

CISI Supplier Code of Conduct

A Message to our Suppliers

CISI's sourcing and procurement standards are consistent with our corporate beliefs and values. We view suppliers, licensees, *and* their subcontractors as an integral element of our business success and strive to select supplier who adopt strong ethical standards, conduct their respective operations in a manner that respects the rights of the individuals they employ, and demonstrate careful stewardship of the environment.

As CISI expands its sourcing and marketing activities to meet our customer's needs, we recognise that the selection of source locations and suppliers has an impact on CISI's reputation and brand image. These guidelines allow CISI to appropriately select new suppliers and locations for procurement, as well as identify and resolve potential problems as they arise.

1.1 Workplace standards and practices

CISI expects its suppliers, licensees, and their subcontractors to operate their facilities and conduct employee relations in an ethical manner and to meet the requirements stipulated by law in their respective host countries. This includes, but is not limited to, laws and regulations relating to labour, compensation, work hours, health and safety, and the environment. Other specific guidelines are as follows:

1.2 Employment Practices:

- a) CISI suppliers will never use forced, indentured, or prison labour in the supply of materials, products, or services.
- b) CISI prefers that its suppliers hire no worker under the age of 16. If local regulations stipulate compulsory education up to an age greater than 16, that regulation will apply. Under no circumstances will CISI accept employment of workers under age 14, which is the compulsory education limit in some locales.
- c) All employment must be strictly voluntary. Factories must also respect the workers' right of free association and should not interfere with the legal exercise of the right to free association.
- d) Corporal punishment and physical and mental coercion are prohibited. Every employee shall be treated with respect and dignity.
- e) No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.
- f) Employers must not discriminate in hiring and employment practices on grounds of age, race, gender, national origin, political, or other opinion.

1.3 Compensation:

- a) Suppliers will not pay less than the minimum wage (including trainees) in accordance with local labour laws or the prevailing market rate, whichever is higher. Workers will be fairly compensated to a similar standard for overtime work.
- b) Room and board, transportation, and other benefits will not be deducted from cash compensation in meeting or exceeding local salary standards. Other benefits must meet or exceed local laws and standards.

1.4 Work Hours:

- a) All overtime, as defined by local regulations or practice, will be strictly voluntary and will be duly compensated.
- b) As a normal practice, the maximum number of working hours must not exceed 60 hours per week. Local government regulations will be followed if they require fewer than 60 hours per week.
- c) As a normal practice, workers should receive a minimum of one day off in seven days.

1.5 Health & Safety:

- a) Employers must provide a safe and healthy work environment.
- b) Fire prevention equipment must be accessible (in factory and dormitory facilities), and employers are responsible for conducting fire prevention and evacuation training.
- c) Dormitory housing should provide clean and adequate space for employees with sanitary facilities and water supply. Restrooms should be clean and available for all employees.

1.6 Environment:

- a) All local laws and regulations must be met and operations conducted in a manner that conserves resources.

- b) All waste materials and production by-products should be disposed of properly and in an environmentally responsible manner.
- c) *Violation of the foregoing may result in cancellation by CISI of any purchase order or supply agreements without any liability to CISI or its subsidiaries.*

1.7 Audit Programme

The Audit Programme is structured to allow CISI and suppliers multiple opportunities within a year to review programme requirements, ensure compliance, work on improvements to exceed minimum standards, and openly discuss issues and concerns.

- a) The CISI reserves the right to conduct a factory or site visit to verify that the supplier's premises and conditions meet the expectations set out in the CISI *Supplier Code of Conduct*.
- b) During the visit, mutual expectations will be reviewed and the supplier's signature of compliance with this *Supplier Code of Conduct* will be obtained. This information will be kept on file at CISI and reviewed periodically.
- c) The audit process assumes open and free access to suppliers and their subcontractors at CISI's request, and will be conducted solely at the discretion of CISI.
- d) After the audit is conducted, any areas requiring improvement will be addressed directly with the supplier, resulting in an improvement program. Failure to implement improvement in a timely manner can result in order cancellation by CISI of any purchase orders or supply agreements without any liability to CISI or its subsidiaries.

1.8 Source Location Guidelines

- a) It is incumbent upon CISI to assess not only the need to conduct sourcing operations in the host country, but also to evaluate any inherent risk to our staff or to CISI's reputation and image.
- b) Political, economic, and social unrest should not place CISI employees and agents at excessive risk.
- c) The host country must not - in CISI's view - have an endemic child labour or human rights problem that would transcend our ability to control or positively influence the host country by our presence.
- d) All applicable trade agreements and local laws, including those applicable to importing into the U.K. and other countries, must be followed, as well as adherence to the Bribery Act 2010. Concurrently, CISI employees are not allowed to accept gifts or advantages from any supplier and must sign an adherence statement to this effect.

These guidelines are subject to revision in CISI's continuing effort to improve its sourcing and procurement practices. We ask that you carefully review these guidelines and become familiar with the principles that guide our conduct.