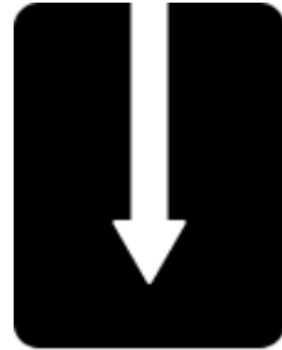




Basketdrop



Basketdrop

Code of Conduct 2023©

Suppliers Handbook





Fresh Food Responsible Sourcing Policy (RSP)

Partnerships based on responsible sourcing strengthen our supply chain and the businesses within it. They help us mitigate risk and build trust among consumers and stakeholders.

We at Basketdrop are looking to reinforce our commitment of working closely with our suppliers towards a long term sustainable and successful future. We look forward to abiding by our responsible sourcing policy to ensure we deliver our business objectives while making a positive social impact to the environment as well as the numerous lives that are a part of our supply chain.

This RSP includes a set of Mandatory Requirements which all our suppliers need to abide by to do business with us. Along with this, we encourage our suppliers to move from the Mandatory Requirements to Good Practice, and onwards to Best Practice – Basketdrop is committed to work with our suppliers on this journey of continuous improvement. We strongly believe that this journey will benefit both Basketdrop and our supplier partners – by helping communities and the environment flourish, we create the right conditions for sustainable business growth.

Fundamental policies

Every aspect of this policy is focused on achieving and upholding the Fundamental Principles, which are both the foundation and vision to realize our responsible business ambitions. As we work with suppliers who share and commit to these Principles, within their own business and across their extended supply chain, we will be able to effect change.


1. Business is conducted lawfully and with integrity

Compliance with Laws

All laws and regulations are complied with in the countries in which the supplier operates. All other applicable international laws and regulations are complied with including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), data protection and antitrust/competition laws.

Bribery

There is a prohibition on any and all forms of bribery, corruption, extortion or embezzlement and there are adequate procedures in place to prevent bribery in all commercial dealings undertaken by the supplier.



Conflicts of Interest; all and any conflict of interest in any business dealings with Basketdrop, of which the supplier is aware, will be declared to Basketdrop to allow Basketdrop the opportunity to take appropriate action. Any ownership or beneficial interest in a supplier's business by a government official, representative of a political party or a Basketdrop worker are declared to Basketdrop prior to any business relationship with Basketdrop being entered into.

Gifts and Hospitality

Any business entertaining or hospitality with Basketdrop is kept reasonable in nature, entirely for the purpose of maintaining good business relations and not intended to influence in any way Basketdrop's decisions about how Basketdrop awards future business. Gift giving should occur sparingly and always be legitimate and aligned with company policies.

Confidential and Competitor Information

All competitor information is obtained and used legitimately and in compliance with all applicable laws and regulations. No attempt is made to divulge to Basketdrop any information about its competitors. Likewise, Basketdrop's confidential information must not be shared with any third party unless expressly permitted by Basketdrop.

Financial Records, Money Laundering and Insider Trading

All business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records. There is no actual or attempted participation in money laundering. No confidential information in the supplier's possession regarding Basketdrop is used to either engage in or support insider trading.

Safeguarding Information and Property

Basketdrop's confidential information, know-how and intellectual property is respected and safeguarded. All information provided by Basketdrop that is not in the public domain is deemed confidential and it is only used for its intended and designated purpose. All and any personal information about individuals, such as Basketdrop's consumers or employees, is handled with full respect for the protection of their privacy and for all relevant privacy laws and regulations.



Product Quality and Responsible Innovation

Products and services are delivered to meet the specifications and quality and safety criteria specified in the relevant contract documents and are safe for their intended use. Research and development are conducted responsibly and based on good clinical practice and generally accepted scientific, technological and ethical principles.

Reporting Concerns and Non-retaliation

All workers (whether directly employed or not) are provided with means by which to raise their concerns about any of these requirements and processes are in place to ensure that workers who raise concerns and speak up in good faith are protected from retaliation.


2. Work is conducted based on freely agreed and documented terms of employment

All workers, both permanent and casual, are provided with employment documents that are freely agreed and which respect their legal and contractual rights.

3. All workers are treated equally and with respect and dignity

All workers are treated with respect and dignity. No worker is subject to any physical, sexual, psychological or verbal harassment, abuse or other form of intimidation. There is no discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement. Discrimination based on race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, defendants, disability, social class, union membership or political views is prevented. In particular, attention is paid to the rights of workers most vulnerable to discrimination.

4. Work is conducted on a voluntary basis



Under no circumstances will a supplier use forced labour, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour or other forms. Mental and physical coercion, slavery and human trafficking are prohibited.

5. All workers are of an appropriate age

Under no circumstances will a supplier employ individuals under the age of 15 or under the local legal minimum age for work or mandatory schooling, whichever is higher. When young workers are employed they must not do work that is mentally, physically, socially or morally dangerous or harmful or interferes with their


6. All workers are paid fair wages

All workers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave which meets or exceeds the legal minimum standards or appropriate prevailing industry standards, whichever is higher, and compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.

7. Working hours for all workers are reasonable

Workers are not required to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. All overtime work by workers is on a voluntary basis.

8. All workers' health and safety are protected at work



The rights of workers to freedom of association and collective bargaining are recognised and respected. Workers are not intimidated or harassed in the exercise of their right to join or refrain from joining any organization. schooling by depriving them of the opportunity to attend school.

9. All workers have access to fair procedures and remedies

A healthy and safe workplace is provided to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the employer's operations.

10. All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively

All workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties which may arise as part of their working relationship.

11. Land rights of communities, including indigenous peoples, will be protected and promoted

The rights and title to property and land of the individual, indigenous people and local communities are respected. All negotiations with regard to their property or land, including the use of and transfers of it, adhere to the principles of free, prior and informed consent, contract transparency and disclosure.

12. Business is conducted in a manner which embraces sustainability and reduces environmental impact

Operations, sourcing, manufacture, distribution of products and the supply of services are conducted with the aim of protecting and preserving the environment.

REPORTING ON BREACHES

Table 1: Remediation of Recruitment Practice Issues

Circumstances	Remediation Actions
Workers abducted, confined during the recruitment process or sold.	Work with law enforcement and local groups especially NGOs to provide victims a safe place to stay and link them to needed services.
Workers recruited through a loan or advance and are working to pay it off.	If the supplier paid the loan or advance, determine whether the terms were reasonable. If not, work out reasonable terms between supplier and worker. If the loan/advance was paid by a labor recruiter, determine whether the supplier had knowledge of the arrangement. If so, work out reasonable terms between supplier, recruiter and worker. If not, require the supplier to discontinue its relationship with the recruiter. Report unscrupulous recruiters to authorities.
Deceptive recruitment: workers promised types of work, working conditions, contract terms, housing or living conditions, job locations, employers or wages/earnings that do not materialize.	If the supplier made a false promise, the supplier should provide all employees who wish to leave their full wages due and transportation home. If the false promises were made by a labor recruiter, determine whether the supplier had knowledge of the arrangement. If so, the supplier is still responsible for the above. If not, require the supplier to discontinue its relationship with the recruiter. Report unscrupulous recruiters to authorities.

Table 2: Remediation of Working and Living Conditions Issues

Circumstances	Remediation Actions
Workers working excessive overtime beyond legal limits.	Ensure that the supplier pays workers back wages for all overtime hours worked. Work with the supplier to evaluate staffing policies and compensation practices, such as piece rates, that are contributing to overtime. Examine your own sourcing practices, including lead times, changes in orders, pricing and other pressures that could necessitate

Table 2: Remediation of Working and Living Conditions Issues

Circumstances	Remediation Actions
	<p>extreme cost-cutting measures on the part of the supplier, including excessive overtime. Ensure that all workers receive training on their rights under the law and the social compliance system.</p>
<p>Workers expected to work “on call”</p>	<p>Work with the supplier to design a more structured staffing plan that meets your code’s requirements. Ensure that all workers receive training on their rights under the law and your code of conduct.</p>
<p>Employer restricts workers’ freedom of movement or communication</p>	<p>Determine who—management, supervisors, shift leaders, etc. —are involved in restricting workers’ freedom of movement or communication and investigate these individuals’ actions. If individuals were acting on their own without management knowledge, take appropriate action with these individuals, which could include training, suspension or termination. If these restrictions came from management, terminate the relationship with the supplier or provide the supplier a short window of time to end all such practices.</p> <p>Further investigate conditions and circumstances at the worksite that management or supervisors may be trying to conceal – including through off-site interviews with workers and other knowledgeable community members. Ensure that all workers receive training on their rights under the law and your code of conduct, including channels for grievances. Ensure that workers who wish to leave the job are able to do so and receive their full wages due.</p>
<p>Degrading living conditions</p>	<p>Ensure that the supplier fully understands your minimum standards for employee housing. Give the supplier a short window of time to remedy all living conditions. Ensure that all workers receive training on their rights under the law and your code of conduct, including housing standards. Ensure that workers who wish to leave the job are able to do so and receive their full wages due.</p> <p>Follow up with an unannounced investigation that includes off-site interviews with workers and other knowledgeable community members. If the living conditions have not improved, terminate the relationship with the supplier – while mitigating the impact of this on the workers.</p>
<p>Workers forced to engage in illicit activities, to work for private home/family or to take addictive drugs</p>	<p>Determine who—management, supervisors, shift leaders, etc. —are involved in restricting workers’ freedom of movement or communication and investigate these individuals’ actions. If individuals were acting on their own without management knowledge, take appropriate action with these individuals, which could include training, suspension or termination. If these restrictions came from management, terminate the relationship with the supplier or provide the supplier a short window of time to end all</p>

Table 2: Remediation of Working and Living Conditions Issues

Circumstances	Remediation Actions
	<p>such practices.</p> <p>Further investigate conditions and circumstances at the worksite that management or supervisors may be trying to conceal—including through off-site interviews with workers and other knowledgeable community members. Ensure that all workers receive training on their rights under the law and your code of conduct, including channels for grievances. Ensure that workers who wish to leave the job are able to do so and receive their full wages due.</p>
<p>Supplier inflates workers' indebtedness</p>	<p>Determine the source of workers' initial debt. If the initial debt was to the supplier, require the supplier to cancel this debt. If the initial debt was to a labor recruiter, investigate whether the supplier had knowledge of the debt arrangement. If so, require the supplier to cancel the debt. If not, require the supplier to terminate its relationship with the recruiter. Report the recruiter to authorities.</p> <p>With respect to the inflation of the debt, require the employer to immediately stop charging any form of interest on the debt. If debt is inflated through purchases from the employer, such as at a canteen, determine whether workers have other options. If purchases at employer-owned stores are the only viable option for workers, work with the supplier to ensure that prices and terms are reasonable.</p> <p>Ensure that workers who wish to leave the job are able to do so and receive their full wages due.</p>
<p>Workers depend on employer for housing, food or other necessities</p>	<p>In some cases, particularly for migrant workers, provision of housing, food and other necessities by the employer may be the best option for all involved. However, the quality of the housing and foods must be examined and if it does not meet minimum standards, work with the supplier to improve quality.</p> <p>Follow up with an unannounced investigation that includes off-site interviews with workers and other knowledgeable community members. If the living/food conditions have not improved, terminate the relationship with the supplier.</p>
<p>Workers have personal dependency on employer</p>	<p>Ensure that all workers receive training on their workplace rights under the law and your code of conduct, regardless of personal relationships.</p>

Table 3: Remediation of "Impossibility of Leaving" Issues


Circumstances	Remediation Actions
Workers do not feel free to resign because of benefits they have received or because employer restrictions	If a supervisor or other individual is leading workers to believe they cannot leave because the supplier has provided training or other benefits, or because of an illegal contractual requirement, require the supplier to take appropriate corrective action against this individual, from training to termination. If workers simply do not understand their rights, provide training to ensure they know when they may resign. Ensure that workers who wish to leave the job are able to do so and receive their full wages due.
Workers feel compelled to stay because they are due wages	Ensure that wages are being computed accurately and that all employees involved in payroll are adequately trained in wage computation. Require the supplier to pay all wages due under local law (for example, if local law requires payment biweekly, require all wages to be paid, at a minimum, through two weeks ago). Ensure that payment schedules are formalized, within legal limits and the limits of your code. Follow up with an unannounced audit. Ensure that workers who wish to leave the job are able to do so and receive their full wages due.
Workers work for an excessive or indefinite amount of time to repay a debt or advance from the employer or recruiter	If the supplier paid the loan or advance, determine whether the terms were reasonable. If not, work out reasonable terms between supplier and worker. If the loan/advance was paid by a labor recruiter, determine whether the supplier had knowledge of the arrangement. If so, work out reasonable terms between supplier, recruiter and worker. If not, require the supplier to discontinue its relationship with the recruiter. Report unscrupulous recruiters to authorities.

Table 4: Remediation of Penalty or Threat Issues

Circumstances	Remediation Actions
Supplier or recruiter has possession of workers' identity or travel documents	Suppliers should never confiscate or take control of workers' identity or travel documents unless it is purely for safekeeping purposes, and then only if workers are able to retrieve their documents promptly upon request. Require the supplier to return all workers' identity documents. If workers prefer that the supplier hold them for safekeeping, ensure that a policy is in place for retrieval of documents and that all workers are aware of the policy. Follow up to check on the issue through an unannounced audit.
Employer restricts workers' communication	See above.
Employer threatens to turn workers in to immigration authorities	In any situation of violence, penalty, intimidation or threat, determine who—management, supervisors, shift leaders, etc.—are involved in these violations. If individuals were acting on their own without management knowledge, take appropriate action with these individuals, which could
Employer perpetrates or	

Table 4: Remediation of Penalty or Threat Issues

Circumstances	Remediation Actions
threatens physical or sexual violence	include training, suspension or termination.
Employer or recruiter threatens to remove privileges like promotion potential, threatens further deterioration in working conditions or threatens to fire workers	If these penalties, threats, etc., were initiated by management or if management was complicit, terminate the relationship with the supplier or provide the supplier a short window of time to end all such practices. Ensure that all workers receive training on their rights under the law and your code of conduct, including channels for grievances. Ensure that workers who wish to leave the job are able to do so and receive their full wages due. Follow up with unannounced audits that include off-site interviews with workers and knowledgeable community members.
Employer or recruiter exploits religious or cultural beliefs of workers	
Employer or recruiter withholds workers' pay or assets or threatens financial penalties	
Employer threatens extra work for uncooperative workers	
Employer uses blackmail to coerce workers	



1. Any failure to comply with this Policy (including any failure by a worker of Basketdrop or anyone acting on behalf of Basketdrop) of which the supplier is aware should be reported to Basketdrop as soon as possible. Failure to do so will be a breach of this RSP.

2. We strongly support a culture of speaking up for both suppliers and their workers without fear of retaliation against those who report actual or suspected breaches.

3. Suppliers, their employees, workers or contractors may report actual or suspected breaches of this RSP to Basketdrop by phone or online. Reports can be submitted confidentially and anonymously (where permitted by law).

4. Basketdrop will investigate any concern raised and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested.

5. If remediation is required, the supplier will devise and inform Basketdrop of their corrective action and implementation plans and timeline to effectively and promptly resolve the breach.



CONTINUOUS IMPROVEMENT GUIDELINES AND TIPS

1. Business is conducted lawfully and with integrity

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

1.1. Procedures to ensure that all applicable laws and regulations are complied with by the supplier and its workers are tailored to the size and risk profile of the business.

1.2. Senior management are engaged and have oversight of the content and implementation of their compliance framework.

1.3. There is a clear commitment to zero tolerance of bribery or corruption in all forms.

1.4. A regular risk assessment is undertaken to identify key compliance risks.


1.5. Clear and effective internal training and/or guidelines are in place to embed a culture of integrity and mitigate key risks, for example; on gifts and hospitality, conflicts of interest, handling competitor information and anti-competitive behaviour. Such guidelines are readily available to the supplier's workers.

1.6. Appropriate due diligence checks are conducted in respect of third party relationships, whether new or ongoing, to ensure they meet equivalent standards.

1.7. Non-compliance by the supplier's workers with any applicable law, regulation or policy is subject to appropriate sanctioning and remedial procedures.

1.8. Financial procedures ensure the proper recording of all financial transactions, and facilitate the identification of any suspected money laundering activities. They ensure that no undisclosed or unrecorded account, fund or asset is established or maintained.

1.9. Procedures and mechanisms are in place to ensure that all confidential information, whether business or product related, is safely stored with limited access rights on a need-to-know basis only.



1.10. Procedures are in place to ensure that any product quality or safety concerns originating from the supplier or its supply chain are notified to Basketdrop without delay.

1.11. As part of a culture of promoting speaking up, there is zero tolerance for retaliation and the anonymity of persons wishing to raise concerns is protected to the extent permitted by law.

ADVANCING TO GOOD PRACTICE

1.12. A Code of Conduct, guidelines, policies and/or training covering each of the elements of this RSP are in place and readily available to workers.

1.13. There are procedures to communicate, monitor and measure the effectiveness of the Code of Conduct, guidelines, policies and/or training.

1.14. Preventive and remedial measures are taken to address adverse impacts that are directly linked to the supplier's operations, products or through business relationships.

1.15. The supplier has in place a code of conduct or responsible sourcing policy for its direct suppliers, consistent with the requirements of this RSP. In addition, there is a process to communicate this to all of its direct suppliers and to monitor compliance by these direct suppliers.

1.16. Suppliers' executive management and leaders are held accountable for compliance and conducting business with integrity, with individual sanctions applied as appropriate to a fair and consistent standard.

1.17. Workers have multiple grievance channels available to them.

1.18. Procedures have been developed to investigate grievances.



ACHIEVING AND MAINTAINING BEST PRACTICE

1.19. Additional steps are taken to continuously improve the effectiveness of relevant policies and processes, in consultation with key stakeholders, and thereby:

- i. ensure all relevant risks of non-compliance with laws are addressed;
- ii. affirm the responsibility for the implementation of such policies by the board of directors or equivalent body;
- iii. extend training to contractors and suppliers as appropriate; and
- iv. enable independent assurance.

1.20. Suppliers' third party business partners are able to raise concerns anonymously.

1.21. The supplier is prepared to take a public position on ethical issues and engage in collective action where appropriate.

2. Work is conducted on the basis of freely agreed and documented terms of employment

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

2.1. The key components of the employer/worker relationship such as hours, overtime, pay, benefits, leave, disciplinary and grievance systems are: (i) freely agreed by both parties; (ii) documented in writing; and (iii) signed by the employer and worker.

2.2. Suppliers shall ensure that the terms and conditions of employment contracts are in a language understood by the worker and are explained verbally if required.

2.3. Changes are agreed in writing by both employer and worker.



ADVANCING TO GOOD PRACTICE

2.4. Key management functions such as hiring, grievances, discipline, promotion and termination have clear policy frameworks, procedures for implementation and trained staff responsible for implementing them. Appropriate documentation is kept.

2.5. These policies and procedures are explained to workers upon hiring and contained in a workers' manual, and workers are trained to understand and use them.

2.6. Ongoing training practices are provided for all categories of workers to raise and broaden their skills to enable them to advance in their employment.

ACHIEVING AND MAINTAINING BEST PRACTICE

2.7. There is a clear and transparent system of worker and management communication that enables workers to consult and have an effective dialogue with management.

2.8. Short-term, casual or agency workers are regularized where the work involved is clearly of a regular nature and is required all year round.

2.9. These employment relation policies and procedures are reviewed periodically and any necessary improvements are made to ensure that all categories of workers, regardless of contract status, have the same rights and entitlements at work. Special attention is paid to short-term, casual and agency workers and to vulnerable groups such as women, migrants, the disabled, legal young workers and interns/trainees to ensure such workers have exactly the same entitlements as full-time local workers.

2.10. The Human Resources function ensures legal compliance throughout the employment relationship and develops, motivates, recognises and rewards workers and engages in social dialogue.

3. All workers are treated equally and with respect and dignity

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

3.1. Policies that prohibit discrimination of any form on the basis of race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, dependants, disability, social class, union membership or political views are in place, and there are procedures to implement them.

3.2. These policies highlight actions to protect the rights of any worker considered vulnerable to discrimination.

3.3. Pregnancy testing or other forms of health screening that might result in discrimination are not tolerated (except when such health tests are mandated under local laws).

ADVANCING TO GOOD PRACTICE

3.4. Selection criteria for all human resource decisions are objective and transparent and controls are in place to prevent arbitrary decisions.


3.5. Staff members responsible for hiring, paying, training, promoting, disciplining and terminating workers are trained to avoid discrimination in the exercise of their duties.

3.6. All workers and their managers are trained to recognise and prevent harassment, abuse and other forms of intimidation.

3.7. Managers, frontline supervisors, production staff, quality controllers and guards are trained to avoid discrimination.

ACHIEVING AND MAINTAINING BEST PRACTICE

3.8. Human Resources records are kept and data analysed to ensure that equality is achieved in practice.



3.9. Regular assessments are conducted and any gaps or shortcomings identified are addressed through an action plan with measurable outcomes.

3.10. Specific and measurable targets for achieving equality between women and men are set and affirmative action is taken to attain them.

3.11. Programmes addressing the needs of the most vulnerable workers, such as flexible time options, child and dependent care, and mentoring programmes are in place.

4. Work is conducted on a voluntary basis

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

4.1. There are hiring policies, procedures and trained staff to ensure that workers are entering into employment freely and equally and that they are never prevented from leaving if they so wish.

4.2. Workers have freedom of movement and are not confined to the supplier's premises, including dormitories or provided housing.

4.3. Workers are not required to surrender their identification papers. Where the retention of identification papers is legally required, arrangements are made to ensure that workers can access their identification papers, are not prevented from leaving the workplace and that their papers are returned immediately upon cessation of employment.

4.4. Workers should not be required to pay a fee in connection with obtaining employment (including migrant workers or recruited workers supplied through an agency). Suppliers should be responsible for payment of all fees and expenses. Workers are not required to pay deposits in relation to their Employment.

ADVANCING TO GOOD PRACTICE

4.5. To the extent possible, workers are hired directly and transparently, or only through recruitment agencies that have developed policies and strategies to combat trafficking and forced labour.

4.6. Voluntary prison labour may be used when prisoners are being rehabilitated or trained in preparation for release and where their terms and conditions of employment are similar to those in the open labour market.

ACHIEVING AND MAINTAINING BEST PRACTICE

4.7. Recruitment of migrants includes full transparency about terms, conditions and any employment costs, and the migrants are informed about the labour laws applicable in the place of work prior to granting their written consent.

4.8. Policies, procedures and training are regularly reviewed to ensure that they are effective in preventing forced labour.

5. ALL WORKERS ARE OF AN APPROPRIATE AGE

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

5.1. An employment policy is in place specifying the minimum age for employment, together with effective procedures and means of age verification to implement this policy.

5.2. Responsible remedial measures are immediately implemented whenever any breach of that policy is identified.

5.3. In all circumstances the health and safety of young workers are considered and protected. This protection should preclude them from certain types of work such as hazardous or night work and requires extra care and commitment.

5.4. The goals and requirements set out in the International Labour Organization Worst Forms of Child Labour Convention are met.

5.5. The goals and requirements set out in the International Labour Organization Minimum Age Convention are met, including those regarding minimum age, appropriate types of work for young workers, hours of work, health and education concerns.

5.6. Policies clearly state that individuals under the age of 15 are not allowed on work premises where hazards may exist.



ADVANCING TO GOOD PRACTICE

5.7. All relevant supervisors are trained to respect the provisions for young workers, apprentices and interns, especially with respect to hours of work, night shifts, weekend work and heavy or dangerous work.

5.8. Periodic health screening of juvenile workers, apprentices and interns is Provided.

ACHIEVING AND MAINTAINING BEST PRACTICE

5.9. For any adverse impact on children's rights beyond those stipulated by law (such as but not limited to children's rights to care, protection, education and development) which are caused or contributed to by the supplier directly or indirectly through labour agencies, remedial action shall be provided by the supplier, through legitimate processes, or the supplier shall co-operate with such action.

5.10. The effectiveness of the supplier's system is regularly monitored to prevent the hiring of minors and to check the adequacy of efforts to protect children's rights.

IMPLEMENTATION TIPS

- Age verification for job applicants is an important step in ensuring that you do not hire under-age workers. Document your process.
- Extra care should be taken when hiring legally authorised young workers. Your policies, procedures and training both for workers and management should comprehend the additional steps needed to safeguard young workers.
- When hiring young workers, keep in mind the impact of their working on family life, education and social development. Periodically evaluate the impact and address issues.

6. All workers are paid fair wages

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

6.1. Workers receive a payslip for each pay period, clearly indicating the components of the compensation, including exact amounts for wages, benefits, incentives/bonuses and any deductions.

6.2. Wages are paid on time and in full.

6.3. All work is compensated according to at least the legal minimum standards or the appropriate prevailing industry standards, whichever is the higher, including that of interns/students receiving academic credit for their work.

6.4. All legally mandated deductions, such as taxes or social insurance, are deposited each pay period to the legally stipulated accounts or agencies and as required by law.

6.5. Other than legally mandated deductions, all other deductions from wages are made only with the express and written consent of the workers.

6.6. Migrant workers' remittances are authorised in writing.

ADVANCING TO GOOD PRACTICE

6.7. There is a system of periodic assessment in place to ensure equal pay for equal work.

6.8. There is a living wage approach to fair compensation which encompasses a system to periodically assess that wages are sufficient to meet the basic needs of the worker and to provide some discretionary income.

ACHIEVING AND MAINTAINING BEST PRACTICE

6.9. A best practice fair compensation system is in place for all workers. This system categorizes workers according to qualifications, skill and experience; recognises and rewards them for performance through wage and non-wage benefits/incentives; regularly assesses and adjusts their pay according to the cost of living, basic needs, discretionary income, relevant market benchmarks and enterprise performance; and engages in regular social dialogue on compensation questions.

IMPLEMENTATION TIPS

- Your compensation system should be transparent to your workers. All workers should receive a physical or electronic payslip. The payslip should detail all elements of compensation including hours worked, benefits received and deductions made. Provide sufficient training so that workers understand their compensation. Ensure that all deductions are understood and agreed to by the worker.
- Periodically evaluate how the wage you are providing meets the needs of workers. Where you find gaps, address the shortfalls.

- Overtime should not be a method for addressing inadequate wages.
- Adjust wages to reflect changes in the cost of living, worker and company performance.

7. Working hours for all workers are reasonable

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

7.1. Clear policies are implemented regarding regular and overtime hours of work, with defined procedures for deciding on overtime and securing worker Consent.

7.2. In the absence of law, the supplier will over time implement steps to meet the goals and requirements set out in the International Labour Organization Convention on hours of work and overtime so that the regular working week does not exceed 48 hours and other than in exceptional circumstances, the sum of regular and overtime hours in a week does not exceed 60 hours. Where the sum of regular and overtime hours in a week exceeds 60 hours under normal conditions, a plan to implement a step-wise and sustainable reduction toward this goal must be in place.

7.3. Workers are entitled to at least 24 consecutive hours of rest in every seven-day period. If workers are required to work on a rest day due to a genuine need for continuity of production or service, workers must receive an equivalent period of compensatory rest immediately following.

7.4. If the employment contract allows for contractual overtime, workers expressly agree to it. All overtime work by workers is on a voluntary basis.

7.5. All overtime work is paid at least to the rate defined by law.

ADVANCING TO GOOD PRACTICE

7.6. The goals and requirements set out in the International Labour Organization Convention on hours of work and overtime are met so that the regular working week does not exceed 48 hours, and overtime does not exceed 12 hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week does not exceed 60 hours.

7.7. All overtime work is paid at the appropriate premium rate according to law or to prevailing industry standards, whichever is the higher, and there is an effective mechanism to monitor hours of work.

7.8. Peak periods are planned in such a way as to avoid excessive overtime. Overtime is not used for extended periods as a means of making up for labour shortages or increased order volumes.

7.9. If sufficient workers cannot be hired, new working time arrangements are explored to ensure that overtime is the exception rather than the rule.

ACHIEVING AND MAINTAINING BEST PRACTICE

7.10. Work-study, costing and scheduling systems are in place that plan production in such a way as to avoid overtime, except in exceptional circumstances.

7.11. Working time arrangements allow for a work–life balance.

IMPLEMENTATION TIPS

- Overtime should be used as an exception, and not the standard way you run your business.
- Document overtime and the workers' expressed acceptance.
- Anticipate possible issues that would result in overtime, such as machine downtime, late supplier deliveries, change to customer orders, absent workers and increases in volume. For each issue, have a plan to minimise overtime.
- Exceptional circumstances (with reference to 7.2) could include for example: peaks in seasonal production, fulfilment of exceptional production orders, or when recovering production after a strike, machinery broke down, or when there has been no electricity for a few hours or days.

8. All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

8.1. Clear policies, procedures and training of workers and managers to ensure freedom of association in day-to-day operations are in place.

8.2. Managers, supervisors and guards are trained to respect each worker's right to associate freely.

8.3. Collective bargaining negotiations are entered into when requested by legally recognised representative agents and collective agreements concluded.

8.4. Workers know and understand their rights and feel confident to exercise them, and that no other worker or manager will impede them in the enjoyment of that right.

ADVANCING TO GOOD PRACTICE

8.5. Policies covering hiring, discipline, promotion, wages, hours, grievances and termination all clarify that a worker's choice to form or join a trade union will not compromise their equal treatment at work.

8.6. Clear rules governing the activities of recognised trade unions in the workplace are in place.

8.7. The goals and requirements set out in the International Labour Organization Convention on freedom of association and collective bargaining are met. 8.8. Social dialogue on all aspects of work is established with workers.

IMPLEMENTATION TIPS

- Develop policies and procedures that demonstrate a worker's right to freely associate and to collectively bargain. Train workers to respect that freedom.
- Ensure that your policies on hiring, promotion and termination do not inhibit freedom of association, trade union membership or associated activities.
- Ensure the effective implementation of legally binding collective bargaining agreements.

9. All workers' health and safety are protected at work

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

9.1. Clear and effective policies and procedures are in place for occupational health and safety and are updated periodically.

9.2. Occupational health and safety policies and procedures are widely Communicated.

9.3. Ongoing safety training is provided to all personnel, including managers, supervisors, workers and security guards.

9.4. All workers and other people who enter business premises are properly with adequate knowledge and personal protective equipment to avoid such dangers.

9.5. All personnel who enter the premises or deal with products are properly informed about the appropriate actions to take should a health and safety incident occur.

ADVANCING TO GOOD PRACTICE

9.6. Occupational health and safety policies and procedures are included in the workers' manual.

9.7. The structural integrity and fire safety of worksites are specifically assessed and updated periodically.

9.8. Occupational health and safety committees are created and their roles are clearly understood by all workers and managers.

ACHIEVING AND MAINTAINING BEST PRACTICE

9.9. Regular assessments are conducted to ensure the meaningful operation of the health and safety committees.

9.10. Risk assessments are conducted regularly and systems updated to reflect the changing risk profile of the workplace.

9.11. Regular assessments are conducted of the risk to the surrounding ecosystem of exposure to hazardous substances and steps are taken to manage any risks identified.


IMPLEMENTATION TIPS

- Test the effectiveness of your plan regularly through drills, safety talks and safety walks, using any means necessary to make it work. Regularly evaluate your operations for safety issues, including company-provided worker housing and equipment.
- Appoint a senior member of management to administer and oversee your safety plan.
- Conduct training on all elements of the safety plan to ensure your workers understand and obey your safety rules.
- Conduct regular training on all elements of safety that are relevant to your operations. Examples might include: fire and electrical safety, confined space, hazardous chemicals and the use of personal protective equipment.
- Incentivise your workers to adopt and maintain good health and safety practices.
- Assess the potential impact of your activity on workers and the community and take steps to mitigate or avoid any negative impact.
- Develop a detailed safety plan. Your plan should include safety relevant to your operations. Build safety incident and accident reduction targets into your plan.

10. All workers have access to fair procedures and remedies

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

10.1. Procedures (i) provide effective, accessible channels for workers to complain, make suggestions and lodge grievances; and (ii) require the matter to be fully investigated and result in swift, unbiased and fair resolution.



10.2. Grievance mechanisms channels are widely communicated and guarantee the confidentiality of any complainant (if so desired) and prohibit retaliation.

ADVANCING TO GOOD PRACTICE

10.3. Grievance mechanisms are included in the workers' manual.

10.4. All workers and managers are trained on the policy and procedures for the handling of complaints and grievances. Workers are confident that any complaint is handled objectively and fairly.

10.5. Specific measures exist to protect complainants against victimisation. All managers are trained to avoid recriminations.

10.6. Remedies are timely and open to appeal.

ACHIEVING AND MAINTAINING BEST PRACTICE

10.7. Data on the receipt and handling of grievances is maintained and analysed to ensure the efficacy of the grievance mechanisms.

10.8. Where there are recognised trade unions, the role of shop stewards and union officials in handling the grievances of their members is clearly specified.

10.9. Distinct procedures managed by trained personnel are available for cases involving sexual harassment or assault. Those procedures take account of the potential trauma and risks involved and make provision for counselling and other support to victims, as needed.

IMPLEMENTATION TIPS

- Provide adequate and confidential channels for workers to express grievances and make suggestions. Make sure that workers are familiar with how to report and process grievances.
- Having multiple ways for workers to express issues or items of concern is recommended (Suggestion Boxes are not considered particularly effective grievance tools). Additionally, all mechanisms should be administered so that workers feel free to use them and have no concerns about retaliation.
- View grievances positively – they are part of every business. Be open to constructive challenges and use them as a powerful feedback loop.
- Train staff in the soft skills (how to talk to people, show empathy, concern, etc) to avoid grievances.
- Document investigation and resolution of grievances.

- Encourage submission of suggestions and highlight adoption and implementation.

11. Land rights of communities, including indigenous peoples, will be protected and promoted

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

11.1. A zero land grabbing policy is implemented.

11.2. Where applicable, due diligence is undertaken to uphold individual or indigenous peoples' established rights to property and land.

11.3. Where applicable, periodic training on Free, Prior and Informed Consent (FPIC) is provided to all relevant staff members.

11.4. There is zero tolerance of land grabbing within the supply chain and this is stated in the suppliers' code of conduct (or equivalent).

ADVANCING TO GOOD PRACTICE

11.5. A system for due diligence is in place to uncover and disclose risks and impacts to communities related to land issues.

11.6. The right of women to land ownership and access to land is recognised.

ACHIEVING AND MAINTAINING BEST PRACTICE

11.7. Impact assessments are conducted with full participation of affected communities and published in a format and language accessible to those affected communities. The assessment data is disaggregated by gender, national origin, tribe or caste.

11.8. A public commitment is made to actively support responsible agricultural investments, the UN Voluntary Guidelines on the Responsible Governance of Tenure and full traceability.

IMPLEMENTATION TIPS

- Land rights are relevant where land for your business needs to be acquired, leased or used.
- Ensure individuals responsible for land acquisition, or land use changes, fully understand the impact of those changes and can demonstrate proper land title and contract transparency through assessment outcomes.
- As a responsible business, make certain you know what action to take and who needs to be consulted to ensure legal, environmental and social requirements are assessed and managed where relevant.

12. Business is conducted in a manner which embraces sustainability and reduces environmental impact

GUIDELINES TOWARDS IMPLEMENTATION OF MANDATORY REQUIREMENTS

12.1. All necessary current and valid legal permits are held for its operations.

12.2. Training is provided to all relevant personnel to ensure knowledge of and compliance with all necessary legal permits.

12.3. Environmental management policies and procedures are in place regarding water, energy, hazardous materials, air quality and emissions, deforestation, waste and other significant risks.

ADVANCING TO GOOD PRACTICE

12.4. Training is provided to all personnel on environmental policies and procedures to ensure effective implementation and compliance.

12.5. Transparency is ensured on environmental performance.

ACHIEVING AND MAINTAINING BEST PRACTICE

12.6. Sustainability practices are embedded across the supplier's operations and activities which aim to (i) reduce the generation of waste and achieve zero landfill; (ii) reduce greenhouse gas emissions and achieve carbon neutral solutions; (iii) reduce the consumption of water; (v) protect and enhance nature and biodiversity; and (vi) halt deforestation.

12.7. A systematic review of the supplier's sustainability practices and environmental management systems is undertaken regularly with support from experienced conservationists and with the involvement of local communities to determine whether appropriate policies and procedures are in place and are functioning to achieve the aims outlined in this topic.



IMPLEMENTATION TIPS

- Have a business plan that includes clear environmental performance targets.
- Ensure workers responsible for assessment and implementation of your environmental targets fully understand all the minimum requirements of local, national and international law related to environmental standards.
- Your company should have valid relevant permits for use and disposal of resources.
- Exhibit leadership by making a public commitment of your environmental targets and results. Promote awareness of the environmental impact of your site and its processes.
- Work to continuously improve your environmental performance in collaboration with internal and external stakeholders.

Basketdrop Supplier Code of Conduct

Basketdrop Ltd. is committed to respecting the highest standards of labour, human rights, environmental, and ethical conduct. Basketdrop's suppliers are required to provide safe working conditions, treat workers with dignity and respect, act fairly and ethically, and use environmentally responsible practices wherever they make products or perform services for Basketdrop. Basketdrop requires its suppliers to operate in accordance with the principles and requirements, as applicable, in this Basketdrop Supplier Code of Conduct ("Code"), and in full compliance with all Applicable Laws and Regulations.


Our Principle The Code is based on internationally-recognized human rights, as set out in the United Nations' International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Basketdrop is deeply committed to respecting human rights as laid out in our company-wide Human Rights Policy and our approach is based on the UN Guiding Principles for Business and Human Rights (UNGPs).

In keeping with the UNGP framework, where national law and international human rights standards differ, we follow the higher standard. Where they are in conflict, we respect national law, while seeking to respect the principles of internationally-recognized human rights.

In addition, where national law and Basketdrop's strict environmental, health and safety standards differ, we follow the higher standard. Where national law and Basketdrop's high standards are in conflict, we respect national law while seeking to honour the higher standard.

Basketdrop will assess its suppliers' compliance with this Code, and any violations of this Code may jeopardize a supplier's business relationship with Basketdrop up to and including termination. This Code applies to Basketdrop suppliers and their subsidiaries and affiliates, as well as any subcontractors and sub-tier suppliers (each a "Supplier") providing goods or services to Basketdrop or for use in or with Basketdrop products. Additionally, Basketdrop maintains detailed standards ("Standards") that explicitly define our expectations for compliance with this Code by Suppliers.

Labour and Human Rights Basketdrop believes all workers in our supply chain deserve a fair and ethical workplace. Workers must be treated with the utmost dignity and respect, and Basketdrop Suppliers shall uphold the highest standards of human rights. **Anti-Discrimination** Supplier shall not discriminate against any Worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law, in hiring and other employment practices. Supplier shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety and shall not improperly discriminate based on test results.



Anti-Harassment and Abuse Supplier shall commit to a workplace free of harassment and abuse. Supplier shall not threaten Workers with, or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

Prevention Involuntary Labour and Human Trafficking Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labour. Involuntary labour includes the transportation, harbouring, 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 their exploitation. Supplier shall not withhold Workers' original government-issued identification and travel documents. Supplier shall ensure that Workers' contracts clearly convey the conditions of employment in a language understood by the Workers. Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities. Workers shall not be required to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment. If such fees are found to have been paid by Workers, such fees shall be repaid to the worker.

Third Party Employment Agencies Supplier shall ensure that the Third Party Employment Agencies it uses are compliant with the provisions of this Code and the law.


Prevention of Underage Labour Supplier shall employ only Workers who are at least 15 years of age, the applicable minimum legal age for employment, or the applicable age for completion of compulsory education, whichever is highest. Supplier may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

Juvenile Worker Protections Supplier may employ juveniles who are older than the applicable legal minimum age but are younger than 18 years of age, provided they do not perform work that might jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138. Supplier shall not require juvenile workers to work overtime or perform night-time work.

Educational Program Management Supplier shall ensure proper management of student programs at Supplier's facilities through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with Applicable Laws and Regulations. Supplier shall provide appropriate support and training to all such students at Supplier facilities.

Working Hours A workweek shall be restricted to 60 hours, including overtime, and Workers shall have at least 1 day off every 7 days except in emergencies or unusual situations. Regular workweeks shall not exceed 48 hours. Supplier shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

Wages and Benefits Supplier shall pay at least the minimum wage and provide any benefits required by law and/or contract. Supplier shall compensate Workers for overtime hours at the legal premium rate. Supplier



shall communicate pay structure and pay periods to all Workers. Supplier shall meet all legal requirements relating to wages and benefits, pay accurate wages in a timely manner, and shall not use wage deductions as a disciplinary measure. All use of temporary and outsourced labour shall be within the limits of the local law.

Freedom of Association and Collective Bargaining Supplier shall freely allow Workers' lawful rights to associate with others, form and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment.

Grievance Management Supplier shall ensure that workers have an effective mechanism to report grievances and that facilitates open communication between management and workers.

Health and Safety Worker health, safety, and well-being is important to Basketdrop. Supplier shall provide and maintain a safe work environment and integrate sound health and safety management practices into its business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

Health and Safety Permits Supplier shall obtain, keep current, and comply with all required health and safety permits.

Occupational Health and Safety Management Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Chemical Management Supplier shall develop and implement a program to take reasonable steps to prevent adverse impacts to people and planet arising from processes and operations of chemicals. Supplier shall comply with Basketdrop's Regulated Substances Specifications for all goods it manufactures for, or provides to, Basketdrop.

Emergency Preparedness and Response Supplier shall identify and assess potential emergency situations. For each situation, Supplier shall develop and implement emergency plans and response procedures that will minimize harm to life, environment, and property.

Infectious Disease Preparedness and Response Supplier shall develop and implement a program to take reasonable steps to prepare for, prevent, and respond to the potential for an infectious disease among its employees.

Incident Management Supplier shall have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports. Supplier shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

Working and Living Conditions Supplier shall provide workers with reasonably accessible and clean toilet facilities, as well as potable water. Supplier-provided dining, food preparation, and storage facilities shall be



sanitary. Worker dormitories provided by Supplier or a Third Party shall be clean, safe, and provide reasonable living space.

Health and Safety Communication Supplier shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

Environment Basketdrop is committed to protecting the environment, and environmental responsibility is at the core of how we operate. Supplier shall develop, implement, and maintain environmentally responsible business practices.

Environmental Permits and Reporting Supplier shall obtain, keep current, and comply with all required environmental permits. Supplier shall comply with the reporting requirements of applicable permits and regulations.

Regulated Substances Supplier shall comply with Basketdrop's Regulated Substances Specifications for all goods it manufactures for, or provides to, Basketdrop.

Solid Waste Management Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle Hazardous Waste and non-Hazardous waste.


Water and Wastewater Management Supplier shall implement a systematic approach to identify, control, and reduce wastewater produced by its operations. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems.

Stormwater Management Supplier shall implement a systematic approach to prevent contamination of Stormwater runoff. Supplier shall prevent illegal discharges and spills from entering storm drains, the public water supply, or public bodies of water.

Air Emissions Management Supplier shall identify, manage, reduce, and responsibly control Air Emissions emanating from its operations that pose a hazard to the environment. Supplier shall conduct routine monitoring of the performance of its Air Emission control systems.

Greenhouse Gas Emissions Management Supplier shall identify, manage, reduce, and responsibly control Greenhouse Gas (GHG) emissions from its operations. Supplier shall regularly quantify, set targets, monitor progress, and reduce its emissions of Greenhouse Gases through conservation, use of clean energy, or other measures.

Boundary Noise Management Supplier shall identify, control, monitor, and reduce noise generated by the facility that affects boundary noise levels.



Resource Consumption Management Supplier shall regularly quantify, set targets, monitor progress, and reduce consumption of fossil fuel, water, Hazardous Substances, and natural resources through conservation, re-use, recycling, substitution, or other measures.

Ethics Basketdrop expects the highest standards of ethical conduct in all of our endeavours. Supplier shall always be ethical in every aspect of its business, including relationships, practices, sourcing, and operations.

Responsible Sourcing of Materials Supplier shall exercise due diligence on relevant materials 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. Due diligence shall be conducted down to the material processing level in order to determine whether Relevant Materials originate from High risk Regions, which include areas associated with conflict, the worst forms of child labour, forced labour and human trafficking, gross human rights violations such as widespread sexual violence, or other reasonably objective high-risk activities, including severe health and safety risks, as well as negative environmental impacts.


Business Integrity Supplier shall not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions. Supplier shall have a policy relating to business with Basketdrop that prohibits the giving and acceptance of gifts. Gifts include items such as cash or cash equivalents including entertainment, gift cards, product discounts, and non-business activities. Supplier shall have a process to investigate and report any violations of the policy.

Disclosure of Information Supplier shall accurately record information regarding its business activities, labour, health and safety, and environmental practices and shall disclose such information, without falsification or misrepresentation to all appropriate parties and as required by law.

Protection of Intellectual Property Supplier shall respect intellectual property rights and safeguard customer information. Supplier shall manage technology and know-how in a manner that protects intellectual property rights.

Privacy and Data Protection Supplier acknowledges that Basketdrop considers privacy to be a fundamental human right, and shall have processes and practices in place to secure and protect personal data. Supplier shall comply with all privacy, data protection, and cybersecurity laws that are applicable to Basketdrop or Supplier.

Information Security Supplier shall maintain a security program in accordance with Basketdrop's Information Security and Data Privacy requirements, which is inclusive of technical and organizational measures to prevent misuse, compromise, loss, alteration or unauthorized disclosure, acquisition of, or access to, confidential proprietary or protected information.



Whistle-blower Protection and Anonymous Complaints Supplier shall provide an anonymous complaint mechanism for managers and Workers to report workplace grievances. Supplier shall protect whistle-blower confidentiality and prohibit retaliation.

Community Engagement Supplier is encouraged to help foster social and economic development and to contribute to the sustainability of the communities in which it operates.

Company Statement Supplier shall develop a company statement affirming its commitment to high standards of social and environmental responsibility, ethical conduct, and continuous improvement. Supplier shall post this statement in the primary local language at all of its facilities.

Management Accountability and Responsibility Supplier shall identify company representatives responsible for ensuring implementation and periodic review of its management systems. Supplier shall have a Corporate Social Responsibility (CSR) or Sustainability representative that reports directly to executive management with the responsibility and authority to manage social and environmental compliance requirements for the business.


Risk Assessment and Management Supplier shall develop and maintain a process to identify labour and human rights, health and safety, environmental, business ethics, and legal compliance risks associated with its operations. Supplier shall determine the relative significance of each risk; and implement appropriate procedures and controls to minimize the identified risks.

Performance Objectives with Implementation Plans and Measures Supplier shall have written standards, performance objectives, targets, and implementation plans, including periodic assessments of the performance against those objectives.

Audits and Assessments Supplier shall perform periodic evaluations of its facilities and operations, and the facilities and operations of its subcontractors and sub-tier suppliers that provide goods or services to Basketdrop to ensure compliance with this Code and the law. Supplier will permit Basketdrop, or a third party designated by Basketdrop to periodically evaluate Supplier's facilities and operations, , and those of its subcontractors and sub-tier suppliers providing goods or services to Basketdrop, for Basketdrop's benefit, or for use in Basketdrop products, to assess Supplier's compliance with the applicable principles and requirements of the Code. Supplier shall not have manufacturing operations in, recruit labour directly or indirectly from, or source materials, products, or services directly or indirectly from, regions where Basketdrop and Third Parties cannot access and conduct a comprehensive, independent evaluation of Supplier's compliance with this Code.

Documentation and Records Suppliers shall maintain appropriate documents and records to ensure regulatory compliance.

Training and Communication Supplier shall develop and maintain management and Worker training programs to facilitate proper implementation of its policies and procedures and to fulfil Supplier's continuous



improvement objectives. Supplier shall have a process for communicating clear and accurate information about its performance, practices, policies, and expectations to its Workers, sub-tier supplier(s), and subcontractors. Supplier shall have an ongoing process to obtain feedback on its practices related to this Code and to foster continuous improvement.

Corrective Action Process Supplier shall have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.



Basketdrop Supplier Responsibility Standards

The following standards (each a “Standard”; collectively, “Standards”) supplement the Basketdrop Supplier Code of Conduct (“Code”) by providing additional clarity regarding Basketdrop’s requirements (as applicable). The principles and requirements of the Code are incorporated into these Standards and these Standards shall govern and be deemed to modify the Code if there are any conflicting provisions.

These Standards apply to Basketdrop suppliers and their subsidiaries and affiliates, as well as subcontractors and sub-tier suppliers (each a “Supplier”) providing goods or services to Basketdrop or for use in or with Basketdrop products.

The Code and Standards are based on internationally-recognized human rights, as set out in the United Nations’ International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Basketdrop is deeply committed to respecting human rights as laid out in our company-wide Human Rights Policy, and our approach is based on the UN Guiding Principles for Business and Human Rights (UNGPs).

In keeping with the UNGP framework, where national law and international human rights standards differ, we follow the higher standard. Where they are in conflict, we respect national law, while seeking to respect the principles of internationally recognized human rights.

In addition, where national law and Basketdrop’s strict labour and human rights, environmental, health and safety standards differ, we follow the higher standard. Where national law and Basketdrop’s high standards are in conflict, we respect national law while seeking to honour the higher standard.

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Anti-Discrimination

Supplier Code of Conduct Requirements Supplier shall not Discriminate against any Worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law, in hiring and other employment practices. Supplier shall not require pregnancy or Medical Tests, except where required by Applicable Laws and Regulations or Prudent for Workplace Safety, and shall not improperly Discriminate based on test results.

Supplier Responsibility Standards

1. Policy & Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy against **Discrimination** that complies with this Standard, Applicable Laws and Regulations, the Code and all other relevant applicable standards. The policy must clearly state that:

- Supplier shall not Discriminate against any **Worker** based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, marital status, or gender identity in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination, unless prohibited by law.
- Supplier shall not require pregnancy or **Medical Tests**, except where required by **Applicable Laws and Regulations** or **Prudent for Workplace Safety**, and shall not improperly discriminate based on test results.
- No Worker will be punished or retaliated against for reporting Discriminatory practices. Supplier shall have written procedures and systems to implement its anti-Discrimination policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the anti-Discrimination policy and procedures.

1.3 Risk Management Supplier shall identify and comply with anti-Discrimination requirements specified in Applicable Laws and Regulations, as well as this Standard. Supplier shall identify, assess, minimize, and eliminate Discrimination.

2. Operational Practice

2.1 Anti-Discrimination Unless prohibited by law, Supplier shall not Discriminate against any Worker based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, marital status, or gender identity in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination. Workers shall be provided with reasonable accommodation for religious practices. Supplier shall ensure that there is no Discrimination in compensation based on the characteristics listed above. Recruitment and employment policies and practices, including but not limited to job advertisements, job

descriptions, job application forms and job performance/evaluation policies and practices, shall be free from any type of Discriminatory bias.

2.2 Pregnancy and Nursing Mothers Anti-Discrimination Supplier shall comply with all Applicable Laws and Regulations regarding pregnancy and postnatal employment protections, benefits, and pay. Supplier shall make reasonable accommodations for nursing mothers unless prohibited by Applicable Laws and Regulations. Supplier shall not (i) refuse to hire an applicant for a non-**Hazardous** position or (ii) terminate a Worker's employment solely based on the Worker's pregnancy or nursing status. Supplier shall not prohibit female Workers from becoming pregnant nor threaten female Workers with adverse employment consequences, including dismissal, loss of seniority, or deduction of wages, in order to discourage them from becoming pregnant.

2.3 Medical Anti-Discrimination Supplier shall not, on the basis of a person's Medical Status, make any employment decisions that negatively affect the person's employment status unless such decision is dictated by the inherent requirements of the job or is Prudent for Workplace Safety. Supplier shall not Discriminate against a Worker in eligibility for another position based on the Worker's refusal to take a Medical Test where there is no

Required Medical Test for such position. Supplier shall make reasonable efforts to accommodate Workers with chronic illnesses, which may include rearranging working time, providing special equipment, opportunities for rest breaks, time for medical appointments, flexible sick leave, part-time work, and return-to-work arrangements.

2.4 Pregnancy and Medical Testing Supplier shall not require pregnancy tests or Medical Tests, including but not limited to Hepatitis B or HIV, either as a condition for employment or as a requirement for continued employment. Pregnancy tests or Medical Tests are allowed only if each of the following conditions are met:

- Applicable Laws and Regulations require the pregnancy test or the Medical Test is determined (in writing) by a **Qualified Health Professional** to be required as a safety measure prior to working in a particular environment and the Worker is specifically assigned to work in that particular environment.
- The cost of the Medical Test is paid by the Supplier.
- The Worker receives clear communication regarding the purpose of the test and the specifics of what will be tested.
- The Worker provides affirmative written consent to the test.
- The original report of results should be provided to and allowed to be retained by the worker. Suppliers should not retain copies of the report, unless required by law.

2.5 Worker Protections

Supplier shall identify (in writing) the jobs for which applicable law or workplace safety requires Workers to take a pregnancy test or Medical Test. Workers refusing to take a required Medical Test or pregnancy test will not be eligible for these jobs. Supplier shall provide documentary evidence that any Medical Test or other test it requires Workers to take is otherwise required by law or has been properly determined by a Qualified Health Professional to be Prudent for Workplace Safety. Supplier shall identify positions deemed Hazardous for pregnant Workers, nursing Workers, or Workers with a medical condition. At a minimum, these must be communicated to persons responsible for recruitment, allocation of tasks, and the Worker before the Worker begins to work at that position. Supplier shall take reasonable measures to ensure the safety and health of pregnant Workers, nursing Workers, and Workers with a medical condition, including elimination of workplace health and safety risks to such Workers and accommodating such Workers in a non-Hazardous position.

3. Training and Communication

3.1 Responsible Staff Supplier shall provide comprehensive training to any person involved in activities that may be associated with Discrimination risks.

3.2 Workers, Supervisors, and Managers Supplier shall effectively communicate its anti-Discrimination policy to all Workers, supervisors, and managers. This communication shall include information about Hazardous jobs, workplace accommodations for non-Hazardous positions, and voluntary Medical Testing. The communication or training shall be provided during the initial orientation period and reinforced via refresher training on a regular basis.

4. Documentation Confidentiality of all pregnancy and medical records shall be maintained in accordance with Applicable Laws and Regulations. Supplier shall retain documentation related to anti-Discrimination. All documentation shall be made available to Basketdrop for review upon its request, and such documentation shall be complete, accurate, and up to date.

Anti-Harassment and Abuse

Supplier Code of Conduct Requirements Supplier shall commit to a Workplace free of

Harassment and abuse. Supplier shall not threaten Workers with or subject them to harsh or inhumane treatment, including but not limited to Verbal Abuse and Harassment, Psychological Harassment, mental and physical coercion, and Sexual Harassment.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy against Harassment and abuse that complies with this Standard,

Applicable Laws and Regulations, the Code, and all other relevant applicable standards. The policy shall at a minimum include each of the following:

- A clear definition of what constitutes Sexual Harassment
 - A statement prohibiting Harassment and abuse consistent with this Standard and Applicable Laws and Regulations
 - Description of method(s) for reporting internal grievances/complaints regarding Harassment and abusive behaviour
 - Disciplinary rules and penalties against the harasser/abuser and against those who make false accusations
 - A statement regarding the policy of non-retaliation for persons reporting cases of Harassment in good faith.
- Supplier shall have written procedures and systems to implement its anti-Harassment and abuse policy. Supplier shall comply with its written policy at all times.


1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the anti-Harassment and abuse policy and procedures.

1.3 Risk Management Supplier shall identify and comply with anti-Harassment and abuse requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to anti-Harassment and abuse.

2. Operational Practices

Supplier shall ensure that all **Workers** are treated with respect and dignity. No form of Harassment or abuse shall be tolerated at the **Workplace**, including but not limited to physical Harassment, **Psychological Harassment**, Sexual Harassment, or Verbal Harassment.

2.1 Workplace Discipline Supplier shall have written disciplinary rules, procedures and practices that embody a system of **Progressive Discipline**. The disciplinary system shall be applied in a fair and non-discriminatory



manner and include a management review by an objective party senior to the manager who imposed the disciplinary action. Supplier shall have a system to discipline supervisors, managers, or Workers who engage in any **Physical Abuse**, **Sexual Harassment** or sexual abuse, Psychological Harassment, or **Verbal Harassment** or Verbal Abuse, through measures such as compulsory counselling, warnings, demotions, and terminations or any combination thereof, regardless of whether such action was intended as a means to maintain labour discipline. Practices such as public humiliation of workers are not permitted. Supplier shall not use monetary fines or penalties as a means to maintain labour discipline, including for poor performance or for violating company rules, regulations, or policies. Access to food, water, toilets, medical care, health clinics, and other basic necessities shall not be used as reward or as a means to maintain labour discipline. Workers shall be requested but not compelled to sign all written records of disciplinary action against them.

2.2 Security Practices All security practices shall be gender appropriate and nonintrusive. Search of bags and other personal items for the purpose of theft prevention is acceptable provided searches are applied equally across all employees regardless of position or other factors. Body searches and physical pat-downs shall only be undertaken following appropriate procedures and subject to Applicable Laws and Regulations. Any physical search shall be conducted in the open or, as culturally accepted, and shall be conducted by security personnel of the same gender as the person being searched. Supplier shall not impose unreasonable restrictions on movement within the Workplace, nor on entry or exit of company-provided facilities.

3. Training and Communication

3.1 Responsible Staff

Supplier shall provide comprehensive training to all responsible staff on anti-Harassment and abuse. The training shall at a minimum include the following elements:

- All personnel that receive or process complaints regarding Harassment and abuse shall be formally trained to address such complaints.
- Security personnel shall receive training on Harassment and abuse prevention and their roles and responsibilities.

3.2 Workers, Supervisors, and Managers

Supplier shall effectively communicate its anti-Harassment and abuse policy to all Workers, supervisors, and managers at the Workplace. Training on Harassment and abuse prevention shall be mandatory for all Workers, supervisors, and managers during the initial orientation period and reinforced via refresher training on a regular basis. Disciplinary rules, procedures, and practices shall be clearly communicated to all Workers.



4. Documentation

Supplier shall retain any documentation related to anti-Harassment, including but not limited to:

- Records of all disciplinary actions taken, which must be maintained in the Worker's personnel file
- Records of completed training. Supplier shall maintain and make available immediately to Basketdrop upon its request all documentation regarding allegations of Harassment and abuse.

Prevention of Involuntary Labour

Supplier Code of Conduct Requirements

Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labour. This includes the transportation, harbouring, recruitment, transfer, or receipt 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. Supplier shall not withhold Workers' original government-issued identification and travel documents. Supplier shall ensure that Workers' contracts clearly convey the conditions of employment in a language understood by the Workers. Supplier shall not impose unreasonable movement restrictions within the workplace or upon entering or exiting company-provided facilities. Workers shall not be required to pay employers' or their agents' fees for their recruiting and/or ongoing employment. This includes recruitment, application, recommendation, hiring, placement, processing, renewals, and/or recurring fees of any kind. If such fees are found to have been paid by Workers, such fees shall be repaid to the Worker.

Supplier Responsibility Standards

1. Policy and Procedures


1.1 Written Policy and Procedures Supplier shall have a written policy against involuntary labour that complies with the Code, this Standard, and **Applicable Laws and Regulations**. Supplier shall have written procedures and systems to implement its prevention of involuntary labour policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of prevention of involuntary labour policy and procedures.

1.3 Risk Management Supplier shall identify and comply with prevention of involuntary labour requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to involuntary labour.

2. Operational Practices

2.1 Identity Documents Workers shall retain possession or control of all identity documents, such as passports, identity papers, travel documents, and other personal legal documents. Supplier shall not require surrender of Workers' original identity documents, withhold Workers' original identity documents, or restrict Workers' access to original identity documents for any reason. Supplier may obtain and retain copies of Workers' original identity documents. Supplier may request (but may not demand or require) Workers' original identity documents for the purposes of obtaining visa renewals or satisfying other work permit related requirements for such Workers. Supplier shall work with related parties to ensure timely return of all original identity documents to Workers.



2.2 Recruitment Fees Workers shall not be required to pay employers' or their agents' fees for their recruiting and/or ongoing employment. This includes recruitment, application, recommendation, hiring, skills test, placement, processing, renewals, and/or recurring fees of any kind. If such fees are found to have been paid by Workers, such fees shall be repaid to the Worker.

2.3 Deposits Deposits from Workers are prohibited unless required by Applicable Laws and Regulations. If a deposit is legally required, Supplier shall ensure that an accurate receipt is provided for any deposits made by Workers and that such deposits shall be returned in full to the Worker as expeditiously as practicable, but no later than one month after the Worker's employment has terminated or reason for such deposit has ended, whichever is earlier.

2.4 Loans Personal loans to Workers or job seekers under circumstances where repayment terms could be construed as debt bondage or forced labour are prohibited.

2.5 Freedom of Movement All Workers shall have the right to freely enter into and to terminate their employment. Supplier shall not confine or restrict Worker's freedom of movement inside the place of production or Supplier-provided facilities, including access to drinking water and the Worker's Dormitory room, except where necessary for Worker safety and permitted by Applicable Laws and Regulations. Supplier shall not restrict Workers' access to bathrooms in terms of time or frequency of bathroom breaks, number of workers going to bathroom at any time or non-payment of wages during bathroom breaks.

2.6 Forced Overtime All overtime shall be voluntary. Supplier shall ensure that all Workers have the right to refuse to work Overtime Hours. Supplier shall not impose overtime where Workers are unable to leave the work premises. Under no conditions shall a Supplier impose punitive measures such as salary deductions, apply coercion of any kind, denial of future opportunities for overtime, or take disciplinary action against Workers for refusing overtime.

2.7 Production Quota Supplier shall not set production quotas or piecework rates at such a level that Workers need to work beyond regular working hours (excluding overtime) to earn the legal Minimum Wage or the prevailing industry wage.

2.8 Bank Accounts Suppliers shall not have direct control of or access to Worker bank accounts other than to make direct deposits of compensation.

3. Training and Communication 3.1 Responsible Staff Supplier shall provide comprehensive training to all staff responsible for the prevention of involuntary labour.

3.2 Workers, Supervisors, and Managers Supplier shall effectively communicate its prevention of involuntary labour policy to all Workers, supervisors, and managers during the initial orientation period and reinforced via refresher training on a regular basis.



4. Documentation Supplier shall retain documentation related to the prevention of involuntary labour. All documentation shall be made available to Basketdrop for review upon its request.

Third Party Employment Agencies

Supplier Code of Conduct Requirements Supplier shall ensure that the Third Party employment agencies it uses are compliant with the provisions of this Code and the law.

Supplier Responsibility Standards 1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses **Third Party Employment Agency** management requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its Third Party Employment Agency management policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the Third Party Employment Agency management policy and procedures.

1.3 Risk Management Supplier shall identify and comply with Third Party Employment Agency management requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to the management of, and recruitment from, Third Party Employment Agency, including those sponsored by or affiliated with government agencies.


1.4 Pre-selection Due Diligence Supplier shall conduct pre-selection due diligence to ensure Third Party Employment Agency compliance with Applicable Laws and Regulations, and the applicable requirements of the Code and related Supplier Responsibility Standards. The due diligence process shall include but is not limited to the following:

- Verification that the TPEA has obtained valid and appropriate licenses, certifications, and permits for all its operations per Applicable Laws and Regulations
- Background checks to determine whether relevant authorities have levied any sanctions or punishments for failure to comply with Applicable Laws and Regulations, or which prevent the TPEA from operating.

1.5 Recruitment Due Diligence Supplier shall conduct due diligence, including but not limited to onboarding interviews with **Workers** recruited or hired through Third Party Employment Agencies to ensure that:

- **Students** need to be clearly identified as such during the recruitment process.
- Workers were provided accurate details of the nature and place of work, living conditions, the term of the employment contract (if applicable), working hours, Base Wages for Regular Hours, rates for overtime and holiday wages, and applicable deductions and benefits.

2. Operational Practices



2.1 Engaging Third Party Employment Agencies Supplier shall sign contract with a TPEA before engaging the TPEA to recruit or hire Workers. The contract shall comply with Applicable Laws and Regulations and the applicable terms of the Code and related Supplier Responsibility Standards and at a minimum include the following when applicable:


- Compensation structure for any and all wages, benefits or bonuses to be paid or provided to Workers;
- Terms of payment by Supplier to the TPEA;
- Term that no unreasonable fees may be charged to Workers or unreasonable deductions made from Workers' wages or other benefits in relation to their recruitment or hiring.
- Term that includes the consequences for violating this Standard, up to and including termination of the relationship between Supplier and TPEA.

2.2 Identity Documents

TPEA shall not require surrender of Workers' original identity documents, withhold Workers' original identity documents, or restrict Workers' access to original identity documents for any reason. Supplier and TPEA may request (but may not demand or require) Workers' original identity documents for the purposes of obtaining visa renewals or satisfying other work permit related requirements for such Workers. Supplier shall work with related parties including a TPEA to ensure timely return of all original identity documents to Workers. Third Party Employment Agencies may obtain and retain copies of Workers' original identity documents.

2.3 Recruitment of Workers Supplier shall verify TPEA's recruitment practices including but not limited to job postings and job interviews to ensure compliance with Applicable Laws and Regulations, and this Standard. A signed copy of the agreement shall be provided to workers in their own language when applicable and Suppliers shall verify the terms of the agreements between the TPEA and Workers prior to receiving the Workers onsite. Supplier shall conduct due diligence, including but not limited to onboarding interviews with **Workers** recruited or hired through the TPEA to ensure that:

- The TPEA has not recruited or hired Students
- Workers were provided accurate details of the nature and place of work, living conditions, the term of the employment contract (if applicable), working hours, Base Wages for Regular Hours, rates for overtime and holiday wages, and any bonuses or Return Fees committed by the TPEA and applicable deductions and benefits
- Workers are not charged any unreasonable fees and expenses or deposits related to their employment
- The TPEA does not withhold Workers' original government-issued identification and travel documents. Supplier shall document and maintain records of the due diligence above.



2.4 Wage Payment Supplier shall establish a due diligence process to ensure, where TPEA is responsible for making wage and benefits, the payment and benefits are accurate and timely. The due diligence process shall include, at a minimum, effective monitoring of original payment records of all wages, bonuses or Return Fees. Supplier shall interview adequate number of workers recruited or hired through TPEA to ensure:

- Full and timely payment of all wages, bonuses or Return Fees
- No unreasonable deductions from Workers' wages or other benefits. An itemized pay slip shall be provided to Workers along with payment of bonuses or Return Fees. In the event of unreasonable fees or deductions in relation to recruitment or hiring, or under-payment of wages, bonuses, or Return Fee, Supplier shall repay the relevant amounts to workers.

2.5 Bank Accounts Third Party Employment Agencies shall not have direct control of or access to Worker bank accounts other than to make direct deposits of compensation.

2.6 Third Party Employment Agencies Service Access Supplier shall ensure that Workers have direct access to TPEA services, for example:

- A TPEA representative stationed at Supplier site;
- A TPEA online service which provides prompt reply to Workers.


3. Third Party Agency Monitoring

3.1 Regular Audits Supplier shall conduct annual audits of TPEAs from which it obtains Workers to ensure compliance with Applicable Laws and Regulations, the Code, and related Supplier Responsibility Standards. For TPEAs involved in hiring of Foreign Contract Workers, the regular audits shall cover TPEAs in both sending and receiving countries. Suppliers shall audit TPEAs to ensure Workers are provided proper employment contracts, working hours, Base Wages for Regular Hours, rates for overtime and holiday wages, deductions and benefits, including social insurance and living conditions where applicable.

3.2 Third Party Employment Agency Compliance Supplier shall have a documented procedure in place to manage violations of Applicable Laws and Regulations and this Standard by a TPEA. This procedure shall define appropriate sanctions and establish a corrective action process pursuant to which the TPEA's violation is remedied. Supplier shall terminate its relationship with any TPEA that is unwilling to correct a violation.

4. Training and Communication

4.1 Third Party Employment Agencies Supplier shall communicate the requirements of this Code and Standard to all TPEAs prior to establishing a business relationship, and on an annual basis, to ensure full understanding and commitment for compliance.



5. Supplier Workers, Supervisors, and Managers Supplier shall effectively communicate its Third Party Employment Agency management policy to all Workers, supervisors, and managers during the initial orientation period and reinforced via refresher training on a regular basis.

5.1 Responsible Staff and TPEA Supplier shall provide comprehensive training to all staff responsible for Third Party Employment Agency management.

6. Documentation Supplier shall retain documentation and records relating to Third Party Employment Agency management, including but not limited to pre-selection due diligence, business licenses, and audit reports. All documentation shall be made available to Basketdrop for review upon request.

Foreign Contract Worker Protections

Supplier Code of Conduct Requirements Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labour. Supplier shall ensure that Workers' contracts clearly convey the conditions of employment in a language understood by the workers. Workers shall not be required to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment. If such fees are found to have been paid by workers, such fees shall be repaid to the Worker.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses **Foreign Contract Worker** ("FCW") requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its FCW management policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the FCW protections policy and procedures.

1.3 Risk Management Supplier shall identify and comply with FCW requirements specified in Applicable Laws and Regulations and this Standard in both the **Receiving Countries** and **Sending Countries**. Supplier shall identify, assess, and minimize risks related to FCW management.

2. Operational Practices

2.1 Legal Work Permits Supplier shall ensure that all FCWs have valid legal work permits.

2.2 Signed Employment Contract Supplier shall ensure that all FCWs who are hired to work in Supplier's facility while living in another country receive, understand, and sign a written employment contract in their own language, and receive a copy of the employment contract prior to departing from the sending country. In addition to the requirements specified in the Wages, Benefits, and Contracts Standard, contracts for FCWs shall additionally include the following:

- Terms and conditions regarding the possession of identity documents during the employment contract term
- Estimates of the minimum and maximum net pay the FCW could expect to receive each month. Maximum net pay shall be based on maximum of 60 hours of work per week.

2.3 Early Termination of Contract with Reasonable Notice Supplier shall not penalize FCWs for voluntarily terminating their employment contracts with Reasonable Notice as defined by local laws.

2.4 Early Termination of Contract Without Reasonable Notice Unless prohibited by law, Supplier may allow FCW to bear the actual cost of repatriation to the sending country for voluntarily terminating their employment contract early without Reasonable Notice. If this repatriation cost exceeds 60% of their 1 month net wage, the excess shall be paid by employer Supplier shall not penalize FCWs for voluntarily terminating their employment contract early without **Reasonable Notice** by deduction of base or overtime wages due.

2.5 Fees, Expenses, and Deposits Supplier shall use its best efforts to ensure FCWs are not charged any Fees and Expenses or deposits related to their employment in accordance with Basketdrop's definition of Fees and Expenses. Suppliers shall pay the costs of recruitment directly to the extent possible. Supplier shall implement a process to determine the specific amount of any Fees and Expenses paid by each individual FCW prior to commencement of work.

Fees & Expenses Suppliers are responsible for paying all fees and expenses associated with recruitment, placement, processing, transportation, or ongoing management of workers in both the Sending Country and the Receiving Country, and any Third Party Employment Agency expenses and fees, including, but not limited to:

Recruitment fees

- Reservation or commitment fees
- Informal broker and sub-agent fees and expenses for assistance in recruitment (fees paid by workers to middlemen, recruiters, or individual/ individuals who referred the worker to the Employment Agency or hiring company, whether formal or informal)
- Recruitment service fees in the Sending Country (such as application or recommendation fees)

Documentation, medical, training, and other government fees

- Third-Party Employment Agency service fees
- Passport and visa fees
- Quarantined accommodation/ facilities expense on arrival to country of work and upon repatriation
- Medical check-ups, testing, vaccinations, and immunization/ screening in the Sending Country and Receiving Country
- Temporary work or residence permits and renewals
- Recruitment service fees in the Receiving Country (both one-time and recurring fees)
- Deposits
- Relocation costs if asked to move once employment has begun.

Transportation and lodging costs

- Air or ground transportation and the airport/border tax from Sending Country to Receiving Country
- Returning air or ground transportation and the airport/ border tax from Receiving Country to Sending Country.
- Documentation fees in Sending Country (such as notarization, translation services, and solicitor's fees)
- Insurance
- Government-required fees
- Background and reference checks
- Photos (including new passport or visa and renewals)
- Quarantined accommodation / facilities expenses on arrival to country of work and upon repatriation
- Training fees
- Third Party Employment Agency

Exemptions Unless required by Applicable Laws and Regulations, the following shall be exempted:

- Direct transportation expenses incurred from Worker's home to local or central recruitment processing centres in the Sending Country prior to the offer of employment and signed acceptance in writing. Fees and Expenses related to the recruitment of FCWs should be clearly stated in the contracts between **Third Party Employment Agencies** and Supplier to ensure compliance with zero fee policies. Supplier shall require Third Party Employment Agencies to provide accurate receipts to each FCW detailing actual Fees and Expenses paid by the FCW before departure from the sending country. Supplier shall implement a non-reprisal policy that prohibits the punishment of and/or retaliation against FCWs for any information provided during the job-seeking or employment process. This policy shall be communicated to all FCWs during the interview process.


2.6 Remedy In the event that the Supplier finds that a FCW has paid Fees and Expenses related to their employment, Supplier shall reimburse such Fees and Expenses to the FCW within 30 days of the later of (i) the start of the FCW's employment with Supplier or (ii) the date Supplier discovers the fee payment(s).

2.7 Identity Document Storage Supplier shall provide each FCW with individual secure storage, in accommodation they provide, accessible for FCW for their identity documents, such as passports, identity papers, travel documents, and other personal legal documents. Storage shall be:

- Freely and immediately accessible to FCWs at any time
- Accessible to FCWs without assistance and there shall be no barriers to access
- Lockable and secured against unauthorized access.

2.8 Pregnancy Protections Supplier shall take affirmative steps to protect the rights of FCWs who become pregnant, including if the FCW was found pregnant on arrival at the receiving country. In cases where receiving country law requires that pregnant FCWs return to their home country (or the sending country) to give birth, Supplier shall provide such protections to pregnant FCWs as per Applicable Laws and Regulations.

2.9 Diplomatic Access Supplier shall not prevent any FCW from contacting his or her embassy.



2.10 Repatriation Suppliers shall be responsible for the payment of repatriation for each FCW in all circumstances including but not limited to the following:

- Upon completion of the employment contract
- On termination of the contract due to employee misconduct, illness or incapacity
- The FCW has been subject to harassment, abuse, or other violation of his or her rights. This requirement does not apply when the FCW:
 - Obtains other employment within the country and leaving the country is not required per Applicable Laws and Regulations.
 - Terminates employment contract early without Reasonable Notice.

3. Training and Communication

3.1 Responsible Staff Supplier shall provide comprehensive training to all staff responsible for FCW management.

3.2 Foreign Contract Workers Supplier shall provide regular refresher training for FCWs to ensure they understand at the minimum the following:

- Fees and Expenses related to recruitment and on-going employment at the facility
- Reporting channel if asked to pay for any recruitment related fees and expenses by anyone
- Relevant Laws and regulations to follow
- Company regulations
- Any other protections under the Code and related Standards during their employment at the receiving country.

3.3 Third Party Employment Agencies Supplier shall effectively communicate its FCW protections policy to all Third Party Employment Agencies involved in such management.

4. Documentation Supplier shall retain documentation and records related to management of FCWs. All documentation shall be made available to Basketdrop for review upon its request.

Prevention of Underage Labour

Supplier Code of Conduct Requirements Supplier shall employ only Workers who are at least 15 years of age, or the applicable minimum legal age for employment, or the applicable age for completion of compulsory education, whichever is highest. Supplier may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses the requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its prevention of underage labour policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the prevention of underage labour policy and procedures.

1.3 Risk Management Supplier shall identify and comply with prevention of underage labour requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to underage labour.

1.4 Age Documentation and Verification Systems Supplier shall establish and implement appropriate age documentation and verification management systems to ensure that **Underage Workers** are not working on site. The systems shall cover Supplier's operations, **Third Party Employment Agencies**, and **Qualified Educational Programs**. The systems shall at a minimum include:

- Minimum requirements for age verification documentation for employment as required by local Applicable Laws and Regulations (that is, government-recognized photographic ID). Where the law does not dictate the official documentation required, Supplier must inspect and cross-reference at least one of the following to verify validity: birth certificate, government-issued personal identification card, driver's license, voting registration card, "official stamped" copy of a school certificate, affidavit from local government representative, or foreign national work permit.
- Robust age verification measures, including at minimum: - Matching photographic ID to Workers' faces - Verification through Third Party resources where available, such as Internet resources or local government offices - Periodic visual inspection of facility for potential Underage Workers

2. Operational Practices Suppliers shall not employ any Workers who are less than 15 years old, the legal minimum age for employment, or the age for completing compulsory education in that country, whichever is highest.

3. Training and Communication

3.1 Recruitment Staff Supplier must provide comprehensive training to all recruitment staff including Third Party Employment Agencies and qualified educational providers on appropriate age documentation and verification systems.

3.2 Workers, Supervisors, and Managers Supplier shall communicate the prevention of underage labour policy to all Workers, supervisors, and managers of the facility during the initial orientation period and via refresher training on an annual basis.

4. Remedy If any **Active Underage Worker**, **Historical Underage Worker**, or **Terminated Underage Worker** is found either through an external audit or self-review, Supplier shall notify Basketdrop immediately and shall implement a remediation program as directed by Basketdrop.

4.1 Immediate Steps When an Active Underage Worker has been identified, Supplier shall immediately ensure that the Worker is:

- Physically safe
- Free from threat of retaliation
- Removed from the workplace, although the Supplier shall not expel the Worker from the facility.

4.2 Case Management The remediation program shall last for six months or until the Worker reaches the Minimum Age, whichever is longer. Supplier shall provide funds and work with relevant governmental and civil society actors in order to provide for the welfare of the Worker, including provision of:

- Tuition expenses and reasonable additional requisite expenses (for such items as books and supplies, and for general living) to enable the Worker to return to school
- Forgone wages the Worker would have earned at the Supplier's facility
- Administrative costs for case management.

4.3 Offer of Reemployment When the Worker reaches the Minimum Age, Supplier shall offer the Worker a job at the facility that is equivalent to or more favourable than the job previously held by the Worker.

5. Documentation Supplier shall retain documentation related to prevention of underage labour, including but not limited to:

- Each Worker's biographical and employment-related information, a copy of valid and appropriate age-verification documentation, and a means of visual identification
- Records of completed training. All documentation shall be made available to Basketdrop for review upon its request.

Juvenile Worker Protections

Supplier Code of Conduct Requirements Supplier may employ juveniles who are older than the applicable legal minimum age but are younger than 18 years of age, provided they do not perform work that might jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138. Supplier shall not require a **Juvenile Worker** to work overtime or perform Night-time Work.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses Juvenile Worker protections requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its Juvenile Worker protections policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the Juvenile Worker protections policy and procedures.

1.3 Risk Management Supplier shall identify and comply with Juvenile Worker protection requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to Juvenile Workers.

1.4 Tracking Mechanisms Supplier shall introduce mechanisms that can track Juvenile Workers to ensure compliance to this Standard and Applicable Laws and Regulations. The mechanisms shall include, but not be limited to:

- Identification of the job positions (including the creation of new job positions) that Juvenile Workers are allowed to perform or are prohibited from performing and incorporation of such restrictions into job descriptions
- Tracking mechanisms to ensure that Juvenile Workers are not placed into restricted job positions
- Working hours tracking mechanisms
- Health exam tracking mechanisms.

2. Operation Practices

2.1 Working Hours Supplier shall comply with all Applicable Laws and Regulations governing working hours or regulating or limiting the nature, frequency, and volume of work performed by Juvenile Workers under the age of 18. Juvenile Workers shall not work overtime or perform **Night-time Work**.

2.2 Juvenile Worker Health and Safety To protect the health and safety of Juvenile Workers, Supplier shall ensure that Juvenile Workers do not engage in Hazardous work. Supplier shall follow Applicable Laws and

Regulations related to Juvenile Workers, but where the law is silent, Juvenile Workers shall not engage in work involving any of the following:

- Exposure to hazardous environments, substances, agents, or processes potentially damaging to their health, including but not limited to: - Environments/conditions likely to cause heat or cold stress or injury - Noisy environments requiring ear protection - Explosives or articles containing explosive components - Any exposure to radioactive substances including radium, self-luminous compounds, thorium salts, and ionizing radiation in excess of 0.5 rem per year.
- Operations in inherently dangerous locations, including: - Underground - Underwater - Heights in excess of 2 meters - Hazardous **Confined Spaces**.
- Work with or near chemical processes above the applicable legal limits for Juvenile Workers. If no such legal limits or industry regulations exist, Juvenile Workers shall be exposed to no more than 50% of the applicable exposure limit for adults (for example, if the applicable adult standard limits exposure to 100 ppm per 8 hours, the Juvenile Worker standard shall be 50 ppm per 8 hours).
- Operations involving the following equipment: - Power-driven hoisting apparatus - Any mobile power-driven apparatus without legal operator's license - Stamping, cutting, and laser equipment or any equipment with pinch points
- Other hazards determined to be unsafe for Juvenile Workers by Supplier's environment health and safety department or a **Qualified Health Professional**.
- Operations restricted by Applicable Laws and Regulations including but not limited to environmental and transportation-related restrictions.

3. Training and Communication

3.1 Responsible Staff Supplier shall provide comprehensive training to all staff responsible for the protection of Juvenile Workers.

3.2 Workers, Supervisors, and Managers Supplier shall effectively communicate its Juvenile Worker protections policy to all Workers, supervisors, and managers during the initial orientation period and via refresher training on a regular basis.

4. Documentation Supplier shall retain documentation related to protection of Juvenile Workers. All documentation shall be made available to Basketdrop for review upon its request.

Educational Program Management

Supplier Code of Conduct Requirements Supplier shall ensure proper management of Student Programs at Supplier's facilities through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with Applicable Laws and Regulations. Supplier shall provide appropriate support and training to all such Students at Supplier facilities.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses **Student** protection requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall have written procedures and systems to implement its Student protections policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the Student protections policy and procedures. The designated staff shall be in addition to any onsite teacher(s) from the Students' school(s).

1.3 Risk Management Supplier shall identify and comply with Student protection requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to Students

1.4 Pre-selection and Ongoing Due Diligence Supplier shall conduct pre-selection due diligence and ongoing audits of each school to ensure that it complies with Applicable Laws and Regulations, the Code, and this Standard.


1.5 School Licenses Supplier shall ensure that schools have appropriate and current licenses, certifications, and permits for all locations of operation.

1.6 School Compliance Supplier shall have documented procedures for corrective actions to address any violations of this Standard by a school and establish sanctions as appropriate, including termination of the relationship.

2. Operational Practices

2.1 Purpose for Hiring Students Supplier shall only hire or allow Students to work at the Supplier's facilities in connection with a Program at an Educational Institution. Supplier shall not hire Students to meet its demand for workforce labour or to fill short-term gaps in labour supply.

2.2 Use of Third Party Employment Agencies Supplier shall not use Third Party Employment Agencies in connection with the recruitment, hiring, arrangement, management or employment of Students



2.3 Qualifications of Students Supplier shall ensure that Students are eligible for employment under Applicable Laws and Regulations. Supplier shall ensure that the students are actively enrolled in a Program of study at an Educational Institution.

2.4 Voluntary Employment Supplier shall ensure that all work performed by a Student is voluntary.

2.5 Educational Contribution For any education or training related Program, at a Supplier facility shall ensure that the Student Worker's field of study is relevant to the Supplier's industry or work position.

2.6 Student Agreements Supplier shall have a written agreement with the student. This agreement must adhere to Applicable Laws and Regulations. Where required by law or regulation, the Student's Educational Institution shall be a party to the agreement between Supplier and the Student

2.7 Signed Student Agreement The student shall sign this agreement prior to performing work at the Supplier's facility.

2.8 Receipt of Student Worker Agreement Supplier shall ensure that the Student understands the agreement and receives a copy of it prior to performing work at the Supplier's facility.


2.9 Student Contract Terms In addition to the requirements specified in the Wages, Benefits, and Contracts Standard, the agreement between the Student and the Supplier, and, if required by law, the Student's Educational Institution, shall additionally include the following terms:

- The name and address of the Student's Educational Institution
- The name and address of the Supplier
- Individual at the Educational Institution who is responsible for the student
- Individual at the Supplier who is responsible for the student
- Insurance coverage
- Education and training to be provided by the Educational Institution
- Education and training to be provided by the Supplier.

2.10 Student Program Length The Program length (total accumulated time of work at Supplier facility) shall not exceed the limit regulated by Applicable Laws and Regulations. In the absence of an applicable legal requirement, the maximum length is 1 year. The Program cannot be extended beyond the agreed end date as written in the original Student agreement.

2.11 Agreement Termination Supplier shall ensure that the Student is free to terminate his or her agreement. The student shall not be required to pay any fee or fine or receive any other penalty for early termination of the student agreement with Reasonable Notice.

2.12 Working Hours Working hours shall not conflict with the Student's Educational Institution attendance. Supplier shall adhere to restrictions on working hours as required by local law or regulation. Supplier shall



adhere to restrictions on working hours as required by Applicable Laws and Regulations for any other student Programs. The student shall receive at least the same wage rate as other entry-level Workers performing equivalent or similar tasks. In the absence of equivalent or similar tasks, the wage rate of the Students shall not be less than the local Minimum Wage. All wages shall be paid directly to the Student or to an account under the sole control of the student. Supplier shall not delay the payment of wages to the Student In areas where legal requirements differ from above, Supplier shall notify Basketdrop and provide proof of legal compliance for review. Deviations will only be granted after assessment by Basketdrop.

2.13 Payment Supplier shall not deduct educational fees from the Student’s wages. Supplier shall not deduct placement fees from the Student’s wages.

2.14 Insurance Coverage Supplier shall ensure that the Student is insured against accident or liability. Supplier shall ensure that the Student is fully covered by any other forms of insurance required by law or regulation.

2.15 Limit on Student Employment Supplier must comply with any legal limits on the number of Students that can be employed at the Supplier’s facility at any given time.

3. Training and Communication 3.1 Responsible Staff Supplier shall provide comprehensive training to all staff responsible for Student management.

3.2 Educational Institutions Supplier shall effectively communicate its Student management policy to all Educational Institutions involved in Student Worker management.

3.3 Onboarding of Students Supplier shall provide onboarding and training to Students

4. Documentation Supplier shall retain documentation related to the protection of Students. All documentation shall be made available to Basketdrop for review upon its request.

Working Hours Management

Supplier Code of Conduct Requirements A Workweek shall be restricted to 60 hours, including overtime, and Workers shall have at least 1 day off every 7 days except in Emergencies or Unusual Situations. Regular Workweeks shall not exceed 48 hours. Supplier shall follow all **Applicable Laws and Regulations** with respect to working hours and Days of Rest, and all overtime must be voluntary.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses working hours requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its working hours policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the working hours policy and procedures.

1.3 Risk Management Supplier shall identify and comply with working hours requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall identify, assess, and minimize risks related to working hours.

1.4 Production Planning Supplier shall plan production schedules to meet committed production capacity, committed lead-time, and the 60 hours per **Workweek** and one **Day of Rest** per 7 days requirements.

1.5 Official Working Hours Record Mechanism Supplier shall have an official working hours record system to track working hours and days of rest for each **Worker**. The official working hours record system shall ensure that the facility has reliable systems in place to measure and record actual hours of work. Supplier shall ensure that records of working hours can clearly measure and record each Workers' time in and out of the facility, in addition to actual hours worked.

1.6 Excessive Hours Control Mechanism The **Official Working Hours Records** system shall be capable of identifying Workers who are scheduled to exceed the 60-hour and Day of Rest requirements, as well as track the total work hours per week and days of rest for each Worker. The system shall provide summary reports and warnings to management prior to exceeding these requirements.

1.7 Dispute Mechanism Supplier shall ensure that Workers have a mechanism to understand, dispute, and correct the actual hours worked as recorded in the Official Working Hours Records.

2. Operational Practice

2.1 Weekly Working Hours Except in **Emergency or Unusual Situations**, Supplier shall limit the actual hours worked by each Worker to no more than 60 hours per Workweek.

2.2 Day of Rest Except in Emergency or Unusual Situations, Workers shall have a Day of Rest at least once every 7 days. Days of work must be restricted to 6 consecutive days.

2.3 Ergonomic Breaks Supplier shall compensate Workers for breaks and include breaks as regular working hours as per all Applicable Laws and Regulations.


2.4 Bathroom Breaks Bathroom breaks shall contribute to working hours and shall be compensated.

2.5 Exceptions Workers may exceed the 60-hour Workweek and/or the Day of Rest every 7 days requirements during Emergency or Unusual Situations. Supplier shall document that the emergency or unusual situation criteria has been met and make these documents available to Basketdrop immediately upon its request. After the emergency or unusual situation ceases, Supplier shall immediately return to compliance with the 60-hour and Day of Rest requirements. At the end of the emergency or unusual situation, Supplier shall immediately provide Workers with a Day of Rest if the Day of Rest requirement had not been met during the emergency or unusual situation.

2.6 Work Activities Supplier shall include the following activities in preparing official working hour records:

- Time on the production line, regardless of whether the line is running (“production time”) or not (“down time”)
- Mandatory meetings and trainings, including but not limited to orientation training, trainings on company policies and procedures, production planning meetings, assembly meetings, and daily wrap-up meetings. All meetings must be arranged within the regular working shift.
- Supplier shall not require Workers to arrive prior to the scheduled start of a shift or stay after the end of a shift, even by a few minutes to prepare for work, unless this time is counted as paid working time.
- Mandatory administrative processes including but not limited to the following, cumulating in greater than 15 minutes total: - Excessive waiting in line to punch out - Excessive waiting in line to clear security into/out of the production line or facility - Waiting for supervisor approval, for example, time card approval - Excessive waiting in line to clear facility mandated checks prior to entry or exit of the facility.
- Any other process managed by Supplier that requires Workers to be present at the factory or perform any production-related work regardless of location.

2.7 Shift Arrangement Prior to requiring Workers to perform **Night-time Work**, Supplier shall inform impacted Workers of Night-time Work requirements and schedules. If Night-time Work requirements and schedules change, Supplier shall immediately inform the impacted Workers. Supplier shall make reasonable accommodations to ensure the health and safety of its Workers, including assigning a Worker away from Night-time Work from time to time. A reasonable break shall be provided to workers between any shift change and in accordance with Applicable Laws and Regulations, where applicable.



2.8 Worker Notification When possible, Supplier is encouraged to notify Workers at least 12 hours prior to work cancellations or reschedules from planned shift schedules.

3. Training and Communication

3.1 Responsible Staff Supplier shall provide comprehensive training to all staff responsible for working hours management.

3.2 Workers, Supervisors, and Managers Supplier shall effectively communicate its working hours policy to all Workers, supervisors, and managers during the initial orientation period and via refresher training on a regular basis.

4. Documentation Supplier shall retain documentation related to working hours. All documentation shall be made available to Basketdrop for review upon its request.

Wages, Benefits, and Contracts

Supplier Code of Conduct Requirements Supplier shall pay at least the Minimum Wage and provide any Benefits required by law and/or contract. Supplier shall compensate Workers for Overtime Hours at the legal premium rate. Supplier shall communicate pay structure and pay periods to all Workers. Supplier shall meet all legal requirements relating to wages and Benefits, pay accurate wages in a timely manner, and shall not use wage deductions as a disciplinary measure. All use of temporary and outsourced labour shall be within the limits of the local law.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses wages, benefits, and contracts requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its wages, benefits, and contracts policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the wages, benefits, and contracts policy and procedures.

1.3 Risk Management Supplier shall identify and comply with wages, benefits, and contracts requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall identify, assess, and minimize risks related to wages, benefits, and contracts.

2. Operational Practice

2.1 Minimum Pay All Workers shall be paid no less than the **Minimum Wage** for all Regular Hours as per Applicable Laws and Regulations. A Worker's **Base Wage** shall always be set at or above Minimum Wage for the **Classification of Worker**. The pay structure shall not require Workers to work more than the legally mandated Regular Hours (whether calculated on an hourly, daily, weekly, or monthly basis) in order to earn the Base Wage.

2.2 Overtime Pay All **Overtime Hours** shall be paid at the appropriate overtime rate applied to appropriate Base Wage as per Applicable Laws and Regulations or employment contract, whichever is higher, for the relevant Classification of Worker.

In countries where there are no legally established overtime rates as per Applicable Laws and Regulations, the minimum overtime rate shall be at least above 50% of the Base Wage.

2.3 Benefits Supplier shall provide **Mandatory Benefits** to the Classification of Worker as per Applicable Laws and Regulations. Where permitted under law, Supplier shall provide Workers with paid and unpaid leave, and public holidays.

2.4 Working Hour Calculations for Overtime For the purposes of pay and benefits, Overtime Hours calculations shall be based on the exact hours and minutes worked. If Supplier is unable to calculate the exact minutes, Overtime Hours shall be rounded up to the nearest 15 minutes in the Worker's favour as follows

2.5 Working Hour Calculations for Tardiness For the purposes of pay and benefits, deductions for tardiness shall be based on the exact hours and minutes by which a Worker is tardy.

Time in Minutes	$0 \leq x < 15$	$15 \leq x < 30$	$30 \leq x < 45$	$45 \leq x < 60$
Rounded Allotment in Minutes for Overtime	15	30	45	60

If Supplier is unable to calculate the exact minutes, deductions for tardiness shall be rounded down to the nearest 15 minutes in the Worker's favor as follows:

Time in Minutes	$0 \leq x < 15$	$15 \leq x < 30$	$30 \leq x < 45$	$45 \leq x < 60$
Rounded Allotment in Minutes for Tardiness	0	15	30	45

2.6 Waivers Waivers affecting working hours or Worker wages and benefits, even those promulgated by local authorities or government agencies, will not be accepted (for example, the Comprehensive Working Hours System in China).

2.7 Deductions Supplier or its agents shall not deduct earnings from Workers' pay checks except where required by Applicable Laws and Regulations, for example, taxes and social insurance, or where Supplier or its agent is providing a service. If deductions are made as part of a service provided to Workers, Workers shall have the choice to opt out of any such service. Monetary Penalties deducted from wages or reductions in Mandatory Benefits as disciplinary measures are prohibited.

2.8 Deposits Deposits from Workers are prohibited unless required by Applicable Laws and Regulations. If a deposit is legally required, Supplier shall ensure that a receipt is provided for any deposits made by Workers and that such deposits shall be returned in full to the Worker as expeditiously as practicable, but no later than one month after the Worker's employment has terminated or reason for such deposit has ended, whichever is earlier.

2.9 Charges Supplier shall not charge Workers for anything required by the Supplier for the employee to effectively carry out their job duties, including but not limited to:

- Required personal protective equipment
- Uniforms, except for unreturned uniforms
- Headset and replaceable foam pad covers. Deposits shall not be charged upon the issue of such equipment. Suppliers may charge a prorated fee for unreturned items. The Supplier must communicate these requirements at time items are supplied.

2.10 Payment Supplier shall be required to make monetary payments under all circumstances where Workers have not been paid their due. This includes but is not limited to:

- Underpayment
- Exit payment: Irrespective of the conditions under which the employment relationship has ended, all Workers shall receive their wages due. Supplier shall effectively communicate the resignation process to all Workers at the start of the employment relationship and at the time of any material change in such process. Supplier shall ensure that the resignation process is easily accessible to all Workers, including those who do not provide **Reasonable Notice** of termination. Supplier shall not require compensation in any form for Workers who do not provide Reasonable Notice of termination unless required by Applicable Laws and Regulations. Supplier shall provide to each Worker a record of the final wages earned and an explanation for any deductions.
- Deductions or payment by workers not specified by law: deductions made for deposits, fees, uniform charges, medical tests, disciplinary fines, tools, background checks, etc.
- Non-payment of statutory benefits such as overtime wages, annual leave, and paid public holidays
- Wages for mandatory meetings and trainings.

2.11 Pay Schedule Supplier shall pay Workers within the deadline defined by Applicable Laws and Regulations; in the absence of such guidance, Supplier shall pay Workers within 30 days of the end of the **Working Period**. Pay adjustments in the case of discrepancies in records must be paid on or before the next payday.

2.12 Signed Contract Workers shall sign a written employment contract prior to performing any work at a Supplier's facility. Supplier shall ensure that the employment contract is written in a language that the Worker understands. This contract shall conform to Applicable Laws and Regulations and all relevant terms outlined in the Basketdrop Code of Conduct and Supplier Responsibility Standards. Supplier shall ensure that all Workers receive and understand a copy of this contract, signed by the Supplier, at the time of the Worker's signature. This also applies to any supplementary agreements.

At a minimum, this contract shall contain:

- All employment terms required by Applicable Laws and Regulations
- Worker's full name and date of birth
- Worker's passport number, ID card, or equivalent identification
- Emergency contact information
- The nature of work and place where it will be performed
- Living conditions
- Costs (if any) for meals and accommodation
- Descriptions and quantitative estimates of each line item to be deducted from wages
- The term of contract (if applicable)
- Expected regular working hours, Overtime Hours, frequency of rest days, and holidays
- Base Wages for Regular Hours
- Clearly defined regular, overtime, and holiday wage rates, including maximum allowable Overtime Hours
- Deductions (if any)
- Benefits
- All applicable bonuses and allowance
- Date of eligibility for reimbursement of deposit (if any)
- Contract termination/resignation procedures and terms
- Terms and conditions for contract renewal
- No terms that deny a Worker the right to organize or engage in collective bargaining.


2.13 Revised/Supplemental Contracts Supplier shall ensure that any revisions to employment contracts shall include all the terms outlined in this Standard and that any revisions or subsequent contracts guarantee terms at least as favourable to the Worker as outlined in original employment contract or as negotiated through collective bargaining.

2.14 Contract Termination Supplier shall ensure that Workers are free to terminate their employment contract.

2.15 Probation Where probationary or training employment is legally allowed, Supplier shall ensure that Workers are paid at least Minimum Wages. No Workers shall work more than 3 months cumulatively in these employment categories, or the maximum period allowed by Applicable Laws and Regulations, whichever is shorter.

3. Training and Communication

3.1 Responsible Staff Supplier shall provide comprehensive training to all staff responsible for wages, benefits, and contract management.



3.2 Workers, Supervisors, and Managers Supplier shall effectively communicate its wages, benefits, and contract policy to all Workers, supervisors, and managers during the initial orientation period and via refresher training on a regular basis.

3.3 Communication of Wages Supplier shall ensure that each payment to a Worker is accompanied by a clear statement communicating:

- The number of Regular Hours and Overtime Hours worked
- The appropriate rate of pay for Regular Hours, Overtime Hours, and holiday hours
- An account and definition of each deduction made
- An account and definition of each benefit payment made.

4. Documentation Supplier shall retain documentation related to wages, benefits, and contracts. Supplier shall ensure that all legally required payroll documents, journals, and reports are available, complete, accurate, and up to date. All documentation shall be made available to Basketdrop for review upon its request.

Freedom of Association and Collective Bargaining

Supplier Code of Conduct Requirements Supplier shall freely allow Workers' lawful rights to associate with others, form and join (or refrain from joining) organizations of their choice, and bargain collectively without interference, discrimination, retaliation, or harassment.

Supplier Responsibility Standards


1. Freedom of Association

1.1 Policy and Procedures Supplier shall have a written policy on freedom of association. In addition, Supplier shall have procedures and systems to implement its freedom of association policy in a manner that satisfies the requirements of **Applicable Laws and Regulations**, Basketdrop's Supplier Code of Conduct, and Supplier Responsibility Standards. Supplier shall respect **Workers'** lawful rights to form or participate (or refrain from forming or participating) in organizations of their choosing, including but not limited to unions, Worker committees, or other Worker associations, and bargain collectively without interference, discrimination, retaliation, or harassment. Supplier shall accommodate Workers should they express a desire for a **Grievance** mechanism in addition to formal representation. Where Applicable Laws and Regulations substantially restrict freedom of association, Supplier shall allow alternative means for Workers to individually and collectively engage with Supplier, including processes for Workers to express their Grievances and protect their rights regarding working conditions and terms of employment.

1.2 Neutrality Supplier is not required to take an active role in supporting Workers' efforts to associate or organize, but Supplier must ensure that Workers can exercise their right to organize in a climate free of violence, pressure, fear, intimidation, and threats.

1.3 Deductions Supplier shall not deduct union membership fees or any other union fees from Workers' wages without the express and written consent of individual Workers, unless specified otherwise in freely negotiated and valid collective bargaining agreements.

2. Worker Representation Subject to Applicable Laws and Regulations, Supplier shall not interfere with the formation or operations of Workers organizations, including acts that are designed to establish or promote the domination, financing, or control of such organizations. Supplier shall not interfere with the right of Workers to draw up their constitutions and rules, to freely select their representatives, to organize their administration and activities, and to formulate their programs. **Worker Representatives** shall have access to their members under conditions established by Applicable Laws and Regulations or mutual agreement between the Supplier and the **Worker Organization**. Worker Representatives shall have the facilities necessary for the proper exercise of their functions. Workers are free to meet and discuss workplace issues in the factory or farms during their breaks and before and after work.



3. Non-Harassment and Non-Retaliation No Worker or prospective Worker shall be subject to dismissal, discrimination, harassment, **Blacklisting**, intimidation, retaliation, or other **Employment Decision** for reason of:

- Membership and/or participation in a union, Worker association, or other freedom of association activities
- Exercising lawful right to form a union or participating in collective bargaining efforts
- Organizing or participating in a legal strike or demonstration
- Raising issues to **Management** concerning compliance with a collective bargaining agreement or any other legal requirements. Supplier shall not threaten or use violence or the presence of police or military to intimidate employees or to prevent, disrupt, or break up any activities that constitute a lawful and peaceful exercise of the right of freedom of association, including union meetings, organizing activities, assemblies, and lawful strikes. Supplier shall not transfer, demote, promote, outsource, or reassign Workers as a means to discourage unionization or participation in Worker Management communication activities. Supplier Management shall not impede Workers' right to peaceful organization by outsourcing work performed by union members. Shifting production from one site to another for the purpose of retaliating against Workers who have formed or are attempting to form a union is prohibited by the Code and this Standard.

4. Collective Bargaining Agreements Where a collective bargaining agreement exists, Supplier shall bargain in Good Faith. Supplier shall honour, in **Good Faith**, the terms of any signed collective bargaining agreement for the duration of that agreement. Where a collective bargaining agreement exists, Workers covered by the agreement shall receive copies of the signed agreement. Where the right to freedom of association and collective bargaining is restricted under law, Supplier shall not obstruct alternative legal means of Workers to associate and bargain collectively.

5. Training and Communication Supplier shall have a process to communicate the requirements with respect to this Standard to Workers, supervisors, and Management. Supplier shall have documented processes by which to have a dialogue with Workers about concerns and address collective actions by Workers.

Grievance Management

Supplier Code of Conduct Requirements Supplier shall ensure that Workers have an effective mechanism to report Grievances and that facilitates open communication between management and Workers.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses **Grievance** system requirements specified in **Applicable Laws and Regulations** and this Standard. Supplier shall have written procedures and systems to implement its Grievance system policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the Grievance system policy and procedures.


2. Protection and Non-Retaliation A **Worker** or prospective Worker shall be able to report any Grievance, or provide any feedback, or participate in the investigation of such, in a safe environment without fear of reprisal, dismissal, discrimination, harassment, **Blacklisting**, intimidation, retaliation, or any other penalty of any form when raised in Good Faith. Supplier shall also ensure Workers' identities are protected to prevent retaliation and ensure confidentiality and that any private information is disclosed only to Supplier personnel or parties required or permitted to access the information by law.

3. Grievance

3.1 Channels for Grievance Supplier shall implement adequate, effective and accessible Grievance reporting channels, which as indicated in "3.2 Topical Subjects" of this Standard. Supplier shall establish and communicate clearly to their Workers (including without limitation via policies posted in a place where Workers can easily access them) effective Grievance reporting channels, which may include (but are not limited to) telephonic or electronic (email, app) hotlines or inboxes, whether owned by Supplier or by a third party. Supplier shall ensure that at least one of these channels allows for anonymous reporting, and shall communicate (as set forth above) the means by which Workers can report their grievances anonymously, and also the procedures by which their anonymity will be maintained. Grievance reporting channels shall be made available to workers in a language they understand.

3.2 Topical Grievance Handling Grievance systems shall (as applicable) at a minimum include, but not be limited to, resolving issues related to:

- Anti-discrimination
- Anti-harassment and Abuse
- Prevention of Involuntary Labour

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- Third Party Employment Agency Management
 - Foreign Contract Worker Protections
 - Prevention of Underage Labour
 - Juvenile Worker Protections
 - Educational Program Management
 - Working Hours
 - Wages, Benefits, and Contracts
 - Freedom of Association and Collective Bargaining
 - Occupational Health and Safety Management
 - Incident Management
 - Emergency Preparedness and Response
 - Dormitories and Dining
 - Hazardous Waste Management
 - Wastewater Management
 - Stormwater Management
 - Air Emissions Management
 - Boundary Noise Management
 - Ethics.

3.3 Case Handling for Grievances For Grievance issues, at a minimum, the following processes must be in place:


- Selection of a qualified, impartial investigation team
- Completion of a thorough investigation of relevant facts
- Preservation of confidentiality to the maximum extent warranted
- Timely resolution and implementation of corrective measures, if applicable
- Timely feedback to and closure with the grievant party
- A right of appeal for any party adversely impacted by the resolution of the investigation. To ensure protection of the grievant and any witnesses who cooperate in the investigation, a policy should be in place that prohibits retaliation against such individuals.

It is Basketdrop's intent that the processes required by this section comply with the United Nations General Principles on Business and Human Rights, including without limitation Principles 29 and 31 of that document.

3.4 Continuous Improvement for Grievance System Supplier shall also review the effectiveness of the current Grievance systems to ensure continuous improvement.

3.5 Grievance Tracking Supplier shall maintain an adequate record system including but not limited to:

- The dates, types and number of issues received
- Channels through which a Grievance was reported, or events took place
- Investigation reports including names and titles of persons involved in the investigation process, or Participants in events
- Issues identified and improvements undertaken

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- Associated resolutions and appeals
 - Feedback provided to Workers regarding resolutions where applicable
 - Time taken to resolve Worker Grievances, Participation and Feedback.

4. Worker Feedback and Participation Supplier shall proactively solicit Workers' feedback through different channels, including but not limited to periodic (at least once per year) surveys, interviews, or similar mechanisms designed to identify improvement areas and understand Workers' satisfaction. Supplier shall ensure these channels are available to all Workers who wish to participate, and in the language(s) in which Workers communicate in the workplace (if that language is other than their native language(s)).

5. Training and Communication Supplier shall communicate Grievance system and its process of management adequately to Workers in the onboarding orientation and as a yearly refresher training. Supplier shall provide adequate training to the individuals involved in the management of Grievance.

6. Documentation Supplier shall retain documentation related to Grievance management. All documentation shall be made available to Basketdrop for review upon its request.

Occupational Health and Safety Management

Supplier Code of Conduct Requirement Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Supplier Responsibility Standards

1. Regulatory Permits Supplier shall obtain, retain, and manage valid or current copies of all necessary occupational health and safety-related permits, licenses, registrations, and regulatory approvals as required by applicable regulatory requirements.


2. Occupational Health and Safety Risk Assessment

2.1 Risk Assessment Supplier shall establish a process to identify and document foreseeable occupational health and safety hazards. Foreseeable hazards include but are not limited to: physical, **Chemical**, and biological hazards. Sources or tools for hazard recognition include process diagram, material inventory, equipment list, task list, employee reporting, inspection findings, past incident record, etc. Examples of risk assessment methods include but are not limited to:

- Process Hazard Analysis
- Job Hazards Analysis
- Exposure Assessment. Risk assessments shall be conducted by personnel with expertise in the selected methodology. Supplier shall conduct a risk evaluation of new or changed operations including new or changed equipment, workplace station, workplace location, or processes before being put into production or service. The outcome of risk evaluations shall include actionable risk control solutions for any identified risks. Risk evaluations shall additionally specify non-production activities such as but not limited to: maintenance tasks, storage and transportation of Hazardous substances, waste management, and emergency response preparedness activities. Risk assessment results shall be documented and action items shall be followed up on through the point of closure. Risk Assessment studies shall be periodically reviewed and revalidated. The period shall be at least annually or based on, for example, the nature of the Hazard, level of risk and operating experience, including environment, health and safety incidents and audits findings.

2.2 Hierarchy of Controls Supplier shall eliminate or mitigate occupational health and safety hazards identified in the workplace using the hierarchy of controls, prioritized in the following order:

- Hazard elimination
- Substitution
- Engineering controls
- Administrative controls
- Personal Protective Equipment (PPE).



3. Machine Guarding Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, electrical safety and safety controls are to be provided and properly maintained where machinery presents an injury hazard to workers. Prior to start-up of a new/modified machine/equipment, the guarding devices must be checked through safety review to ensure they can function properly and are safe for use. This safety review shall also consider risk assessment of routine and **Non-Routine Work** on the machines as well as risk control/risk mitigation measures. Manufacturing specifications should be sufficiently communicated to operators before operations. Machine guarding controls include but are not limited to detectors and alarms, interlock systems, machine guarding, and automated systems.

3.1 Detectors and Alarms Supplier shall procure, install, and properly maintain automatic devices to detect the presence of Hazardous substances in the workplace. Such detectors shall alert Workers by means of sound, light, or both. Supplier shall maintain detector and alarm systems in good condition through:

- Developing and implementing maintenance procedures, including maintenance frequency, inspection items, maintenance personnel, and record keeping
- Detector calibration by following equipment manufacturer's instruction for calibration frequency and calibrating vendor and local legal requirements.


3.2 Interlock Systems Interlock systems shall be installed in the work area to control equipment operations and guard against human error or misconduct and machine malfunction. Supplier shall maintain interlock systems in good condition.

3.3 Machine Guards Supplier shall procure, install, and properly maintain machine-guarding devices to guard against production equipment hazards in the workplace. Supplier shall maintain the guarding devices in good condition.

3.4 Automated Systems Installation of automated systems can be utilized in the work area to reduce the use of labour force as intrinsic safety considerations.

3.5 Machine and Equipment Hazard Communication All machines and equipment in the workplace shall have hazard warning signs stating the potential safety hazards that could cause injuries to operators. The warning signs shall be provided in languages or in pictorial so that all Workers can understand. For pictorial and visual hazard warning signs without any text, training should be in place to ensure workers understanding the warnings. In addition to warning signs, Supplier shall provide safe machine operation documentation including routine & Non-Routine work instructions and worker trainings to ensure safe operation of machines. These work instructions shall be available in a language understood by the worker of the machine.

4. Electrical Safety Supplier shall procure, install, and properly maintain adequate devices to guard against electrical or electrostatic hazards. Supplier shall ensure that the equipment and machinery have adequate overcurrent protection to protect workers from electrical shock and electrical fires. Supplier shall maintain electrical safety devices in good condition.



5. Lockout/Tagout Lockout / Tagout programs shall be followed during all work or maintenance requiring access to Chemical delivery and recirculation lines and pumps (drained or un-drained), electrical systems, moving equipment, and bypassing or defeat of guards and/or interlocks. Barricades and warning signs shall be placed so as to prevent unauthorized access during maintenance and cleaning activities.

6. High-Risk Tasks Required procedures and practices for high-risk tasks shall apply to Workers and contractors performing on-site work at a Supplier facility.

6.1 Confined Spaces Where the work involves maintenance or cleaning activity in a confined space, confined space entry procedures shall be set up and implemented and a work permitting process shall be implemented with special precautions.

6.2 Hot Work Appropriate hot work procedures including permitting and fire watches shall be implemented.

6.3 Work at Heights Appropriate fall protection shall be worn and a work permitting process shall be implemented when working from heights in excess of 6 feet (2 meters).

6.4 Hoists and Cranes All operations involving the use of hoists and/or cranes shall have documented and implemented operating procedures. Operators shall obtain all required qualifications and licenses before performing such operations.

6.5 Powered Industrial Truck Supplier shall establish and implement a written program to properly manage the use of Powered Industrial Trucks, which include but may not be limited to forklift trucks, powered hand trucks, stackers, or other types. A risk assessment must be undertaken to develop adequate control measures to ensure workplace safety and prevent injuries/accidents All powered industrial truck and associated drivers/operators must be authorized with necessary permits/licenses prior to being operated per Applicable Laws and Regulations. Supplier shall ensure regular inspections and maintenance are performed for powered industrial truck per Applicable Laws and Regulations and maintain relevant records.

7. Industrial Hygiene

7.1 Monitoring/Assessment Supplier shall have qualified personnel, or an external organization conduct industrial hygiene monitoring/assessment in the workplace at least annually or as per applicable regulations. If the monitoring results exceed the local regulatory **Occupational Exposure Limit** or other more stringent OEL referenced by Basketdrop, supplier shall take immediate action to provide appropriate engineering controls or temporary PPE until there are three consecutive monitoring results below the Occupational Exposure Limit, each at least one day apart. When an existing production process is modified, a new production line is introduced, or new products are being manufactured, Supplier shall determine whether additional industrial hygiene monitoring is required by evaluating the MSDS (SDS) of the Hazardous Chemicals used or any physical / biological occupational hazard elements associated with the modified or new process.

7.2 Radiation Safety Management Supplier shall ensure all ionizing (e.g. X-ray) radiation devices are operated in compliance with Applicable Laws and Regulations and requirements stated hereunder without regard to ownership of the equipment. Radiation equipment shall have:

- Proper warning signs, alarms, lights, labels as required by Applicable Laws and Regulations
- Proper interlocks on operating doors and service panels as required by Applicable Laws and Regulations.

Supplier shall take reasonable steps to ensure workers are protected against exposure to radiations by:

- Maintaining radiation equipment properly.
- Performing radiation level measurements at least annually or as per the local regulation, whichever interval is shorter, by a qualified resource.
- Performing radiation detections after any maintenance involving the lead chamber, moving or installing radiation equipment.
- Operating radiation devices in a controlled-access area and any personnel entering the control area shall wear personal dosimeters where such requirements are mandated by law.
- Performing safety checks after tool installation or re-installation, which should include, but is not limited to:
 - Warning label - Warning light - Interlock - Emergency machine shut off
- Training the Workers who may come in contact with the radiation equipment. Suppliers shall assign a directly responsible individual for radiation safety management. This individual must be trained on radiation safety management and, if applicable, hold radiation safety certifications as required by law. Where required by local law, Suppliers shall maintain records demonstrating compliance to radiation Worker's occupational health surveillance.

7.3 Ventilation Exhaust ventilation shall be installed in the work area to effectively collect and remove air emissions of Hazardous Chemicals. Exhaust ventilation systems shall be monitored to employ adequate air speeds and airflow rates, and volumes and ventilation rates to ensure effective removal of the Hazardous emissions. Emission collection devices shall be installed as close to the source of the emissions as possible to improve capture efficiencies. Ducts and pipes shall be made of materials that are compatible with their intended use and be maintained and inspected regularly. Incompatible Chemicals shall not be vented in same exhaust system. Processes using toxic or flammable gases or vapours or combustible dusts shall be conducted in rooms or chambers that have negative pressure relative to occupied areas.

7.4 Water Quality Monitoring / Assessment Supplier shall have qualified personnel or an external organization conduct water quality monitoring/assessment in the workplace at least annually, or as per applicable regulations. Drinking water samples from dispensers must be taken and analysed at each building to ensure a full coverage of the entire facility. Secondary water supply samples from holding tanks must be taken and analysed from each individual tank present at the facility.

8. Medical Surveillance Supplier shall establish an occupational health surveillance system to identify Workers who are routinely exposed to occupational hazards, the workstations, the length of time which they have worked at the stations, their pre-task, on the job, post-task, and post-emergency medical surveillance records. The system shall meet the requirements as per local regulations. **Medical surveillance** shall be

conducted by a qualified clinic. Medical surveillance results shall be provided to the tested Workers upon request. For any Workers routinely exposed to occupational hazards, Supplier shall provide:

- **Pre-job medical surveillance** to new Workers before starting work
- **On the job medical surveillance** to Workers at least once every two years or per applicable laws or regulations, whichever is more stringent
- **Post-job medical surveillance** to Workers who leave the position
- Medical surveillance to Workers before the Supplier closes business, merges with another organization, or spins off
- Medical surveillance to Workers exposed to Hazardous Chemicals after emergency situations. If a Worker has abnormal medical surveillance results related to exposures received at the Supplier's facility:
 - Worker shall be removed from the current job immediately and offered another position in the facility.
 - Supplier is prohibited from terminating the labour contract with the Worker due to the medical surveillance results.
 - Supplier shall provide medical treatment to the Worker.
 - Supplier shall provide re-examination to the Worker.
 - Supplier shall cover the medical treatment, re-examination, and rehabilitation cost for the Worker.

9. Personal Protective Equipment (PPE) Appropriate PPE shall be provided to all personnel at risk of exposure to occupational hazards within the worksite. PPE provided must be according to applicable regulations and/or based on recommendations in the SDS/risk assessment results. All Workers must be trained on the correct use of PPE before work. PPE shall be properly maintained and stored, and inspected and replaced periodically based on the manufacturer's instructions.

10. Ergonomics Supplier shall implement a documented process to identify, evaluate, and control workplace **Ergonomic Hazards**. Ergonomic risk assessments shall include identification of jobs and tasks with potential Ergonomic Hazards. Inputs may include but are not limited to task observation, Worker/ supervisor feedback, and Worker surveys. Ergonomic risk assessments shall be conducted on all new or modified production lines, equipment, tools, and workstations prior to being put into production. Potential risk factors may include but need not be limited to:

- Impact on muscles and joints (such as fingers/hand/wrist, arms/shoulder, neck, back, legs, feet) including dynamic movements, static postures, force, and twisting
- Contact pressure (such as fingers, palm, and forearms)
- Vibration (such as arms, full body)
- Control of operating speed
- Repetition
- Illumination
- Lifting
- Noise
- Temperature

- Work duration. Supplier shall implement controls to reduce Ergonomic Hazards and shall document the process from implementation through elimination or reduction of the Ergonomic Hazard(s). These jobs and tasks shall be re-assessed prior to starting production with an ergonomic task analysis to ensure reduction or elimination of Ergonomic Hazards.

11. Contractor Management Supplier shall establish and implement a procedure to manage and monitor contractor work onsite in accordance with all applicable health and safety laws and regulations. This includes but is not limited to:

- Training in EHS requirements, including emergency procedures, before the start of work
- Performing a Risk assessment
- Reporting of EHS incidents.

12. Training and Communication Suppliers shall implement an occupational health and safety training management system with a strategy and execution plan that meets the demands of regulatory requirements, industry standards, and Basketdrop's Standards. The occupational health and safety topics shall be based upon regulatory requirements and types of operations conducted. Supplier shall provide Workers with appropriate workplace health and safety training in one or more languages such that all Workers understand such training. Health and safety related information shall be clearly posted in the facility.

13. Documentation Supplier shall retain all documentation related to occupational health and safety management. Supplier shall maintain written copies of all records for the following periods or as per Applicable Laws and Regulations, whichever is more stringent:

- Permits and regulatory approvals: Current versions and/or historic versions (where specified in regulatory requirements)
- Hazardous Chemical inventory records
- Historic Hazardous Chemical inventories, emergency response (Chemical spill) drill records, and spill/leakage incident investigation documents for 5 years
- All equipment, tank, tankage, and area inspection and maintenance records for 5 years
- Employee training records for the previous 5 years or such other period specified by applicable regulatory requirements, whichever is longer
- Worker medical surveillance records: Hazardous Chemical medical surveillance records shall be maintained for 30 years plus the duration of the employment, or such other period specified by applicable regulatory requirements, whichever is longer
- Written copies of all legally required training records. All documentation shall be made available to Basketdrop for review upon its request.

Chemical Management

Supplier Code of Conduct Requirements

Supplier shall develop and implement a program to take reasonable steps to prevent adverse impacts to people and planet arising from processes and operations of chemicals. Supplier shall comply with Basketdrop's Regulated Substances Specifications for all goods it manufactures for, or provides to, Basketdrop.

1. Chemical Management Supplier shall implement a documented program to identify, evaluate and control adverse effects of processes and operations that handle chemicals. This program shall be based on a thorough risk assessment of the hazards that will be encountered in the workplace/facility relating to chemical operations being carried out at the facility.

1.1 Chemical Management Program Supplier shall follow the procedures in its chemical management plan to mitigate hazards. The program shall include the following elements:

- Analysis of operations and processes related to chemicals. An analysis of risks arising from such processes and operations. The program shall include a documented risk assessment methodology used to assess and differentiate the hazards.
- System to identify and implement controls necessary to mitigate these risks
- Identification of qualified third party or individuals specialized in designing, installing chemical processes and controls if needed
- Identification of test laboratory if needed to test for hazard.

1.2 Chemical Management Team Supplier shall organize and assign 'Directly Responsible Individuals (DRI)' to form a Chemical management team (CMT) at each facility. The CMT shall have the obligation and authority to direct the Supplier's actions for management of chemical operations to ensure the protection of Worker health and safety, the environment, and community.

1.2 Chemical Identification and Evaluation Supplier shall establish and implement a written program to track, review, and approve the use of all Hazardous Chemicals and shall obtain internal Environmental, Health, and Safety (EHS) approvals for all new purchases of Hazardous Chemicals prior to use. Supplier shall ensure that its selection processes for all new Hazardous Chemicals include a thorough evaluation of non-hazardous alternatives. Supplier shall develop and maintain an up-to-date written Chemical inventory detailing all Hazardous Chemicals introduced to the facility. Supplier shall review the Hazardous Chemical inventory annually and update it to reflect process, formula, material, and product changes. Chemical data shall be disclosed to Basketdrop in accordance with our Regulated Substances Specification. Supplier shall ensure that the Hazardous Chemical inventory includes but is not limited to:

- Chemical product information (commercial name, Chemical Abstract Service (CAS) number, chemical manufacturer)
- Purpose for use
- Location of use and storage

- Quantity of the Hazardous Chemical used annually
- Maximum legally allowable storage limits (where applicable)
- Exposure information (frequency, duration, and people exposed)
- Application and control information
- Test results for cleaners per our Regulated Substances Specification. Chemical inventory data and supporting documents shall be disclosed to Basketdrop for review upon its request. A Chemical compatibility chart shall be developed for the Hazardous Chemicals used and stored on the site. Supplier shall comply with Basketdrop's Regulated Substances Specification, for all materials and goods it manufactures for, or provides to, Basketdrop.

1.4 Hazardous Chemical Handling Hazardous Chemicals shall be handled in accordance with the requirements of the International Fire Code (IFC) as published by the International Code Council, or applicable standards, laws, and regulations. The use or handling of Hazardous Chemicals shall not take place in any area where it may present an immediate danger to health or the environment due to spillage, fire, or reactivity. Hazardous Chemical transportation devices shall be equipped with a means to secure the containers of Hazardous Chemicals to the device and shall include **Secondary Containment** equal to the volume of the materials transported unless there is no possibility of spillage due to the packaging (such as sealed metal containers).

1.5 Hazardous Chemical Storage Chemicals shall be stored in compatible containers that are not damaged and have no leakage. Regular inspections shall be conducted to review container integrity. Chemicals shall not be stored where they can be affected by weather. Chemical storage shall follow manufacturer's storage instructions. Chemicals shall be segregated from incompatible Chemicals in accordance with Supplier's Chemical compatibility matrix. There shall be no stacking of Hazardous Chemical containers where there is a risk of spillage. In no case is the stacking of secured containers over three levels in height permitted. Metal drums containing liquids (such as 55-gallon drums) shall not be stacked unless each individual drum is secured to a stacking device (equipment or fixtures specifically designed for drum stacking).

Hazardous Chemical storage areas shall be equipped with, but not be limited to:

- Appropriate ventilation
- Appropriate fire prevention and control equipment
- Temperature- and humidity-measurement and control devices
- Detectors for any Hazardous gases
- Secondary Containment
- A dike to prevent spillage from exiting the storage area
- Anti-static devices and explosion-proof electrical devices for flammable and combustible Chemical warehousing
- Appropriate personal protective equipment (PPE)
- Emergency equipment, including safety shower, eyewash, and spill kit.

1.6 Storage and operation with Compressed Gases Compressed gases possess several hazards as discussed here which include but not limited to

- Fire and explosion hazards of flammable, pyrophoric, or reactive gases.
- Health hazards of toxic, corrosive, or asphyxiant gases.
- Pressure hazards due to the high pressures within most cylinders that can result in rapid release and subsequent violent pin wheeling or propulsion (rocketing) of the cylinder.
- Safety hazards, due to the weight of the cylinders, during handling and storage operations.


Supplier should assess each type of compressed gas for the type of hazards associated with it and provide proper safeguards. Suppliers storing compressed gases at the facility in accordance with Applicable Laws and Regulations, or should follow International Fire Code's established maximum allowable quantity (MAQ) of compressed gas that can be used and stored within a building in absence of Applicable Laws and Regulations. Compressed gas cylinders should be secured with chains and stored in well ventilated area.

1.7 Bulk/Tank Storage: Supplier shall install Secondary Containment for **Underground Storage Tanks** and perform tank integrity tests at least biennially to detect failures of the primary or Secondary Containment structures or leakage into the Secondary Containment system. Supplier shall have a system to detect leakage at an early stage by visual inspection, meter monitoring, or other measures. Supplier shall conduct regular visual inspections for all Secondary Containment areas and Above Ground Storage Tanks (including tankage). Hazardous Chemicals shall be transported between work areas in the original shipping container except when transferred to smaller compatible containers for transport that are labelled appropriately.

A register of Underground Storage Tanks and **Above Ground Storage Tanks** shall include the following information for each:

- Construction date, type, and material
- Location, dimensions, and capacity
- Design pressure and operating temperature and pressure
- Current status (for example: in use, temporarily out of service, decommissioned)
- Appurtenances (for example: pumps, piping, valves, gauges, connections to other vessels, testing ports, instrumentation, controls)
- Spill/leakage prevention systems
- Spill/leakage detection systems
- Inspection, maintenance, and repair records.

1.8 Chemical Hazard Communication Supplier shall communicate the risks of Hazardous Chemicals and subsequent control mechanisms to mitigate those risks to Workers. Control mechanisms include, but are not limited to, engineering, administrative, and personal protective equipment (PPE) controls. PPE signage shall be provided at workstations where PPE is required to be used during operations. The **Material Safety Data Sheet** or the **Safety Data Sheet** of the Hazardous Chemicals used in the facility shall be written in one or more languages so that all Workers understand all such sheets, and all such sheets shall be readily accessible to Workers in the areas where the Hazardous Chemicals are used. All Chemical containers and Chemical process tanks in the workplace shall be labelled as per Applicable Laws and Regulations and must contain label(s) stating the name of the Chemical therein and any health, safety, and/or environmental warnings provided in the Material Safety Data Sheet or Safety Data Sheet. Codes and pictograms may be used, but must comply with



the Globally Harmonized System for Classification and Labelling of Chemicals, and Workers must have knowledge of the meaning of the codes and pictograms. All Chemical-transporting pipelines in the workplace must have labels stating the name and flow direction of any Hazardous Chemicals being transported. Pipelines shall use the proper colour scheme as per applicable standards and regulations, or, if no standard exists, in accordance with ANSI/ASME A13.1 Scheme for the Identification of Piping Systems.

2. Operational practices for hazardous Chemicals processes The following section lists practices for Hazardous processes and minimum requirements for safe management of such operations are discussed. Supplier should perform their own due diligence with their CMT and ensure the practices mentioned below are adequate for properly safeguarding the chemical operation at their facilities. In many cases more detailed assessment and controls will be required to fully protect people and the planet from any adverse impacts of these operations.

2.1 Sensors and alarms Any operation involving flammable, toxins or asphyxiants should be evaluated if it requires appropriate sensors such as oxygen or LEL monitors strategically located to sense presence of gases and vapours and alert the employees via an audio-visual alarm. Employees must be trained on properly response to such alarms.

2.2 Area classification Chemical hazards in each area and process should be properly identified and the area should meet Hazardous area classification as required by local Applicable Laws and Regulations. Electrical devices in the classified area should be rated for use in the area.


2.3 Local exhaust ventilation Local exhaust ventilation should be installed to direct chemical vapours away from employees and work in enclosed locations. Local exhaust ventilation should be designed for the specific chemical process and periodically checked to ensure its effectiveness.

3. Management of hazardous substances above Threshold quantities

3.1 Process Safety Management Suppliers that formulate, store, consume, or otherwise manage highly hazardous, flammable, explosive or toxic materials above the threshold quantities identified by Applicable Laws and Regulations must implement a documented process safety management system (“PSM System”) designed to prevent or minimize the consequences of a catastrophic release or explosion. Locally-specified threshold quantities and PSM System regulations shall be applied. Where local PSM System regulations have not been established or are deemed insufficient by Basketdrop, the threshold quantities in and requirements of the U.K. Health and Safety regulations shall be deemed applicable.

3.2 Training and Communication Supplier shall train its workers, contractors or any other affected individuals

- On standard operating procedures and consequence of deviations of processes and operations in their work area
- When a new chemical or chemical process is introduced or changed
- On emergency response associated with chemical processes and operations.



4. Documentation Supplier shall maintain documentation on hazard assessment, risk assessment criteria used for hazard assessment and results of such assessments. Supplier should maintain documented evidence that the high hazard operations are not causing harm to people and the planet as required by Applicable Laws and Regulations. All documentation shall be made available to Basketdrop for review upon its request.

Emergency Preparedness and Response

Supplier Code of Conduct Requirements Supplier shall identify and assess potential emergency situations. For each situation, Supplier shall develop and implement emergency plans and response procedures that will minimize harm to life, environment, and property.

Supplier Responsibility Standards

1. Emergency Planning

1.1 Emergency Scenario Supplier shall identify and evaluate the likelihood of different types of emergencies based on its production processes, chemical consumption, utility operation, and local geographic, geologic, and meteorological conditions. Emergency scenarios may include fire, explosion, flood, chemical spillage, power outage, and natural disasters.

1.2 Emergency Response Plan Based on the potential emergency scenarios, Supplier shall develop written emergency response plans to address foreseeable emergencies.

1.3 Emergency Procedure Supplier shall follow the procedures defined in its emergency response plan when an emergency situation occurs. The basic elements of an appropriate plan are as follows:


1.4 Emergency Response Team Supplier shall organize and assign trained **Workers** to form an emergency response team (ERT) at each facility that shall be available during all working shifts. The ERT shall have the obligation and authority to direct the Supplier's response to emergencies to ensure the protection of Worker health and safety, the environment, and property.

1.5 Communication Supplier shall have reliable and effective mechanisms of internal and external communication for notification of emergencies and subsequent evacuation of all persons in the facility. The communication mechanisms shall be audible throughout the entire facility. Supplier shall also develop and maintain the capability to inform the surrounding community, the public, the authorities, and appropriate government agencies in all emergency scenarios, such as release of toxins into the environment or chemical spillage.

1.6 Evacuation and Assembly Supplier shall immediately evacuate its facility in an emergency situation where the health and safety of the Workers may be threatened. Evacuations shall be conducted under the guidance of designated trained personnel who shall direct Workers to clearly marked safe **Assembly Areas**. Workers shall not return to previously unsafe areas unless and until the emergency situation is resolved and the facility is declared safe by the appropriate authorities and/ or other trained and authorized personnel.

2. Emergency Preparedness Facility Requirements

2.1 Aisles Aisles between process and production lines shall be clearly marked, unobstructed, and made from non-slippery material. Width of the aisles shall be maintained as per legal requirements.



2.2 Emergency Exits and Exit Signs Supplier shall allocate sufficient emergency exits in buildings, according to the building size and number of occupants, in compliance with all **Applicable Laws and Regulations** and prudent safety practice. Emergency exit doors shall:

- Not be blocked, obstructed, or locked at any time when Workers are present in the facility
- Open outward
- Be clearly marked with an “Exit” sign or symbol that meets Applicable Laws and Regulations and is universally understood by all Workers.
- Be in good working order
- Normally be in the closed position.

Emergency exit signs shall be visible in the dark and during power outages, powered by battery power or back-up electricity from the facility.

2.3 Evacuation Map Supplier shall post an accurate and up-to-date and correctly oriented evacuation map in all process and production areas, meeting rooms, dining and living areas, and other public areas. The evacuation map shall be clearly marked in a language understood by all Workers with viewer’s position and nearest exit routes and muster points.

2.4 Assembly Area Supplier shall designate a clearly marked, unobstructed, open space for assembly of Workers during emergency situations. Evacuated Workers must be able to safely assemble at a reasonable distance from emergency exits so as not to interfere with the safe evacuation of the buildings in the event of an emergency.

2.5 Elevator Supplier shall post signs (in one or more languages such that all Workers understand such signs) on all elevators to prevent usage during emergencies, unless the elevator is designed for firefighting or other emergency use.

2.6 Fire Walls Openings in fire walls and fire barrier walls shall be protected by self-closing fire doors that have fire-resistance ratings equivalent to the wall design.

3. Emergency Equipment

3.1 Emergency Lighting Supplier shall provide adequate, functional emergency lighting in stairs, aisles, corridors, ramps, and passageways leading to exits, and in other areas as required by Applicable Laws and Regulations. Emergency lighting may be powered by either battery or backup generator.

3.2 Firefighting Equipment Supplier shall install and properly maintain all legally mandated or recommended equipment including but not limited to fire alarms to detect and notify, monitor, and suppress fires. All emergency equipment shall be maintained and tested at regular intervals, and Supplier shall maintain records

of such testing, maintenance, and proper working order. Asbestos-containing fire-suppression materials (for example, blankets) are prohibited.

3.3 Shutdown Devices Supplier shall install manual or automatic shutdown devices on any Hazardous production equipment to avoid injury or damage in an emergency.

3.4 Chemical Spillage Equipment Supplier shall install equipment to detect, notify the facility, and respond in the event of a chemical-related emergency. Such equipment shall include the following:

- Hazardous Chemical vapor detectors
- Sound/light alarms as per Applicable Laws and Regulations
- Eye wash and emergency shower stations
- Spill kits.

3.5 First Aid Equipment Supplier shall ensure that an adequate supply of appropriate medical equipment is available throughout the facility, well maintained, and easily accessible to all Workers. Supplier shall train a sufficient number of Workers in **First Aid**.

4. Inspection and Maintenance of Emergency Equipment Supplier shall ensure that all emergency equipment is periodically tested as per manufacturers' instruction or recommendations, and that malfunctioning/ non-functional equipment is identified and repaired. All inspections must be carried out at least annually or as otherwise required by Applicable Laws and Regulations, and records of such inspections and maintenance must be maintained and made available to Basketdrop for review upon its request.

5. Emergency Contacts Supplier shall assign emergency contacts in each work unit and for all shifts to enable internal communication in emergencies. Contact information for internal and external emergency responders/agencies shall be posted in a language understood by all Workers in public areas that are easily accessible to Workers.

6. Training Supplier shall provide emergency response plan training to all Workers. All Workers must be informed of changes in company policy or procedures related to emergency preparedness within 30 days of implementation. Training shall be delivered at least annually to all relevant/designated persons.

Supplier shall provide information to vendors, contractors, and other temporary visitors about the evacuation routes, Assembly Areas, and emergency contacts and procedures.

Emergency response drills and evacuation drills shall be conducted on a frequency per Applicable Laws and Regulations. In the absence of Applicable Laws or Regulations, then the frequency shall be at least semi-annually. The emergency and evacuation drill shall cover all Workers, and Supplier shall evaluate Workers' emergency evacuation performance.

Infectious Disease Preparedness and Response

Supplier Code of Conduct Requirements Supplier shall develop and implement a program to take reasonable steps to prepare for, prevent, and respond to the potential for an infectious disease among its employees.

Supplier Responsibility Standards

1. Infectious Disease Planning Supplier shall implement a documented Infectious Disease preparedness and response process to identify, evaluate, and control workplace Infectious Disease transmission and monitor guidance of relevant health agencies in order to figure out how best to incorporate recommendations into the process and the plan. This program shall be based on a thorough risk assessment of the hazards that will be encountered in the workplace relating to the diseases.

1.1 Procedure Supplier shall follow the procedures defined in its infectious disease response plan when such a situation occurs. The plan shall include the following elements:

- Analysis of sources of an Infectious Disease the workers might be exposed to including specific risk factors for employees
- System to identify and implement controls necessary to mitigate these risks
- Process for the identification, isolation, and transportation of Infected Individuals
- Cleaning and decontamination procedures for workstation, isolation room, dormitory, and common areas (as applicable)
- Identification of service providers for specialized cleaning and decontamination where needed
- Identification of medical and laboratory service providers.

1.2 Infectious Disease Response Teams Supplier shall organize and assign 'Directly Responsible Individuals (DRI)' to form an Infectious Disease response team (IDRT) at each facility. The IDRT shall have the obligation and authority to direct the Supplier's response to Infectious Disease situations to ensure the protection of Worker health and safety, the environment, and community.

2. Infectious Disease Practices

2.1 Labour Supplier shall ensure that:

- Workers are protected against any improper discrimination, harassment, and retaliation for Infectious Disease-related reasons
- Effort to protect worker confidentiality is taken in accordance with Applicable Laws and Regulations when cases are reported
- Ensure workers are paid as per applicable laws and regulations for medical observation, quarantine, treatment, and downtime period related to Infectious Disease.

2.2 Personal Hygiene Supplier shall:

- Provide adequate facilities for hand washing and drying, including hygiene and sanitation supplies such as, but not limited to, hand soap and non-reusable towels, hand sanitizers, etc.
- Encourage Workers to stay home if they are sick
- Discourage Workers from sharing phones, tools or equipment when possible
- Ensure workers receive appropriate vaccinations and follow all applicable health and safety measures in accordance with local government requirements and recommendations.

2.3 Supplies Supplier shall maintain an inventory of supplies required to protect Workers and contain spread of an Infectious Disease. Supplier shall maintain adequate supply of these items at all times. These may include the following, but not limited to:

- Hand soap or optional hand sanitizer in all washrooms
- Face masks, N95 respirators (should be fit tested), gloves, gowns (or protective clothing), and protective eyewear
- Cleaning and disinfecting supplies, including clean cloths, soap, and disinfection agents
- Supplies that may be useful to detect and control the spread of disease (e.g. thermometers, barrier screens, test kits, etc.). Supplier shall also maintain protocol for proper disposal of all the supplies.

2.4 Airflow and waterborne spread All air flow and water supply systems will meet standards according to Applicable Laws and Regulations and specifications. Ventilation and water supply systems will be monitored in accordance with engineering and manufacturing recommendations and will be properly installed and maintained.

3. Infectious Disease Surveillance and Reporting Supplier shall have a process in place to ensure adequate surveillance of Infectious Diseases in the workplace as well as in the local community, nationally, and internationally. If an infectious disease emergency, whether epidemic, endemic, or pandemic is declared by local authorities, supplier shall:

- Increase its Infectious Disease related precautions in workplace
- Take reasonable actions to avoid spread of Infectious Disease in workplace according to guidelines provided by local authorities

3.1 Case Handling Supplier shall encourage its workers to report any symptoms of Infectious Disease in a timely manner. If supplier suspects a case of infectious disease at the facility, supplier shall:

- Safely isolate and transfer the infected individuals
- Do their due diligence to identify all the individuals who might have come in contact with the suspected/infected person
- Enhance cleaning and disinfection at the facility per instruction from appropriate experts/authorities

- Work with the local authorities in case an infectious disease outbreak is confirmed in the facility or in the local community to manage their working hours, change in number of employees working at the facility, or closure of the facility according to their guidance
- Reopen its facility according to local authorities' guidelines if required.

3.2 Reporting Supplier shall have a process to report suspected or confirmed cases at the workplace and, when required, supplier shall report any infectious disease cases to local authorities per Applicable Laws and Regulations. Suppliers shall comply with Basketdrop Supplier Incident Reporting requirements to report any infectious disease incidents that are of public concern.

4. Training and Communication All Workers, supervisors, managers, onsite contractors, and vendors shall be trained in the basic principles of Infectious Disease control including:

- Personal hygiene and sanitation including but not limited to hand washing, control of coughs and sneezes, cleaning and disinfecting surfaces, not sharing tools, food, drinks, or equipment, etc.
- Self-monitoring and timely reporting of signs and symptoms of an infectious disease
- Proper usage and disposal of PPE
- Proper food handling and preparation. Training shall be provided during the initial enrolment period, via refresher training on an annual basis, and during the outbreak of an epidemic or pandemic Infectious Disease.

5. Documentation Supplier shall retain all documentation related to infectious disease preparedness and response and shall be made available to Basketdrop for review upon its request.

Incident Management

Supplier Code of Conduct Requirements Supplier shall have a system for Workers to report health and safety Incidents and Near-Misses, as well as a system to investigate, track, and manage such reports. Supplier shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate Workers' return to work.

Supplier Responsibility Standards

1. Policy and Procedures

1.1 Written Policy and Procedures Supplier shall have a written policy that addresses **Incident** management requirements specified in Applicable Laws and Regulations and this Standard. Supplier shall have written procedures and systems to implement its Incident management policy. Supplier shall comply with its written policy and procedures at all times.

1.2 Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) to oversee and enforce the implementation of the Incident management policy and procedures.

2. Incident Tracking Mechanisms Supplier shall have a system for **Workers** to report health and safety Incidents and **Near-Misses**. Supplier shall have a mechanism to track all Incidents, the mechanism shall include at least the following:

- Incident investigation
- Incident reporting.

3. Incident Investigation

3.1 Root Cause Investigation On a regular basis and immediately following material Incidents, Supplier shall analyse Incident data including Incident tracking and medical surveillance, as well as Incident scene and witness testimony data. Supplier shall conduct root cause analysis to determine the immediate causes, root causes, and management system failures that contributed to Incident occurrences.

3.2 Corrective and Preventative Actions Supplier shall perform corrective and preventive actions to mitigate risks. Each immediate and root cause shall have at least one corrective and preventative action identified and conducted. Each corrective and preventative action shall be assigned to directly responsible individual(s) and shall be tracked through timely closure.

3.3 Medical Assistance and Return to Work If a Worker is injured at Supplier's facility:

- Supplier shall provide necessary medical treatment immediately after Incidents.

- Supplier shall provide post-Incident medical surveillance as per applicable legal requirements and the Worker's needs as diagnosed by a specialized medical practitioner.
- Supplier is prohibited from terminating the labour contract with the Worker because of injuries sustained at Supplier's facility or while working.
- Supplier shall make reasonable efforts to accommodate the Worker's return to work, which may include rearranging working time and, providing special equipment, opportunities for rest breaks, time off for medical appointments, part-time work, and other return-to-work arrangements.
- Supplier shall cover the cost of the Worker's medical treatment, re-examination, and rehabilitation.

4. Incident Reporting

4.1 Regulatory Reporting Supplier shall comply with all Applicable Laws and Regulations regarding reporting of Incidents.

4.2 Reporting to Basketdrop Supplier shall report any fatality or other Incidents of public concern (e.g., multiple people seriously injured, individuals affected by pandemic/epidemic illness) to Basketdrop within 24 hours of the Incident. The Incident report shall include but is not limited to:

- Location of facility and incident
- Time of incident
- Site description
- Incident description
- Number of injured, dead, and/or missing
- Control measures and remedial actions.

5. Training and Communication

5.1 Responsible Staff Supplier shall provide comprehensive Incident reporting and root cause analysis training to all responsible staff. All Personnel involved in Incident investigation should be properly trained to do so in order to ensure the integrity, consistency, and effectiveness of investigations.

5.2 Workers, Supervisors, and Managers Supplier shall provide Incident reporting training to all Workers, supervisors, and managers of the facility to encourage accident and Near-Miss reporting.

6. Documentation

6.1 Document Management Supplier shall retain Incident investigation documentation for at least 5 years or in accordance with Applicable Law and Regulations, whichever is more stringent. All documentation shall be made available to Basketdrop for review upon its request.

Dormitories and Dining

Supplier Code of Conduct Requirement Supplier shall provide Workers with reasonably accessible and clean toilet facilities and potable water. Supplier-provided Dining, food preparation, and storage facilities shall be sanitary. Worker Dormitories provided by Supplier or a Third-Party shall be clean, safe, and provide reasonable living space.

Supplier Responsibility Standards

1. Dormitory Facilities

1.1 Facilities Dormitory facilities shall be safe and shall meet all **Applicable Laws and Regulations**. Dormitory facilities shall have all relevant and required permits related to health, safety, and security, including fire protection and sanitation, as well as electrical, mechanical, and structural safety. All Dormitory buildings shall be separated from buildings that contain production, warehousing, or chemical storage areas. Separate sleeping accommodations shall be provided for each gender. If sleeping accommodations for men and women are in the same building, separate rooms shall be provided for each gender. Comfortable beds, cots, or bunk beds shall be provided for each Dormitory resident. Dormitory sleeping rooms shall have adequate light, heat, and ventilation. Dormitory sleeping rooms (not including partitioned areas) shall have at least one window or skylight opening directly to the outdoors. Dormitory residents shall be free to enter or exit their Dormitory sleeping room and Dormitory building at any time. Any sign-in/sign-out system shall not require the Dormitory resident to receive permission to enter or exit.

1.2 Personal Space Dormitory sleeping rooms shall use double-deck bunk beds or single beds only. Triple-deck bunk beds are prohibited. Sharing beds is prohibited except within individual family accommodations. Dormitory sleeping rooms shall offer no less than 3 square meters of individual living space per occupant. Individual living space is a place that includes the provisions for private storage of personal effects for each individual inside the room, but should exclude the inside washing room area and balcony area. Minimum clearance between upper and lower bunks of double-deck beds should be no less than 0.7 meters. The width of the passage between two bunk beds parallel to each other shall be no less than 1.2 meters. No more than 8 individuals shall occupy one Dormitory sleeping room.

Dormitory sleeping rooms shall have adequate and private arrangements such as personal closets or bins for storing clothing and toiletries. Dormitory rooms shall be equipped with secure storage for storing valuable personal effects and documents.

2. Toilets For all toilets inside workplace, dormitory, dining, or any other areas, Supplier shall ensure all toilets meet the following requirements:

- The number of toilets or privy seats for each gender shall comply with Applicable Laws and Regulations, and shall not be less than one per 15 residents, with a minimum of one such unit for each gender in common-use toilet facilities.

- Except within individual family accommodations, separate toilet facilities for men and women shall be provided. If toilet facilities for men and women are in the same building, at least one solid wall from floor to ceiling shall separate them.
- Toilet facilities shall be visually marked with “men” and “women” in the native language of the persons expected to access the toilet facilities.
- Common-use toilet facilities shall be well lighted, well ventilated, clean, and sanitary. These toilet facilities shall be located as per Applicable Laws and Regulations and not more than 200 feet (61 meters) from each Dormitory sleeping room inside the Dormitory building.

3. Showers Supplier shall provide both hot and cold pressurized water showers for the use of all occupants. These shower facilities shall be clean and sanitary, and located within 200 feet (61 meters) of each Dormitory building. There shall be a minimum of one showerhead per 15 persons. Shower floors shall be sloped downward towards properly constructed floor drains. Separate shower facilities shall be provided for each gender, and must be designated “men” or “women” in the native language of the persons expected to use the facilities. If shower facilities for both sexes are in the same building, at least one solid wall from the floor to ceiling shall separate them.


4. Drinking Water Supplier shall provide access to potable water in accordance with Applicable Laws and Regulations, in sufficient quantity for all Dormitory residents, and available within 200 feet (61 meters) from each Dormitory sleeping room. Potable water shall be freely available at all times and within a reasonable distance from the workplace and Dormitory sleeping rooms. Potable water must be tested at least annually and must be safe to drink. Potable water test reports must be maintained and posted as required by Applicable Laws and Regulations.

5. Safety

5.1 General Safety Each Dormitory sleeping room and all common-use rooms and areas such as hallways and stairways shall have adequate ceiling or wall-type lights. Adequate lighting shall be provided for the yard area and hallways to common-use rooms. The lighting level shall meet with Applicable Laws and Regulations or relevant international standards.

Storage of hazardous, flammable, or toxic chemicals is not permitted on Dormitory premises. Durable, fly-proof, rodent-proof, clean containers in good condition shall be provided adjacent to each housing unit for the storage of garbage and other refuse.

5.2 Electrical Safety All electrical wiring and lighting fixtures shall be properly installed and maintained in compliance with applicable regulations. No improper or illegal splicing of wire is allowed. For fire safety and electrocution prevention reasons, electrical equipment exceeding the electrical outlet maximum power rating shall not be allowed. Electrical equipment should be listed for electrical safety per applicable certification authorities.



5.3 Emergency Equipment First aid kits shall be provided in each Dormitory building and readily accessible for use by residents at all times and shall contain adequate supplies. Each Dormitory sleeping room and all common areas shall have proper and functioning smoke detectors. These detectors may be centrally wired or be standalone, battery-operated detectors. The detectors shall be tested at least annually to ensure continued proper operation. Proper firefighting equipment shall be provided in a readily accessible place not more than 82 feet (25 meters) from each Dormitory sleeping room and common assembly rooms.

5.4 Egress All Dining facilities and common-use rooms shall have at least two doors remotely separated so as to provide separate means of escape to the outside of the building or to an interior hallway. All Dormitory sleeping rooms shall open to common areas or hallways that provide at least two clearly marked exits that are free of obstructions and available for emergency use at all times. There shall be at least two clearly marked unobstructed exits on each floor, or more if required by applicable regulatory requirements. Emergency lighting shall be installed in hallways, stairways, and above each exit. Hallways and exits shall be free of obstructions to ensure a safe, rapid evacuation in case of fire or other emergencies. Exit doors shall open outward and shall not be locked so as to prevent egress. Exit routes shall be maintained during construction, repairs, or building Alterations. Supplier shall post signs (in the native language of the residents) showing the correct evacuation directions in all Dormitory sleeping rooms and common-use areas to ensure a safe, rapid evacuation in case of fire or other emergencies.

5.5 Drills and Worker Education Fire drills shall be conducted at least on a semi-annual basis and involve **Workers** from all shifts. Fire drill records shall be maintained for at least 3 years. Each new occupant must receive an orientation on fire safety, emergency evacuation procedures, and training on the use of fire extinguishers. Annual training records shall be maintained.

Practices on how to properly load the electrical outlets, extension cords, and power strips so as not to induce overloading shall be addressed through an education and awareness program. Suppliers shall educate Workers on potential fire safety risks created by smoking in non-designated smoking areas such as bedrooms, common rooms, etc.

6. Dining and Food Preparation Dining and food preparation in the workplace, dormitory or any other areas, shall meet the following requirements:

- All food made available to Workers shall be prepared, stored, and served in a safe, sanitary manner in accordance with all Applicable Laws and Regulations.
- All areas of food preparation shall meet the hygiene and sanitary standards specified in Applicable Laws and Regulations.
- Sanitary licenses and permits and inspection records shall be maintained and posted in areas of food preparation and serving as per Applicable Laws and Regulations.

Combustible Dust Hazard Management

Supplier Code of Conduct Requirements Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Supplier Responsibility Standards

1. Identification and Evaluation of Potential Hazards

1.1 Identification of Potential Hazards Any **Dust** used or created by one of the following processes shall be considered a **Potential Combustible Dust Hazard**:

- A process where a dry or wet Dust collector is being used to collect Dust.
- Any grinding, sanding, shredding, cutting, milling, routing, or drilling process that creates Dust.
- Any polishing or buffing process that creates Dust.
- Any other process or manufacturing operation that generates or handles Dust or media blasting or other powders.

1.2 Evaluation of Potential Hazards Supplier shall evaluate all identified Potential Combustible Dust Hazards as follows:

- The Dust must be tested to determine whether it is explosible by first testing in a Modified Hartmann Lucite tube with a constant arc energy source of 10 joules and if not explosible in this test, conducting a subsequent test in a 20-liter vessel according to ASTM E1226 Go/No-Go Screening Test criteria.
- If the Dust is determined to be explosible, Supplier shall have the Dust tested to determine its **Kst** and **Pmax** (Explosion Severity Test ASTM E1226) and **Minimum Ignition Energy** (ASTM E2019) values.
- If the sample is not ignitable in the Modified Hartmann Lucite tube, the Minimum Ignition Energy test is not required and the Minimum Ignition Energy shall be reported as greater than 10 joules.
- If the Kst value is greater than 0 bar-m/sec, the Dust shall be deemed a Combustible Dust and those areas of the facility where the **Combustible Dust** is present, in sufficient quantities to create a deflagration or explosion, shall be deemed to contain a **Combustible Dust Hazard**.
- If the Dust is determined to be explosive, it shall be deemed a Combustible Dust and those areas of the facility where the Combustible Dust is present shall be deemed to present a Combustible Dust Hazard.
- Supplier shall document each Potential Combustible Dust Hazard and permanently maintain such records. At least once per quarter or upon Basketdrop's request, Supplier shall submit records of Combustible Dust to Basketdrop.

2. Management of Combustible Dust Hazards Supplier shall implement measures to mitigate the risk and meet the requirements of this section for Combustible Dusts and Combustible Dust hazards.

2.1 Management of Change A management of change program shall be documented, maintained, and implemented for any changes to process materials, technology, equipment, procedures, and facilities, other than replacement in kind. This program shall ensure that the following issues are addressed before the change:


- The safety and health implications
- Whether the change is permanent or temporary
- Modifications to operating, maintenance, and housekeeping procedures
- Whether a **Hazardous Area Classification** needs to be revised
- Existing equipment impacts and suitability for the change
- Worker information and training requirements
- Authorization requirements for the proposed change.

Where a Combustible Dust hazard exists, new building expansions or alterations shall include process safety requirements, and a Combustible Dust risk analysis shall be conducted and documented by an engineer knowledgeable in applicable building construction and safety requirements.

2.2 Hazard Risk Data For all Combustible Dusts, Supplier shall obtain the following additional test data to assist in the development of engineering controls to mitigate the hazards:

- Minimum Ignition Temperature of the Dust Layer ASTM E2021 “Test Method for Hot-Surface Ignition Temperature of Dust Layers”
- Minimum Explosible Concentration ASTM E1515 “Test Method for Minimum Explosible Concentration of Combustible Dusts”. the following tests data, depending upon the process and the methods used to mitigate the hazard:
- Minimum Ignition Temperature of the Dust Cloud ASTM E1126 “Standard Test Method for Explosibility of Dust Clouds” if the Dust could be exposed to extreme temperatures higher than 300 °C.
- Limiting Oxygen Concentration ASTM E2931 “Standard Test Method for Limiting Oxygen (Oxidant) Concentration of Combustible Dust Clouds” if the safety of the process requires the use of an inert gas.
- Combustibility Screening Test – based on UN Recommendations on the Transport of Dangerous Goods: Model Regulations-Manual of Tests and Criteria, Part III, Subsection 33.2.1, Test N.1, “Test Method for Readily Combustible Solids”.

2.3 Life Safety The facility, Combustible Dust processes, and human element programs shall be designed, constructed, equipped, and maintained to protect occupants not in the immediate proximity of the fire, deflagration, or explosion, and provide occupants with the time needed to evacuate, relocate, or take refuge.



2.4 Electrical Hazard Area Classification Facilities where Combustible Dust is being produced or is otherwise present shall be subject to a Hazardous Area Classification analysis. NFPA 499, GB 12476.1, and GB 12476.2 or equivalent should be followed for guidance in conducting the analysis. The Hazardous Area Classification analysis shall be performed by qualified persons who have demonstrated competency in the area of conducting these analyses. The Hazardous Area Classification analysis shall include a report that identifies the Combustible Dust hazard areas that have been classified, the extent and/or distances of these classified areas, and the type of electrical equipment that shall be used in these areas. The electrical connections of electrical circuits, electrical equipment, monitoring, and alarming devices located in Dust explosion Hazardous areas shall conform to the requirements of GB 50058 for operations based in China.

2.5 Dust Collection Systems

2.5.1 Dust Collection General Requirements Where Combustible Dust is being transported, ductwork shall be constructed of non-combustible, conductive materials and shall be fabricated and assembled with smooth interior surfaces and internal lap joints that face the direction of airflow. Dry type Dust collectors shall be made of non-combustible, corrosion resistant materials. Square or rectangular type Dust collectors shall be designed to eliminate “dead spots” where Dust can accumulate. All conductive components of the Dust collector and ductwork shall be bonded and grounded independently of the electrical grounding system to minimize accumulation of static electric charge. The ductwork and fan system shall be designed such that any concentration of Dust in the system is less than 25 percent of the Minimum Explosible Concentration. Ducts shall be as short as possible and shall have as few bends and irregularities as possible, to prevent interference with free airflow. Duct seams shall be oriented in a direction away from personnel. Branch lines shall not be added, removed, or closed in an existing system without a ventilation rebalance and redesign, if necessary to ensure adequate transport velocities exist in the ductwork. Flexible hose used for ducts shall be in vertical sections only and only when required for movement or vibration of the connected equipment during normal operation.

Where flexible hose is used, the hose shall be fabricated with smooth interior surfaces and shall either be conductive or anti-static,. The length shall be minimized, and reinforcing wires, if used, shall be bonded to metal ducts on both ends. Hoses made from ordinary insulating plastics shall not be used under any circumstances. A suitable anti-static hose shall exhibit either a Surface Resistivity of less than 10^{10} Ω /sq, or a Volume Resistivity less than 10^9 Ω -m when tested per ASTM 0257- Standard Test Methods for DC Resistance or Conductance of Insulating Materials. When the Dust handling system has been balanced to achieve the desired airflow rate, all dampers or other flow control devices shall be secured in position to prevent unauthorized changes. Dry Dust collectors shall be provided with a differential pressure gauge to monitor the pressure drop across the filter media. The Dust-producing equipment shall be interlocked with the Dust collection system so that improper functioning of the Dust collection system will shut down the equipment where Dust presenting a Combustible Dust hazard is present. The interlock shall be triggered under any of the following conditions:

- The pressure differential between the air inlet and outlet is above the specified value indicating obstructed airflow in the system. For this purpose, a pressure differential gauge shall be installed between the dirty and clean side of the Dust collector.
- The pressure differential between the air inlet and outlet is low or at zero
- An unusual temperature rise within a dry Dust collector
- The air pressure for the pulse jets in the Dust collector is too low
- The Dry Dust collector unloading device stops working In the event of interlock activation, each facility must follow these steps in this order:
 - Remove personnel from the area
 - Investigate interlock activation
 - Clean facility and ductwork, if necessary
 - Implement corrective action related to the interlock activation incident
 - Restart equipment and confirm its proper functioning
 - Allow workers back into production area.

Transport velocities inside the ductwork shall be sufficient to ensure the transport of both coarse and fine particles and to ensure re-entrainment if, for any reason, the particles fall out before delivery to the collector. For metal Dusts, a minimum transport velocity of 23 m/s is required. For non-metal Dusts a minimum transport velocity of 20 m/s is required. Inspection doors shall be installed on horizontal sections of ductwork on the sides or top of the ducts. The inspection doors shall be sized to allow duct inspection and cleaning that reaches no less than 1.8 meters into the duct. Inspection doors shall be designed to seal to minimize air leakage. Horizontal ducts shall have inspection doors installed on centres that do not exceed 3.6 meters. Horizontal ducts shall have inspection doors within 1 meter of elbows and junctions. Ductwork shall be inspected at weekly intervals. Based on recorded observations of accumulations, the inspection frequency may be decreased to no less than once per month. If four consecutive weekly inspections detect no visible accumulation of Dust, the frequency of inspections may be reduced to once per month. However, if the Dust-collection system malfunctions, is damaged, or is changed, inspections shall once again be done weekly until it is clear that the malfunction, damage, or change and subsequent operation of the collection system did not result in any visible accumulation of Dust. If Dust accumulation is observed, any causes must be determined and corrected.

Where Dust accumulations are found, they shall be cleaned out using a non-sparking tool or an acceptable vacuum system with conductive or anti-static hose and tools. A system airflow rebalance shall be conducted when any changes in the collection system are undertaken, including removal or addition of a collection point(s). Compressed air shall not be used to clean out ductwork or any production station where Dust is produced. Duct work need not be provided with pressure vents for explosion control. A time delay switch or equivalent device shall be provided on equipment producing Dust that presents a Combustible Dust hazard to

prevent operation until the Dust collector is in full operation, and to prevent shutdown of the Dust collection system for at least 10 minutes after the equipment producing Dust stops operating.

2.5.2 Determination of Type of Dust for Mixtures Metal-containing mixtures that also contain combustible non-metal dusts shall be permitted to be treated as non-metal dust, if testing establishes that the mixture meets all of the following criteria:

- Mixture fires can be controlled safely and effectively with Class ABC fire extinguishing agents.
- Mixture fires can be controlled safely and effectively with water.
- The material is not a UN Class 4.3 solid as tested using UN Class 4.3 water reactivity test methods.
- The Volume Resistivity is greater than 1 M ohm-m. It is not a metal/ metal-oxide mixture (e.g., thermite).

2.5.3 Collection of Combustible Dust Machines that produce fine particles of combustible material shall be provided with hoods, capture devices, or enclosures that are connected to a Dust collection system with the suction and capture velocity to collect and transport all the Dust produced. Electrostatic precipitator type dust collectors shall not be permitted. Dry Dust collectors shall be protected against explosion either by using deflagration venting or deflagration venting through a Dust retention and flame arresting device in accordance with NFPA 68, explosion suppression systems in accordance with NFPA 69, or dilution with a non-combustible Dust to render the mixture non-combustible. Explosion vents shall be clearly marked: "WARNING: Explosion relief device". Where explosion suppression systems are used, they shall be interlocked to shut down the Dust producing operations and exhaust fan upon activation. Where sparks are generated, preventive measures, such as the use of an in-line spark arrester, shall be taken to prevent sparks from being aspirated into the ductwork servicing the Dust collector. When toxic or corrosive Dust is being collected, deflagration venting devices for pressure relief shall not be used. Explosion suppression devices using dry chemical extinguishing agents or inert gas shall be used instead. If the Dust collector is located indoors and an explosion vent is used, the Dust collector shall be located less than 2 meters from an outside wall or the roof and the vent shall be directed, without bends, to a safe location outside the building by means of a vent duct that shrouds the vent opening. Recycling of Dust collector exhaust air back into the factory shall be permitted if the system is designed to:

- Prevent the return of Dust in a concentration above applicable industrial hygiene exposure limits
- Prevent the transmission of energy from a Dust collector fire or explosion back into the factory, with the exception of exhaust air from dry metal Dust collectors, which shall not be returned back to the factory
- Where dry Dust collectors are used, explosion isolation devices shall be installed downstream of the last collection point in the ductwork. Isolation devices shall conform to NFPA 69 Chapter 12. This chapter addresses design, placement, and testing of these devices.
- Activation of an explosion isolation device shall result in the shutdown of the Dust producing equipment and the exhaust fan of the Dust collector.

- An interlock shall be installed on all Dust collector rotary airlocks that will remove power to the airlock in the event of a deflagration inside of the Dust collector.

2.5.4 Enclosureless Collectors Enclosureless dust collectors are prohibited for the collection of metal dust. Enclosureless dust collectors meeting all the following criteria shall be permitted to be used for collection of non-metal dust:

- The filter medium is not shaken or pressure-pulsed to dislodge Dust during operation
- The Dust collector is not used to vent or serve metal grinders, hot work processes, or machinery that can produce sparks
- The Dust collector is not used to vent or serve sanders, abrasive planers, or similar sanding process equipment
- Each collection system has a maximum air flow handling capacity of 1.4 m³ _per second
- The Minimum Ignition Energy of the collected Dust is greater than 500 mJ
- The fan motor is suitable for Class II, Division 2, or Class III as appropriate
- The collected Dust is removed frequently to limit its mass to less than 10 kg
- The collector is located at least 6.1 m from any means of egress or area routinely occupied by personnel
- Multiple collectors in the same room are separated from each other by at least 1 m
- The fan construction is spark resistant
- The filter medium is not located within 10.7 m of any open flame or hot surface capable of igniting a Dust cloud of the material it contains.

2.5.5 Metal Dust Collection 2.5.5.1 Fan and Blower Construction*

Where metal is used for construction of fan blades or housings, metal shall be a non-sparking metal such as bronze, nonmagnetic stainless steel, or aluminium. The design of the fan or blower shall not allow the transported combustible metal powder to pass through the fan before entering the final collector. Fans and blowers shall be equipped with ball or roller bearings. Bearing shall be equipped with temperature-indicating devices. Bearing shall be arranged to sound an alarm in the event of overheating.

2.5.5.2 Dry-Type Metal Dust Collection Dry Dust collectors shall not be used to collect any legacy metal (aluminium, magnesium, niobium, tantalum, titanium, zirconium or hafnium) dusts. Dry Dust collectors shall not be permitted for other metal Dusts, for example iron and stainless steel, unless the Kst is less than 150 bar.m/s, the filter media is conductive (if the MIE is less than 1000 mJ) and means of monitoring dust for exothermic reaction is in place. Dry media collectors used to collect other metal Dust shall be located outdoors unless hazard analysis is conducted to ensure that the risk to personnel in operations is minimized in existing systems. In addition, the material being collected must meet the following: the MIE is greater than 100 mJ and the Pmax value generated from the Explosion Severity test is less than 8.0 barg. Where cyclones are used as part of a dry dust collection system, they shall be of conductive non-sparking construction suitable for the

surface intended. Accumulations on filter media shall be limited to levels below the thresholds for any oxidative self-heating ignition and any possible ignition due to exothermic reaction of humid air. Accumulation levels during the operation shall be monitored across the media by pressure drop or any one sensor. If the accumulation exceeds the predetermined limits, a controlled shutdown of the collector and dust generation equipment shall be implemented. Periodic inspections and replacement of media shall be based on intervals determined by the pressure drop across the media or by indication of self-heating detection equipment based on moisture reactivity. The ingress, accumulation, or condensation of water in a dry type collector shall be prevented.

2.5.5.2.1 Indoor Dry-Type Dust Collectors. Indoor dry-type dust collectors shall be permitted for metals other than legacy metals, so long as they meet the following requirements:

- The Pmax is less than 8 bar(g), as measured using the test method in ASTM E1226, Standard Test Method for Explosibility of Dust Clouds.
- The Kst is less than 150 bar.m/s as measured using the test method in ASTM E1226.
- The minimum ignition energy (MIE) is greater than 100 mJ as measured using the test method in ASTM E2019, Standard Test Method for Minimum Ignition Energy of a Dust Cloud in Air.
- The material is not a UN Class 4.2 solid as tested using UN 4.2 self-heating test methods.
- The collection of materials other than iron or steel dust is prohibited in collectors with a dirty volume greater than 0.57 m³ (20 ft³) or an airflow greater than 2549 m³/hr (1500 ft³/min). An automatic fixed fire suppression system shall be provided with a fire extinguishing agent that has been shown to be effective with the material collected for indoor collectors.

An automatic fixed fire suppression system shall not be required where the amount of material collected is less than 0.45 kg (1 lb) combustible metal and the dust collector is emptied after each day of operation. Collected material shall not be stored in the collector, but shall be continually emptied from the collector into a sealed metal container through an isolation device in accordance with NFPA 69. The collection of materials other than iron or steel dust shall be prohibited in collectors with a dirty volume greater than 0.57 m³ (20 ft³) or an airflow greater than 2549 m³/hr (1500 ft³/min). Media collectors shall contain a filter break (e.g. broken bag) detection system that automatically shuts down the collector and connected equipment if a filter break is detected. The exhaust duct from the fan discharge shall exit the building using as straight and short of a path as is practical. The collector inlet duct, exhaust duct, and blower shall be inspected at least every 6 months to ensure that material is not accumulating. The collector exhaust duct located inside the building shall use one of the following deflagration protection methods:

- Deflagration pressure containment in accordance with NFPA 69
- Deflagration isolation in accordance with NFPA 69.

If the material meets either of the following criteria:

- The material is a UN Class 4.3 solid as tested using UN 4.3 water reactivity test methods.
- Water has not been shown to be an effective extinguishing agent.

Then the following requirements must be in place:

- Media collectors shall include automatic cleaning of filters, and the pressure drop across the filter shall be continuously monitored and alarms activated if the pressure is outside of established operating ranges.
- The collector shall contain a warning sign stating the following: *THIS COLLECTOR CONTAINS COMBUSTIBLE METAL DUST. DO NOT EXTINGUISH WITH WATER.*

2.5.5.2.2 Wet Collection Requirements (including waterfall types) It is permissible to locate Wet Dust collectors indoors. The blower for drawing the Dust-laden air into the wet collector shall be located on the clean air side of the collector. Where Dust presenting a Combustible Dust Hazard exists, the exhaust vent shall be inspected and cleaned frequently to prevent the build-up of deposits in the duct. Recycling water in wet-type Dust collector shall be filtered to remove particulates, oil and other impurities. All water lines and the water sludge tank shall be protected against freezing. The sludge in the water filtration tank shall be cleaned every shift, and the sludge and waste water shall be treated prior to disposal to ensure they are safe for the environment. Vents shall remain open and unobstructed at all times. Some metal Dust (for example, aluminium and magnesium) produces hydrogen gas when put in contact with water. Wet Dust collectors handling these materials shall have an alternate means for the hydrogen gas to be released to prevent accumulation in the event of an exhaust blower shutdown. The Dust-producing equipment shall be interlocked with the airflow to the exhaust blower, liquid level controller, and water flow through scrubber nozzles so that improper functioning of the Dust-collection system will shut down the equipment where Dust presenting a Combustible Dust hazard is present. In the event of interlock activation, facility shall follow these steps:

- Remove personnel from the area
- Investigate interlock activation
- Clean facility and ductwork, if necessary
- Implement corrective action related to the interlock activation incident
- Restart equipment and confirm proper functioning
- Allow workers back into production area. The use of dry filter medium or dry collection systems downstream of or combined within a wet Dust collection system is prohibited.

2.5.5.3 Downdraft Tables Self-contained, dry-type AMS, down-draft benches, and environmental control booths (e.g., buffing, grinding, and finishing booths) with integral filter media in the wall shall be permitted where less than 0.22 kg (0.5 lb) of dust less than 500 microns is collected and emptied each day.

2.5.5.4 Portable Dust Collectors for Metal Dust Collection Portable indoor dry-type Dust collectors shall be used only for grinding, buffing, or sanding operations. Individual machines with portable dry Dust-collection capabilities shall be permitted to be used indoors when the object being processed or finished is incapable of being moved to a properly arranged fixed hood or enclosure and shall incorporate the following safeguards:

- Portable indoor dry-type Dust collectors shall not be connected to a permanent fixed piping system.
- The operation of portable dry Dust collection devices shall be subject to a DHA to ensure that the risk to personnel and operations from flash fire and shrapnel is minimized.
- The portable Dust collector shall not be used in an identified deflagration hazard area until appropriate housekeeping methods in Section 2.7 have been used to remove Hazardous quantities of Dust.
- Portable dry AMS with a dirty side volume greater than 0.2 m³ (8 ft³) shall be protected against explosion in accordance with NFPA 69.
- Prior to a change in the collected materials, the portable dry-type AMS and all associated components shall be thoroughly cleaned.
- Hoses shall be appropriate for use and be static dissipative or conductive.
- Hoses and nozzles shall be bonded and grounded, and a path to ground shall be verified prior to use after each movement, each new connection, or both.
- The resistance of the path to ground shall be documented and maintained.
- The material collected shall be limited to 2.2 kg (5 lb) and, at a minimum, emptied daily.
- The collector shall not be used on processes generating hot embers or sparks.

2.5.6 Portable Vacuum Cleaners 2.5.6.1 All Dusts (including metal dust) Portable vacuum cleaners used to clean up Dust presenting a combustible dust hazard in non-classified areas shall meet the following requirements:

- Materials of construction shall be non-combustible. Exception: Filter media and filter media support frames may be constructed of combustible material.
- Hoses shall be conductive or static dissipative. A hose with an anti-static liner shall demonstrate a Surface Resistivity (SR) of less than 1010 Ω /sq or a Volume Resistivity (VR) of less than 109 Ω ·m.
- All conductive components, including wands and attachments, shall be bonded and grounded.
- Dust-laden air must not pass through the fan or blower.

- Electrical motors shall not be exposed to Dust-laden air unless they are listed for Class II, Division 1 locations; otherwise, a vacuum cleaner with a compressed-air motor shall be used.
- When liquids or wet materials are picked up by the vacuum cleaner, paper filter elements shall not be used. Portable vacuum cleaners used in areas that have been classified as either Class II Division 1 or Class II Division 2 shall be listed for use in Class II hazardous locations or shall be a fixed-pipe suction system with remotely located exhauster and dust collector. Where Class I flammable vapours or gases are present, portable vacuum cleaners shall be listed for both Class I and Class II hazardous locations.

2.5.6.2 Metal Dusts (additional requirements) Dry Portable Vacuum Cleaners Vacuum cleaners used for clean-up of metal Dust presenting a Combustible Dust Hazard shall be designed for use on the specific dust being collected. The material collected shall be limited to 2.2 kg (five lbs) and, at a minimum, emptied daily. Wet Immersion Type When the collector is to remain inoperative for a period of 24 hours or more, sludge shall be removed from the collector or the collector shall be permitted to be moved to a safe location where hydrogen venting and other hazards are sufficiently mitigated. The maximum capacity of the wet immersion unit shall not exceed 20 pounds of sludge. Clean out the unit after each use.

2.5.7 Machining, Fabrication and Finishing Guidelines specifically for titanium and magnesium machining are available on request from Supplier Responsibility.

2.6 Drag and Screw Conveyors Mechanical conveyors including drag and screw conveyors shall meet the following requirements:

- Enclosures, including covers, shall be designed to prevent the release of dust
- Mechanical drives shall be equipped with a sheer pin or overload detection device and alarm.
- The alarm shall sound at the operator control station.
- All drives shall be directly connected.
- Belt, chain and sprocket, or other indirect drives that are designed to stall the driving forces without slipping and to provide for the removal of static electrical charges are permitted to be used.

2.7 Dust Control and Housekeeping Dust-collection systems shall be installed where Dust presenting a Combustible Dust hazard is produced during normal operation. Equipment shall be maintained and operated in a manner that minimizes the escape of Dust presenting a Combustible Dust hazard. Dust presenting a Combustible Dust hazard shall be conveyed to Dust collectors in ductwork or in another contained manner. A housekeeping plan shall be developed and maintained for any areas presenting a Combustible Dust hazard. The plan shall include appropriate methods and processes for performing the cleaning. The housekeeping plan shall be reviewed and approved by designated safety personnel who are knowledgeable about Combustible Dust hazards. Regular cleaning frequencies shall be established for walls, floors, and horizontal surfaces such

as equipment, ducts, pipes, hoods, ledges, and beams, as well as above suspended ceilings and other concealed surfaces, to minimize accumulations of Dust that presents a Combustible Dust hazard within the facility.

In areas where metal Dust is being produced, or otherwise handled, Dust shall not be allowed to accumulate to a level that obscures the colour of the surface beneath it. For Dust other than metal Dust, ensure that accumulation of Dust presenting a Combustible Dust hazard does not exceed the threshold Mass (M) as calculated using the equation: $M = 0.02 \times \text{A}_{\text{floor}}$, where M is the mass in kilograms and A_{floor} is the area of the floor in meters squared. Surfaces shall be cleaned in a manner that minimizes the generation of Dust clouds. Vigorous sweeping, brushing, or blowing Dust with compressed air produces Dust clouds and shall not be permitted. Preliminary clean-up of metal Dust shall be accomplished using conductive, non-sparking scoops or shovels, soft brooms or brushes with natural fiber bristles, or vacuum cleaning systems designed for handling Combustible Dust as defined later in this section. Final clean-up for removing thin films of Combustible Dust may be accomplished using wet rags or mops. When using water for cleaning up metal Combustible Dust, ventilation, either natural or forced, shall be used to prevent hydrogen gas build-up.

2.8 Control of Ignition Sources

2.8.1 Hot Work The requirements below shall apply to all areas where metal Dust or Dust presenting a Combustible Dust hazard is present.

- A fire permit (hot work) program shall be in place and shall follow the requirements of NFPA 51.
- Fire permits shall be required when hot work is performed.
- Open flames, cutting or welding operations, or use of spark-producing tools or other equipment shall not be permitted unless designated safety personnel approve the fire permit.
- All hot work areas that require a permit shall be thoroughly cleaned of combustible materials, including metal Dust and Dust that presents a Combustible Dust hazard, before hot work is performed, and nearby workers shall be notified of the high risk.

2.8.2. Smoking Smoking shall not be permitted in areas where metal Dust or Dust presenting a Combustible Dust hazard is present. Matches and lighters shall not be permitted in Class I or Class II areas.

2.8.3 Control of Static Electricity All permanently installed process equipment and all building structural steel shall be grounded by permanent ground wires. Movable or mobile process equipment or tools of metal construction shall be bonded and/or grounded prior to use. Workers in a Class I area or in a Class II area where a Combustible Dust's minimum ignition temperature is less than 30 millijoules shall be grounded. The surface on which they are standing shall be suitably conductive as indicated by a maximum electrical resistance to ground of 100 MΩ. An anti-static mat may be required if the resistance of the floor is too high. All machinery where non-conductive components present a discontinuity in the grounding path shall be bonded between adjacent conductive components. The wire between two bonding clips shall be verified as conductive.

2.8.4 Control of Friction and Hot Surfaces All machinery shall be installed and maintained in a manner that minimizes the possibility of friction sparks. All hot surface temperatures shall be controlled to not exceed the Combustible Dust MIT Layer in areas where the Combustible Dust may exist

2.8.5 Bearings Ball or roller bearings shall be sealed against Dust ingress. Clearances between moving surfaces that are exposed to Dust shall be maintained to prevent rubbing or jamming. Machines shall be designed to minimize localized frictional heating of bearings and an appropriate maintenance program shall be implemented.

2.9 Protective Clothing Workers in Class II Division 1 or Class II Division 2 areas shall be provided with outer clothing that is flame retardant in accordance with NFPA 211 2-2012 “Standard on Flame Retardant Garments for Protection of Industrial Personnel against Flash Fire” or local equivalent, whichever is more conservative

2.10 Portable Fire Extinguishers Portable fire extinguishers shall be provided in areas where Combustible Dust is present. The type, number, and size of extinguishers, the placement and travel distances between extinguishers shall be in accordance with NFPA 10. Where metal Combustible Dust is present, portable fire extinguishers shall be rated for Type D fires.

2.11 Training All workers in areas generating, handling, or otherwise processing Combustible Dust shall be initially trained and retrained annually in the following:

- Hazards of their working environment and appropriate procedures in case of fire or explosion
- Location of electrical switches and alarms, first-aid equipment, safety equipment, and fire-extinguishing equipment
- Basic fire safety
- Hazards involved in causing Dust clouds and the danger of applying liquids onto a metal fire.
- Safe and proper evacuation of work areas
- Equipment operation, proper methods of start-up and shutdown, and response to abnormal conditions
- The necessity for proper functioning of related fire and explosion protection systems shall be explained.
- The workers’ roles in evacuation, sounding of alarms, gathering areas, and any other related items in the event of an emergency. Training shall be documented and permanent records kept on site.

2.12 Inspection and Maintenance An inspection, testing, and maintenance program shall be implemented that ensures appropriate process controls and that all equipment performs as designed. The inspection, testing, and maintenance program shall include the following:

- Fire and explosion protection and prevention equipment

- Dust control equipment
- Inspection of doors on Dust collection equipment, to ensure proper fit including condition of gaskets
- Inspection of Dust collection ductwork for accumulations of Dust, leaks, etc.
- Housekeeping
- Potential ignition sources
- Electrical, process, and mechanical equipment, including process interlocks
- Continuity checks on grounding and bonding systems
- Resistivity testing of static dissipative footwear and conductive floors where required. A thorough inspection of the operating area shall take place periodically on an as-needed basis, not to exceed quarterly, to ensure that the equipment is in good condition and that proper work practices are being followed.

A person(s) knowledgeable in the proper practices related to Combustible Dust safety shall conduct the inspection, and all findings and recommendations shall be documented and recorded.

3. Performance-Based Design Option As an alternative, where and when necessary, a person(s) with qualifications acceptable to the Basketdrop Supplier Responsibility Team may develop performance-based design provisions with regard to management of Combustible Dust fire and explosion hazards in lieu of the prescriptive requirements outlined in this standard.

- The performance-based design must demonstrate that the approach provides at least an equivalent measure of safety with regard to prescriptive requirements.
- The performance-based design should be documented with all calculations, references, assumptions, and sources from which material characteristics and other data have been obtained or on which the designer has relied for some material aspect of the design.
- The completed design shall be reviewed by the Basketdrop Supplier Responsibility Team to determine the adequacy and to ensure that the approach does not result in a diminution of safety when compared to prescriptive requirements.

4. Referenced Standards The documents or portions thereof listed in this Section shall be considered part of the requirements of the Standard. Local standards may be applied in lieu of NFPA standards only where the local standards provide an equivalent level of protection. In the event of substitution, Supplier is responsible for documenting justification. Where a requirement specified in a National commodity-specific standard differs from the requirement specified in this Standard, the requirement in the industry or commodity-specific standard shall be used unless specifically addressed in this Standard.

4.1 National Fire Protection Association (Internationally Recognized) Publications

Chinese Publications

- AQ-4272 Safety Specifications for Prevention of Dust Explosions from the Mechanical Processing of Aluminium and Magnesium Products
- AQ-4273 Safety Specifications for Dedusting System used in Dust Explosion Hazardous Area
- GB-15577 – 2007: Safety Regulation for Dust Explosion Prevention and Protection
- GB/T 17919 – 2008: Directives for Dust Explosion Protection for Dust Collectors in Dust Explosion Hazardous Areas
- GB/T 1 651: Code of Practice for Selection of Personal Protective Equipment
- GB 12476.1: Electrical Apparatus for Use in the Presence of Combustible Dust Part 1: Electrical Apparatus Protected by Enclosures and Surface Temperature Limitation – Section 1: Specification for Apparatus (IDT IEC 61241 – 1: 1999)
- GB 12476.2 Electrical Apparatus for Use in the Presence of Combustible Dust—Part 2: Selection and Installation
- GB/T 15605: Guide for Pressure Venting of Dust explosions
- GB 50058 Electrical Installations design Code for Explosive Atmospheres and Fire Hazards
- GB 50016-2006: Code of Design on Building Fire Protection and Prevention • GB/T 18154: Technical Specification of Automatic Dust Explosion Suppression Devices

4.3 European Standard

- IEC 60079-10-2 “Explosive Atmospheres - Part 10-2: Classification of Areas - Combustible Dust Atmospheres

4.4 United Nations Regulation

- UN Recommendations on the Transport of Dangerous Goods: Model Regulations - Manual of Tests and Criteria, Part III, Subsection 33.2.1.

Solid Waste Management

Supplier Code of Conduct Requirements Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle Hazardous Waste and non-Hazardous Waste.

Supplier Responsibility Standard

1. Regulatory Permits Supplier shall have the required environmental permits and other required approvals for its current operations. Supplier shall plan and provide adequate time to update current environmental approvals and permits for any **Alteration** that may change the environmental impact of Supplier's operations. Supplier shall comply with applicable **Hazardous Waste** permitting and reporting requirements in accordance with applicable regulations. Supplier shall perform the following actions:

- Register all Hazardous Waste in accordance with applicable regulatory requirements
- Obtain permits for pollutant discharge, Hazardous Waste handling, Hazardous Waste storage, and Hazardous Waste transport in accordance with applicable regulatory requirements
- Report any Alteration that may change the status of registration and permitted Hazardous Waste generation to the appropriate local and national regulatory agencies.

2. Directly Responsible Individual(s) Supplier shall identify the responsible individual(s) responsible for Hazardous Waste management.

3. Identification of Waste Streams Supplier shall identify all sources of **Waste** and characterize each Waste stream as either Hazardous Waste or **Non-Hazardous Waste** as per applicable regulations, or, if no regulations apply, in accordance with this Standard. Supplier shall develop and maintain a Waste inventory for all Waste generated. The Waste inventory shall include generated quantities of Waste per month, the Waste category (Hazardous or Non-Hazardous), the method of disposal, recycling, or other disposition for all Waste, and names of Waste transport and disposal vendors. Supplier shall review the facility Waste inventory annually. Supplier shall update the Waste inventory to reflect any process or production changes.

Control of Waste

4.1 Waste Collection and Storage Practices Supplier shall segregate Hazardous Waste from Non-Hazardous Waste per applicable regulations and this Standard. Supplier shall implement responsible Waste collection and storage practices, including but not limited to:

- Collection and storage of Waste in appropriate containers based on their chemical and physical characteristics
- Secondary Containment during the collection and transfer of Hazardous Waste from production areas to Hazardous Waste storage areas
- Standardized labelling of Waste containers in accordance with Applicable Laws and Regulations. At a minimum, each label shall include the type of Waste, appropriate hazard warnings, and the date of Waste origination.
- Maintenance of Waste containers in good condition and capable of preventing leaks or spills

- Onsite storage of Hazardous Waste shall not exceed the period required by applicable local regulations.
- Weekly inspection of Hazardous Waste containers to ensure container integrity, to prevent and control leaks, and to identify and correct missing or incorrect labels. Supplier shall maintain written copies of these weekly inspections.

4.2 Hazardous Waste Storage Areas Supplier's Hazardous Waste storage areas shall meet the following requirements:

- Construction materials and electrical equipment shall be compatible with the Hazardous Waste stored.
- Signage shall be posted inside and outside the Hazardous Waste storage areas to indicate: - The nature of any hazards posed by the Hazardous Waste - Any personal protective equipment required to enter the area - Any labelling stipulated by applicable regulations and standards - Any restrictions on smoking and other activities
- Unauthorized access to Hazardous Waste storage areas shall be prevented
- An enclosure or other covering that prevents exposure to the elements
- Equipped with Secondary Containment that will capture and hold leaks or spills
- Designed and constructed to prevent spills or leaks from the Hazardous Waste storage area from contaminating surface water or groundwater, or from entering storm drains or sewers
- Firefighting equipment shall be readily available and accessible
- A working alarm system that will alert facility workers and outside emergency responders in the event of an emergency
- Forced ventilation equipment for areas where volatile, acidic, caustic, or corrosive substances are stored
- Personal protective equipment for workers handling Hazardous Waste
- Storage area for personal protective equipment outside the Hazardous Waste storage area that maintains the integrity and functionality of the equipment
- Sufficient space for the ingress, egress, and other movement of emergency response personnel and equipment.

Disposal of Waste Supplier shall only use licensed and qualified Hazardous Waste transporters. Supplier shall conduct due diligence of the treatment method utilized by their contracted waste disposal vendors (including Hazardous Waste and Non Hazardous Waste disposal vendors) to dispose waste. If an environmental violation is identified, supplier shall:

- Notify Basketdrop of the Hazardous Waste transporter and its violation.
- Work with the Hazardous Waste transporter to develop, implement, and monitor corrective actions.


- Obtain approval for Hazardous Waste transfers from each applicable regulatory agency in accordance with applicable regulations.
- Complete written records and manifests for all Hazardous Waste disposal activities in accordance with local and national regulations.
- Submit copies of records, manifests, and other required documentation to the appropriate authorities and regulatory agencies, and any relevant third parties (transporters and receivers) in accordance with applicable requirements.

6. Emergency Response Supplier shall designate at least one properly trained **Emergency Coordinator** on the premises with the responsibility for coordinating all facility emergency responses and reporting activities. An Emergency Coordinator shall be on the premises whenever the facility is in operation. Supplier shall conduct emergency response drills related to potential Hazards of the facility annually, or such other time period specified by applicable regulatory requirements, whichever is shorter. Supplier shall establish a written **Emergency Response Plan** to minimize the risks to human health and the environment. The Emergency Response Plan shall include:

- Internal reporting and notification requirements
- Names and contact information for responsible facility personnel, local fire and emergency response contacts, and local hospitals and other appropriate medical contacts
- Identification and assessment of immediate potential threats, including risks of fire or explosion, as well as spillage or leakage, from facility processes and storage areas
- Emergency evacuation routes, procedures, and controls
- Detailed procedures for control and containment of released Hazards
- Proper clean-up and disposal of any released Hazardous materials.

7. Operations and Maintenance Supplier's pollution control technologies shall be operational prior to Supplier generating any Waste. Supplier shall plan and provide adequate time to implement controls and obtain approvals for any Alteration that may change the identification, collection, storage, handling, and disposal of Hazardous Waste. Supplier shall maintain a Waste minimization plan to assess onsite Hazardous Waste generation and to identify opportunities to minimize Hazardous Waste. If the facility's environmental permit requires meeting Hazardous Waste minimization goals, Supplier shall develop and implement a plan to meet the regulatory agency's Waste minimization goals.

8. Training and Communication Supplier shall provide worker training for Hazardous Waste handling, storage, emergency response actions, and proper record keeping.



9. Documentation All Waste management records and documentation shall be made available to Basketdrop for review upon its request. Supplier shall retain the documentation related to Waste management as follows:

- Employee training records for the previous 5 years or such other period specified by applicable regulatory requirements, whichever is longer.
- Employee medical records for the length of employment plus 30 years or as required by applicable regulatory requirements, whichever is longer.
- Current and historical copies of permits and registrations as required by applicable regulations or this Standard
- Current Hazardous Waste inventory
- Documentation showing Hazardous Waste is removed from the storage unit at least once per applicable accumulation period
- Hazardous Waste manifests and other shipping records shall be retained for 5 years
- Current list of vendors performing reuse, recycle, transport, or disposal of Hazardous Waste directly for the Supplier
- Incident records regarding all Hazardous Waste incidents at the facility shall be retained for 5 years.

Water and Wastewater Management

Supplier Code of Conduct Requirements Supplier shall implement a systematic approach to identify, control, and reduce wastewater produced by its operations. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems.

Supplier Responsibility Standards

1. Regulatory Permits Supplier shall obtain, retain, and manage valid or current copies of all necessary **Process Water and Wastewater** permits, licenses, registrations, and regulatory approvals as required by applicable regulatory requirements, including but not limited to:

- Environmental approval for current production
- New, additional, and/or amended or updated permits/registrations prior to any **Alterations**.
- All wastewater discharge and water usage permit(s) per Applicable Laws and Regulations.
- Reports and/or registers of Process Wastewater discharges in accordance with Applicable Laws and Regulations.
- Where mandated by Applicable Laws and Regulations, Supplier shall develop and maintain a water monitoring system to ensure the continuance and effectiveness of water management.

2. Directly Responsible Individual(s) Supplier shall identify a specific individual or individuals within the facility organization who will be responsible for all aspects of Process Wastewater discharge treatment, including maintenance and inspection of WWTP, monitoring of Process Wastewater discharge, and responding to emergencies.

3. Identification of Process Wastewater Sources Supplier shall identify and characterize all Process Wastewater streams. Supplier shall organize and maintain Process Wastewater stream inventory:

- The inventory shall include the composition and volume of each Process Wastewater stream.
- Supplier shall revise the inventory after any Alteration likely to affect Process Wastewater.
- Supplier shall review the inventory annually.

Control of Process Wastewater Discharge Supplier shall install and maintain appropriate Process Wastewater treatment systems in order to reduce the pollutant contribution of each of its facilities to levels compliant with Applicable Laws and Regulations. Supplier's Process Wastewater treatment system shall be operational prior to use of corresponding production equipment. Supplier shall:

- Comply with all Applicable Laws, Regulations, and requirements related to Process Wastewater discharge
- Update control technologies before any Alteration takes effect
- Verify compliance with current Process Wastewater discharge requirements

- Not intentionally dilute Process Wastewater to meet permit requirements and/or regulatory standards
- Comply with the recycle and reuse requirements for Process Wastewater as required by relevant regulatory agencies
- Treat and/or discharge Process Wastewater according to the approved environmental permits and other Applicable Laws and Regulations. If no Process Wastewater is allowed to be legally discharged, the Process Wastewater shall be handled in accordance with Applicable Laws and Regulations and Basketdrop Standards. If local requirements are not available for a pollutant, the thresholds specified in the Basketdrop Wastewater Discharge Quality Standards table shall be used:

Parameter	Discharge Limit to Wastewater Treatment Plant	Discharge Limit to Surface Water
Temperature	40°C	3°C increase of receiving water body
pH	6.0 – 9.0	6.0 – 9.0
Chemical Oxygen Demand (CODcr)	300 mg/L	100 mg/L
5-day Biochemical Oxygen Demand (BOD5)	150 mg/L	20 mg/L
Total Suspended Solids (TSS)	300 mg/L	20 mg/L
Fluoride	20 mg/L	5 mg/L
Total Nitrogen	70 mg/L	10 mg/L
Nitrites (NO ₂ -N)	Not Applicable	1 mg/L
Nitrates (NO ₃ -N)	Not Applicable	10 mg/L
Ammonia Nitrogen	25 mg/L	5 mg/L

Parameter	Discharge Limit to Wastewater Treatment Plant	Discharge Limit to Surface Water
Total Phosphorus	8 mg/L	1 mg/L
Oil and Grease (O&G)	20 mg/L	5 mg/L
Total Arsenic	0.2 mg/L	0.01 mg/L
Total Cadmium	0.05 mg/L	0.02 mg/L
Total Chromium	1 mg/L	0.05 mg/L
Hexavalent Chromium	0.1 mg/L	0.01 mg/L
Total Copper	0.5 mg/L	0.5 mg/L
Total Lead	0.2 mg/L	0.1 mg/L
Total Mercury	0.005 mg/L	0.002 mg/L
Total Nickel	0.5 mg/L	0.1 mg/L
Total Silver	0.1 mg/L	0.1 mg/L
Total Zinc	1.5 mg/L	0.5 mg/L
Cyanide	0.2 mg/L	0.15 mg/L

Evaluation and Monitoring of Process Wastewater Discharge Supplier shall:

- Monitor Process Wastewater discharges in accordance with regulatory requirements. The parameters selected for monitoring shall be indicative of the pollutants of concern and shall include parameters that are included in the permit or in Applicable Laws and Regulations.
- Monitor Process Wastewater discharges (for both pollutant concentrations and volume generated) at the frequency required by local regulations, or once a month in the absence of such regulations, to ensure compliance with Applicable Laws and Regulations.
- Monitor all Process Wastewater discharges at the locations or in the manner specified in the permit or required by Applicable Laws and Regulations.
- Submit Process Wastewater monitoring reports to the relevant regulatory agency as required for regulatory compliance.

6. Emergency Response Supplier shall prepare for emergencies and implement emergency response actions if the on-site Process Wastewater treatment system exceeds its capacity or if it malfunctions. The emergency response actions are as follows:

In the event the capacity of the Wastewater Treatment Plant (“WWTP”) is exceeded, supplier shall:

- Stop Process Wastewater discharge from the production areas into the WWTP
- Isolate Stormwater drain inlets within its facility so there is no cross-contamination from backed-up Process Wastewater
- Direct the excess Process Wastewater into a backup collection system and/or containers In the case of WWTP malfunction:
- Supplier shall stop wastewater discharge offsite from the WWTP immediately.
- Supplier shall stop Process Wastewater discharge from the production areas into the WWTP.
- Supplier shall replace or repair the WWTP equipment in a timely manner so the WWTP expeditiously resumes normal operations.
- Supplier shall report malfunctions to the local authorities per Applicable Laws and Regulations.
- If contaminated wastewater is discharged in excess of permitted limits, Supplier shall notify and obtain a variance permit from the local authorities, if possible.
- If treatment system malfunctions, Supplier shall immediately implement any system upgrades, repairs, and/or monitoring programs to meet regulatory discharge standards. Upon receipt of any community complaints, Supplier shall conduct Process Wastewater discharge monitoring to verify the Process Wastewater discharge status and promptly implement any necessary or advisable corrective actions. Upon receipt of any **Notice of Violation** from local authorities, Supplier shall communicate with the authority in a timely manner, inform all relevant parties about the violations, and subsequently take any corrective actions in a timely manner or as specified by the authorities.

7. Operations and Maintenance Supplier shall develop operating and preventive maintenance programs for onsite WWTP in accordance with the following:

- Clearly-defined and documented worker responsibilities and training requirements for the operation, inspection, and maintenance of the WWTP
- Standard operating procedures for preventive maintenance that incorporate manufacturers' specifications, recommendations, and industry best practices
- Key parameters for monitoring WWTP effectiveness and the frequency of routine inspections based on regulatory and/or permit requirements, preventive maintenance requirements, and other factors. The inspection plan shall cover all shifts during typical facility operations.
- Defined and documented operating procedures for shutting down the WWTP. Before shutting down the WWTP for any planned reason (for example, maintenance, exceeding capacity, or malfunction), Process Wastewater discharge to the WWTP shall be suspended to prevent Process Wastewater discharge from being released without treatment. Associated production equipment may resume operation only when the WWTP is operating properly. Supplier shall establish a program to evaluate the integrity of existing Process Wastewater collection systems, including wastewater pipelines, underground drains, wastewater sumps, and the on-site WWTP, and correct any identified deficiencies immediately. The program shall include regular

integrity testing of the Process Wastewater system at a frequency based on the risks of leaks identified during the evaluation.

8. Training and Communication Supplier shall provide training to operators of Process Wastewater treatment facilities that cover operation and maintenance of equipment and other process units in the WWTP. Operators shall hold WWTP operator certificates as required by local or national regulatory requirements. Supplier shall notify Basketdrop within 7 days and appropriate regulatory agencies as required by applicable regulations if an **Unusual Environmental Event** occurs. This notification shall include the probable cause of the Unusual Environmental Event and corrective or preventive actions.

9. Documentation Supplier shall retain both written and electronic copies of Process Wastewater discharge data and documentation for at least 5 years or as per local regulatory requirements, whichever is longer. Required documents to be retained include but are not limited to:

- Licenses, permits, and other regulatory registration documents
- Process Wastewater stream inventories
- Process Wastewater discharge monitoring results
- Records, permits, or regulatory correspondence of expanded, renovated, or new WWTP
- Written records of Process Wastewater–related communications with external parties, including but not limited to community groups and local authorities
- Routine inspection and maintenance records
- Reports of Unusual Environmental Events and corrective response actions undertaken
- Records of any corrective actions, rectifications, or follow-up actions taken for any deficiencies, complaints, or Notices of Violation
- Training records for personnel assigned to the operation, inspection and maintenance of the WWTP. All documentation shall be made available to Basketdrop for review upon its request.

Stormwater Management

Supplier Code of Conduct Requirements Supplier shall implement a systematic approach to prevent contamination of Stormwater runoff. Supplier shall prevent illegal discharges and spills from entering storm drains, the public water supply, or public Bodies of Water.

Supplier Responsibility Standards

1. Regulatory Permits Supplier shall comply with **Stormwater** permitting and reporting requirements per applicable regulations.

2. Directly Responsible Individual(s) Supplier shall identify a specific individual or individuals within the facility who will be responsible for the development, implementation, revision, monitoring, and inspecting, in accordance with the requirements of the **Stormwater Management Plan**, and emergency response.

3. Identification of Pollutant Sources

3.1 Potential Pollutant Sources Supplier shall identify potential pollutant sources that might affect Stormwater runoff. Supplier shall prepare the following to identify pollutant sources:

- A list of areas of **Industrial Activities** exposed to Stormwater and its **Pollutant Constituents**
- A list and description of potential spills and leaks that could contribute pollutants to Stormwater discharge, and specify which outlets are likely to be affected
- A list and description of past spills and leaks in the previous 3 years that occurred at areas exposed to Stormwater, or that drained to the Stormwater drainage system
- A list of **Non-Stormwater Discharges** and eliminate any **Unauthorized Non-Stormwater Discharges**

3.2 Facility Map Supplier shall prepare a facility map that includes the following information:

- Outlines of Stormwater drainage areas within the facility, portions of the drainage area affected by run-on from surrounding areas, and direction of flow of each drainage area, on-site Bodies of Water, and areas of soil erosion
- Location of nearby **Bodies of Water** and municipal storm drain inlets where the facility's Stormwater discharges and **Authorized Non Stormwater Discharges** may be received
- Location of Stormwater collection and conveyance systems, associated points of discharge, and direction of flow, including any Structural Control measures that affect Stormwater discharges, authorized Non Stormwater Discharges, and runoff
- Outline of all impervious areas of the facility, including paved areas, buildings, covered storage areas, and other roofed structures
- Locations where materials are exposed to precipitation and locations where significant spills or leaks have occurred
- Locations of areas of Industrial Activities that are potential pollutant sources.

4. Control of Stormwater Discharge Supplier shall select effective **Structural controls** or **Non-structural Controls** to prevent Stormwater pollution. Supplier shall conduct surveys at least annually to identify any direct connections from industrial production areas into a Stormwater drainage system. Supplier shall conduct the survey after any Alteration likely to affect the connections. If there are such connections, Supplier shall remove them immediately. Supplier shall manage wastes generated from Stormwater control systems in accordance with all applicable regulations.

5. Evaluation and Monitoring of Stormwater Discharge Supplier shall conduct periodic monitoring of its Stormwater discharges per applicable regulations. Supplier shall monitor Stormwater discharges to evaluate the effectiveness of control measures at the facility to minimize or eliminate pollutants from Stormwater runoff.


5.1 Assessments of Discharges Any abnormalities, observed during these evaluations shall lead to further facility inspections, root cause analysis, and implementation of corrective actions and countermeasures as appropriate to eliminate potential for Stormwater discharges.

5.2 Indicator Sampling Supplier shall collect Stormwater discharge samples from a facility's discharge points for laboratory analyses. The sampling frequency shall be no less than once every 6 months, and based on the potential risk level for Stormwater contamination. Chemical parameters for laboratory analyses shall be dependent on the types of pollutant sources identified (as per Identification of Pollutant Sources) and include at a minimum pH, chemical oxygen demand, colour, oil, and grease. Results shall be compared with the allowable pollutant concentration limit for the receiving Body of Water. If local requirements are not available for a pollutant, the thresholds specified in the Basketdrop Wastewater Discharge Quality Standards table (located in the Wastewater Management Standard) shall be used. If concentration exceeds limits, Stormwater pollution control measures shall be evaluated and fixed.

5.3 Compliance Sampling If Supplier is governed by local and/or national discharge limitation guidelines sampling shall be required to determine compliance with those limits. If effluent limits are exceeded, the Supplier shall conduct corrective actions and conduct additional sampling to show compliance. Supplier shall conduct one comprehensive annual evaluation of its Stormwater control measures that includes the following:

- Visual observations and inspection of sampling/analytical data
- A summary of inspections specified in the Stormwater Management Plan
- Incident reports and corrective action tracking results

6. Emergency Response Supplier shall ensure that there is at least one employee responsible for coordinating all facility Stormwater-related emergency response and reporting activities. Supplier shall have a system in place that can immediately close a Stormwater drain outlet discharging outside the facility boundary if there is a Hazardous substance spill released to the Stormwater drainage system. Supplier shall have the necessary plans and procedures to notify internal management and local regulatory agencies and take immediate steps to fix a Hazardous substance spill that has reached outside the facility boundary. Supplier shall conduct an analysis to determine the cause of the emergency release incident and implement corrective actions.



7. Operations and Maintenance Supplier shall create, implement, and maintain a written Stormwater Management Plan to support prevention of Stormwater runoff pollution. Supplier shall revise the Stormwater Management Plan as appropriate, and implement it prior to any changes in Industrial Activities at the facility that do any of the following:

- Significantly increase the quantities of pollutants in Stormwater discharge
- Cause new areas of industrial activity to be exposed to Stormwater
- Begin an industrial activity that would introduce a new pollutant source at the facility.

8. Communication and Training Supplier shall provide adequate Stormwater management training for all workers whose work may affect the quality of Stormwater as per applicable regulations.

9. Documentation Supplier shall retain the following Stormwater management–related documentation:

- Current copies of Stormwater control and/or treatment system drawings
- Copies of employee training records for the previous 5 years or as per Applicable Laws and Regulations, whichever is longer
- Records of internal incident investigation, management/regulatory notifications, and follow-up actions/closure for the previous 5 years. All documentation shall be made available to Basketdrop for review upon its request.

Air Emissions Management

Supplier Code of Conduct Requirements Supplier shall identify, manage, reduce, and responsibly control Air Emissions emanating from its operations that pose a hazard to the environment. Supplier shall conduct routine monitoring of the performance of its Air Emission control systems.

Supplier Responsibility Standards

1. Regulatory Permits Supplier shall have all required environmental approvals and permits for its current operations. Supplier shall plan and provide adequate time to update current environmental approvals and permits for any **Alteration** that may change the environmental impact of Supplier's operations.

2. Directly Responsible Individual(s) Supplier shall identify a specific individual or individuals within each facility who will be responsible for all aspects of Air eEissions management, including maintenance and inspection of Air Emissions–control devices, monitoring and reduction of Air Emissions, and emergency response.

3. Identification of Air Emission Sources Supplier shall identify Air Emissions sources, including those from industrial activities, auxiliary devices, Dormitories and canteen areas. Examples of processes that contribute to Air Emissions and corresponding air pollutants are identified in the table Examples of Typical Processes and Air Pollutants. Air Emissions are any regulated polluting substance introduced directly or indirectly into the ambient air by the Supplier's facility that are likely to have harmful effects on human health and/or the environment as a whole. Air Emissions include but are not limited to **Volatile Organic Compounds**, nitrogen oxides (NO_x), sulfur oxides (SO_x), carbon monoxide (CO), **Suspended Particulate Matter**, and **Greenhouse Gas**. These pollutants can damage property and vegetation, and cause serious health problems in humans and animals. In addition, air pollutants include toxic air contaminants, such as acids, hexavalent chromium, and ammonia, which have direct and indirect effects on human health. Toxic air contaminants can lead to cancer and other chronic and acute ailments.

Examples of Typical Processes and Air Pollutants	
Processes	Air Pollutants
Cutting/drilling	Dust/particulates
Surface treatment	Acid/alkaline fog and Hazardous Air Pollutants
Etching	Ammonia, acid fog, and hazardous air pollutants
Electroplating/anodizing	Acid fog, particulates, and hazardous air pollutants
HVAC and refrigeration systems	GHGs (covered in Greenhouse gas emissions management)
Welding/grinding/polishing	Dust, particulates, and fumes
Painting and coating	VOCs, acid mists, aerosols, and particulates
Boiler/generator operations	Sulfur dioxide, nitrous oxide, and particulate matter/ dust, carbon monoxide, and GHG (CO ₂) (GHG covered in Greenhouse gas emissions management)
Incinerating/burning	Sulfur dioxide, nitrous oxide, particulate matter/dust, dioxins and other hazardous air pollutants, carbon monoxide, and GHG (CO ₂) (GHG covered in Greenhouse gas emissions management)

Supplier shall develop and maintain an Air Emissions source inventory:

- The inventory shall include the composition and Mass Rate of emissions for each Air Emissions source
- Supplier shall revise the inventory after any changes to the production or process that are likely to affect Air Emissions
- Supplier shall review the inventory annually
- Supplier shall maintain the inventory in electronic form and make it available for review by Basketdrop upon its request.

Examples of Typical Processes and Air Emissions Control Devices	
Processes	Air Emissions Control Devices
Cutting/drilling/polishing	Cyclone/baghouse dust collector (Not applicable for combustible dusts.
Surface treatment	Wet scrubber (alkaline/acid solution)
Etching	Wet scrubber (alkaline/acid solution)
Electroplating	Wet scrubber (alkaline solution)
Painting and coating	Wet scrubber (alkaline solution) and/ or activated carbon filter
Boiler/generator operations	Wet scrubber (alkaline solution)

4. Control of Regulated Air Emissions Supplier shall report and/or register Air Emissions sources in accordance with Applicable Laws and Regulations. Supplier shall install and maintain appropriate Air Emissions–control devices for Regulated Air Emissions, and all control plans must be approved or accepted by all applicable regulatory agencies. Examples of processes and relevant Air Emissions– control devices are identified in the Examples of Typical Processes and Air Emissions Control Devices table. Supplier shall report Air Emissions discharge points to each applicable regulatory agency. The Air Emissions discharge points shall also be reported to Basketdrop for audit purposes and updated once a year to reflect any changes in discharge points during the previous year. Supplier shall handle, store, and dispose of residues and/or Wastes generated from Air Emissions control devices in accordance with Applicable Laws and Regulations and as per the Basketdrop Hazardous Waste Management Standard.

5. Evaluation and Monitoring of Air Emissions Supplier shall develop a program to quantify and monitor the composition of Air Emissions including calculating the mass rate for each source identified in the Air Emissions inventory. Supplier shall perform annual analytical testing of Air Emissions to ensure compliance with applicable regulatory requirements and this Standard. Air Emissions samples shall be collected under typical operating conditions and tested for parameters identified as potential air pollutants. Air Emissions shall be controlled below any regulated emission levels. Supplier shall submit Air Emissions monitoring reports as required by each applicable regulatory agency, and shall obtain all required permits to maintain regulatory compliance. In addition, the monitoring reports shall be maintained in electronic form and made available to Basketdrop for review upon its request.

Emissions Reduction Targets and Monitoring Progress Supplier shall annually review its emission inventory and set targets to reduce emissions through process modification, conservation, clean energy, and/or other measures. Supplier shall set targets for absolute reduction, intensity-based reduction, or both.


Supplier shall monitor progress of meeting the emission reduction targets, and document the results of the reduction measures. Supplier shall maintain reports of the emission reduction measures. Supplier shall submit the emission inventory, reduction targets, and results, with supporting documentation, in electronic form to Basketdrop for review annually and upon its request.

7. Emergency Response Supplier shall implement emergency preparedness and response actions in the event of any Air Emissions control system malfunctions, failures, maintenance, and/or modifications, as follows:

- For Hazardous air pollutants (HAPs), **Process Equipment** vented to the Air Emissions control system shall suspend operations immediately to prevent uncontrolled Air Emissions from escaping into the atmosphere. Supplier shall install and maintain an automatic shutdown system which ceases any HAP-emitting operations when the flow from these operations is diverted away from the Air Emissions control system—for example, to a bypass line— regardless of circumstances or whether the Air Emissions control system is shut down or fails.
- For non-hazardous air pollutants, Process Equipment vented to the Air Emissions control system shall suspend operations within 72 hours if no corrective action has been taken to prevent uncontrolled Air Emissions from escaping into the atmosphere, unless suspension is required sooner by applicable regulations. Upon receipt of any community complaints, Supplier shall conduct Air Emissions monitoring to verify the Air Emissions status and, if necessary, implement corrective actions, in a timely manner. Upon receipt of any **Notice of Violation** from the authorities, Supplier shall communicate with the appropriate regulatory agencies and/or the authorities in a timely manner to inform all relevant parties about the violations, and promptly take corrective actions or as otherwise instructed by the authorities. Supplier shall notify Basketdrop within 7 days and notify all appropriate regulatory and other agencies as required by applicable regulations if an **Unusual Environmental Event** occurs. In both cases (Hazardous or non-Hazardous Air Emissions), Supplier shall identify the probable cause of the Unusual Environmental Event and any corrective or preventive actions that were taken.

8. Operations and Maintenance Supplier's pollution control technologies shall be operational prior to Supplier generating any pollutants. Supplier shall plan and provide adequate time to implement changes and obtain approvals for any Alteration that may change Air Emissions sources, composition of Air Emissions, mass rate, Air Emissions control technology, or Air Emissions monitoring requirements. Supplier shall develop operating and preventive maintenance programs for all Air Emissions-generating equipment, Air Emissions control devices, and Air Emissions monitoring equipment. The programs shall include the following:

- Clearly defined and documented worker responsibilities and training requirements for the operation, inspection, and maintenance of the Air Emissions control systems
- Standard operating procedures for preventive maintenance that incorporate the relevant manufacturers' specifications, recommendations, and standard accepted practices
- Identified and documented key parameters for monitoring effectiveness of the Air Emissions control system and determining the frequency of routine inspections based on regulatory and/or permit requirements, preventive maintenance requirements, and other factors to ensure that the equipment is maintained in good working order. The inspection plan shall cover all shifts during typical facility operations.



- Documented operating procedures for shutting down Air Emissions control systems. Before any Air Emissions control system is shut down for any planned reason—for example, maintenance breakdown—Process Equipment vented to the Air Emissions control system shall be suspended and put into a state that prevents Air Emissions from being released. Associated Process Equipment may resume operations only when the Air Emissions control system is operating properly. Supplier shall conduct periodic inspection of Air Emissions control devices to identify and fix any operational deficiencies. A log of inspection and maintenance issues identified and fixed shall be maintained.

9. Training and Communication Supplier shall provide training per local and national requirements for the Workers involved in the maintenance and inspection of the related Air Emissions control systems. Workers shall receive the following training in addition to all other required training or instruction:

- Identification and understanding of Air Emissions source locations, exhaust stacks, and applicable Air Emissions control technology
- Appropriate response procedures in case of ventilation or failure of Air Emissions control system
- Specific operating requirements and protocol training for maintenance of Air Emissions control devices deployed at the facility.

10. Documentation Supplier shall retain written copies of Air Emissions data and documentation for the previous 5 years or as per local regulatory requirements, whichever is longer. All Air Emissions records and documentation shall be made available to Basketdrop for review upon its request. Required documents to be retained include but are not limited to:

- Air Emissions source inventories
- Air Emissions source testing and monitoring results
- Licenses, permits, and other regulatory registration documents
- Expansion, renovation, or new Air Emissions control device records, permits or regulatory correspondence
- Written records of Air Emissions–related communications with external parties, including but not limited to community groups, regulatory agencies, and local authorities
- All inspection and maintenance records
- Reports of Unusual Environmental Events, and responsive corrective actions taken
- Records of any corrective actions, rectifications, or follow-up actions taken for any deficiencies, complaints, notices of violations, etc. Supplier shall retain the previous 5 years of training records for personnel assigned to the operation, inspection, and maintenance of the Air Emissions control systems or as per applicable regulations, whichever is longer.

Greenhouse Gas Emissions Management

Supplier Code of Conduct Requirements Supplier shall identify, manage, reduce, and responsibly control Greenhouse Gas (GHG) emissions from its operations. Supplier shall regularly quantify, set targets, monitor progress, and reduce its emissions of greenhouse gases through process modification, abatement, energy conservation, use of clean energy, or other measures

Supplier Responsibility Standards

1. Regulatory Compliance and Permits Where applicable, Supplier shall comply with relevant laws and regulations pertaining to GHG emissions, such as any emission limits/caps, trading schemes, or reduction mandates. Examples include:

- Reporting and/or registering GHG emissions inventory as required by local or national authorities
- Controlling GHG emissions below any regulated emission levels
- Retaining copies of permits and data related to GHG emissions.

2. Directly Responsible Individual(s) Supplier shall identify a specific individual or individuals within each facility who will be responsible for all aspects of GHG emission management, including development of an annual GHG emission inventory and reduction targets, reporting of GHG emission inventories, monitoring and reduction of emissions, and compliance of national and local emission regulations.


3. GHG Emission Inventory Supplier shall identify GHG emissions sources, including those from industrial activities, auxiliary devices, Dormitories, and canteen areas. Examples of GHG emission sources are identified in the table *Examples of GHG Emission Sources*.

Examples of GHG Emission Sources*			
Scope	Emission Sources	Activities	Example End Uses
1	Stationary Combustion	Combustion of fossil fuels for generation of electricity and heat	boilers, furnaces, turbines
	Mobile Combustion	Combustion of fossil fuels for transportation	trucks, ships, airplanes, buses, and cars
	Fugitive Emissions	Intentional or unintentional releases (e.g., leaks and refrigerant usages)	refrigeration and air conditioning equipment
	Process Emissions	Manufacturing or process of chemicals and materials	aluminum smelting, semiconductor fabrication
2	Purchased Electricity	Consumption of electricity	electric ovens, motors, mechanical compression, heating, welding, lighting
	Purchased Heating & Cooling	Consumption of steam, hot water, heat, and cooling that are purchased from a 3rd party	process heating and cooling
3	Purchased Products & Materials	GHG emitted in the production of the purchased products and materials	purchased machineries, parts, materials, and furniture
	Employee Commutes & Travels	Employee commuting to and from work and business travels	cars, airplanes, buses, and trains
	Transportation & Distribution	Outsourced transportation of purchased goods and finished products	trucks, ships, airplanes, buses, and cars
	Waste Disposal	Process of wastes generated in operations	waste processing, recycling

* For details of GHG accounting and reporting standards, visit <https://ghgprotocol.org>

Supplier shall develop and maintain an annual GHG emission inventory:

- The annual GHG emission inventory shall be developed according to the **Greenhouse Gas Protocol** or equivalent standards and shall include **Scope 1 Emissions and Scope 2 Emissions**.
- Supplier shall update the inventory annually.
- Where applicable, Supplier shall update custom emissions factors.
- Supplier shall maintain the inventory in electronic form and make it available for review by Basketdrop upon request.



4. Monitoring and Reporting of GHG Emissions Supplier shall develop a program or have a solution to quantify and monitor GHG emissions, including data collection and updating emission calculations for each of the emission sources identified in the GHG emission inventory. Supplier shall annually report Basketdrop-related GHG emissions to Basketdrop.

5. Emissions Reduction Targets and Monitoring Progress Supplier shall annually review its GHG emission inventory and set targets to reduce GHG emissions through process modification, abatement, energy conservation, clean energy, or other measures. Supplier shall set targets for absolute reduction, intensity-based reduction, or both. Examples of intensity-based reductions include reduction normalized to production output and economic output. Supplier shall monitor progress of meeting the emission reduction targets and document the results of the reduction measures. Supplier shall report emission reduction progress, with supporting documentation (as applicable) in electronic form, to Basketdrop for quarterly review, and upon its request

6. Documentation All primary data used to calculate GHG emissions, such as energy consumption data, and documentation shall be made available to Basketdrop for review upon its request. Required documents to be retained include but are not limited to:

- GHG emission inventories
- Licenses, permits, records of corrective actions and other regulatory registration documents (where applicable). Supplier shall retain documents for the previous 3 years or per applicable regulations, whichever is longer.

Boundary Noise Management

Supplier Code of Conduct Requirements Supplier shall identify, control, monitor, and reduce noise generated by the facility that affects Boundary Noise levels.

Supplier Responsibility Standards

1. Identification of Boundary Noise Supplier shall use qualified personnel or an external organization to monitor **Boundary Noise** to verify compliance with all applicable regulations. The Third Party consultant shall use approved, calibrated sound level meters as per applicable regulations to monitor for Boundary Noise and shall prepare a Boundary Noise report. Supplier shall use the Boundary Noise report to identify operations that contribute to Boundary Noise, and develop an inventory of such operations and/or equipment. This inventory shall include information such as ranges of noise produced under normal operating conditions and prevention and control technologies to reduce Boundary Noise levels as per applicable regulations. Supplier shall update the inventory if there are any changes to production, equipment, or operating schedules that are likely to affect Boundary Noise levels.

2. Control of Boundary Noise Levels Supplier shall install and maintain devices to control appropriate Boundary Noise control devices to control Boundary Noise levels per applicable regulations. For installation and monitoring, Boundary Noise control methodology shall be designed by a qualified person to achieve Boundary Noise levels as per applicable regulations. Supplier shall monitor Boundary Noise for changes to the **Receiving Land Use Category** and comply with applicable regulations.

3. Evaluation and Monitoring Supplier shall evaluate Boundary Noise levels on an annual basis, upon changes to Receiving Land Use Category in the neighbourhood of the facility, or in response to any community noise complaints. The evaluation shall cover the following:

- Monitoring applicable regulatory standard(s) for changes
- Periodic inspections of Boundary Noise sources, including their location, installation, operation rules, control measures, and maintenance logs
- Supplier shall meet the applicable local standard for Boundary Noise. In the absence of a local standard, Boundary Noise–level criteria in the table below should be followed.

Boundary Noise Level at Facility Boundary			
Receiving Land Use Category	Day Time Level (L ₅₀) (6am–10pm)	Night Time Level (L ₅₀) (10pm–6am)	Night Time (L _{MAX})
Noise-sensitive areas, low-density residential areas, institutional areas, school, hospital, and worship areas	50 dBA	40 dBA	55 dBA
Suburban medium-density residential areas, public spaces, parks, and recreational areas	55 dBA	45 dBA	60 dBA
Urban high-density residential areas and designated mixed residential-commercial	60 dBA	50 dBA	65 dBA
Commercial zones	65 dBA	55 dBA	70 dBA
Industrial zones	70 dBA	60 dBA	75 dBA

4. Operation and Maintenance Supplier shall develop and maintain a plan to manage Boundary Noise that includes source identification, evaluation, as well as monitoring and control of Boundary Noise, as per Applicable Laws and Regulations. Supplier shall perform corrective and preventive actions to address Boundary Noise permit noncompliance in a timely manner or as specified by local authorities including, but not limited to, installation of Boundary Noise control devices and/or modification of the facility operating schedules for noise-generating equipment.

5. Training and Communication Supplier shall provide appropriate training for the employees involved in maintaining and inspecting Boundary Noise control devices.

6. Documentation Supplier shall retain current copies of necessary Boundary Noise permits or licenses. Supplier shall retain written copies of documents and records associated with Boundary Noise levels, including Boundary Noise reports for at least 5 years, and maintain these copies for the period when the equipment is in operation. Supplier shall maintain records of deviations from the applicable regulations or permits/licenses, and corrective actions taken to address deficiencies or noncompliance. Supplier shall retain any documentation related to preventive maintenance completed on Boundary Noise control equipment. All Boundary Noise reports and documentation shall be made available to Basketdrop for review upon its request.

Resource Consumption Management

Supplier Code of Conduct Requirements Supplier shall regularly quantify, set targets, monitor progress, and reduce consumption of Fossil Fuels, water, Hazardous Substances, and natural resources through conservation, re-use, recycling, substitution, or other measures.

Supplier Responsibility Standards


1. Directly Responsible Individual(s) Supplier shall identify a specific individual or individuals within each facility who will be responsible for all aspects of resource consumption management, including purchasing and implementation of conservation programs.

2. Identification of Fossil Fuel, Water, Hazardous Substances, and Other Natural Resources Supplier shall identify **Fossil Fuels** (direct and indirect), water, **Hazardous Substances**, and other natural resources consumed and track resource consumption on at least a monthly basis.

Examples of Resources Consumed	
Resources	Typical Uses
Fuels (e.g., coal, natural gas, propane, butane, diesel, gasoline, and biofuels)	On-site generation of electricity, heat, and steam; Supplier owned and operated vehicles
Purchased electricity, heat, and steam	Lighting, electric motors, pumps and fans, heating and cooling systems
Water	Process heating and cooling, cleaning, and domestic consumption
Hazardous substances	Ingredients used in the processing of goods, and ingredients in finished goods
Virgin forest products (e.g., paper and wood)	Ingredients in finished goods, packaging, and office supplies

3. Consumption Reduction Targets and Monitoring Progress Supplier shall annually review its consumption of fossil fuel, water, hazardous substances, and natural resources and set targets to reduce consumption through conservation, or other measures. Supplier shall set targets for absolute reduction, normalized reduction, or both. Supplier shall monitor progress in meeting its consumption reduction targets.

4. Minimum Efficiency Standards Supplier shall comply with its local government's minimum efficiency standards for appliances and equipment. Examples include minimum energy performance ratings or labelling for lighting, air conditioners, electric motors, water chillers, boilers, and air compressors. Supplier shall comply with its local government's mandated energy and water consumption and conservation policies and regulations.



5. Documentation Supplier shall retain written copies of natural resource consumption data and documentation for the previous 5 years or as per Applicable Laws and Regulations, whichever is longer. All records and documentation shall be made available to Basketdrop for review upon its request. Required documents to be retained include but are not limited to:

- Monthly utility bills and annual summaries
- Purchase records
- Descriptions and results of conservation projects
- Applicable licenses, permits, and other regulatory registration documents

Management Systems

Supplier Code of Conduct Requirements Supplier shall implement or maintain (as applicable) management systems that facilitate compliance with this Code and the law, identify and mitigate related operational risks, and facilitate continuous improvement.

Supplier Responsibility Standards

1. Company Statement Supplier shall develop a company statement affirming its commitment to regulatory compliance, customer requirements, or any other standards, and to achieve continual improvement with regard to its social and environmental responsibilities. Supplier shall prominently post this statement in the language(s) understood by employees, throughout the facilities.

2. Management Accountability and Responsibility

2.1 Directly Responsible Individual At each Supplier site, Supplier shall assign a full-time employee to be the responsible individual to oversee and enforce implementation of social, health and safety, environmental, and ethical conduct responsibilities at the site. This individual shall:

- Be of senior management level and be empowered with adequate resources, including but not limited to human resources and budget, as well as the access, power and authority to institute changes
- Understand and implement the requirements from Applicable Laws and Regulations and the Code and Standards
- Regularly review the effectiveness of the management system and take appropriate actions for continuous improvement
- Have their performance evaluated based on the effective planning and implementation to enforce requirements as per Applicable Laws and Regulations, customer requirements and any other applicable standards.

2.2 Supplier Responsibility Organization Supplier shall establish a cross-functional structure or committee as appropriate to ensure implementation of and conformance with requirements as per Applicable Laws and Regulations, customer requirements, and any other applicable standards.

3. Tracking of legal and customer requirements Supplier shall implement a system to identify and monitor the latest Applicable Laws and Regulations and customer requirements that apply to the facility.

4. Risks assessments Supplier shall implement a process to identify and analyse potential risks related to Applicable Laws and Regulations and customer requirements, and implement appropriate actions to comply. The process shall be repeated periodically (at least annually), and whenever there are major changes to Applicable Laws and Regulations, customer requirements, or facility operations

5. Objectives, Targets and Action plans Supplier shall establish a process to set improvement objectives, targets, and action plans Supplier shall establish a process for regular performance monitoring and continuous improvement actions to reach the targets

6. Regular Assessments/Audits Supplier shall perform periodic assessments and/or audits of its facilities, operations, subcontractors, and their suppliers to ensure compliance with Applicable Laws and Regulations and customer requirements. Assessments / audits shall be performed, at minimum, on an annual basis

7. Corrective Action Process Supplier shall implement a process for timely correction of any instances of noncompliance or nonconformance identified by internal and external audits and assessments, grievance reports, employee and stakeholder feedback, incident investigations, or other means. The process shall at a minimum include:

- Determination of root cause(s) for every instance of noncompliance or nonconformance
- Corrective actions as well as preventive actions for all similar issues and situations in the facility to ensure the same issue does not reoccur
- Creation of action plans with assigned action item owners, due dates, and means of verifying completion
- Communication of the corrective and preventive action plans to all affected individuals and departments.

8. Change Management Supplier shall establish a change management process defining a qualified change and the actions required for change response. Supplier shall ensure change management process and responsibilities have been communicated to all managers across all job functions. Supplier shall ensure adequate resources are made available to support change management when needed.

9. Certifications Any Basketdrop-managed facilities shall obtain, maintain, and provide Basketdrop a copy of either ISO14001, ISO14021, or European Union Eco-Management & Audit Scheme (EMAS) certification upon request.

10. Training and Communication

10.1 Responsible staff Suppliers shall provide training to all staff responsible for the effective implementation of management systems relating to social, health and safety, environmental, and ethics issues, including but not limited to performing regular assessments and/or audits, to ensure compliance to Applicable Laws and Regulations, customer requirements, their own internal or any other standards.

10.2 Workers, Supervisors and Managers Supplier shall effectively communicate its social and environmental company statement to all Workers, supervisors, and managers. In addition to complying with the Code and the Standards, this training or communication shall include, but shall not be limited to, Workers' rights and benefits, as well as internal policies and procedures. This training or communication shall be provided in the initial orientation process and via refresher training on an annual basis.

10.3 Suppliers and Customers Supplier shall have a process for communication of clear, accurate information about its expectations to their suppliers. Supplier shall have a process for communication of clear, accurate information about its performance, practices to their customers.

11. Documentation Suppliers shall establish adequate documents and record keeping systems to ensure that accurate versions are in use, and proper access protocols are in place to protect intellectual property and ensure confidentiality, of customers, employees, and business partners. Documents and records should be made adequately available for review and assessment purposes.

Responsible Sourcing of Materials

Scope

This Standard applies to all Basketdrop suppliers, their subcontractors, and all entities within their Supply Chains (each a “Supplier” and, collectively, “Suppliers”) directly or indirectly producing and/or procuring Goods for use in Basketdrop’s products. While Basketdrop considers compliance with this Standard to be the minimum a Supplier must do to remain in Basketdrop’s supply chain, a Supplier should seek to go beyond the minimum and apply any relevant best practices wherever possible. Basketdrop anticipates that in the future, only Suppliers exceeding minimum requirements and operating at the best practices level are likely to remain in Basketdrop’s supply chain.

Supplier Code of Conduct Requirements

- Suppliers shall exercise due diligence on Relevant Minerals and Relevant Materials in their **Supply Chain**.
- Suppliers shall develop particular due diligence policies and management systems in order to identify applicable risks and take appropriate steps to mitigate them.
- Due diligence shall be conducted to the material processing level in order to determine whether relevant materials originate from **High Risk** Regions, including areas associated with conflict, the worst forms of child labour, forced labour and human trafficking, gross human rights violations such as widespread sexual violence, or other reasonably objective high risk activities, including severe health and safety risks and negative environmental impacts.

Supplier Responsibility Standards

1. Due Diligence System, Policy, and Use of Relevant Minerals and Relevant Materials

1.1 Supplier Due Diligence Management System Suppliers shall develop an appropriate management system to conduct due diligence in accordance with the standards set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “OECD Guidance”) and other applicable international standards, as described in this Standard (see Section 6 of this Standard). For Suppliers using Relevant Materials, see also the OECD-FAO Guidance for Responsible Agricultural Supply Chains (the “OECD-FAO Guidance”).

- A due diligence management system shall include:
 - Risk identification
 - Risk prevention and mitigation
 - Third Party verifications or audits of Supply Chain due diligence
 - A mechanism for reporting applicable risks.

1.2 Supplier Policy Requirements Suppliers shall have a due diligence policy that is consistent with OECD Guidance and/or the OECD-FAO Guidance (as applicable), and this Standard. The policy shall also require Processors in the Supplier’s Supply Chain to have corresponding due diligence policies down to the level of the Source or Origin, which includes the level of **Mining Companies, Farms**, collection points of **Recyclable Waste**,

or the original source of primary ore at the mining level. Suppliers shall ensure that their facilities and suppliers comply with the obligations and requirements of this Standard.

1.3 Supplier Policy Distribution For Relevant Minerals, Suppliers shall distribute their policies to:

- All subcontractors and suppliers that produce **Goods** for use in Basketdrop's products
- Supplier procurement personnel and factory management. For **Relevant Materials**, Suppliers shall distribute their policies to Basketdrop. As appropriate, Basketdrop may require a Supplier to distribute their policies further.

1.4 Use of Relevant Minerals and Relevant Materials Suppliers shall not use Relevant Minerals or Relevant Materials in any Goods produced for use in Basketdrop's products if a Supplier cannot reasonably demonstrate that it has a due diligence management system and has performed the required due diligence activities, as outlined below. To the extent that a Supplier seeks only to implement a due diligence management system and perform required due diligence activities with respect to specific Basketdrop -related supply lines, Basketdrop may require, as appropriate, such Supplier to (i) demonstrate to Basketdrop a reasonably comprehensive system to segregate Relevant Minerals or Relevant Materials for use in Basketdrop's products from Relevant Materials or Relevant Materials used in other parties' products and (ii) undergo a Third Party verification or audit of such a segregation system. In addition to the requirements pertaining to Relevant Materials, the following use restrictions apply to the use of leather in **Goods**:

- Only domesticated bovines (limited to cow, steer, bull, calf, or oxen) raised for food production may be used. Leather originating from wild bovines (including but not limited to bison, water or cape buffalo), exotic species (including but not limited to shark, crocodile, or snake), or bovines raised only for their skin or hide (i.e., non-food sourced) are not permitted.
- No **Endangered or Threatened Species** (defined as species listed on the red list by the International Union for Conservation of Nature and Natural Resources) shall be used.
- No leathers from animals raised or slaughtered in Bangladesh, Brazil, China, India or Morocco shall be used.
- Animals in the production of leather, including at the farm, in transport, or at any other point in the Supply Chain shall not be treated inhumanely

2. Risk Identification Suppliers shall identify the High Risks in their Supply Chains by first understanding the Processors of Relevant Minerals or Relevant Materials in their Supply Chains. For Relevant Materials, High Risks shall be identified back to the **Source or Origin** level. As new Relevant Minerals or Relevant Materials are included in this Standard, Basketdrop will provide timelines for a phase-in period in order for Suppliers to implement corresponding risk identification requirements. Types of High Risks are:

- Red Flag Risks — at the mine, farm, transport, trading, or Processor level of the Supply Chain:
 - Conflict risks: Direct or indirect finance or benefit to armed groups that are perpetrators of serious human rights abuses consistent with the OECD Guidance. OECD Annex II and human rights risks: Forced labour, human trafficking, the worst forms of child labour, illegal taxation, and widespread gross human rights abuses, including sexual violence, as well as other human rights violations. Many of the foregoing are also identified in OECD Annex II.
 - Embargoed countries or **High Risk Entities** risks: Sourcing from embargoed countries (as described in the **High Risk Regions** list defined in this Standard) or from High Risk Entities.

• Other High Risks – at the mine, farm, transport, trading, or Processor level of the Supply Chain: - Health and safety violations, including both community and workers - Environmental impacts, including water abstraction and consumption. waste, pollution and tailings management, deforestation such as illegal logging, and encroachment on protected areas - Animal welfare impacts, such as the inhumane treatment of animals - Indigenous peoples’ and affected communities’ rights impacts, including potential resettlement and encroachment on cultural heritage sites. These risks may be identified through activities of section 2.1 and 2.2.

2.1 Supply Chain Mapping Suppliers shall map their Supply Chains for Relevant Minerals and Relevant Materials. This mapping shall occur at least annually, or additionally as requested by Basketdrop, and include:

- Identification and location information with respect to all of a Supplier’s subcontractors and sub-suppliers associated with Relevant Minerals and Relevant Materials
- Identification of the Processors of Relevant Minerals and Relevant Materials
- The country of origin of all Relevant Minerals and Relevant Materials. Suppliers shall communicate the following Supply Chain mapping requirements to their Supply Chains to ensure the following requirements are met by Processors, including their traders (if any) and sub-suppliers back to the Source or Origin in their Supply Chains:

Level of Supply Chain	Required Actions for Mapping Supply Chain
Processor (for it and its traders)	<ul style="list-style-type: none"> • Map Supply Chain of Relevant Minerals and Relevant Materials to the Source or Origin, for example: to the Mining Company or the original source of primary ore at the mining level, to the original source of commodity at the farm level, or to the secondary material source level (such as collection points) through traders and intermediaries
Source or Origin	<ul style="list-style-type: none"> • Map Supply Chain of Relevant Minerals and Relevant Materials to the Source or Origin, for example: to the farm for Bio-material, or collection points for recycled material, or to the specific mines for primary ore including, where applicable, artisanal mining responsible sourcing systems (e.g., point of collection approved via a responsible sourcing initiative, standard, or verification or audit program)

See Section 5.1 of this Standard for reporting requirements on required actions above.

2.2 Risk Mapping Suppliers shall map the particular risks in their Supply Chains annually, regardless of whether such risks are at the level of processing, trading and transporting, or mining, farming or production of Relevant

Minerals or Relevant Materials. Suppliers shall use reasonable efforts to track whether these specific risks are associated with Goods provided to Basketdrop.

- Suppliers are expected to proactively and regularly consult current country risk information sources to determine whether Relevant Minerals originate from or through High Risk Regions, and whether Relevant Materials originate from High Risk Regions or from a Source or Origin of High Risk.
- Suppliers shall require, to the extent practicable, that Processors and Mining Companies complete Approved Risk Assessments to gather information on applicable risks.
- Suppliers shall, to the extent reasonably available, use multiple sources of information to determine or confirm the existence of High Risks. Sources of information may include general risk notifications and reports from governments, local or international non-governmental organizations, civil society groups, research organizations, or other Third. Party organizations. Suppliers shall communicate the following risk mapping requirements to their Supply Chains to ensure the following requirements are met by Processors and Source or Origin (such as Mining Companies) in their Supply Chains:

Level of Supply Chain	Required Risk Mapping Actions
Processor (for it and its traders)	<ul style="list-style-type: none"> • Determine if countries of origin or transport include High Risk Regions • Determine if the Source or Origin of Relevant Minerals or Relevant Materials is a High Risk Entity • Complete Approved Risk Assessments of all owned and operated facilities/sites and all sourcing or trading relationships • Review and investigate identified and prioritized risks received and any other sources, including any alleged or confirmed High Risks, and request clarification as needed
Source or Origin	<ul style="list-style-type: none"> • Complete Approved Risk Assessments of its mining practices at the mining site level and owned and operated facilities • Review and investigate applicable risks identified and alleged or confirmed High Risks relating to its region(s) of operations, mining, and mining relationships (or farms for Bio-materials or collection points for recycled materials)

Suppliers shall also gather additional information in connection with risk mapping as may be requested by Basketdrop.

Further, Mining Companies shall also support the principles of the Extractive Industries Transparency Initiative <https://eiti.org/document/expectations-for-eiti-supporting-companies>.

3. Risk Prevention, Mitigation, and Resolution As risk prevention, mitigation, and resolution systems are presently developing and maturing, Basketdrop will provide timelines for a phase-in period in order for Suppliers to prioritize efforts to prevent, mitigate, and influence the resolution of High Risks on an ongoing basis.

3.1 Addressing Identified Risks If a Supplier or Basketdrop discovers alleged or actual risks associated with its Supply Chain, Supplier shall work with Basketdrop to respond to the applicable risks by (to the extent not prohibited by applicable law):

- Requiring corresponding Supply Chain actors, including Processors, to address identified High Risks
- Utilizing grievance channels of recognized Third Party organizations to report risks and request that appropriate action be taken to address identified High Risks (see section 6.3 of this Standard). Suppliers shall communicate the following prevention and mitigation requirements to their Supply Chains to ensure the following requirements are met by Processors and Mining Companies in their Supply Chains:

Level of Supply Chain	Required Actions to Prevent and Mitigate Applicable Risks
Processor (for it and its traders)	<ul style="list-style-type: none"> • Resolve reporting gaps in Approved Risk Assessments. • Directly or indirectly request applicable Supply Chain actors take prevention, mitigation, and resolution actions.
Source or Origin	<ul style="list-style-type: none"> • Resolve reporting gaps in Approved Risk Assessments. • Prevent or resolve High Risks pertaining to the Mining Company's or Source or Origin business; where direct action cannot be taken, an indirect or collective approach may be considered appropriate.

3.2 Tracking and Reporting on Action taken to Address Identified Risks As requested by Basketdrop, Suppliers shall apply appropriate and reasonable leverage to ensure identified risks and their resolutions are tracked and publicly reported or, as agreed to with Basketdrop, otherwise communicated and addressed.

3.3 Removal of Non-Participating Supply Chain Actors Suppliers shall terminate relationships with Supply Chain actors that are:

- Unwilling to engage in necessary Supply Chain and risk mapping, resolutions of High Risks, and verifications or audits
- Associated with Red Flag Risks but have not taken appropriate timely action to mitigate the corresponding risk. To the extent requested, Suppliers shall work with Basketdrop in connection with such terminations. Suppliers shall communicate the following requirements to their Supply Chains to ensure these requirements are met by Processors, Mining Companies, and other Source or Origin with respect to potential terminations of Supply Chain actors:

Level of Supply Chain	Required Actions on removals
Processor (for it and its traders)	<ul style="list-style-type: none"> • Notify Processors, traders and mines of potential removal of those who have demonstrated they are unwilling to conduct risk identification, mitigation, and verification or audit of overall due diligence. • Remove such actors if action is not taken within a designated timeframe.
Source or Origin	<ul style="list-style-type: none"> • Notify large scale mining (LSM) and Small Scale mining (ASM/SSM) and/or farm enterprises of potential removal of those that have demonstrated they are unwilling to conduct risk identification, mitigation, and verification or audit of overall due diligence. • Remove such actors if action is not taken within a designated timeframe.

4. Third-Party Verifications or Audits of Supply Chain Due Diligence Suppliers shall only use or source Relevant Minerals from Supply Chain actors that have demonstrated progress towards or completion of responsible sourcing verifications or audits by recognized Third Party organizations (see Section 6.1 of this Standard). For Relevant Materials, including recycled and Bio-materials, Suppliers seeking further information on recognized Third Party organizations and Applicable Standards should contact Basketdrop.

4.1 Responsible Sourcing Verifications or Audits To the extent requested by Basketdrop, Suppliers using and/or procuring Relevant Minerals shall have their responsible sourcing due diligence activities verified or audited by a recognized Third-Party organization. Suppliers shall communicate the following requirements to their Supply Chains to ensure the following requirements are met by Processors and Source or Origin.

Level of Supply Chain	Required Actions on verification or audits
Processor (for it and its traders)	<ul style="list-style-type: none"> • Participate in and complete Third-Party verifications or audits of applicable risks at owned and operated facilities. • Require upstream supply chain actors to verify or audit their due diligence.
Source or Origin	<ul style="list-style-type: none"> • Participate and complete Third-Party verifications or audits of applicable risks of mining practices at the Source or Origin and other relevant owned and operated facilities.

4.2 Demonstration of Upstream Progress towards Third-Party Verification or Audit If Processors or Source or Origin have not completed Third-party verifications or audits of their mining and processing sources for Relevant Minerals, such upstream Supply Chain actors may remain in Basketdrop’s Supply Chain so long as they demonstrate progress towards verification or audit completion by taking meaningful, substantive steps to follow a recognized Third-Party organization’s requirements for achieving responsible sourcing. In the case of Processors and Source or Origin, the following shall apply:

Level of Supply Chain	Required Actions for Meaningful Steps toward Third-Party Verification or Audit
Processor (for it and its traders), Source, or Origin	<ul style="list-style-type: none"> • Provide clear guidance on intended improvements to risk management on the Processor and/or traders or Source or Origin’s website, to the extent that such a website exists or, alternatively, to a recognized Third-Party organization, and/or to Basketdrop • Remain actively involved in the preparation and remediation of identified verification or audit gaps. • Make progress towards Third-Party verification or audit within a reasonable timeframe.

4.3 Completion of Verifications or Audits Suppliers using and/or procuring Relevant Minerals for Goods intended for Basketdrop shall ensure Processors and Source or Origin satisfy the following requirements and complete their verifications or audits in a timely fashion. Any exceptions must be made in writing by Basketdrop.

Level of Supply Chain	Required Actions
Processor (for it and its traders), Source, or Origin	<p>Conflict Minerals Verifications or Audits:</p> <ul style="list-style-type: none"> • Shall be fully completed periodically as determined by the recognized Third-Party organization (see Section 6.1 of this Standard) <p>Responsible Sourcing Verification or Audits Beyond Conflict Minerals:</p> <ul style="list-style-type: none"> • Where a recognized Third-Party organization or standard is in place for a Relevant Mineral, verifications shall be fully completed periodically as designated by such organization or standard (see Section 6.1 of this Standard). • Where a recognized Third-Party organization or standard may still be under development or supply chain actors are just beginning the Relevant Mineral verification or audit process, a phase-in process may be granted provided that the supply chain actors have publicly demonstrated that they are progressing towards such Relevant Mineral verification or audit.

Reporting For Relevant Minerals, Suppliers shall publish annual due diligence reports as detailed in Step 5 of the OECD Guidance and shall provide reasonable documentary evidence of their compliance with this Standard to Basketdrop, including (except as otherwise agreed to with Basketdrop) making all related supporting records available to Basketdrop upon its request.


5.1 Supply Chain Mapping and Due Diligence Verification or Audit Reporting Suppliers shall provide evidence of their Supply Chain mapping and verification or audit of identified Processors according to specific risks and Relevant Minerals:

- Conflict issues pertaining to tin, tantalum, tungsten, and gold shall be reported to Basketdrop twice annually by completing the RMI's **Conflict Minerals Reporting Template**.
- Cobalt and other Relevant Mineral Supply Chain mapping shall be reported annually to Basketdrop or, with Basketdrop's agreement, through another recognized industry reporting body. The formatting of reporting shall follow a designated Basketdrop template (if applicable) or equivalent widely-accepted industry template, such as the RMI's **Cobalt Reporting Template** as and when available. Suppliers shall communicate to their Supply Chains the following reporting requirements (which shall be carried out in accordance with OECD Guidance including Annex II Risks) to ensure that the following requirements are met by Processors and Mining Companies in their Supply Chain.

Level of Supply Chain	Required Supply Chain Mapping and Due Diligence Reporting Actions
Processor (for it and its traders)	<ul style="list-style-type: none"> • Provide Supply Chain mapping information to customers or to a recognized third party to aggregate reporting across the mineral Supply Chain for downstream reporting purposes, in cases where Supply Chain information, such as country of origin or supplier identification information, is restricted due to proprietary sourcing concerns. • In the case the Processor is providing secondary material, a Processor may be requested to report the percentage of recycled or scrap product it sources, • Post relevant information and verification or audit status on its website and, where applicable, be listed on a recognized Third-Party website.
Source or Origin	<ul style="list-style-type: none"> • Post Relevant Mineral sourcing sites and operations on its website. • Post relevant verification or audit status on its website and be listed on a recognized Third-Party website.

In addition to the above, Processors using Relevant Minerals shall provide information arising under Sections 2.1, 4.2, and 4.3 of this Standard to customers and to Basketdrop, as well as to recognized Third-Party organizations for broader dissemination. Mining Companies shall provide such information to Processors, customers, or Third-Party organizations, as appropriate.

5.2 Risk Reporting and Notification of Red Flag Risks Suppliers shall keep records of all risks identified, as well as the actions taken to follow up on such risks, for a minimum of 5 years from the date each risk is first identified and reported. Suppliers shall immediately notify Basketdrop in writing at Basketdrop.co.uk@gmail.com if they become aware of any Red Flag Risks associated with tin, tantalum, tungsten, gold, cobalt, or other defined Relevant Minerals or Relevant Materials. Such notification shall include reasonable tracking information to identify which Goods may contain the affected Relevant Minerals or Relevant Materials. Basketdrop will provide additional information and procedures to the applicable Suppliers following such notification. Suppliers shall also provide to Basketdrop any additional information that is reasonably requested. This information may include gathering data to report risks identified, mitigation steps, and associated resolutions regarding Relevant Minerals or Relevant Materials. Suppliers which use Relevant Minerals shall communicate to their Supply Chains that risk reporting shall be carried out in accordance with OECD Guidance by Processors and Mining Companies.



5.3 Changes or Exceptions Reporting Any changes (other than insignificant ones, taking into account the situation of the particular Supplier), new information or exceptions affecting previously provided information with respect to the Supply Chain and risk mapping or identified risk reports within the regular annual reporting period shall be promptly reported to Basketdrop. To the extent practicable given its particular circumstances, Suppliers shall also promptly provide updated information to Basketdrop as the Supplier becomes aware of significant changes to its sourcing of Relevant Minerals or Relevant Materials. Suppliers shall promptly notify Basketdrop of all failures to meet any reporting, sourcing, and due diligence requirements in this Standard, including any delay in providing a completed Conflict Minerals Reporting Template or other upstream reporting requirement on a timely basis.

6. Recognized Third Party Organizations and International Standards For purposes of this Standard, currently “recognized” Third Party organizations, verification or audit programs, websites, and other items are those recognized as such by Basketdrop from time to time. For Relevant Materials, including recycled and Bio-materials, Suppliers seeking further information on recognized Third Party organizations and applicable standards should contact Basketdrop. In some cases, a Processor or Source or Origin may be using a Third Party organization or standard that does not meet all relevant risks. In such cases, the Processor or Source or Origin should seek improvements in the Third Party organization or standard or use a combination of relevant Third Party organizations or standards.