



## CODE OF CONDUCT POLICY

You must read through the Code of Conduct carefully and alert us immediately if you have any questions or concerns regarding your ability to comply with its provisions.

It is of the utmost importance that we work together at all times to protect the human rights of all people who are affiliated with the Company.

As a vendor to Medusa Source and/or its clients herein referred to as a **Business Partner**, you are critically important to the success of Medusa Source in bringing new and innovative products to our customers. We expect and require that you join us in prioritizing these important issues and your support is most appreciated. If you have any issues regarding adhering to this policy, your Company merchandising team or agent is always available to discuss your concerns. We thank you in advance for your cooperation.

The policies and procedures contained in this Code of Conduct and otherwise in effect with the Company are reviewed from time to time. They may be modified or discontinued at any time in the Medusa Source's sole discretion. Changes in policies supersede, modify or eliminate any or all policies summarized in this policy.

The principles set forth in this Code of Conduct are not to be regarded as maximum requirements; but they are to be exceeded whenever possible.

### 1. Scope of Application

This Code of Conduct forms the basis of all business relationships in reference to all national and international production processes and sites with regard to the final processing level (hereinafter "Production Sites") for the commodities and non-commodities purchased by Medusa Source clients. It applies to Medusa Source itself and its Business Partners. Each Business Partner guarantees, and is responsible for procuring, acceptance of and compliance with the principles set forth in this Code of Conduct.



**2. Legal Compliance** At the various Production Sites, the strictest of all applicable national and international laws and regulations, industrial norms, ILO all other applicable anti-fraud, anti-corruption, and anti-bribery laws (hereinafter collectively the “Regulations”) shall be observed. Compliance with this Code of Conduct as well as with the Regulations must not be circumvented by manipulating the terms of employment or taking comparable actions (e.g., false training programs).

**3. Child Labor / Young Employees** Medusa Source does not tolerate child labor or any other form of exploitation of young employees by Business Partners. The minimum age for employment must not be below either the age at which compulsory education ends or the age of 15. Subject to the exemptions granted under ILO, national regulations designed to protect children and young employees must be strictly observed. Compliance with the ban on child labor and the limitations imposed on the employment of young employees must be ensured. In particular, but without limiting the restrictions imposed, young employees must not be exposed to dangerous, unsafe or hazardous conditions. In the event of violations against this ban, the Business Partner shall promptly take, and document, remedial action on behalf of any endangered children or young employees. In addition, the Business Partner shall take such actions and implement such processes as may be necessary to see to the rehabilitation and social integration of any endangered children and young employees and must further enable them to finish school in accordance with domestic regulations. ILO Conventions 79, 138, 142, 182 as well as ILO Recommendation 146 apply.

**4. Discrimination** Any form of discrimination in hiring and employment practices, including any distinction, exclusion or preference based on race, caste, skin color, gender, age, religious belief, political opinion, membership in workers’ organizations, physical or mental disability, ethnic, national or social background, nationality, sexual orientation, gender identity or any other personal characteristic protected by applicable law, is prohibited. This is the case irrespective of whether such distinction, exclusion or preference originated with the Business Partner. ILO Conventions 100, 111, 143, 158 and 159 apply.



**5. Harassment and Abuse** A Business Partner's employees must enjoy a workplace free of harassment and abuse. No employee should be threatened with, or subjected to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

**6. Freedom of Association and Collective Bargaining** A Business Partner's employees must be protected against any variation in treatment that is related to their employment and aimed against their freedom of association. Their rights to form join or leave and work for associations or other organizations dedicated to promoting and protecting employee interests at their own discretion must be respected, and the pursuit of such activities must not be impeded. If the freedom of association or collective bargaining is restricted by law, a Business Partner's employees must at least be permitted and enabled, by way of an alternative, freely and independently to associate for bargaining purposes. ILO Conventions 87, 98, 135 and 154 as well as ILO Recommendation 143 apply.

**7. Forced or Compulsory Labor** Medusa Source or its clients does not tolerate any form of forced or compulsory labor, bondage, servitude, slavery or conditions similar thereto. It also disapproves of prison labor. A Business Partner's employees must not be compelled to work by way of violence or intimidation, be it directly or indirectly. Instead, all employees must have sought work and/or employment on their own free will. ILO Conventions 29 and 105 apply.

**8. Disciplinary Measures** A Business Partner's employees must be treated with dignity and respect. Sanctions, fines and other penalties or disciplinary measures must (i) conform with applicable national and international laws and regulations and (ii) be imposed in accordance with internationally recognized human rights standards and best practices.

**9. Working Hours** Working hours must comply with the applicable laws, industry standards and relevant ILO conventions, in accordance with whichever standards are more stringent. The maximum number of weekly hours permitted by applicable law must not be exceeded, and, regardless of applicable law, a Business Partner's employee's weekly hours must not on a regular basis exceed 48 hours or 60 hours with overtime. Individual business and employment models are subject to pertinent national and international laws and regulations, including but not limited to the exemptions granted under ILO. The same is true in the event of serious disruptions to the regular



course of business. Following each six consecutive days of work, employees must be permitted at least one day (24 hours) of rest. A Business Partner's employees cannot be compelled to work overtime, and any overtime worked must be compensated separately in accordance with all applicable laws and regulations. ILO Conventions 1 and 14 apply.

**10. Documentation of Employment Relationship** Each Business Partner guarantees that its employees' terms of employment (e.g., commencement and duration of employment, hours, wages, incentives, and benefits, etc.) in relation to relevant production stages are documented accurately, completely, and in writing, including but not limited to employee name, date of birth and, whenever possible, residential address. Each direct Business Partner further guarantees that their suppliers and business relations are documenting both (a) the employment relationship in this way and (b) their agreed compliance with the other terms and conditions of this Code of Conduct Policy. Domestic labor and social insurance regulations must not be circumvented in any way.

**11. Compensation** Each Business Partner guarantees that the wages paid to its employees equal or exceed the minimum wage prescribed by applicable law or applicable industry-specific custom or practice, whichever is higher. The wage paid shall be sufficient to cover an employee's basic needs. Illegal and unjustified wage deductions, including but not limited to those instituted as direct or indirect disciplinary measures, are prohibited. Wages must be disbursed in a manner that is convenient and readily accessible for employees (e.g., in cash or by check), and employees must be informed of the composition of their wages in a comprehensive manner, in writing, in regular intervals and in sufficient detail. ILO Conventions 26 und 131 apply.

**12. Health and Safety** Each Business Partner shall provide a safe and healthy working environment. The Business Partner shall adopt the measures needed to prevent any accidents and/or health hazards as they may arise in connection with work. For this purpose, Business Partners must put into place systems capable of detecting, avoiding and responding to potential health and safety hazards. In addition, each business partner must guarantee, and document that employees are periodically updated and trained on applicable health and safety laws and regulations and any necessary precautions or procedures to maintain a safe and healthy working environment. Access to clean toilets and to clean drinking water must be provided in sufficient quantities throughout all working hours. Insofar as dormitories or housing are available, they must be kept clean and safe and cover basic needs, including without limitation clean toilet



and bathing facilities and clean drinking water, and the charge for any such dormitories or housing must be reasonable and if mandatory must not reduce the employees' wages below the minimum wage. ILO Convention 155 applies.

**13. Emergency Prevention, Preparedness, and Response** Each Business Partner shall identify and assess potential emergency situations. For each situation, the Business Partner shall develop and implement emergency plans and response procedures that minimize harm to life, environment, and property.

**14. Environmental Protection** The protection of nature and the environment is an integral component of the Company's business practice. Each Business Partner must comply with all applicable environmental laws and regulations. Each must further undertake an ongoing effort to prevent and reduce contaminations by hazardous materials or other dangerous or unhealthy substances. Processes and standards prescribed for waste management, for the handling and disposal of chemicals and other hazardous substances, and for emissions and wastewater treatment must be observed, with special emphasis placed on the protection and preservation of natural resources as well as on the promotion of environmentally friendly and socially responsible production processes.

**15. Information and Communication** This Code of Conduct must be prominently displayed in the language(s) of the country in which the Business Partner's facility(ies) is located as well as in any other language(s) as in the primary language of the employees at the facility(ies), and freely accessible to all of the Business Partner's employees. To individuals who cannot read, the Code of Conduct must be explained verbally on a periodic basis (at least annually).

**16. Fraud, Bribery and Corruption** Medusa Source and its clients does not tolerate any form of fraud, bribery or corruption, and each Business Partner as well as its employees must conduct themselves in such a way so as to avoid personal dependency, obligation or interference. Specifically, each Business Partner and its employees, agents, and anyone acting on its behalf, shall not offer, give, or promise, either directly or indirectly, to any officer or employee of a foreign government or any department, agency or instrumentality thereof, or to any person acting (or having the capacity to act) in an official capacity for or on behalf of any government or department, agency, or instrumentality thereof, any money or thing of value for the purposes (or having the effect) of influencing any act or decision, inducing such official to do or omit any act, securing any improper advantage, or inducing such official to use his/her or its influence with a foreign government or any department, agency or instrumentality thereof. Each



Business Partner, as well as its employees, agents and others acting on its behalf, is expected to exhibit a professional manner informed by fairness and full compliance with applicable national and international regulations, conventions, treaties, and laws. In addition, to bolster and ensure compliance with this provision, each Business Partners shall introduce anti-fraud, anti-bribery and anti-corruption policies to be observed by all business divisions. Where gifts are presented in adherence with an applicable country's individual customs or etiquette, care must be taken to ensure that (i) such gifts do not give rise to obligatory dependencies and (ii) applicable domestic regulations are observed and (iii) any such gifting is in compliance with the Company's Receiving Gifts, Merchandise and Entertainment Policy (set forth fully below). Information on any violations of this provision or any practices that are or could be perceived or deemed to be corrupt must be reported to the Medusa Source and/or its clients immediately and in writing.

**17. Conflicts of Interest** Business Partners must disclose any actual, potential or perceived conflict(s) of interest, and discuss it with Medusa Source and its client's management. A conflict of interest can occur when a Business Partner has the ability to influence a decision that may result in some sort of personal gain (whether monetary or otherwise) for the Business Partner or the Business Partner's friends or relatives. It is not possible to define all of the circumstances and relationships that might create a conflict of interest; you must be guided by good judgment and common sense. However, some key examples of Conflicts of Interest include:

- A kickback, cash payment, substantial gift or recognition, receipt of services, or special consideration in business or personal dealings (e.g. extreme discounts on products or services);
- A relationship with a person or entity who/which does business with Medusa Source and its clients, in addition to or other than the ordinary business relationship you have with that person/entity on behalf of the Company in your role as a Business Partner; and/or
- Performance of any services (e.g., consulting or serving on a Board of Directors) for any company that does business with Medusa Source and its clients, wants to do business with Medusa Source and its clients, or is a competitor of Medusa Source and its clients, or that otherwise are not in compliance with this or any other Company policy. Any activity that is approved, despite the actual or apparent conflict, must be documented.

**18. Management Systems** In order to implement, ensure compliance with and monitor the principles set forth in this Code of Conduct, each Business Partner must introduce a



management system, which must include clear responsibilities and processes as well as adequate documentation. Documenting, implementing, enforcing and improving the principles set forth in this Code of Conduct require ongoing monitoring, which shall be documented. Each direct Business Partner shall ensure that any other suppliers working on its behalf also has written notice of, is bound to observe, and observes the principles set forth in this Code of Conduct.

**19. Monitoring Code of Conduct** Each Business Partner must submit itself and its Production Sites to social audits and/or audits of books and records, whether by Medusa Source and/or its clients or by its agents or designee, at the request of the Medusa Source and/or its clients.