



# VENDOR CODE OF CONDUCT

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Jasco Products Company LLC (“Jasco”) is committed to ensuring the working conditions in its supply chain are safe and that the rights and dignity of workers within its supply chain are protected, in addition to confirming that manufacturing processes followed by its vendors are environmentally responsible and conducted ethically.

All vendors supplying products to Jasco are required to follow all applicable laws in their respective countries along with meeting the standards set forth in this Vendor Code of Conduct (“Code”), and be able to demonstrate their compliance at the request of Jasco. In that regard, this Code is expressly made part of all agreements entered into between Jasco and its Vendors.

To better ensure ongoing compliance, Jasco expects all of its Vendors to have management systems in place to meet or exceed the requirements of all applicable laws, rules, regulations and this Code. The system should also promote the Vendor’s continuous improvement and ongoing compliance through regular educational updates to keep up with changing laws and regulations in all areas addressed by this Code.

Jasco also expects complete supply chain transparency and requires all of its Vendors and their suppliers and subcontractors to be prepared at all times to document and confirm compliance with this Code upon request. To monitor compliance, Jasco and other third parties involved with Jasco’s business, including customers and brand licensors, will request documentation, conduct onsite audits, and require the implementation and fulfillment of corrective action plans wherever needed within the supply chain. Jasco expects its Vendors (and their suppliers and subcontractors) to be willing and able to comply with all such requests in a timely and accurate manner.

The enforcement and/or interpretation of this Vendor Code of Conduct rests solely with Jasco, and may be amended at any time by Jasco at its sole discretion.

## I. ETHICAL STANDARDS

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Jasco has a strong commitment to ethics and integrity which form the foundation of the relationships we have with our Vendors. Jasco expects the highest standards of ethics and integrity to be adhered to by all parties within its supply chain. Any and all forms of bribery,

kickbacks, corruption, deception and records falsification are strictly prohibited. In the event of any such findings, Jasco reserves the right to fully investigate the occurrence and take whatever action it determines to be appropriate for the circumstance, which may include immediate termination of the business relationship with the Vendor.

Vendors are expected to assist Jasco in enforcing this Code by communicating its principles to their supervisors, employees, suppliers, and subcontractors. Any retaliation or reprisal against any person who in good faith reports unlawful or inappropriate activity to Jasco related to this Code or an audit is also strictly prohibited. In the event such retaliation or reprisal is identified, Jasco reserves the right to take whatever action it deems appropriate after fully investigating the occurrence, which may include immediate termination of the business relationship with the Vendor.

## II. VENDOR FACILITIES, COMPONENT SUPPLIERS, SUBCONTRACTORS

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Vendors are fully responsible under this Code for ensuring compliance by all their facilities, suppliers, and subcontractors who produce or provide materials or services associated with the manufacturing, packaging, and production of products sold to Jasco. Wherever the term “Vendor” is used in this Code it is intended to encompass all of Vendor’s facilities, parent and affiliate companies, suppliers, and subcontractors.

Vendors must certify in writing upon request by Jasco that their suppliers and/or subcontractors comply with standards compatible with or more stringent than those set forth in this Code. In addition, Jasco reserves the right to audit any Vendor facilities, suppliers, or subcontractors for compliance with this Vendor Code of Conduct and vendor agrees to accommodate any such audits upon Jasco’s request.

## III. DOCUMENTATION

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Vendor must maintain the documentation necessary to verify compliance with this Code and all the applicable laws and regulations of the country where the products are produced for a minimum of twelve months. Vendor shall make all such documentation available to Jasco, or a third party authorized by Jasco, upon request. Vendor should expect and be prepared in advance to provide auditors access to all such documentation whenever an audit is scheduled and conducted in relation to this Code.

## IV. LABOR AND HUMAN RIGHTS STANDARDS

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This section sets out specific expectations Jasco has regarding Vendor's workplace standards and business practices. These expectations are consistent with Jasco's values, principles and policies regarding ethical business conduct. Jasco seeks to identify and engage Vendors who conduct their business based on a set of ethical standards compatible with its own, and will favor Vendors who share its commitment to contribute to improving conditions within the communities they operate. Jasco expects all of its Vendors at a minimum to abide by the following standards and practices:

- **Child Labor.** All of Vendor's employees shall be of legal age established by local law. In the absence of local law, employees must be at least sixteen (16) years old. Vendors may employ individuals who are older than the applicable legal minimum age for employment but who are younger than eighteen (18) years of age, provided they do not perform work likely to jeopardize their health, safety, or education. The use of workplace apprenticeship programs which comply with all laws and regulations is acceptable under this Code.
- **Forced Labor.** Vendors must not participate in human trafficking, use forced, involuntary, prison, or slave labor, or purchase materials or services from companies using forced, involuntary, prison, or slave labor. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Excessive fees are unacceptable and all fees charged to workers must be disclosed.
- **Harassment and Abuse.** Vendors must treat all employees with respect and dignity. No employee may be subject to corporal punishment, physical, sexual, psychological, or verbal harassment or abuse. Vendors may not use monetary fines to discipline employees.
- **Compensation and Working Hours.** Vendors must comply with applicable wage and hour labor laws and regulations governing employee compensation and working hours, including overtime and legally mandated benefits. Vendors shall pay employees in a timely manner and clearly convey the basis on which they are being paid through written paystubs, or written confirmation of all pay, hours worked, and any legal deductions. All overtime must be voluntary and all workers must have one day off in seven. In addition,

Vendors must provide every employee all breaks that are required by law during working hours.

- **Non-discrimination**. Vendors shall base employment decisions, including hiring, salary, benefits, advancement, discipline, termination, retirement, and other employment related decisions solely on the person's ability to perform the job requirements, and not on personal characteristics. In addition, employees or potential employees shall not be subjected to medical tests that could be used in a discriminatory way, except where required by applicable laws or regulations or prudent for workplace safety.
- **Freedom of Association and Collective Bargaining**. Vendors must respect the rights of employees to exercise lawful rights of free association, including joining or not joining any association. Vendors must also respect the legal right of workers to bargain collectively.

## V. HEALTH AND SAFETY STANDARDS

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Vendors shall comply with all applicable laws and regulations of the country and location where the products sold to Jasco are produced that are related to the health and safety of employees. In addition, to the extent not already required by law, Jasco strongly encourages Vendors to adopt the following health and safety practices:

- **Health and Safety Education**: Vendor's employees are to be educated on the importance of health and safety, and good sanitation. Vendors are also expected to adopt procedures within their facilities to prevent accidents, injury and the spread of communicable diseases. Readily understandable instructions and signs are to be posted, and/or manuals are to be accessible describing the safe operation and handling of dangerous equipment and hazardous materials. Employees who use hazardous or flammable materials or operate dangerous equipment must also be properly trained.
- **First Aid and Emergency Care**: Vendors are to have on-site trained first-aid personnel available at all times. In addition, stocked general first-aid medical supplies are to be accessible throughout Vendor's facility. In the event of any serious injuries, employees are to be provided with medical treatment at the closest outside medical facility at no cost to the employee.
- **Emergency Exits**: Vendor's facility must have accessible exit doors and stairways that are clearly marked and free of obstructions. The exit doors are not to be locked and are to be available for fire and other emergency escapes during all hours employees are working.

- **Fire Safety and Emergency Evacuation:** Fire and other emergency evacuation drills are to be conducted. Sufficient and accessible fire extinguishers and/or fire hoses in good working condition are to be located throughout Vendor's facility and be inspected on a regular basis. Vendor shall also have trained supervisors located throughout the facility are to be designated to monitor the safe and orderly evacuation of all employees.
- **Ventilation and Lighting:** Work areas are to be properly ventilated. In hot environments, sufficient fans are to be provided for the basic well-being of employees. In cold environments, sufficient heating without risk to safety is to be provided. Adequate lighting and workspace are to be provided for the safety and well-being of the employees. In all work areas where painting, lacquering, spraying, or sanding is done or where chemicals or solvents are used, adequate and proper ventilation and air circulation are to be provided.
- **Uniform and Safety Protection Gear:** Uniforms, if required, are to be provided at no cost to the employees. Employees performing tasks involving painting, lacquering, spraying, sanding or application of chemicals or solvents, must be required to wear face masks and other appropriate protective clothing, all provided at no cost to the employees. All such chemicals used must be safe and must not pose any short or long-term safety risk to the Employees. In areas where the work may pose physical dangers, employees are required to wear protective gear, such as: eye protection, gloves, welding masks, hard hats, appropriate shoes, insulated clothing, hearing protection, etc; all provided at no cost to the employees.
- **Sanitation:** Adequate and clean toilet and hand-washing facilities with basic hygiene amenities are to be provided.
- **Drinking Water:** Safe drinking water is to be provided and easily accessible at all times. There are to be no restrictions on the normal consumption of drinking water.
- **Freedom of Movement and Association:** While reasonable rules, regulations and curfews may be imposed as necessary for the safety and comfort of employees, during non-working hours, employees must be free to leave the facility grounds. If employees live in facility dormitories where local law allows curfew hours, employees are to be notified of the curfew and instructed on the safety risks in and around the dormitories. Foreign or migrant workers are not subject to lock-in/lock-out policies.
- **Housing:** In the event that dormitory housing and meals are provided, in keeping with the employment agreement, these accommodations must comply with the applicable health and sanitation laws and regulations. Each employee is to be provided with his or her own bed at no cost. Dormitory quarters for unmarried employees are to be segregated by gender. Sufficient toilet and washing facilities segregated by gender are to be provided.

- **Meals:** When meals are provided in keeping with the employment agreement, all food preparation areas must be sanitary and all food must be stored properly.
- **Services:** If personal items, such as hygiene supplies, postage, stationery, etc., are made available, these are to be provided at no more than the local market prices for the same or similar products.

## VI. ENVIRONMENTAL STANDARDS

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Vendors are expected to conduct their operations in a way that minimizes the impact on natural resources and protects the environment. Vendors must ensure their operations comply with all laws related to air emissions, water discharges, toxic substances, and hazardous waste disposal. All required environmental permits and registrations are to be kept current and must be available on the premises for review at all times.

Vendors must also maintain at all times sufficient knowledge of the raw materials and components used in products sold to Jasco to ensure they were obtained from permissible sources, and in compliance with all laws and regulations. Vendor may be required to validate and certify to the origin of materials and components and shall maintain sufficient documentation to do so upon request.

## VII. VENDOR CERTIFICATION

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All Vendors will certify whenever requested by Jasco that they have read and agree to comply with this Vendor Code of Conduct by completing the attached form and returning it to the Jasco product manager who is their primary Jasco contact, or by mailing it to the following:

Jasco Products Company LLC  
10 E. Memorial Road  
Oklahoma City, Oklahoma 73114  
Attn: Legal Affairs Department

Jasco will determine the frequency of certification in its sole discretion.

## VIII. COMPLIANCE MONITORING

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All Jasco Vendors must undergo a preproduction audit for compliance with this Code. Once approved and producing products for Jasco, Vendors will undergo an announced annual audit, in addition to unannounced audits and quarterly visits by Jasco representatives. Vendors will also

receive factory visits and social compliance audits by representatives of Jasco's retail customers and companies with whom Jasco licenses international brands used on our products.

Jasco, its customers, brand licensors, and their authorized representatives may also periodically conduct audits and on-site assessments of selected sub-supplier facilities of Vendor's that produce component parts, packaging, or other materials in relation to products Jasco purchases from Vendors.

Jasco will determine the frequency and extent of the assessments and ongoing monitoring in regard to this Code in its sole discretion. Vendors will allow Jasco, its customers, brand licensors, and their authorized representative reasonable and timely access to facilities and relevant records at all times.

Upon reviewing any unsatisfactory audit results, Jasco, in its sole discretion, may terminate its relationship with a Vendor, cancel purchase order(s), return or revoke acceptance of affected goods and/or require corrective action be taken. Vendor shall also be liable for all related damages incurred by Jasco in the event of Code violations or unsatisfactory results of audits conducted by Jasco, its customers, brand licensors and their authorized representatives.

### **Audit Findings: Critical Violations**

Jasco defines critical violations as verifiable findings of slave labor, human trafficking, illegal child labor, illegal prison labor and physical abuse, bribery, or attempted bribery, and falsification of records. In addition, failures to follow local laws in the payment of minimum wage, overtime wage, timely wage payments, and failure to provide rest days may be considered critical violations in certain circumstances.

Vendor must immediately cease any and all use of slave labor, human trafficking, illegal child labor, illegal prison labor and physical abuse, bribery and attempts at bribery. If an audit reveals such a finding, the Vendor shall submit to Jasco, or its authorized third party, a detailed and proactive Corrective Action Plan that will remedy the violation for approval and immediate implementation.

In addition, a Vendor found to have a critical violation may be subject to immediate sanctions by Jasco up to and including chargebacks and deductions, termination of purchase orders or contracts, and restrictions on future business. Jasco also reserves the right to immediately terminate its business relationship with a Vendor upon finding critical violations. The actions taken by Jasco in relation to a critical violation finding are in Jasco's sole and exclusive discretion.

## **Audit Findings: Other Non-Critical Violations**

Audits may identify other violations that include, but are not limited to, verifiable findings of failure to comply with national, local labor, health and safety and/or environmental laws and regulations.

In instances where violations are not considered to be critical, the Vendor must present Jasco with a Corrective Action Plan which includes a reasonable time frame for correcting each issue of concern. Any such Corrective Action Plans shall be approved by Jasco and implemented and completed within a reasonable time period following an audit. If the Vendor does not fulfill all requirements set forth in an approved Corrective Action Plan, Jasco may issue chargebacks and deductions, terminate purchase orders or contracts, and/or restrict future business with Jasco. The actions taken by Jasco in relation to non-critical violations are in Jasco's sole and exclusive discretion.

## **IX. QUESTIONS AND NONCOMPLIANCE REPORTING**

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Any Vendor may direct questions or comments about this Code to the product manager who is their primary Jasco contact. In addition, any violations of this Code may be reported confidentially to Jasco by mailing the report to the following address or calling the telephone number listed:

Jasco Products Company LLC  
10 E. Memorial Road  
Oklahoma City, Oklahoma 73114  
Attn: Legal Affairs Department  
(405)752-0710



**VENDOR CERTIFICATION FORM**

The undersigned Vendor hereby acknowledges receipt of Jasco's Vendor Code of Conduct, that it has read and understands all of its contents, and that it is in compliance with the requirements therein.

The undersigned also represents and warrants to Jasco it remains in compliance with all requirements set forth in Jasco's Vendor Code of Compliance every time it accepts and fulfills a purchase order submitted to it by Jasco.

Agreed, certified, and accepted this \_\_\_\_\_ day of the year \_\_\_\_\_:

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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