



# Corporate Social Responsibility Guideline for Suppliers

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Sales/Purchasing Department



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## **Introduction**

Corporate social responsibility (CSR) is also often referred to as business responsibility and is a business's action on environmental, economic, ethical & social issues. Albon Engineering & Manufacturing plc started its CSR policies due to the realisation of all business activities have a wider impact on society and the environment.

Since Albon's establishment in 1970, Albon Engineering & Manufacturing plc has continuously strived to contribute to a more sustainable future for society and the planet we inhabit by providing high-quality and innovative products & services.

We hope this booklet is a practical guide for you, our suppliers, on the approach to CSR and that it will help to enhance your own CSR management. We also encourage you to promote the areas covered in this booklet through your own supply chain. Thank you for your understanding and cooperation as we continue an ongoing relationship of mutual respect, transparency and trust.

## **1. CSR Guidelines for Suppliers**

### **1.1 Overview of these Guidelines**

The guidelines are designed to encourage our suppliers to review their business procedures and activities to gain more reliable and responsible product procurement.

### **1.2 CSR Areas of Supplier Compliance**

#### **1.2.1 Compliance**

##### **Compliance with The Law**

Adhere to the law in all continents and countries. Understanding and deploying established policies, standards, codes of conduct, reporting systems, training programs and all other necessary means to ensure thorough companywide compliance.

##### **Compliance with Competition Laws**

Comply with competition laws in all countries and regions. Do not engage in practices deemed illegal monopolies, improper trade restrictions (bid rigging, cartels etc), abuse of dominant positions or unfair business practices.



### **Anti-Corruption Measures**

Suppliers must strive to manufacture transparent and fair relations with all business opportunities. Do not accept any form of gift, hospitality or services which could in anyway influence a business relationship or induce improper conduct.

### **Protecting Personal & Confidential Information**

When a supplier requests a business's private/confidential information this will be completed through legitimate methods only. Stringent control is paramount once a supplier receives confidential information. Once the information is no longer required it must be disposed of discretely & professionally. This must be completed in accordance with laws and regulations.

### **Managing Exports**

Undertake relevant procedures and management of exports of technologies and goods restricted by regulations and laws of all operating countries.

### **Safeguarding Intellectual Property**

Protecting intellectual property rights owned by or affiliated with your own company. You must not obtain third-party intellectual property by unlawful means or make improper use of it.

### **Corporate Citizenship**

Strive to encourage corporate citizenship activities amongst local communities aimed at building a better future for each local community in which business activities are operated. Try to bridge the gap, so there isn't a huge culture shift between corporate and social attitudes.



## **Responsible Procurement of Minerals**

Suppliers should support ending the violence & human rights violations in the mining of certain minerals from a location described as the “Conflict Region” which is situated in the eastern portion of the Democratic Republic of the Congo (DCR) & the surrounding regions.

On August 22, 2012 the Securities & Exchange Commission (SEC) published final regulations implementing the “Conflict Minerals” reporting obligations under section 1502 of the Dodd-Frank Wall Street Reform & Consumer Protection Act. The Dodd-Frank Act requires that all publicly traded companies subject to SEC rules, must report annually on the presence of certain minerals, characterized as conflict minerals, including tin, tantalum, tungsten or gold (3TG). Suppliers must demonstrate high levels of due diligence in determining whether these minerals originated from the Democratic Republic of Congo (DCR) or an adjoining country.

All suppliers must be committed to the responsible sourcing of minerals throughout the supply chain. Albon plc itself is not subject to the rules & reporting requirements of the (SEC) of the United States of America. Where Albon’s customers are required to comply with the “Conflict Minerals” reporting requirements, we are committed to ensuring that our suppliers support all efforts, by conducting reasonable country of origin enquiries in order to meet these requirements. In such circumstances supplier’s only source materials from confirmed “conflict free” sources.

### **1.2.2 Safety & Quality**

#### **Providing Products & Services That Meet Customer Needs**

Identifying customer requirements in order to develop a professional business relation. To make sure the product provided is socially effective. Done so in an energy & resource saving environment that limited the impact on the environment as much as possible.

#### **Ensure Safety & Quality of Products & Services**

Produce and operate services and products that meet or exceed the safety laws and regulations set by each country. Also, to establish and operate companywide quality assurance mechanisms.



### **1.2.3 Environment**

#### **Environmental Management**

To comply and stay aware of any changes of laws to try to anticipate changes or trends in the law in each country/region. Continuously build and improve companywide policies, schemes and procedures related to environmental activities and operations.

#### **Saving Resources & Reducing Waste**

Must comply with the laws and regulations in all applicable countries regarding the proper disposal of waste. Strive to reduce water consumption as well as the amount of final waste disposal by using all resources effectively.

#### **Managing Chemical Substances**

Adhere to current and future legislation/regulation in each country of operations. Specify and safely manage chemical substances that have the potential to pollute the environment, employees and or vehicle occupants. Do not include any chemical substances prohibited by the local laws, this includes consumables used in the manufacturing process.

#### **Preventing Pollution of Any Kind**

Comply with all current laws in each country of operation plus try to anticipate any future changes. This means being at the forefront of keeping the planet as healthy as possible. The categories that must be focused on are greenhouse gas emissions, soil, water & air pollution. Strive to use energy as effectively as possible by recording and reporting where necessary. Prevent pollution by undertaking continuous monitoring and reduction of pollutants.

### **1.2.4 Human Rights & Labour**

#### **Safe & Healthy Working Environment**

Make a safe and healthy working environment is a priority, and every effort to prevent occupational accidents/injuries must be stopped when possible.

#### **Discrimination**

There is no need for any aspect of discrimination especially in a workplace. On this basis discrimination in a workplace could fall in the following two categories:

Personal: Age, background, disability, gender, nationality, race & religion.



Employment: Recruitment, promotion, wages, dismissal, retirement, assignment of duties & disciplinary measures.

Or any other legally prohibited reasons.

### **Staff Working Hours & Incomes**

To comply with all associated laws of each country in regards to setting up employees working hours and income. Laws surrounding the granting of scheduled days off, paid annual vacation time, minimum wages and overtime must coincide with local laws.

### **Prohibiting Child Labour**

Do not allow the employment of minors who do not meet the legal minimum working age of each country of operations and in all cases if a minor is below the age of 15. Albon's supplier code of conduct highlights our stance on the matter as should our suppliers.

### **Prohibiting Forced Labour**

Suppliers must not practise forced labour. They must ensure that all labour is voluntary and that employees are free to leave their jobs.

### **Respecting Human Rights**

Do not allow any badgering/harassment or provoking in the workplace on the basis of age, background, disability, gender, nationality, race, religion, position within the company, employment status or any other reason.

## **2. Albon's Call to Suppliers**

### **2.1 Ensure CSR Compliance**

#### **2.1.1 Law & Regulation Compliance**

Although previously described, social demand is to adhere to laws and regulations, conventional wisdom and principles is growing in the world of CSR. Some suppliers are still facing accusations of CSR violations. Albon requires suppliers to conform to the current CSR guidelines, especially in regards to the compliance laws and regulations.

#### **2.1.2 Supply Chain Promotion**

Albon requests their suppliers to promote CSR and to incorporate it into your business. Especially regarding legal and regulatory compliance throughout your supply chain.



### **2.1.3 CSR Awareness**

At Albon we believe that CSR is a great new tool for companies to build greater trust, respect & transparency throughout the business world. Subsequently creating awareness around this business matter, we highly recommend.

## **2.2 CSR Commitment & Compliance**

Albon requests your commitment to the current CSR guidelines in writing. By following the instruction, signing and returning Page 9. Albon thanks you in advance for your cooperation.

### **2.2.1 Assessment**

In order to establish supplier's compliance with Albon's expectations. Albon may ask the supplier to get a CSR compliance assessment completed by a third party, which is a certified organisation, recognised internationally and selected by Albon Engineering & Manufacturing plc. In the event of the assessment not meeting Albon's CSR requirements, an action plan will be requested.

### **2.2.2 Non-compliance Action**

In the event of a supplier not conforming to CSR guidelines, Albon Engineering & Manufacturing will request the supplier to immediately report full details of the non-compliant incident for investigation. Once the root cause of the incident is understood, corrective and countermeasures will be deployed to prevent reoccurrence. Until corrective countermeasures are implemented, Albon Engineering & Manufacturing may temporarily suspend any new RFQs to the supplier within Albon plc's procurement activities or take other action, as appropriate.



**Albon Engineering & Manufacturing plc**

Rochford – England

**Albon Engineering & Manufacturing Doo**

Ruma – Serbia

**Albon Warehouse Facility**

Oklahoma – USA

**Agena Technology**

Simanovci - Serbia