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	CP-009	1 of 11	2019-02-04	CPT	Corporate	<b>B</b>
Document Title	<b>VTC SUPPLIER CODE OF CONDUCT</b>					
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# VETERANS TRADING COMPANY SUPPLIER CODE OF CONDUCT

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## 1. PURPOSE:

VTC's Supplier Code of Conduct expresses the expectation we hold for our suppliers to ensure that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. VTC is committed to meet these expectations and trusts that all our suppliers and partners will strive to meet and exceed these same ethics and values.

## 2. SCOPE:

Fundamental to this Supplier Code of Conduct is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates. VTC encourages our suppliers and partners to go beyond legal compliance and draw upon internationally recognized standards in order to advance social and environmental responsibility and business ethics.

## 3. RESPONSIBILITIES:

- 3.1. **VTC President**, is ultimately responsible and accountable to ensure the organizations Supplier Code of Conduct is defined, implemented and adhered to ensure ethical business practices between VTC and its Suppliers.
- 3.2. **VTC Vice President of Sales**, is the extended authority of the President of the Company and has the responsibility and accountability to ensure that the Supplier Code of Conduct is accessible to all VTC employees and suppliers and he/she scope of management directly supports the intent of this document.
- 3.3. **VTC Sales Representatives**, are the extended authority of the Vice President of Sales and have the responsibility and accountability to ensure suppliers have read, understood and are in compliance to the intent of this document.

## 4. REFERENCE DOCUMENTS:

### ***End Customer Supplier Code of Conduct Policy/Procedures:***

Customer identified supplier code of conduct expectations pertaining to the contracted material supplied

### ***ISO 14000:***

Series of standards outlining environmental management

### ***SA 8000:***

Industry standard outlining the management of socially acceptable practices in the workplace

### ***ETI Base Code:***

A foundational initiative that promotes respect for workers' rights around the globe

### ***FLA Workplace Code of Conduct:***


Defining code for labor standards pertaining to humane working conditions

### ***EICC Code of Conduct:***

Standards pertaining to social, environmental and ethical issues in the electronics industry

## 5. FORMS:

None

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## 6. ACRONYMS/DEFINITIONS:

VTC	Veterans Trading Company
ETI	Ethical Trading Initiative
FLA	Fair Labor Association
EICC	Electronic Industry Citizenship Coalition

## 7. PROCEDURE:

7.1. This Code is made up of five (5) sections:

- 7.1.1. Labor
- 7.1.2. Health and Safety
- 7.1.3. Environment
- 7.1.4. Business Ethics
- 7.1.5. Management System


7.2. LABOR

7.2.1. Suppliers and partners are committed to uphold the human rights of workers, and to treat them with 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.

7.2.2. The labor standards are:

7.2.2.1. ***Freely Chosen Employment:*** Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be entered in to voluntarily and the worker shall be free to terminate their employment and leave work at any time. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.


7.2.2.2. ***Young Workers:*** Child labor is not to be used in the performance of work. 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. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. The wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

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- 7.2.2.3. **Working Hours:** Workweeks are not to exceed the maximum set by local or national law. Further, a workweek should not exceed sixty (60) hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one (1) day off every seven (7) days or, where allowed by national law, two (2) days off in every 14-day period.
- 7.2.2.4. **Wages and Benefits:** Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.
- 7.2.2.5. **Humane Treatment:** There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.
- 7.2.2.6. **Non-Discrimination:** Suppliers and partners should be committed to a workplace and workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way.
- 7.2.2.7. **Freedom of Association:** In conformance with local law, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.


### 7.3. HEALTH and SAFETY

- 7.3.1. Suppliers and partners recognize 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. Suppliers and partners also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

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### 7.3.2. The health and safety standards are:

- 7.3.2.1. **Occupational Safety:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as it is reasonably practicable, the causes of hazards inherent in the working environment. Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Workers shall be encouraged to raise safety concerns.
- 7.3.2.2. **Emergency Preparedness:** Potential emergency situations and events are to be identified and assessed, and their impact minimized 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. Such plans and procedures shall focus on minimizing harm to life, the environment and property.
- 7.3.2.3. **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.
- 7.3.2.4. **Industrial Hygiene:** Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programs.
- 7.3.2.5. **Physically Demanding Work:** Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.
- 7.3.2.6. **Machine Safeguarding:** Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.
- 7.3.2.7. **Sanitation, Food, and Housing:** Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the supplier, partner or a labor agent are to be maintained to be 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.

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7.3.2.8. **Health and Safety Communication:** Suppliers and partners shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

7.3.2.9. **Drug-Free Workplace:** Suppliers and partners shall maintain a workplace free from illegal drugs.

#### 7.4. ENVIRONMENT

7.4.1. Suppliers and partners recognize that environmental responsibility is integral to producing world class products. In daily operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public.

7.4.2. The environmental standards are:

7.4.2.1. **Environmental Permits and Reporting:** All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

7.4.2.2. **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 at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.


7.4.2.3. **Hazardous Substances:** Chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

7.4.2.4. **Wastewater and Solid Waste:** Suppliers and partners shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. In addition, measures should be implemented to reduce generation of wastewater. Suppliers and partners shall conduct routine monitoring of the performance of its wastewater treatment systems.

7.4.2.5. **Air Emissions:** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge. Suppliers and partners shall conduct routine monitoring of the performance of its air emission control systems.

7.4.2.6. **Materials Restrictions:** Suppliers and partners are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

7.4.2.7. **Storm Water Management:** Suppliers and partners shall implement a systematic approach to prevent contamination of storm water runoff. Suppliers and partners shall prevent illegal discharges and spills from entering storm drains.

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- 7.4.2.8. **Energy Consumption and Greenhouse Gas Emissions:** Energy consumption and greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Suppliers and partners are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## 7.5. BUSINESS ETHICS

- 7.5.1. To meet social responsibilities and to achieve success in the marketplace, suppliers and partners and their agents are to uphold the highest standards of ethics including:

- 7.5.1.1. **Business Integrity:** The highest standards of integrity are to be upheld in all business interactions. Suppliers and partners shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on suppliers and partners business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.
- 7.5.1.2. **No Improper Advantage:** Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.
- 7.5.1.3. **Disclosure of Information:** Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices are unacceptable.
- 7.5.1.4. **Intellectual Property:** Intellectual property rights are to be respected; transfer of technology and knowhow is to be done in a manner that protects intellectual property rights; and, customer information is to be safeguarded.
- 7.5.1.5. **Fair Business, Advertising and Competition:** Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.
- 7.5.1.6. **Protection of Identity and Non-Retaliation:** Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Suppliers and partners should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.
- 7.5.1.7. **Responsible Sourcing of Minerals:** Suppliers and partners shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers and partners shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.




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- 7.5.1.8. **Privacy:** Suppliers and partners are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Participants are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.
- 7.5.1.9. **Export/Import Control:** Suppliers and partners shall 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.
- 7.5.1.10. **Counterfeit Parts:** Suppliers and partners shall develop, implement, and maintain methods and processes to minimize the risk of introducing counterfeit parts and materials into the supply chain.
- 7.5.1.11. **Cybersecurity:** Suppliers and partners shall employ reasonable, cost-effective measures to ensure a safe and secure cybersecurity environment to safeguard internal and customer data.

## 7.6. MANAGEMENT SYSTEM

- 7.6.1. Suppliers and partners shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure:
  - 7.6.1.1. Compliance with applicable laws, regulations and customer requirements related to the supplier's and partner's operations and products;
  - 7.6.1.2. Conformance with this Code; and
  - 7.6.1.3. identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.
- 7.6.2. The management system should contain the following elements:
  - 7.6.2.1. **Company Commitment:** A corporate social and environmental responsibility policy statement affirming supplier's and partner's commitment to compliance and continual improvement with laws, regulations, and expectations related to or addressed within this Code.
  - 7.6.2.2. **Management Accountability and Responsibility:** Identify senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs.
  - 7.6.2.3. **Legal and Customer Requirements:** A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.
  - 7.6.2.4. **Risk Assessment and Risk Management:** A process to identify the legal compliance, environmental, health and safety, and labor practice and ethics risks associated with supplier's and partner'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.




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- 7.6.2.5. **Improvement Objectives:** Written performance objectives, targets and implementation plans to improve the supplier's and partner's social and environmental performance, including a periodic assessment of the supplier's and partner's performance in achieving those objectives.
- 7.6.2.6. **Training:** Programs for training managers and workers to adhere to policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.
- 7.6.2.7. **Communication:** A process for communicating clear and accurate information about policies, practices, expectations and performance to workers, suppliers and customers.
- 7.6.2.8. **Worker Feedback and Participation:** Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.
- 7.6.2.9. **Audits and Assessments:** Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.
- 7.6.2.10. **Corrective Action Process:** A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
- 7.6.2.11. **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.
- 7.6.2.12. **Supplier Responsibility:** A process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.
- 7.6.2.13. **Reporting:** An avenue of raising issues or concerns without fear of retaliation. Discharging, demoting, or otherwise discriminating against an employee as a reprisal for disclosing, to any of the following entities, information that the employee reasonably believes is evidence of gross mismanagement of a Department of Defense (DoD) contract, a gross waste of DoD funds, a substantial and specific danger to public health or safety, or a violation of law related to a DoD contract is strictly prohibited. These entities include:
  - 7.6.2.13.1. A Member of Congress
  - 7.6.2.13.2. A representative of a committee of Congress
  - 7.6.2.13.3. An Inspector General that receives funding from or has oversight over contracts awarded for or on behalf of the DoD
  - 7.6.2.13.4. The Government Accountability Office
  - 7.6.2.13.5. A DoD employee responsible for contract oversight or management
  - 7.6.2.13.6. An authorized official of an agency or the Department of Justice

- 7.7. A copy of the VTC Code of Conduct and VTC Supplier Code of Conduct are available and can be accessed on the VTC Company website at [www.vtcusa.com](http://www.vtcusa.com). Contacts for reporting violations and/or unethical behavior can also be found on the VTC Company website. Although VTC will not use the failure to report improper or unethical behavior as a basis for claiming breach of contract by Seller; Seller is encouraged to exert reasonable effort to report such behavior when warranted.



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## 8. RECORDS REQUIREMENTS

Record Identification	Description	Storage Location	Record Type	Access and Retrieval Requirements	Storage Retention Time
None	N/A	N/A	N/A	N/A	N/A

## 9. REVISION HISTORY

Rev	Date	Name	Reason
A	2016-05-19	Earl Huff	Initial Release
B	2019-02-04	Earl Huff	Removed all references pertaining to LLC