

Supplier Code of Conduct



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Table of Contents

- 1. Labour rights 3
 - 1.1. Freely chosen employment 3
 - 1.2. Child labour avoidance 3
 - 1.3 Working hours 3
 - 1.4. Wages and benefits 3
 - 1.5. Humane treatment..... 3
 - 1.6 Non-discrimination..... 4
 - 1.7. Freedom of association 4

- 2. Health and safety..... 4
 - 2.1. Occupational safety 4
 - 2.2. Emergency preparedness 4
 - 2.3. Occupational injury and illness 4
 - 2.4. Sanitation, food and housing 4

- 3. The environment..... 5
 - 3.1. Pollution prevention and Resource reduction..... 5
 - 3.2. Hazardous substances 5
 - 3.3. Wastewater and solid waste..... 5
 - 3.4. Air emissions 5
 - 3.5. Water..... 5

- 4. Anti – corruption..... 5
 - 4.1 Business integrity..... 5
 - 4.2 No improper advantage..... 5
 - 4.3 Disclosure of information 6
 - 4.4. Intellectual property rights 6
 - 4.5. Fair trading, advertising and competition 6
 - 4.6. Protection of identity..... 6
 - 4.7. Responsible sourcing of minerals 6
 - 4.8. Non-retaliation 6

- 5. Practicalities and follow-up 6
 - 5.1. Responsibility..... 6
 - 5.2. Records and audits..... 6
 - 5.3. Communication of the Supplier Code of Conduct 7



General requirement

In all activities, Kitron's suppliers must comply with applicable legislation, rules and regulations in the countries in which they operate. If any legislation, rules or regulations is in conflict with the Kitron Supplier Code of Conduct, the highest standard shall be applied.

The suppliers are expected to support the UN's Universal Declaration of Human rights and ensure that they are not complicit in human rights abuse.

1. Labour rights

1.1. Freely chosen employment

Forced, bonded or indentured labour or involuntary prison labour is not to be used. All work must be voluntary, and workers should be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

1.2. Child labour avoidance

Child labour is not to be used in any stage of manufacturing. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), 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 apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.

1.3. Working hours

Workweeks are not to exceed the maximum set by local law. Further, a normal workweek should not on a regular basis exceed 60 hours per week, including overtime. Workers shall be allowed at least one day off per seven-day workweek.

1.4. 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. The compensation should meet basic needs and provide some discretionary income. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. The basis on which workers are paid is to be specified in a timely manner via a pay stub or similar documentation.

1.5. Humane treatment

The supplier's disciplinary policies and procedures shall be clearly defined and communicated to the personnel. There shall 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.



1.6. Non-discrimination

Companies shall not engage in discrimination based on gender, race, religion, sexual orientation, colour, age, ethnicity, disability, pregnancy, political affiliation, union membership or marital status when hiring or in conjunction with employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

1.7. Freedom of association

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Suppliers shall respect the rights of workers to associate freely, to join or not to join labour unions, to seek representation, join workers' councils in accordance with local legislation, etc. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. Where the right to freedom of association and collective bargaining are restricted under national legislation, the supplier shall allow workers to freely elect their own representatives.

2. Health and safety

2.1. Occupational safety

Worker exposure to potential safety hazards shall be minimized through proper design, engineering and administrative controls, preventative maintenance and safe work procedures as well as by on-going safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective gear. Workers shall not be disciplined for raising safety concerns.

2.2. Emergency preparedness

Potential emergency situations and events shall be identified and assessed, and their impact minimised by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and extinguishing equipment, adequate exit facilities and recovery plans.

2.3. Occupational injury and illness

Procedures and systems shall be in place to prevent, manage, track and report occupational injury and illness, including provisions to encourage worker to report, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and to help workers return to work.

2.4. Sanitation, food and housing

Workers are to be provided with ready access to clean toilet facilities, water fit for human consumption and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the supplier or a labour agent are to be kept clean and safe, and provided with appropriate emergency exits, hot water for bathing or showering, and adequate heat and ventilation, as well as reasonable personal space along with reasonable entry and exit privileges.



3. The environment

Kitron suppliers with manufacturing operations should minimize the adverse effects to community, environment and natural resources while safeguarding the health and safety of the public.

All required environmental permits are to be obtained, maintained, kept current and their reporting requirements are to be followed.

3.1. Pollution prevention and Resource reduction

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.

3.2. Hazardous substances

Chemical and other materials that pose 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.

3.3. Wastewater and solid waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterised, monitored, controlled and treated as required prior to discharge or disposal.

3.4. 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, monitored, controlled and treated as required prior to discharge.

3.5. Water

In areas vulnerable to a scarcity of freshwater, suppliers are expected to seek ways to measure and disclose the use of freshwater. Plans should also be established for reducing the use of freshwater in operations.

4. Anti – corruption

4.1. Business integrity

Suppliers are to uphold the highest standards of integrity and business ethics in all business transactions. Suppliers and those working on behalf of the suppliers shall have a zero tolerance policy to prohibit all forms of bribery, extortion or embezzlement. Monitoring and enforcement procedures shall be implemented to ensure compliance.

4.2. No improper advantage

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.



4.3. Disclosure of information

Information regarding business activities, structure, financial situation and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices.

4.4. Intellectual property rights

Intellectual property rights shall be respected; the transfer of technology and know-how shall be done in a manner that protects intellectual property rights.

4.5. Fair trading, advertising and competition

Standards for fair trading, advertising and competition are to be upheld. Appropriate means should be available to safeguard customer information.

4.6. Protection of identity

Programmes shall be implemented to ensure confidentiality and protection of a supplier or an employee raising concerns.

4.7. Responsible sourcing of minerals

Kitron's suppliers shall have policies 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 in the Democratic republic of Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available on request.

4.8. Non-retaliation

Kitron suppliers are expected to have a communicated process for their personnel to be able to raise concerns without fear of retaliation.

5. Practicalities and follow-up

5.1. Responsibility

The supplier should designate an individual in a senior management position to ensure compliance with the Supplier Code of Conduct.

5.2. Records and audits

The supplier is expected to maintain appropriate records to demonstrate conformance with the requirements of the Supplier Code of Conduct.

In the event of an audit of the supplier for the purpose of verifying compliance with the requirements in this document, Kitron personnel, Kitron's customer or Kitron consultants shall have necessary access to the appropriate records and any part of the premises where work under the contract is being performed. This

also includes work performed at the subcontractor's suppliers' premises.

5.3. Communication of the Supplier Code of Conduct

Suppliers are expected to communicate the requirements of this Supplier Code of Conduct to all appropriate employees, suppliers or sub-contractors engaged in their supply chain. Suppliers should take steps to ensure that their suppliers and sub-contractors comply with requirements of this Supplier Code of Conduct. Suppliers should also provide means for employees to report on or discuss non-compliance confidentially.



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