

SUPPLIER

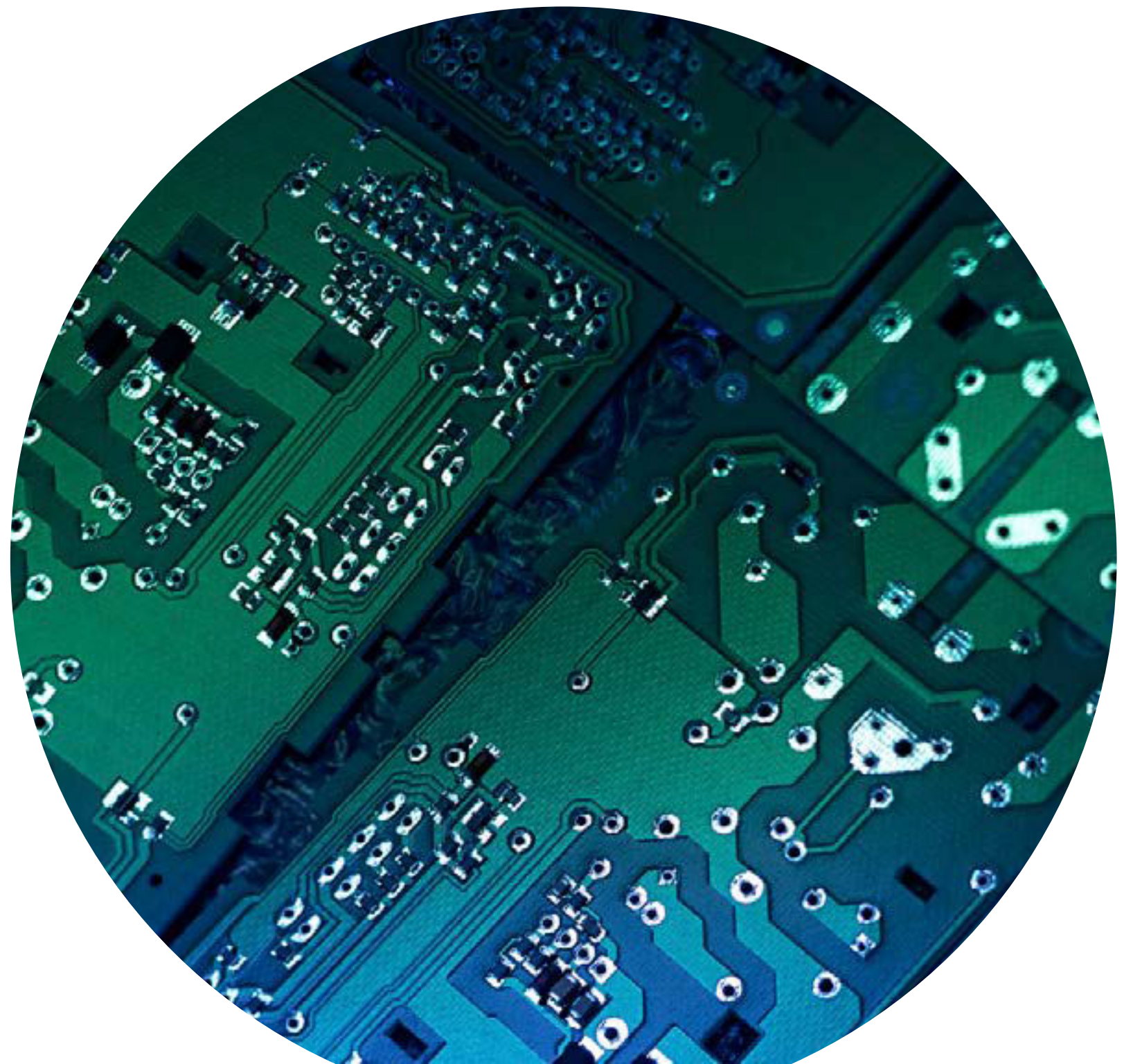
CODE OF CONDUCT



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ELRAD

Electronics d.o.o. Slovenija



PREFACE

ELRAD has been continuously striving for the highest ethical and business standards, since its establishment in 1996. Our customers, suppliers and business partners place their trust in us based on many years of reliable partnership, and we are responsible for ensuring that our products and services are produced in a supply chain that complies with international standards.

We aspire to conduct in an ethically correct, ecologically sustainable and socially responsible way and we expect that our suppliers and business partners respect the same principles.

We have summarized our expectations from our suppliers and service providers (ELRAD partners) and their employees in the following "Supplier Code of Conduct".

This code of conduct is based upon the principles of the "UN Global Compact", the standards set out in the conventions of the ILO (International Labour Organization) and the Code of Conduct of the Electronics Industry (EICC).

We expect our partners to ensure that their own suppliers and service providers will also adhere to and abide by the principles of this code of conduct and the standards upon which it is based. In the event that other regulations or laws impose more extensive provisions, those have priority over this code of conduct.

ELRAD will use this code of conduct as part of its supplier selection and evaluation procedures. Furthermore, we reserve the right to potentially end our business relationship with partners if they do not adhere to the principles defined below.

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REFERENCES

The standards listed below are the basis for our Code of Conduct and can be regarded as sources of further information.

- United Nations Global Compact
- ILO International Labour Standards
- EICC Code of Conduct
- ISO 45001
- ISO 14001
- Eco-Management and Audit System (EMAS)

1. WORKING CONDITIONS

The supplier agrees to safeguard the human rights of its employees and to treat them with dignity and respect. This refers to all employees including part-time and migrant workers, student interns, temporary workers, full-time employees and any other form of manpower.



1.1 FREE CHOICE OF EMPLOYMENT

There should be no forced labour, slave labour or any other form of comparable labour. All labour must be voluntary and employees must be free to end their labour or their employment relationship at any time.

1.2 NO CHILD LABOUR

The employment of children is prohibited. Those below 15 years of age (depending on the national law – below 14 years of age), children of school age or those that have not yet reached the minimum age for employment in their respective country should not be employed. Employees under 18 years of age should not perform work that could endanger their health or safety. Where this is the case, there should be special measures put in place to protect these young persons.

1.3 WORKING HOURS

The weekly working hours should not exceed the respective statutory maximum. The weekly working hours including overtime should be in line with valid law and industry standards.

1.4 WAGES AND EMPLOYEE BENEFITS

The remuneration paid to employees shall accord with all applicable national laws on remuneration, which includes laws on the minimum wage, overtime and statutory welfare benefits. Adequate wage must be guaranteed to all permanent employees, short-term employees, part-time employees, employees with work-at-home contracts, as well as all subcontractors.

The wage must enable employees to fulfill both their own, and their family's basic needs. The employee must be able to dispose of the income independently. Wages must be remitted regularly and in statutory payment terms and funds. Payroll deductions must be transparently displayed and must never serve as a means of disciplinary action. Supplier also commits to enable professional training and development of their employees.

1.5 HUMANE TREATMENT

Employees should not be subjected to disproportionate stringency or treated in an inhumane manner. This includes sexual harassment, sexual abuse, physical reprimand and physical and mental abuse. It also applies to the threat of such treatment.



1.6 PROHIBITION OF DISCRIMINATION

Supplier agrees not to tolerate any unlawful harassment or discrimination within its workforce. Supplier's selection and employment practices, such as advancement and remuneration or access to training opportunities, should not discriminate against employees based on race, skin colour, age, gender, sexual orientation, ethnic background, disability, pregnancy, religious or political beliefs, trades union membership or family status.

1.7 FREEDOM OF ASSOCIATION

In conformance with the national law, suppliers should respect the right of all workers to form or join trade unions of their choosing; to collectively negotiate and participate in peaceful assembly, as well as respect the right of workers to refrain from such activities.

Workers and/or their representatives should be able to communicate openly and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.



2. HEALTH AND SAFETY

Supplier acknowledges that a safe and healthy work environment contributes to improvement in the quality of goods and services and motivation of the workforce.

The guidelines are based on the Standard for Safety and Health at Work – ISO 45001, which also contains additional information and more detailed explanations.



2.1 HEALTH AND SAFETY AT THE WORKPLACE

Supplier shall ensure that it has organizational systems, processes and/or measures in place in order to comply with national health and safety legislation.

Supplier shall identify, assess and take measures to eliminate potential safety hazards such as electrical or other energy sources and hazardous chemicals, fire, vehicles, fall hazards, etc.

Employees shall be informed of potential safety risk and instructed on proper, safe behavior and the corresponding safety measures to be implemented, which is ensured through continuous training in health and safety at work.

Should such measures not afford adequate hazard management, the employees shall be provided with suitable personal protective equipment.



2.2 MACHINE SAFEGUARDING

Production and other machinery should be evaluated for safety hazards. Physical guards, interlocks, and barriers must be provided and properly maintained where machinery presents an injury hazard to workers.

2.3 EMERGENCY PREPAREDNESS

Potential emergencies and events must 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.

Emergency drills must be executed at least annually or as required by the national law. Emergency plans should also include appropriate redetection and suppression equipment, clear and unobstructed egress routes, contact information for emergency responders and recovery plans.

3. ENVIRONMENT

Supplier acknowledges that environmental responsibility is an integral part of product manufacturing. Production processes have to be designed to prevent negative impacts on the environment and to conserve natural resources.

ELRAD is committed to be a sustainable and responsible business that cares for the safety of the environment. In this light, we expect all our suppliers to follow high standards of environmental safety and comply with guidelines regarding hazardous substances, waste management and disposal.

Recognized management systems such as ISO 14001 and the Eco-Management and Audit System (EMAS) were used as references in preparing this Code and may be a useful source of additional information.



3.1 ENVIRONMENTAL PROTECTION

Supplier confirms that it has implemented system, processes and/or measures and has obtained the necessary approvals in order to comply with statutory national environmental regulations. The employees are instructed on how to mitigate environmental risk.

3.2 HAZARDOUS SUBSTANCES

Hazardous substances are defined and classified according to local and international regulations, as well as standards such as REACH, RoHS and other relevant guidelines.

Chemicals and other materials that pose a hazard to the environment if released, shall be identified and manipulated in such a way that ensures their safe handling, transport, storage, use and recycling or disposal.

Supplier undertakes not to use, produce or incorporate hazardous substances into the products supplied to our organization that do not comply with our requirements.



3.3 WASTE MANAGEMENT

Supplier undertakes to dispose of waste in accordance with legislation, local guidelines and best practices.

Supplier will consistently follow the hierarchy of waste management, which includes waste prevention, reuse, recycling and, where absolutely necessary, final disposal.

Waste generated as a result of the production or supply of our products will be properly classified, collected, stored and disposed of in accordance with applicable regulations and in an environmentally friendly manner.

It is prohibited to dispose of hazardous waste in unauthorized locations, including disposal in water, soil or other sensitive environmental areas.

3.4 TRANSPARENCY AND REPORTING

Supplier undertakes to provide our organization with regular information on the use of substances, waste management and environmental protection measures. In the event of accidents or incidents related to hazardous substances or waste management, he will immediately inform our organization and the competent authorities.

4. BUSINESS ETHICS

Suppliers and their representatives should uphold high ethical standards to fulfil their social responsibilities and be regarded as successful in the market. The following principles should apply:



4.1 LAW-ABIDING BEHAVIOUR

Supplier agrees to comply with all applicable national laws and other regulations in the context of its business operations at any time.

4.2 INTEGRITY AND ANTI-CORRUPTION POLICY

All business interactions should be governed by high standards of integrity. The supplier should not have any tolerance towards bribery, corruption, extortion, fraud and embezzlement and should prohibit them in any form. All business processes must be transparent and properly reflected on ELRAD's partners' business records to ensure adequate compliance with anti-corruption laws.

4.3 FAIR COMPETITION (ANTITRUST LAW)

Supplier should respect fair competition and conduct every business activity in compliance with the applicable antitrust legislation and provisions.

4.4 AVOIDING CONFLICTS OF INTEREST

Decisions should only be taken based on objective, business-related considerations and not influenced by personal interests.

4.5 PROTECTION OF CONFIDENTIAL INFORMATION

Business secrets and personal information should only be used to the extent to which they are necessary and permitted and they should be protected appropriately.

4.6 EXPORT/IMPORT LEGISLATION

Applicable legislation and regulations relating to export and import control as well as customs should be adhered to.

4.7 DISCLOSURE OF INFORMATION

Information on the company's business activities, structure, financial situation and performance should be disclosed in accordance with the applicable provisions and usual business practices in the sector. The falsification of records and misrepresentation of conditions and practices in the supply chain are not acceptable.



4.8 INTELLECTUAL PROPERTY

Intellectual property rights should be respected; transfer of technology and knowhow must be done in a manner that protects intellectual property rights.

4.9 RESPONSIBLE PROCUREMENT OF RAW MATERIALS

Supplier should adopt appropriate measures which ensure to the best of his knowledge and belief that raw materials used in the manufacture of his products (tantalum, tin, tungsten, gold, etc.) do not directly or indirectly serve as means to finance or support armed groups that commit serious human rights violations.

Supplier should exercise due diligence concerning the origin and chain of custody of such minerals and should disclose these precautionary measures to ELRAD upon request.



5. COMPLIANCE WITH THE CODE OF CONDUCT

5.1 COMPLIANCE AUDITS

ELRAD reserves the right to take reasonable steps to verify compliance with the Code of Conduct. We expect our business partners to actively support any required audits. Business partners will be contacted upfront to agree on the scope, time and location of such audits.

5.2 REMEDIAL ACTION

Violations must be ceased immediately, especially any breaches of human rights and environmental obligations. If this is not possible within the foreseeable future, the business partner must immediately prepare and execute a plan with a specific schedule to stop or minimize such breaches. Actions taken should be documented and verified for effectiveness. Business partners should immediately inform ELRAD of any major breaches and actions taken to resolve the matter.

5.3 CONSEQUENCES OF BREACHES

Any breach of obligations described in this Code of Conduct can lead to termination of the business relationship between ELRAD and the business partner. The business partner must, within a reasonable timeframe, inform ELRAD of the internal corporate measures taken to prevent future derelictions. If the business partner should fail to comply with these obligations or take appropriate corrective action within a reasonable timeframe, or if the breach of the Code of Conduct is so severe that ELRAD cannot be reasonably expected to continue the business relationship, ELRAD reserves the right to terminate such cooperation and rescind any associated contracts or agreements.





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