

*Document Detail*

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Revision Notes

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Review

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**Review Purpose:** The purpose of this review is to approve the document.

**Review Note:** SYSTEM AUTO CLOSE REVIEW

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Note To Approver:

Note From Approver: Periodic Review / revision by Legal

20	Document QA Approver - SRQ Document QA Approver - SRQ	AADAMS Alexander Adams	01-Mar-2022 1:28 pm	AADAMS
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Note To Approver: Update of ASO Supplier Social Compliance Policy

Note From Approver:

## INTRODUCTION

ASO LLC and its affiliated Companies (collectively “ASO”) have adopted the Social Compliance Policy (“Policy”) set out in this document. This information is intended to ensure that ASO acts in a socially responsible manner in all aspects of its business. The Policy applies to suppliers of goods and services and everyone who works on behalf of ASO, including independent contractors, brokers, consultants, agents, vendors, representatives, and customers (hereinafter collectively “Supplier(s)”). We expect everyone with whom we interact, that is acting as an agent for ASO to share our commitment to high ethical and business standards, **AS APPLICABLE BELOW:**

## ASO SUPPLIER ACKNOWLEDGMENT

Each Supplier must ensure:

- Acceptance of this policy as a condition of doing business with ASO LLC. By its acceptance of any purchase order from ASO, receipt of any payment by ASO for commission or fees or pursuant to any definitive agreement between the parties, the Supplier acknowledges acceptance of this Social Compliance Policy and the intent to comply with its requirements.
- Each Supplier and its factory fully understands and complies with ASO’s Social Compliance Policy and Standards.
- Each Supplier and its factory is aware that Social Compliance audits may be required.
- Any change by Supplier and its factory, factory name or physical address is reported to ASO immediately as they occur.

## SOCIAL COMPLIANCE POLICY FOR ASO Suppliers

ASO requires that suppliers treat employees fairly and provide them with safe working conditions. ASO requires the following Social Compliance Policy:

### 1. General

Any supplier that produces or manufactures goods for ASO or any of its subsidiaries, affiliates, divisions, or agents shall comply with all applicable laws, rules and regulations of the country in which the supplier is doing business.

- A. Suppliers shall comply with all applicable laws, including, without limitation, those relating to labor/child labor, worker health and safety and the environment.
- B. It is the responsibility of the supplier to advise ASO if subcontract work is being employed. Supplier will be held accountable for the operations of their subcontractors and will be required to implement a monitoring program to ensure that all contractors are in compliance. This monitoring program should include periodic inspections of all production facilities. Any violation of the standards and principles set forth herein shall be promptly reported to ASO. The absence of a report shall be construed as your affirmative certification that all facilities are in compliance.  
Supplier’s subcontracts with other manufacturers shall require compliance with the ASO Global Standards of Business Conduct.
- C. ASO and/or any of its representatives or agents will be allowed unrestricted access to Supplier’s facilities and to all relevant records at all times, with or without advance notice.
- D. ASO expects Suppliers to ensure that their business practices are in accordance with all applicable laws and regulations governing the export and import of domestic and foreign origin parts and components and related technical data.
- E. ASO expects Suppliers to develop, implement, and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials,

and mark parts obsolete as appropriate.

**2. Non-discrimination by Suppliers**

ASO expects our Suppliers to provide equal employment opportunity to employees and applicants for employment without regard to race, ethnicity, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, or mental or physical disability, so long as the essential functions of the job can be performed with or without reasonable accommodation. This includes Suppliers and its factory's employment practices which shall also provide workers and job applicants with equal opportunity. Employment decisions and practices will be based in the worker's/applicant's ability to do the job, rather than on non-job-related characteristics or beliefs. Suppliers and its factory's employment practices shall be made without regard to race, color, national origin, gender, religion, age, marital status and other unlawful basis. Employment practices shall include, without limitation, recruiting, hiring, wages and other forms of compensation, promotions, demotions, transfers, layoffs, terminations, training and worker facilities.

**3. Anti-Harassment by Suppliers**

ASO expects our Suppliers will not tolerate any type of harassment that creates a hostile work environment, including but not limited to the following **Sexual Harassment: Verbal harassment:** unwelcome offensive, lewd or sexually suggestive language, sexually oriented jokes, e-mails, advances, propositions, overt threats, and conversations with sexual overtones, whether written or spoken; **Physical harassment:** unwelcome contact through touching; or **Visual harassment:** unwelcome exposure to sexually explicit gestures, pictures or objects that display people as sexual objects (e.g., calendars, posters, internet images, magazines, and graffiti).

**4. Wage and Hours by Suppliers**

Suppliers shall comply with all applicable laws regarding wages, overtime pay and working hours of the countries in which they are doing business. Suppliers must comply with applicable laws concerning time off for workers to ensure the health and safety of the workers.

- A. Suppliers shall pay workers at least the applicable minimum legal wage established by the country within which the workers perform services.

**5. Regular Employment, Sub-Contracting and Homeworking by Suppliers**

Work should be performed based on recognized employment relationships established through national law and practice.

- A. Labor-only contracting, sub-contracting, homeworking arrangements, excessive use of fixed term contracts and/or apprenticeships with no real intent to impart skills or regular employment shall not be used to avoid obligations to employees under labor or social security laws and regulations.
- B. Sub-contracting must be previously agreed upon with ASO.
- C. Homeworking must be managed in a manner consistent with work performed within a factory setting.

**6. Freedom of Association/ Right to Collective bargaining**

Suppliers are expected to follow all laws and regulations regarding Freedom of Association and Right to Collective Bargaining.

- A. Workers' representatives shall not be discriminated against and must have access to carry out their representative functions in the workplace.

**7. Child Labor Laws for Suppliers**

Supplier shall not employ workers who are under the applicable minimum legal age requirement. If the laws of the country within which the Supplier is conducting business does not state a minimum legal working age or if the minimum legal working age is below the age of 14, ASO will set its own minimum age standard of 14 years.

- A. Every worker employed by the Supplier shall meet the minimum legal working age requirement or be at least 14 years of age at the time of hire, whichever is greater.
- B. Juvenile workers (ages 14 to 17) under the age of 18 shall not be employed at night or under hazardous conditions.
- C. Supplier shall comply with all applicable child labor laws, including those related to hiring, wages,

hours worked, overtime and working conditions.

- D. Supplier shall keep accurate employment records of every worker which includes legible copies of the worker's information, including date of birth. If no such official document is available in the worker's country, age must be confirmed by using another reliable method, which must be disclosed in the worker's employment record. Such records shall be retained and kept available for audit for a period of at least three years after employment ends or terminates.

#### 8. **Forced Labor or Human Trafficking**

Supplier and factory shall hire only those workers who seek employment on a voluntary basis and shall not hire contract or use any forced. Suppliers and factories shall not hire contract or use any forced, prison or indentured labor. No worker will be required to remain in Supplier's and factory's employ for any period of time against his or her will.

- A. Supplier and factory shall not utilize any involuntary labor, including prison labor, debt bondage or forced labor in production or manufacture or in its contracting, subcontracting or other relationships for the manufacture of ASO's products. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purpose of exploitation.

#### 9. **Disciplinary Practices by Suppliers**

Suppliers and factories shall not use corporal punishment or behavior related to any other form of mental or physical coercion against its workers.

- A. Supplier and its factory shall not engage in or permit physical acts to punish, discipline or coerce workers.
- B. Supplier and its factory shall not engage in or permit mental coercion or other nonphysical abuse against workers. Such mental coercion may include, but is not limited to, verbal threats and harassment.

#### 10. **Worker Safety and Health by Suppliers**

Suppliers should provide for the health, safety, and welfare of their people, visitors, and others who may be affected by their activities. Supplier and its factory shall comply with all the applicable laws regarding working conditions and shall furnish all workers with a safe and healthy working environment. Suppliers and its factories shall furnish workers with safe, healthy and adequate housing, where and when applicable.

- A. Supplier and factory shall comply with all applicable laws and regulations regarding working conditions, including, without limitation, worker safety and health, sanitation, fire safety, worker protection and electrical, mechanical and structural safety.
- B. All reasonable steps should be taken to prevent accidents or injury to health associated with work activities and facilities.
- C. ASO expects its Suppliers to maintain a workplace free from illegal drugs.
- D. ASO expects its Suppliers to comply with all applicable laws related to firearm policies.

#### 11. **Housing (if applicable)**

- A. Supplier and factory shall comply with all applicable laws and regulations regarding safe and healthy, gender-specific and family housing facilities, including, without limitation, fire safety, sanitations and electrical, mechanical and structural safety. **Customer requirements may be more stringent than applicable laws in the countries where Suppliers are doing business.**

#### 12. **Environment for Suppliers**

Supplier shall comply with all applicable environmental laws and regulations, such as required permits and/or licenses; issue of water disposal or discharge permits, issue of air emissions permit, issue of noise pollution permit, use of landfill, etc.

**13. Anti-Bribery and Foreign Corrupt Practices Act Policy**

The promise, offer, or delivery to an official or employee of the Canadian, U.S., or any government, of a gift, favor or other gratuity will violate ASO's policies and could also be considered a criminal offense. The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving or offering anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to offer or make illegal payments to government officials of any country.

Suppliers are prohibited from receiving bribes, kick-backs and other illegal payments to or from any individual or government with whom it conducts business (in any form and for any purpose).

**14. Antitrust for Suppliers**

ASO is fully committed to competing fairly and complying with antitrust and fair competition laws in every country where it does business. ASO Suppliers are not allowed to fix prices or rig bids with Supplier's competitors. Likewise, Suppliers are not allowed to exchange current, recent, or future pricing information with Supplier's competitors. Suppliers are required to comply with all applicable antitrust and competition laws. Suppliers are expected to understand and comply with all applicable fair business, advertising and competition laws including antitrust laws.

**15. Conflict Minerals for Suppliers**

ASO expects Suppliers to take steps to determine if their products contain conflict minerals (e.g. Cassiterite; Columbite-tantalite (coltan); Wolframite; Tin; (v) Tantalum; Tungsten; Gold) and if so, implement supply chain due diligence processes to identify sources of these minerals and support efforts to eradicate the use of conflict minerals which directly or indirectly finance or benefit any of the following countries: (i) Democratic Republic of Congo; (ii) Angola; (iii) Burundi; (iv) Central African Republic; (v) The republic of the Congo; (vi) Rwanda; (vii) South Sudan; (viii) Tanzania; (ix) Uganda; or (x) Zambia. ASO further expects Suppliers to operate in a manner that actively manages risk, conserves natural resources, and protects the environment.

**16. Prop 65 for Suppliers**

ASO expects its Suppliers to comply with Cal. Health & Safety Code § 25249.5 et seq ("Prop 65") whereby manufacturers, distributors, Suppliers, and [retailers of a consumer product containing a listed chemical] to provide a warning label or written notice to the next business in the supply chain of any product sold in California, with "clear and reasonable" warning if chemicals, including raw materials, pose a significant risk of cancer or reproductive or developmental harm (based on "safe harbor" thresholds and lists of chemicals established by OEHHA or other authoritative bodies).

**17. Documentation and Inspection**

ASO intends to evaluate and monitor suppliers for compliance to this policy and shall undertake audits of suppliers, where appropriate.

ASO will review and may terminate its relationship with any supplier found to be in violation of the policy.

**REVISION HISTORY**

Description of Change	Rev. #
Refer to Montrium for legacy document revisions	00 - 06
Initial release in Pilgrim; Replaces GLOBAL-POL-520-001	01
Complete Re-Write of Policy. Added to Supplier / Agent Section; Section 1. General, Added Section C and D; Added Section 2; Section Wage and Hours - Removed B through I; Section Forced Labor – added “or Human Trafficking” and section A. Section Worker Safety and Health – Removed sections D through P; Section Housing – removed sections R through BB. Added Sections 14 Antibribery and Foreign Corrupt Practices Act Policy, Section 15 Antitrust, Section 16 Conflict Minerals, and 17 Prop 65. Re-formatted and re-numbered sections.	02