

SUPPLIER CODE OF CONDUCT

UPDATED January 2024

Falco Ltd and its subsidiaries and affiliated companies (“FALCO”) is committed to a high standard of ethical conduct, integrity, and sustainability. We expect all our suppliers (“Supplier”) to adhere to a similar standard and to treat workers with dignity and respect, provide safe working conditions, engage in environmentally responsible practices, and act fairly and ethically.

This Supplier Code of Conduct (“Code”) sets forth FALCO’s standards and expectations with respect to key areas of corporate responsibility. Our goal is to work with our suppliers to assure compliance with these requirements. Supplier must also bind its directors, workers, suppliers, agents, and contractors directly supplying goods or services to FALCO to the principles and obligations of this Code.

This Code may be amended from time to time. All updates will be published on the Falco website, so it is recommended that Supplier check back periodically for revisions.

SUPPLIER COMPLIANCE

As a supplier to FALCO, you must comply with all applicable laws and regulations in your countries of operation, the principles set out in this Supplier Code of Conduct, and your contractual obligations to us. When differences arise between the standards set forth herein and legal requirements, the stricter standard shall apply, within the boundaries of applicable law.

FALCO requires a signed representation from Supplier indicating receipt of this Code and compliance with its terms. A Supplier’s failure to comply with this Code will be sufficient grounds for FALCO to terminate its business relationship with the Supplier.

MAIN PRINCIPLES

1. **Honesty and integrity**

Both Parties agree and confirm that, at any time during business negotiation, execution, and performance, they will abide by national and local laws and regulations, this Code, and to be honest and self-disciplined. Supplier further undertakes that no inferior products or false information will be provided to FALCO for the purpose of obtaining business; no counterfeit product(s) will be provided; no product information, technical specifications or production processes will be altered and no products under the agreement will be contracted or subcontracted to any third party without FALCO’s permission.

2. **Labor practices**

FALCO believes all workers in our supply chain deserve a fair and ethical workplace. Supplier must respect fundamental human rights and workers must be treated with dignity and respect.

2.1 Compliance with legislation

Supplier shall adhere to the labor laws and the collective labor agreements in the countries in which they operate.

2.2 Freedom of association and the right to collective bargaining

Supplier shall recognize the right of their employees to associate freely and bargain collectively. Supplier shall ensure workers can engage in such acts without fear of discrimination, intimidation, or harassment.

2.3 Non-Discrimination and harassment

Supplier should recognize and appreciate the existence of different values and cultures. Supplier should commit to provide equal opportunity in employment and shall not discriminate on the basis of age, race, nationality, social or ethnic descent, gender, physical disability, sexual preference, religion, political reference, union membership, or any other status protected by applicable national or local law.

Supplier must operate a zero-tolerance policy for any form of harassment – including sexual harassment – in the workplace, treat all incidents seriously, promptly investigate all allegations of harassment, and fairly and adequately impose disciplinary action up to and including dismissal from employment.

2.4 Working hours

Supplier shall comply with applicable laws regarding working and overtime hours. Except for extraordinary circumstances, Supplier should provide employees with at least one day off following six consecutive work days. Total working hours must be within the allowable limit under applicable law or agreement, but shall not exceed 60 hours per workweek.

2.5 Wages and benefits

Supplier shall meet all legal requirements relating to wages and benefits and pay accurate wages in a timely manner. Further, Supplier shall comply with legal minimum wage laws and regulations and overtime hours must be paid at the legally mandated premium. If there is no legal minimum wage, Supplier must ensure that wages are at least comparable to prevailing industry norms. Supplier shall communicate pay structure and pay periods to all workers.

Supplier may never deduct or threaten to deduct wages as a disciplinary measure.

2.6 Child labor

FALCO is committed to the elimination of child labor and will not engage a Supplier who uses child labor in any of its facilities worldwide. Thus, Supplier shall employ only workers who meet the minimum age required to work in the country where the work is performed, or who are at least 15 years of age, whichever is higher. Supplier may employ juveniles who are older than 15 years of age but are younger than 18 years of age, provided they do not perform work that might jeopardize their health, safety, or morals. Supplier shall not require juvenile workers to work overtime, perform nighttime work, or operate heavy machinery.

2.7 Force labor

Working must be voluntary, and workers must be free to leave work and to terminate their employment status with reasonable notice.

Supplier must not utilize or benefit in any way from forced or compulsory labor, nor utilize factories or subcontractors that force unpaid labor. Forced labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

2.8 Human Trafficking

FALCO is committed to a work environment that is free from human trafficking and slavery. FALCO will not tolerate or condone human trafficking or slavery in any part of our global organization. FALCO employees, subsidiaries, contractors, subcontractors, vendors, suppliers, partners and others through whom FALCO conducts business must avoid complicity in any practice that constitutes trafficking in persons or slavery.

3. Health and Safety

FALCO seeks to work with suppliers that provide a safe, hygienic, and healthy workplace for all of their employees. Supplier should be committed to operate in a safe way and continuously work towards a goal of zero health and safety incidents. Supplier shall provide policies, systems, and trainings to promote health and safety and prevent injury. Furthermore, Supplier shall obtain, keep current, and comply with all required health and safety permits.

3.1 Exposure to hazards

Supplier shall identify and control worker exposure to any hazards, in particular hazardous chemical, biological, and physical agents. Workers exposed to the hazards of physically demanding tasks are to be identified, evaluated, and controlled.

3.2 Occupational injury and health safety

Procedures are to be put in place to prevent, manage, track, and report occupational injury and illness. Supplier must provide reasonable medical treatment, investigate cases and implement corrective actions to eliminate their causes. Supplier must also facilitate return of sick or injured workers to work to the best of its ability.

Supplier must implement a regular machinery maintenance program.

4. Environmental stewardship

Supplier shall provide products and conduct business operations in a way that protects and sustains the environment. At a minimum, Supplier shall comply with all applicable environmental laws and regulations in the jurisdictions in which they operate, including applicable environmental operational and reporting requirements. Supplier should be committed to develop cleaner processes and aim to minimize their impact on the environment by implementing appropriate conservation measures in their operations. Furthermore, Supplier shall strive to protect the communities and environment that surround its facilities.

4.1 Energy, water, and waste management

Plans for waste management and reduction, recycling, energy consumption and conservation, wastewater management and greenhouse gas mitigation policies should be in place.

Supplier shall implement a systematic approach to conserve energy consumption and to identify, control, and reduce wastewater produced by its operations. Supplier shall also identify, reduce, and responsibly dispose of or recycle hazardous and non-hazardous waste.

4.2 Emissions and pollution prevention

Emissions and discharges of pollutants are to be minimized or, if possible, eliminated at the source. Supplier shall conduct routine monitoring of the performance of its air emission and associated control systems.

4.3 Responsible sourcing of minerals

FALCO is committed to use raw materials of legal and sustainable origin. FALCO strives to avoid sourcing “conflict minerals” as they enable human rights abuses and contribute to the financing of armed conflicts. Supplier shall exercise due diligence on relevant minerals in their supply chains. Supplier shall develop particular due diligence policies and management systems in order to identify applicable risks and take appropriate steps to mitigate them.

5. Fair business practices and ethics

Supplier shall uphold the highest standards of fair business practices and ethics.

5.1 Business Integrity

Supplier must uphold fair business standards in advertising, sales, and competition. Supplier shall not engage in any form of corruption, extortion, embezzlement, bribery, falsification of documents, price manipulation, or the like. They shall comply with all applicable anti-corruption laws and regulations and all applicable international anti-corruption conventions.

Supplier is obliged to foster fair and impartial competition and shall not engage in unfair trade practices in violation of antitrust laws.

Supplier shall avoid conflicts of interest in relationships with FALCO employees and shall maintain an unquestionable standard of integrity, which prohibits excessive gifts, meals, entertainment, travel, accommodation or other gratuities to be offered to FALCO employees.

5.2 Protection of intellectual property

FALCO suppliers shall respect and reasonably protect FALCO’s intellectual property rights. Suppliers shall not use the FALCO logo or publish FALCO as a reference customer in their online or printed communication tools without prior written consent from FALCO.

5.3 Confidentiality of information and disclosure of information

Suppliers shall take appropriate steps to protect confidential and proprietary information belonging to FALCO as well as to safeguard customer information.



All business dealings should be transparently performed and accurately reflected in Supplier's business books and records. Information regarding Supplier's business activities, structure, financial situation and performance should be disclosed to FALCO in accordance with applicable regulations.

5.4 Secure business

Supplier shall conduct business in a secure manner. In particular, Supplier should implement reasonable measures for minimizing the exposure of FALCO to security threats such as terrorism, crime, pandemics and/or natural disasters.

6. Management System

Supplier shall establish a management system designed to encourage compliance with this Code and applicable laws and regulations, to identify and mitigate operational risks, and to facilitate continuous improvement. Supplier shall clearly identify the company representatives responsible for ensuring implementation and periodic review of the status of Supplier's management systems.

Supplier shall develop and implement an ongoing process to obtain feedback on processes and practices related to principles of this Code and to poster continuous improvement.

6.1 Documentation and Monitoring

In order to ensure and demonstrate compliance with this Supplier Code of Conduct, Supplier shall keep records of all relevant documentation, **and** provide to us such documentation upon request. FALCO will assess our Supplier's compliance with the requirements of this Code using self-assessments, site visits, and follow up on remediation plans. FALCO will work with its suppliers in addressing gaps identified.

6.2 Corrective actions

Any violations of this Supplier Code of Conduct may jeopardize the Supplier's business relationship with FALCO. FALCO reserves the right to disengage from suppliers that do not meet the requirements of this Supplier Code of Conduct or who cannot provide or commit to an improvement plan.

Revised: January 25, 2024