

Supplier Code of Conduct

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Introduction



Ortomedic is committed to conducting its business in an ethical, legal and socially responsible manner. Ortomedic expects its suppliers and partners to share this commitment and to agree with the Supplier Code of Conduct (hereinafter referred to as “CoC”), meaning acting with the highest standards of ethics and in compliance with all regulatory and legal requirements and recommended practices. In addition, suppliers shall comply with all applicable laws, regulations, contractual agreements and generally recognized standards.

In order to make Ortomedic’s position clear to our suppliers, we have set up this CoC. This CoC is based on the Universal Declaration of Human Rights, the ETI Base code, and UN Global Compact’s 10 principles for sustainable development, to which Ortomedic is committed.

The verification of the CoC is also part of Ortomedic’s supplier selection and approval process. In addition, we do not just expect our suppliers to implement these standards in their own company, but to also implement and verify them in their supply chains. Furthermore, we expect our suppliers to be transparent and have an open dialogue with us about challenges which they encounter as part of their operations.



Requirements

Human Rights, Labour and Employment

Each Supplier must provide (and shall ensure that its suppliers and partners provide) a safe and healthy work environment, fully compliant with all applicable human rights, labor, employment and immigration laws and regulations. Specifically:

Employment is freely chosen (ILO Conventions No. 29 and 105)

- There is no forced, bonded or involuntary prison labour.
- Workers are not required to lodge deposits or identity papers with their employer and are free to leave their employer after reasonable notice.

Freedom of association and the right to collective bargaining are respected (ILO Conventions No. 87, 98, 135 and 154)

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards activities of the trade unions and their organisational activities.
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and/or collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means of independent and free association and bargaining.

Child Labour shall not be used (UN Convention on the Rights of the Child, ILO Conventions No. 138, 182 and 79, and ILO Recommendation No. 146)

- There shall be no recruitment of child labour.
- The minimum age for workers shall not be less than 15 and comply with
 - the national minimum age for employment, or;
 - the age of completion of compulsory education,
 whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- Policies and procedures for remediation of child labour prohibited by ILO conventions no. 138 and 182, shall be established, documented, and communicated to personnel and other interested parties. Adequate support shall be provided to enable such children to attend and complete compulsory education.



Living wages are paid
(ILO Convention No. 131)

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and include some discretionary income.
- All workers shall be provided with a written and understandable information about their employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure shall not be permitted.

Working hours are not excessive
(ILO Convention No. 1 and 14)

- Working hours must comply with national laws and collective agreements, and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours.
- Workers shall be provided with at least one day off for every 7 day period.
- Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.
- Workers shall always receive overtime pay for all hours worked over and above the normal working hours, minimum in accordance with requirements in applicable law.

No discrimination is practised
(ILO Conventions No. 100 and 111 and
the UN Convention on Discrimination
Against Women)

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

Regular employment is provided
(ILO Convention No. 95,
158, 175, 177 and 181)

- Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.
- All workers are entitled to a contract of employment in a language they understand.
- The duration and content of apprenticeship programmes shall be clearly defined.



No harsh or inhumane treatment is allowed
(UN Covenant on Civil and Political Rights, Art 7)

- Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

Marginalized Populations
(UN Covenant on Civil and Political Rights, art. 1 and 2)

- Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

Occupational Health and Safety

Each Supplier must comply with all applicable national and international health and safety laws and regulations.

Health and Safety
(ILO Convention No. 155 and ILO recommendation No. 164)

- The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.



Sustainability and Environmental Responsibility

Suppliers must ensure that they work in a sustainable and environmental responsible way.

- National and international environmental laws and regulations shall be respected, including obtaining and complying with all required environmental permits, licenses and registrations.
- Work to reduce negative impact on the environment throughout the value chain. In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.
- Implement programs to ensure products do not contain restricted or banned materials.

Business integrity

Suppliers are expected to behave ethically and with integrity in all business transactions. As such, they shall:

- Uphold standards for fair business practices including accurate and truthful advertising, fair competition, and antitrust.
- Prohibit payment of bribes, illegal political contributions, or other illicit payments or methods for any reason, including the waiver of penalties or fines or the receipt of any other special benefits.
- Safeguard against improper use of intellectual property, including disclosure of confidential or sensitive information, pricing, employee information or patient information.
- Maintain an environment of transparency, collaboration and innovation.
- Treat any animals used in its activities in an ethical and humane manner and follow the principles of replacement, refinement, and reduction of laboratory research animal testing.





Management systems

Suppliers are expected to manage their activities systematically in order to maintain business continuity, meet the standards set forth in this document and to improve their operations continually. As such, they shall:

- Demonstrate top management commitment and accountability through policies, objectives, and formal processes.
- Implement processes to control documents and records.
- Provide resources, including competent personnel and appropriate infrastructure, to ensure conformance to this CoC.
- Implement processes to control the production of products and/or materials for Ortomedic, manage change effectively and ensure customer requirements are satisfied.
- Implement processes to manage nonconformity, incident response and emergency situations related to products, business operations/continuity and this CoC , including the reporting of certain events to applicable regulatory authorities and Ortomedic as appropriate.
- Identify and implement improvement actions, including effective complaint investigation, internal audit and corrective action processes.

Verification

Supplier hereby commits to comply with the principles presented in this Supply Chain Code of Conduct and gives Ortomedic authority to verify the compliance with items covered in this document. Ortomedic may choose to perform compliance assessment by:

- Requesting suppliers to sign this “Code of Conduct” compliance statement
- Establishing with suppliers, where necessary, a further dialogue to ensure common understanding of Code of Conduct requirements and to evaluate compliance status
- Audits, by either own- or third-party resources at locations where products distributed by Ortomedic are produced.

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