

## PROCEDURE STATEMENTS

### 1 Introduction

The Supplier Code of Conduct (SCC) sets the minimum performance standards for the Windsor Machine Group's Ethical Purchasing Policy (EPP). The goal of our SCC is to ensure safe and healthy workplaces for the people who make products for the Windsor Machine & Stamping (2009) Ltd. ("WMG"); where human and civil rights conditions are in compliance with the core labour conventions of the International Labour Organization (ILO). Windsor Machine Group will apply its SCC as one of the criteria used in its selection of business partners and suppliers. It is a requirement that all WMG suppliers and their sub-suppliers follow this code.

The EPP establishes an avenue whereby complaints of abuses in workplaces that are involved in the manufacture of products purchased by WMG can be made to WMG. WMG will determine the level and the degree necessary to investigate and act upon complaints.

### 2 Legal and Ethical Requirements

WMG suppliers and their sub-suppliers will comply with national and other applicable law of the country of manufacture of products including those laws relating to labour, worker health and safety, and the environment. Where the provisions of law and the SCC address the same issue, the provision that is most stringent will apply.

### 3 Child Labour

WMG does not tolerate the hiring of child labour under any circumstances. The minimum age for full-time employment must be 15 or the legal minimum age for employment, whichever is greater. WMG suppliers and their sub-suppliers:

- Will not hire people under the age of 15, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply, as defined by the International Labour Organization (ILO) Convention 138.
- Acknowledge that according to the United Nations Convention on the Rights of the Child, a person is a child until age of 18. In keeping with ILO Convention 182, WMG suppliers and their sub-suppliers will ensure young workers in the age group 15-17 are employed according to the protective restrictions prescribed by local laws. Where local laws do not exist or where they set lower standards than the ILO, the ILO standards shall prevail.

### 4 Forced Labour

WMG does not tolerate any form of forced labour, including bonded labour, indentured labour and slave labour, or human trafficking. Workers must be allowed to move around freely and leave their place of work when their shift ends. All employment is voluntary. WMG suppliers and their sub-suppliers will not:

- Use forced, illegal, or prison labour, including indentured or bonded labour, or any form of compulsory labour to manufacture our products. (ILO Conventions 29 & 105)

- Require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.
- Will not require any foreign contract worker to remain in employment for any period of time against his or her will and will pay any required agency recruitment commissions.

## 5 Disciplinary Practices

WMG suppliers and their sub-suppliers will:

- Treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological, or verbal harassment or abuse.
- Ensure workers are free to express their concerns about workplace conditions without fear of retribution of losing their jobs. Workers should have access to a formal avenue to express concerns directly to factory management.

## 6 Freedom of Association

WMG suppliers and their sub-suppliers will:

- Recognize and respect that workers, without distinction, have the right to form or join trade unions of their own choosing and to bargain collectively. (ILO Convention 87)
- Where the right of freedom of association and collective bargaining is restricted under law, the supplier facilitates and does not hinder the development of parallel means for independent, free association and bargaining (ILO Convention 98).
- WMG suppliers and their sub-suppliers will ensure that workers representatives are not discriminated against and have reasonable access to carry out their representative functions in the workplace.

## 7 Wages and Benefits

WMG suppliers and their sub-suppliers:

- Will meet national and legal requirements, whichever is higher, for wages and benefits within the country of manufacture, irrespective of special status granted to a company, worksite, or geographic area that permits the organization to compromise applicable standards.
- Meet industry standard benchmarks for prevailing wages and benefits where such benchmarks are readily available.
- Recognize that wages are essential to meeting employees' basic needs and will make every effort to ensure that workers receive wages that meet basic needs by local standards.
- Will pay workers directly and provide workers with clear, written accounting of hours worked, deductions, and regular and overtime wages in a language they can understand.

- Will not make direct wage deductions from employee pay as a disciplinary measure. Where an employee is temporarily suspended without pay, infractions must be proven openly and promptly.

## 8 Hours of Work

WMG suppliers and their sub-suppliers will:

- Ensure regular working hours do not exceed forty eight (48) hours per week, and that the combination of regular hours and required overtime hours do not exceed sixty (60) hours per week except in emergency circumstances.
- Ensure that overtime hours are compensated either according to the law, or where the law is silent, at premium rates for hours in excess of forty (40) hours and that hours worked in excess of sixty (60) hours per week are on a voluntary basis.
- Ensure workers are provided at least one day off during every seven (7) day period.

## 9 Discrimination

WMG does not tolerate any form of discrimination against our employees based on race, colour, gender, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, age, disability, or other distinguishing characteristics.

WMG suppliers and their sub-suppliers will:

- Consider employees for positions on the basis of their qualifications and abilities. WMG will not work with suppliers who discriminate on the basis of race, gender, political or religious beliefs, social, ethnic or national origin, marital status, age, union affiliation, sexual orientation, or disability. (ILO Conventions 100 & 111)
- Ensure pregnant workers are assigned work tasks appropriate for, and not threatening to, their condition.

## 10 Health and Safety

WMG suppliers and their sub-suppliers will:

- Provide their workers with safe and healthy work environments, which, as a minimum standard, is in compliance with country and local health and safety laws and regulations.
- Take adequate steps to prevent accidents or injuries to health arising out of, associated with, or occurring in the course of work.
- Ensure that any living facilities provided for personnel are safe and clean and meet the basic needs of personnel.

## 11 Environmental Commitment

WMG suppliers and their sub-suppliers will:

## Waste Materials

- Ensure all waste materials, as a by-product of production, are disposed of properly in an environmentally responsible manner, and according to the local and international laws and regulations.

## Energy Consumption

- Ensure that all energies consumed throughout their processes are not wasteful, part of a continual improvement plan, and that sustainable energies are considered where reasonable.

## Air quality and GHG Emissions

- Make a commitment to reducing their emissions on the environment where reasonable, that their processes do not pollute the environment, and meet legal reporting and impact requirements.

## Water Quality and Consumption

- Ensure that they are not a source of pollution on the environment and that all water use is efficient.

## 12 Compliance and Implementation

WMG expects all its suppliers to respect its SCC and to actively do their utmost to achieve the WMG's standards. WMG believes in cooperation and WMG is willing to work with its suppliers to improve performance where necessary.

WMG reserves the right to ask for proof of compliance with all applicable labour, health, safety, and environmental laws.

## 13 Application of the Code of Conduct

The code of conduct is an essential part of the business agreement that manages WMG's relations with its whole supply base. WMG processes the application of Code of Conduct on a thorough, cooperative and continuous improvement approach with suppliers.

WMG reserves the right to follow up with suppliers through a range of implementation tools to ensure the application of Code of Conduct:

- Release supplier self-assessment questionnaires and follow up with suppliers on the completing status. Ensure that suppliers will review the whole questionnaires and fill out accordingly with truthful and correct information.
- Audit the feedback from the suppliers by checking if they have internal CSR program and get the evidences if applicable.
- Conduct ongoing improvement program by finding out the existing problems and weaknesses, and correct them.

## 14 Responsibilities of the Suppliers

WMG considers it to be responsibility of suppliers to comply with the principles set out in the Code of Conduct across their supply chains and carry out relevant follow-ups with their own suppliers.

The practices adopted by suppliers must be traceable and verifiable. Suppliers must be able to provide WMG with documents attesting to their compliance with the Code of Conduct upon the company's request.

To ensure the optimal implementation of the Code of Conduct, WMG also encourages suppliers to advise the measures taken to enhance their corporate practices and share their suggestions on how WMG can best contribute to the implementation of the principles set out in the Code of Conduct. WMG expects to be informed by suppliers of any obstacles to the application of this Code of Conduct.

### 14.1 Non-compliance

Should a supplier fail to comply with the Code of Conduct, WMG reserves the right to require corrective actions. In the case of a serious failure to comply, WMG may reconsider its business relationship with the supplier.

## 15 Conflict Mineral

To determine if WMG's products contain Conflict Minerals, WMG conducts a survey of its suppliers to ascertain their use of any Conflict Minerals in the products they supply to WMG. The results of that survey demonstrate that the suppliers:

- Do not use Conflict Minerals in the products they supply to WMG.
- Have no reason to believe the Conflict Minerals they use may have originated in the Covered Countries, and/ or
- Reasonably believe that the Conflict Minerals they use are from recycles or scrap sources.

Consequently, WMG can in turn presents that WMG's products either do not contain Conflict Minerals, or to the extent they may, such products are "DRC conflict free" as defined by paragraph (e)(4) of Section 1502.

### 15.1 Reach

WMG expects all its suppliers to not use Conflict Minerals in the products they supply to WMG. Also WMG should avoid using any suppliers that use Conflict Minerals for new/potential programs.

WMG considers it to be responsibility of suppliers to be able to identify the use of Conflict Minerals and convey the expectation to not use Conflict Minerals across their supply chains and carry out relevant follow-ups with their own suppliers.



# Supplier Code of Conduct

Rev.: A  
Location: Corporate Office  
State: Work

## Acknowledgement & Agreement

I, \_\_\_\_\_, acknowledge that I have read and understand the Supplier Code of Conduct of Windsor Machine & Stamping (2009) Ltd. (“WMG”). Furthermore, I agree to adhere to the Supplier Code of Conduct.

Supplier Company Name: \_\_\_\_\_

Supplier Department: \_\_\_\_\_

Supplier Contact Name (Print): \_\_\_\_\_

Supplier Position: \_\_\_\_\_

Supplier Signature: \_\_\_\_\_