at locations for quick access (as required by law)
  - Mounted on walls, and are clearly marked and visible
  - Accessible and unblocked
  - Checked, tested and cleaned at least monthly
  - Serviced by qualified, licensed personnel at least annually
- Suppliers shall maintain a fire suppression system, such as sprinkler and/or fire hydrant system. Fire suppression systems shall have quarterly inspection tags (at least) and be inspected annually by a licensed third party.
- Manual or automatic emergency alarm system shall be present and tested, according to law. Manually operated emergency alarm shall be clearly visible. Alarms shall be accessible and shall have notification lighting in areas where the noise level is to be above ambient. Alarm signs shall be in a language(s) understood by employees. The emergency alarm system shall be inspected at least annually by a certified contractor.
- Suppliers shall ensure emergency exits are:
  - On the opposite sides of building, and at a minimum of two exits on each floor
  - With appropriate width, as required by law
  - Open to outdoors or exterior stairway
  - Led to ground level exits
  - Equipped with workable emergency lights with backup power on all exit pathways, above exits and in stairwells
  - Appropriately marked with exit signs that are visible, and are internally or externally illuminated
  - Accessible, unblocked and unlocked at all times, and manual operated
  - Equipped with doors that open outward



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- Suppliers shall ensure evacuation plans are:
  - Clearly visible
  - Posted on each floor along emergency exit pathways and entrances to stairs
  - Accurately drawn, showing: evacuation routes, "you are here" location, correct layout and direction, locations of fire extinguishers and hydrants, and in language(s) understood by employees
- Suppliers shall ensure emergency pathways are:
  - With appropriate width, as required by law
  - Prominently marked with photo-luminescent evacuation direction
  - Adequately lit and accessible
  - Leading out of the building
- Suppliers shall ensure stairwells are:
  - Equipped with workable emergency lights and handrails on both sides
  - Evacuation direction marked
  - With appropriate width as required by law

## ***Electrical Safety***

- Only certified electricians shall maintain electrical equipment, and their licenses must be current.
- Electrical wiring shall not be damaged, frayed, exposed, or strung in unsafe ways.
- Electrical junction boxes and control panels must be covered and labeled.
- Suppliers shall conduct regular inspection and preventive maintenance on all electrical installations and machineries.
- All electrical machineries shall be connected with an earth continuity conductor (ECC).
- In wet or damp areas of the facility, ground fault circuit interrupter (GFCI) shall be installed and maintained.



# Supplier Code of Conduct Provisions

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## ***Dormitories***

- Suppliers shall maintain valid and up-to-date dormitory health and safety permits and licenses, as required by law.
- All fire, safety and evacuation provisions within the dormitory shall follow those under the 'Fire Safety' section of this Code.
- Dormitories must be separated from the production areas.
- Sleeping quarters, showers and toilets shall be segregated by gender, and are clean and well-maintained.
- Living space provided for each employee shall meet legal requirements.
- All employees living in dormitory shall be provided with their own individual mats or beds.
- Individual storage spaces are provided for employees and are private and secure.
- Dormitories shall be well ventilated and lit, and maintain at an acceptable room temperature.
- Employees are free to enter and exit the facility at all times, and are not subject to any curfews or electricity shut off.
- Employees are free to choose between provided housing or other accommodations, as required by law.

## ***Dining Facilities & Food Preparation Areas***

- Suppliers shall maintain update-to-date canteen health and hygiene certificates, as required by law.
- Suppliers shall ensure all canteen employees maintain health certificates, as required by law.
- All dining facility personnel shall wear masks, hats, and aprons.
- Dining facilities shall be orderly and sanitary.
- Food provided by the supplier shall be nutritious, properly prepared, and protected from contamination.
- Suppliers shall ensure canteen has sufficient seating to accommodate all employees who choose to utilize this service.

# Supplier Code of Conduct Provisions

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## Environment

### ***Environmental Protection***

- Suppliers shall maintain up-to-date environment licenses and permits, as applicable and required by law.
- Suppliers shall maintain written policy and procedure on environmental protection, in compliance with applicable laws and regulations, and ensure waste disposal does not lead to pollution of the environment.
- Suppliers shall strive to eliminate waste by using practices such as reduction and recycling, conservation, and modification of production processes.
- Hazardous and non-hazardous waste shall be stored separately in secure areas.
- Suppliers shall discharge and dispose waste in compliance with law, and maintain all discharge documents.
- All wastewater shall be treated and discharged in compliance with legal limits.
- Suppliers are encouraged to use environmentally friendly energy sources where possible.

### ***Air Quality***

- Suppliers must comply with applicable laws and regulations governing air quality standards. Copies of such laws and regulations and relevant compliance records shall be maintained on facility premises. Facility's air quality assurance includes proper management of volatile organic solvents (VOCs) and dust.
- Suppliers shall periodically test air quality to ensure it is within the legal limit, and if not, measures shall be taken to remediate the air quality.

### ***Chemical Management***

- Chemicals storage area shall be fireproof and separated from production area, and include secondary containment or other spill controls to prevent chemicals from entering into the environment. Secondary containment must be able to hold 110% of the volume of the largest container.
- Suppliers shall maintain and inventory of all chemicals used and stored in the facility.
- Suppliers shall dispose chemicals and other hazardous materials as required by law.
- Suppliers shall periodically test air quality for solvent vapors in areas where solvents are used, and in close proximity to employees, and ensure such level is within legal compliance.
- Suppliers shall monitor, control, and emit chemicals air emissions as required by law.



