

# Supplier Code of Conduct



## ***Exco Technologies Limited***

### ***Supplier Code of Conduct***

This Supplier Code of Conduct (“Code”) articulates Exco’s expectations of the conduct of suppliers and business partners doing business with Exco. It is based on Exco’s values and commitment to lawful and ethical conduct in all of our business. No matter where we work, honesty, integrity and ethical behaviour are the basis for a sound business relationship and reputation. This Supplier Code of Conduct covers Exco’s entire supply chain, including suppliers, vendors, contractors, traders, consultants and agents (hereafter Suppliers).

Suppliers are expected to understand and act consistent with Exco’s standards and cascade similar expectations through their own supply chains. Exco further expects that Suppliers will satisfy contractual requirements, and comply with all applicable laws and regulations.

### **Human Rights and Labor**

Suppliers must respect and support individual and collective human rights affected by their operations. Supplier’s will take appropriate action to assess, prevent and remedy potential adverse impacts on human rights in a manner that is consistent with prevailing local laws and regulations in the jurisdictions they operate in.

#### *1. Child labor*

- i. Suppliers will not employ individuals that are under minimum age admissible to work under laws of the jurisdiction where those individuals work.
- ii. Suppliers will not utilize any labor or services provided or offered to be provided by persons under the age of 18 years and that
  - (a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
  - (b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
  - (c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
  - (d) constitute the worst forms of child labor, including debt bondage, serfdom, forced or compulsory labor, and all forms of slavery and practices similar to slavery, such as the sale and trafficking of children.

#### *2. Forced labor*

- i. Suppliers will not utilize any work or service performed by prisoners, including individuals who have been convicted in a court of law and are performing services under the supervision and control of a public authority, for example the prison administration of a State-run facility.
- ii. Freedom of Employment: Suppliers’ workers will have the right to enter into employment voluntarily and freely, without the threat of a penalty.
- iii. Termination of Employment: All Suppliers’ workers will have the freedom to terminate their employment by means of notice of reasonable length (in accordance with applicable law or governing collective agreement) at any time without penalty.
- iv. No coercion: Suppliers will not coerce employment under threat of penalties. Prohibited practices include but are not limited to: withholding employee documentation, threat of denunciation to immigration authorities, threats or

use of physical or sexual violence, imposing financial penalties or requiring payment of recruitment fees, and harassment and intimidation against the worker, his/her family or close associates.

- v. Debt Bondage: Workers will not be held in debt bondage or forced to work for Suppliers in order to pay off an actually incurred or inherited debt. Advances and loans, and deductions from wages made for their repayment, shall not exceed the limits prescribed by applicable law. Workers shall be duly informed of the terms and conditions surrounding the granting and repayment of advances and loans.
- vi. Goods and services: Suppliers' workers will not be obligated to make use of stores or services operated in connection with Suppliers' facilities. Where access to other stores or services is not possible, goods or services will be sold or provided at fair and reasonable prices, without the aim of indebting or otherwise coercing the workers concerned.
- vii. Disciplinary Measures: Suppliers will never deploy disciplinary measures that result in an obligation to work.
- viii. Freedom of Movement: Suppliers will not physically confine workers to the workplace or related premises, or require mandatory residence in employer-operated facilities.
- ix. Skills Development & Vocational Training: Suppliers will not impose work or service as a means of recovering the costs associated with training opportunities offered to employees.
- x. Contracts of Employment: Where suppliers have entered into written contracts with workers, the contracts will comply with applicable law, be written in language that can easily be understood and that clearly indicate the worker's rights and responsibilities with regard to payment of wages, working hours, valid grounds for termination, and other issues.

### *3. Human trafficking*

- i. Migration for Employment: Migrant workers must benefit from conditions of work no less favorable than those available to local workers, and in compliance with all other Supplier's policies. No fee or cost for recruitment can be charged directly or indirectly, in whole or in part, to the worker.
- ii. Private Employment Agencies: Suppliers must refuse working with any employment agencies that have been found to:
  - engage in fraudulent practices that place workers at risk of forced labor and trafficking for labor exploitation;
  - engage in abuse of workers, for example in relation to wage-related matters, working hours, overtime and other working conditions;
  - charge fees or costs related to recruitment to the workers;
  - engage in worst forms of child labor, including debt bondage, serfdom, forced or compulsory labor, and all forms of slavery and practices similar to slavery, such as the sale and trafficking of children;
  - fail to be licensed or certified by the applicable competent authority.

### *4. Wages and Overtime*

- i. Suppliers and their employment agencies will pay wages and provide benefits and compensation to workers that comply with all applicable wage laws and regulations, including those relating to minimum wages, overtime hours, medical leave, and legally mandated benefits.
- ii. Wage Payments: Suppliers will pay wages regularly as due and without delay or deferment, and directly to the worker in legal tender, or by cheque or money order where permitted by law, collective agreement or with the consent of the worker.

iii. **Compulsory Overtime:** Suppliers will not force workers to work overtime above the limits permitted in applicable law and/or collective agreements or under the menace of a penalty.

#### *5. Humane treatment and non-discrimination*

i. **Humane Treatment:** Suppliers will provide a safe, respectful and inclusive environment, free of harassment, inhumane treatment and unlawful discrimination. Suppliers will not engage in harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment.

ii. **Non-harassment:** Suppliers will not tolerate harassment will not be tolerated. Harassment covers conduct that is likely to create a hostile, intimidating, offensive or toxic work environment, and can include a wide range of acts from requests of a sexual nature to insults, offensive jokes, racial slurs or treating an individual in a derogatory or demeaning manner.

iii. **Non-discrimination:** Suppliers will not engage in discrimination or other adverse actions to employees based on race, color, age, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, covered veteran status, marital status or any other basis prohibited by law including in hiring and employment practices such as wages, promotions, rewards, and access to training.

#### *6. Freedom of Association*

Suppliers' personnel shall have the right to freedom of peaceful assembly and association and to participate in a union as may be permitted under applicable law.

### **Responsible Procurement**

#### *7. Conflict Minerals*

i. To the extent possible, Exco is committed to sustainable and responsible sourcing of goods and services throughout our supply chain, including the various extracted minerals from around the world that ultimately become incorporated into our goods or services. In particular, the minerals tin, tungsten, tantalum, and gold ("3TG Minerals") that are extracted or processed in certain geographies have become commonly referred to as "conflict minerals". These raw materials are often mined with the risk of human rights abuses, as well as the risk that armed conflicts will be financed by the sale of these minerals (such as longstanding armed conflicts in Democratic Republic of Congo and its adjoining countries).

ii. Suppliers will comply with all legal requirements concerning the mining of raw materials in conflict and high-risk territories – so called "conflict minerals". To the extent applicable to Suppliers' operations, there shall be a written policy and procedure in place to avoid knowingly acquiring conflict minerals or unsustainably mined minerals produced at high environmental and social costs.

### **Health and safety**

#### *8. Occupational health and safety*

i. **Minimum standards:** Suppliers will maintain a healthy and safe work environment for all employees, in a manner that meets or exceeds legal standards. This shall include compliance with applicable laws. Suppliers will have safety procedures and policies, and conduct business in a manner which takes every reasonable precaution to minimize the risk of work-related injuries, illnesses, exposure to infectious diseases and accidents.

- ii. Tracking tools: Suppliers will implement tracking tools that drive to a goal of zero workplace safety incidents. Supplier employees will have the right to report any conditions that do not meet these criteria. Suppliers will identify, assess, and mitigate worker potential for exposure to all health and safety hazards.
- iii. Training: Suppliers will ensure that their personnel understand the health and safety practices for their work. Suppliers will provide adequate and regular training to ensure that the personnel are adequately educated on health and safety issues, practices, policies and risks. When necessary, employees will be provided with and instructed on how to use appropriate personal protective equipment.
- iv. Injury and illness: Suppliers will have procedures and systems to prevent, investigate, root cause, 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 the return of workers to work.
- v. Physically demanding work: Suppliers will identify, evaluate, and control 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.
- vi. Machine safeguarding: Suppliers will evaluate production and other machinery for safety hazards. Physical guards, safeguarding devices, and barriers must be provided and properly maintained where machinery presents an injury hazard to workers.
- vii. Contractors: Suppliers will also properly manage the health and safety of contractors performing work on supplier's premises.
- viii. Sanitation: Supplier-provided accommodations shall be clean, safe and meet the basic needs of the personnel and their families, if applicable.

#### *9. Emergency preparedness*

- i. Suppliers will work to actively identify and assess potential emergency situations and events and minimize their impact by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency plans should include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans.

### **Environment**

#### *10. Responsible stewardship*

- i. Compliance with laws as a minimum standard: Suppliers will follow applicable local, national, and international environmental laws, including but not limited to those pertaining to waste management, water management, pollution prevention, air emissions and hazardous substances. Suppliers will obtain and keep current all required environmental permits, approvals, and registrations, and follow their operational and reporting requirements. Suppliers will regard compliance with environmental laws as a minimum standard and will apply their own standard of responsible environmental practice where there are no local requirements or where such requirements are deemed insufficient.
- ii. Management of adverse impacts: Suppliers will aim to continuously improve their environmental performance by finding effective ways to reduce the adverse impacts of their business activities. Suppliers will take measures to increase innovation and efficiency throughout their companies and reduce their carbon footprint, energy use, water use, material use, use of hazardous substances, wastes, discharges of pollutants and other emissions.

### **Business Conduct and Anti-Corruption Practices**

#### *11. Conflicts of interest and ethical standards*

Suppliers will uphold the highest standards of integrity in all business interactions, including standards of fair business, advertising, and competition. Suppliers will avoid conflicts of interest and operate honestly and ethically throughout the supply chain and in accordance with applicable law, including those laws pertaining to anti-competitive business practices, respect for and protection of intellectual property, company and personal data, and export controls and economic sanctions. Suppliers will require that their employees avoid and disclose situations where their financial or other interests conflict with job responsibilities, or situations giving any appearance of impropriety.

#### *12. Gifts, bribery and improper business conduct*

- i. Anti-corruption: Suppliers will not tolerate corruption, bribery, kickbacks, money laundering, embezzlement, extortion, or fraud in any form.
- ii. Dealing with public officials: Suppliers will not bribe nor use intermediaries such as agents, consultants, advisers, distributors or any other business partners to commit acts of bribery of public officials. Suppliers must comply with applicable regulations pertaining to gifts, favours, entertainment or meals offered to government employees or officials, and all regulations pertaining to government procurement process.
- iii. Facilitation payments: Facilitation payments are payments directed to government officials to expedite performance of duties of a non-discretionary nature. Suppliers must prohibit facilitation payments in all circumstances unless local law permits these forms of payments.
- iv. Improper payments: Suppliers will not use overbillings or other artificial methods of payment to assist a customer, agent, consultant, advisor or distributor to evade the tariff, tax or exchange-control laws of any country.
- v. Business dealings: Sales of Supplier's products and services and purchases from their suppliers must be free from any inference or perception that favourable treatment was sought, received or given, whether in the form of gifts, favours, entertainment, services or other gratuities. This need not apply to items of a small value commonly exchanged in business relationships, such as unsolicited hospitality, gifts or mementos of nominal value that are customary or business related.

#### *13. Export controls and economic sanctions*

Suppliers will comply with all applicable restrictions on the export, re-export, release or other transfer of goods, software, services, and technology; all applicable economic sanctions restrictions involving certain territories, entities and individuals (to include conducting appropriate due diligence on third parties); and all other similar trade-related laws and regulations.

#### *14. Fair competition and intellectual property*

Suppliers will not engage in or support any activity that conflicts with competition laws or regulations in any region they operate. Suppliers will respect intellectual property rights.

#### *15. Data protection*

Suppliers shall comply with applicable data protection legislation. Suppliers will protect the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Suppliers will comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

#### *16. Accounting and business records*

Suppliers will accurately disclose information regarding their labor, health and safety, environmental practices, business activities, structure, financial situation, and performance in accordance with applicable regulations. All of Suppliers' business dealings will be transparently performed and accurately reflected on the Suppliers' business books

and records. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

*17. Grievance mechanisms*

Suppliers will provide a clearly communicated grievance mechanism for workers to utilize to report integrity concerns, human rights concerns, safety issues, and misconduct without fear of reprisal. Subject to any restrictions imposed by law, suppliers will provide workers with a safe, confidential, and anonymous environment to provide grievance and feedback and will reasonably protect whistleblower confidentiality. Suppliers will prohibit all forms of retaliation against those who raise concerns in good faith. Suppliers will also appropriately investigate reports and take corrective action, if needed.