



# HUMAN RIGHTS POLICIES For Suppliers

DEHNCO Equipment & Supplies Co., Inc.

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## 1. Introduction

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At DEHNCO Equipment & Supplies Co., Inc. (DEHNCO), We understand our duty to protect the well-being and dignity of everyone involved in our operations, from employees and contractors to all stakeholders we engage with.

## 2. Human Rights Policy Statement

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DEHNCO upholds internationally recognized human rights standards, including the principles established in the Universal Declaration of Human Rights<sup>1</sup> and the International Labour Organization's Core Conventions<sup>2</sup>. We believe respecting and promoting human rights is fundamental to our core values and our operations' long-term success and integrity.

## 3. Purpose

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The purposes of this policy are:

1. **Ensure Ethical Conduct:** Establish clear expectations for suppliers to uphold ethical behavior by aligning their operations with internationally recognized human rights standards.
2. **Protect Individual Rights:** Safeguard the rights and dignity of all individuals involved in suppliers' operations, including employees, contractors, and other stakeholders within their supply chains.
3. **Promote Fairness and Equality:** Foster an inclusive and respectful working environment by encouraging suppliers to implement practices that promote fairness, equality, and non-discrimination.
4. **Enhance Business Reputation:** Strengthen the reputation of both the company and its suppliers by demonstrating a shared commitment to human rights, which is essential for building trust with clients, partners, and the broader community.
5. **Comply with Legal Requirements:** Ensure that all supplier operations comply with applicable international and national human rights laws, regulations, and industry standards.
6. **Support Sustainable Growth:** Encourage suppliers to integrate human rights considerations into their business practices, contributing to the long-term sustainability and responsible growth of the entire supply chain.

## 4. Applicability

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This policy applies to all our contractors and suppliers.

## 5. Labor and Human Rights Goals and Improvement Plans

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A safe, fair, and inclusive workplace is essential for responsible and ethical business. At DEHNCO, we foster strong labor and human rights practices throughout our supply chain. We expect our suppliers to share this commitment by adhering to the highest standards in health and safety, working conditions, career development, diversity, equity, and inclusion (DEI). By setting clear expectations, we aim to

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<sup>1</sup> [the Universal Declaration of Human Rights Human-centred values and fairness \(OECD AI Principle\) - OECD.AI. https://oecd.ai/en/dashboards/ai-principles/P6](https://oecd.ai/en/dashboards/ai-principles/P6)

<sup>2</sup> [the International Labour Organization's Core Conventions](#)

promote collaboration and ensure that all suppliers align with our values, helping to uphold ethical practices at every level of the supply chain.

### **Setting Labor and Human Rights Targets**

DEHNCO has established clear sustainability goals to guide the responsible management priorities of its supply chain. Likewise, we expect our suppliers to set and actively pursue defined labor and human rights objectives to enhance workplace conditions, promote fairness, and ensure ethical treatment. These objectives should be regularly reviewed, monitored annually, and adjusted as needed to drive continuous improvement.

### **Dehnco's Supply Chain Goals: Quantitative and Qualitative**

- **Health and Safety -Strategic Suppliers:**
  - **Quantitative Goal:**
    - Achieve zero workplace major accidents in our supply chain in 2026.
    - Reduction of misdemeanor incidents in our supply chain by 5% in 2026
  - **Qualitative Goals:**
    - Ensure suppliers implement effective safety management systems across the supply chain.
    - Monitor health and safety incidents annually and work with suppliers to develop preventative actions that reduce risks and promote a safer work environment.
- **Working Conditions -Strategic Suppliers:**
  - **Quantitative Goal:**
    - 100% of our key suppliers with living wage gaps calculation
  - **Qualitative Goals:**
    - Ensure suppliers count with a comprehensive onboarding process for new workers, including employment policies, benefits, promotions, salaries, evaluations, etc.
- **Career Management and Employee Development Plan**
  - **Quantitative Goal:**
    - By 2026, 100% of our suppliers will have at least 60% of their workforce participating in a formal performance evaluation process.
    - By 2027, 100% of our suppliers will have at least 60% of their employees engaged in training and development programs.
  - **Qualitative Goals:**
    - Ensure suppliers have a structured training program offering technical upskilling and career advancement opportunities.
    - Ensure suppliers count with an annual review process, including feedback, goal setting, and career development planning.
- **Child/Forced Labor**
  - **Quantitative Goal:**
    - By 2025, there will be zero cases of child labor and forced labor across Dehnco's supply chain.

- **Qualitative Goals:**
  - Strengthen human rights due diligence by integrating risk assessments and proactive monitoring into supplier vetting and onboarding processes.
  - Ensure employees from our suppliers have access to grievance mechanisms that allow for confidential and non-retaliatory reporting of concerns.
  - Engage suppliers in collaborative human rights initiatives, encouraging them to adopt stronger labor protections.
- **Discrimination/Harassment and Abuse**
  - **Quantitative Goal:**
    - By 2027, there will be zero discrimination and harassment across Dehnco's supply chain.
    - Ensure 100% of our suppliers provide employee training on non-discrimination, harassment prevention, and fostering a respectful workplace.
  - **Qualitative Goals:**
    - Ensure suppliers maintain a training calendar that includes regular sessions on discrimination and harassment.
    - Ensure suppliers have an active grievance mechanism, allowing all employees to report concerns safely and confidentially.
    - Ensure suppliers implement a clear procedure for managing cases of discrimination and harassment effectively.
- **Diversity, Equity, and Inclusion Plan**
  - **Quantitative Goal:**
    - 100% of our suppliers with a DEI committee
    - 100% of our suppliers with women/men salary gap analysis
  - **Qualitative Goal:**
    - Promote Supplier buying practices that support Women-Owned and Minority-Owned Businesses (WMBEs)
    - Track workforce diversity metrics in our supply chain.

## 6. Prevention of Human Rights Impacts

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DEHNCO is committed to preventing and mitigating human rights impacts from our operations. We adhere to all relevant human rights laws and regulations and work to ensure that everyone involved in our business activities is respected, is safe, and has general well-being.

To achieve this, we engage our suppliers in vetting, onboarding, monitoring, and remediation processes; we evaluate our risks through human rights risk assessments and review this policy annually to ensure it is aligned with the best practices, new regulations, and international standards.

## 7. Human Rights Risks

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DEHNCO has identified the following human rights principles relevant to its business: Child Labor, Forced labor, Freedom of Association, Non-Discrimination, Abuse and Harassment, Wages and Benefits, and Health and Safety.

## 8. Child Labor Policy

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### Child Labor Principle

This policy aims to prevent underage labor in our operations and supply chain. Suppliers will not employ workers under the age of 15 or who have completed compulsory education, whichever is higher.

### Direct Responsibility

Suppliers must enforce underage labor policies and procedures and oversee the implementation of juvenile and student worker protections, policies, and procedures in their companies.

Suppliers must have appropriate age documentation and verification systems.

### Definitions

**Child labor:** Any worker less than 15 years old.

**Juvenile Labor:** Workers aged 15 – 17 years old.

**Adult Labor:** Workers aged 18 years old and above.

**Minimum Legal Age:** The term "minimum legal age" refers to the lowest age at which an individual is legally allowed to engage in certain activities, as determined by law. The minimum allowable age for employment is 15 years old, or the age for completing compulsory education in that country, whichever is higher.

**Qualified Educational Program:** A course of instruction that is at least one academic term and leads to a certification, degree, or diploma in a career field.

**Vocational/Student worker:** A worker, regardless of age, who is enrolled at an educational institution and is employed by the company for an internship, work-study, or any other program ("program") that the academic institution arranges.

### Government Permits and Parental Consent Documentation

Suppliers shall obey all pertinent rules and procedures where the law requires government permits or parental permission as a condition for employment and always keep documentation on-site for inspection.

### Employment of Young/Juvenile Workers

Suppliers must comply with all laws that apply to young or juvenile workers; this includes rules and regulations related to the hiring process, working conditions, types of work, working hours, proof of age documentation, and overtime.

Juvenile workers under 18 shall not engage in any hazardous work, which refers to tasks likely to jeopardize the health and safety or compromise the morals of persons under 18. 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 require ear protection.
  - Explosives or articles containing explosive components.
  - As per country regulations, any exposure to radioactive substances, including radium, self-luminous compounds, thorium salts, and ionizing radiation, is over 0.5 rem per year.
- Operations in inherently dangerous locations, including:
    - Underground
    - Underwater
    - Heights over 2 meters
    - Hazardous Confined Spaces
  - Work with or near chemical processes above the applicable legal limits for Juvenile Workers. Suppose no such legal limits or industry regulations exist. In that case, Juvenile Workers shall be exposed to no more than 50 percent 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 a 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 the environmental health and safety department or a Qualified Health Professional.

### **Apprenticeships, Vocational Training, and Minimum Working Age**

Vocational/student workers shall not be under the age of 15 or under the age to complete compulsory education, whichever is higher.

Suppliers will address Student Worker protection requirements specified in Applicable Laws and Regulations and this Standard.

Suppliers must properly manage vocational/student workers. Good management includes adequate student records maintenance, due diligence of educational partners, and protection of students' rights according to applicable laws and regulations.

Suppliers must provide pertinent support and training to all student workers.

### **Proof-of-Age Documentation**

Suppliers must establish and implement appropriate age documentation and verification management systems to ensure that Underage Workers are not working on-site. This system includes verification of third-party employment agency workers and qualified educational programs.

Suppliers must collect and maintain copies of all documentation, such as birth certificates or IDs, necessary to verify the date of birth of all workers.

Suppliers must take appropriate measures to ensure all necessary documentation is complete and accurate.

### **Remediation in the Case of Child Labor Violation**

In case an active underage worker, historical underage worker, or terminated underage worker is found through an external audit or self-review. In that case, the company must immediately notify its stakeholders and implement a remediation program. The following steps will be followed:

- **Immediate Steps to be Taken.**

- Ensure the underage worker is:
  - Physically safe
  - Free from threat of retaliation
  - Removed from the workplace (worker should not be expelled from the facility).

- **Management During Remediation**

The remediation program shall last six months or until the worker reaches the minimum age, whichever is longer. Funds must be assigned to provide for the welfare of the underage worker, including the provision of

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

## **9. Forced Labor Policy**

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### **Forced Labor Principle**

DEHNCO prohibits slavery, forced labor, or human trafficking in any form, internally or at any stage of its supply chain.

Suppliers must not source materials or work with manufacturers that use any forced or involuntary labor, whether imprisoned, bonded, trafficked, indentured, or other.

### **General Compliance**

Suppliers are obligated to adhere to all relevant national laws, regulations, and procedures that prohibit forced labor and human trafficking.

Forced labor and human trafficking encompasses activities such as transporting, harboring, recruiting, transferring, or receiving individuals through methods like threats, coercion, abduction, fraud, or payments to those exerting control for exploitation.

Suppliers must identify and take the necessary actions to comply with involuntary labor prevention requirements and protect workers who report forced labor violations.

## Definitions

- **Forced Labor:** Workers do not provide their labor voluntarily.
- **Indentured Labor:** Under the agreement, workers are bound to the factory and cannot leave at will. Slaveholding is a form of indentured labor.
- **Bonded Labor:** Workers provide labor without payment to repay a third party's debts to the factory owner. Workers are allowed to leave the factory at will.
- **Slavery:** When a person is owned by someone **else** and forced to work for them without pay or freedom of movement.
- **Human Trafficking:** Workers who are tricked or forced into a forced labor situation and held in place by debt or threats.
- **Political coercion is** compelling a person to act or think in a certain way for political purposes by force, intimidation, or authority. For example, placing individuals in state labor camps to silence them or punish them for their political opinions is a form of political coercion.

## Freedom in Employment

- Suppliers must ensure the workers' right to commence or conclude their employment freely.
- Employment terms must be voluntarily and mutually agreed upon.
- Suppliers, employment agencies, or intermediaries' employment terms must:
  - Not hold wages already earned; or
  - Not use earned back wages as penalties and
  - In no manner should workers be penalized for ending their employment.
- Suppliers must ensure that their workers' contracts and offer letters indicate employment conditions in a language their workers understand.

## Debt / Bonded Labor

Suppliers, along with employment agencies or intermediaries, must not request workers to remain employed as a requirement for settling a debt. This situation includes extending personal loans to workers or job seekers where the repayment terms might be interpreted as leading to debt bondage or forced labor. Such practices are expressly prohibited.

## Freedom of Movement

- Suppliers must ensure workers have free egress from their facilities, even if the entrances are locked for security reasons.
- Suppliers must not impose terms restricting workers' freedom of movement or free transit.

- Suppliers will not restrict workers' freedom of movement inside the production area or other facilities, including access to drinking water, except, when necessary, actions need to be taken to protect workers' safety and permitted by Applicable Laws and Regulations.
- Suppliers will not restrict workers' access to bathrooms regarding the time or frequency of bathroom breaks, the number of workers going to the bathroom at any time, or non-payment of wages during bathroom breaks.

### **Employer Controlled Residence**

Suppliers must not mandate workers to live in residences under their control as a prerequisite for recruitment or ongoing employment or to receive equivalent terms of employment and working conditions as their peers in the same position.

### **Freedom of Movement in Employer-Controlled Residence**

Suppliers must not restrict workers' freedom of movement in employer-controlled residences unreasonably.

### **Threat of Penalty**

Suppliers will not use employment agencies that restrict their workers' ability to terminate employment or freedom of movement or create a threat of penalty. Some examples of this include but are not limited to:

- The threat of physical or mental coercion.
- Requesting deposits.
- Imposing financial penalties.
- Requesting workers to pay recruitment or employment fees.
- Providing precarious employment.

### **Personal Identification and Other Documents**

Suppliers' workers must maintain possession of their passports, identity documentation, travel documents, work permits, and other personal legal documents.

Suppliers shall not require workers to surrender their original identity documents, withhold workers' original identity documents, or restrict workers' access to original identity documents for any reason. Suppliers will obtain and retain simple copies of their workers' original identity documents.

Suppliers may request (but may not demand or require) their workers' original identity documents to obtain visa renewals or satisfy other work permit-related requirements for such workers.

### **Storage for Worker Documents**

Suppliers will not withhold any personal documents of their workers for any reason or restrict their workers' access to them.

### **Employment Fees**

Suppliers are solely responsible for covering fees and other expenses related to their workers' employment, including those classified as migrant, contingent, contract, or temporary workers.

### **Bank Accounts**

Suppliers must only have direct control over or access to their workers' bank accounts to make direct compensation deposits.

### **Free Disposal of Wages**

- Suppliers must not limit their workers' freedom to dispose of their wages in any way.
- Workers must be free from coercion to use the company stores or merchandise.

### **Remediation Measures for Forced Labor Cases**

If a case of forced labor is found, the following considerations for a comprehensive remediation plan may include:

- **Immediate Safety and Protection of Affected Workers**

Ensure immediate safety and protection for all affected workers, including relocation, to protect them from retaliation or intimidation. Confirm that workers are not subject to harassment or further exploitation.

- **Collaboration with Relevant Authorities and Organizations**

Partner with local authorities, labor rights organizations, and NGOs specializing in forced labor remediation to ensure compliance with legal obligations and gain support for sustainable remediation.

- **Transparent Investigation and Accountability Measures**

Conduct an in-depth investigation to determine the root causes and parties responsible for forced labor.

- **Provision of Employment Alternatives or Safe Exit**

Offer affected workers the choice to continue employment under improved conditions or safely exit employment. If they choose to leave, assist them with job placement or vocational training to help them secure safe employment alternatives.

- **Awareness and Training Programs**

Implement mandatory training on forced labor risks and ethical employment practices for all managers, HR personnel, and others involved. This will raise awareness and prevent future cases of forced labor.

- **Communication with Stakeholders**

Transparently communicate findings and actions taken with stakeholders.

- **Continuous Support for Affected Workers**

Follow up with affected workers to ensure their well-being and fair treatment, providing continued support as they transition to improved employment conditions or new opportunities.

## **10. Freedom of Association**

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### **Freedom of Association Principle**

DEHNCO respects workers' legal rights to freely associate, form, and join organizations they prefer and engage in collective bargaining without interference, discrimination, retaliation, or harassment. We expect the same behavior from our suppliers.

### **Definitions**

- **Collective Bargaining Agreement:** Collective Bargaining Agreements refer to discussions involving Suppliers or employer groups and workers' organizations to establish Terms of employment and working conditions and regulate relations between workers and Suppliers.

- **Discrimination:** Any unequal treatment prohibited by local law or DEHNCO discrimination-related policies. These non-discrimination policies shall include unequal treatment based on race, caste, age, role, gender, gender identity, religion, country of origin, sexual orientation, marital status, pregnancy, dependents, disability, social class, union membership, or political views or on the grounds of work status.
- **Trade Union:** a workers' organization constituted to further and defend the interests of workers.
- **Worker:** shall mean a person who provides any form of work or service to a Supplier.

### **General Compliance**

- Suppliers must respect workers' lawful rights to form or join (or refrain from forming or joining) organizations of their choosing, including unions, worker committees, or other worker associations, and to bargain collectively without interference, discrimination, retaliation, or harassment.
- Suppliers should encourage open dialogue and collaborative problem-solving between management and employees to address workplace concerns and improve working conditions. Our approach fosters a positive, inclusive work environment where employees feel valued and heard.
- Suppliers must have a written policy on freedom of association, including procedures and systems for implementing this policy in compliance with relevant laws and regulations and our company's standards.
- Suppliers are prohibited from using any physical or psychological violence, threats, retaliation, harassment, or abuse against union representatives and workers who are seeking to form or have joined an organization of their choosing.
- Suppliers must provide workers with avenues to express a desire for additional grievance mechanisms beyond formal representation.
- Where relevant laws and regulations significantly limit freedom of association, suppliers should provide alternative means for workers to individually and collectively engage with the supplier, including processes for workers to express their concerns, complaints, and grievances and protect their rights regarding working conditions and terms of employment.

## **11. Non-Discrimination Policy**

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### **Non-Discrimination Principle**

DEHNCO requires its suppliers to not discriminate against any worker in their hiring or employment practices, including salary, benefits, advancement, discipline, termination or retirement, or other based on race, ethnic origin, national origin, religion, age, marital status, capacity to bear children, pregnancy, HIV or any other medical status, sexual orientation, gender, political opinion, social status, legal migrant worker status, disability, or other legally protected category.

### **General Compliance**

Suppliers must comply with all national non-discrimination laws, regulations, and procedures.

## **Employment Decisions**

All employment decisions will be made only based on a worker's qualifications, such as education, experience, training, skills, or abilities, as they relate to the inherent requirements of a particular job. Employment decisions shall not be based on gender, race, religion, age, sexual orientation, political opinion, ethnic origin, nationality, social group, marital status, union affiliation, or sympathy.

## **Job Advertisements, Job Descriptions, and Evaluation Policies**

Recruitment and employment policies and practices shall be free from discriminatory bias, such as job advertisements, job descriptions, job application forms and interview questions, and job performance and evaluation policies and practices.

- **Disclosure of Personal Information**

Suppliers are required not to request the disclosure of any personal, non-job-related information at any stage of the application, recruitment, or hiring process. This information includes gender, race, religion, disability, sexual orientation, political opinion, social group, nationality, ethnic origin, or marital status.

- **Compensation Discrimination**

Suppliers must ensure that workers receive equal compensation for work of equivalent value regardless of gender, race, religion, disability, age, sexual orientation, political opinion, nationality, social group, or ethnic origin.

## **Marital, Partnership, or Family Discrimination**

Suppliers must not discriminate based on family, marital, partnership, or other family status.

Suppliers must refrain from threatening workers with dismissal or adverse employment actions due to changes in their family, marital, partnership, or any other family-related status, including marriage or pregnancy.

Suppliers are required not to base any employment decision that negatively impacts employment status, such as dismissal, demotion, loss of seniority, or wage deduction, on a worker's family, marital, partnership, or any other family status, including pregnancy.

Suppliers must not restrict or limit reproductive rights.

## **Pregnancy Testing**

Suppliers must not require pregnancy testing for workers except as national law requires.

- **Protection and Accommodation of New Mothers and Pregnant Workers**

Suppliers are required to comply with all provisions in national laws and regulations benefitting new mothers and pregnant workers, including requirements such as maternity leave and other benefits; provisional reassignments away from work stations that jeopardize the health of pregnant women, or their unborn children, or new mothers and their newborn children, prohibitions to work at night,

temporary hours of work adjustment during and after pregnancy, and breast-feeding breaks and facilities.

### **Health-Related Discrimination**

Suppliers are required not to make any employment decisions that negatively impact a person's employment status based on their health status. Employment decisions refer to recruitment, termination, promotion, assignment, or reassignment of work unless the inherent necessities of the job or a medical necessity are required to protect the worker and other workers.

- **Confidentiality of Health Status**

Suppliers are required to respect the workers' confidentiality and health status and not take any action that could lead to a breach of privacy, including screening, direct or indirect testing (for instance, by assessing risk behavior), or asking questions related to possible previously taken tests or medications.

- **Reasonable Accommodation for Health Reasons**

Suppliers are required to take the necessary actions to reasonably accommodate its workers with chronic illnesses, including HIV/AIDS-related illnesses. These measures could include rearrangement of working hours, special equipment, opportunities for rest breaks, medical appointments, time off, flexible sick leave, part-time work, and return-to-work arrangements.

- **Reasonable Accommodation, Modifications, and Adjustments**

Suppliers must make reasonable modifications and adjustments to accommodate the religious, gender, ethnic, and disability-based needs of all workers in the workplace and within any facilities provided by the employer, such as dormitories or transportation.

Suppliers must not require workers to be reimbursed for the cost of these accommodations.

### **Dress Codes and Uniforms**

Suppliers are required not to impose any discriminatory restrictions on workers' dress or appearance. Accommodations shall be made for religious practice or disability in cases where the workplace requires uniforms or other specific clothing.

### **Spoken Languages**

Suppliers are required not to ask for specific languages to be spoken in the workplace or prohibit the use of any languages among workers.

Suppliers must reasonably communicate with workers in their native language.

## **12. Abuse and Harassment Policy**

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### **Abuse and Harassment Principle**

DEHNCO treats each employee with dignity and respect. It does not use corporal punishment, threats, or other forms of unlawful, physical, sexual, psychological, or verbal harassment, abuse, or coercion, whether



mental or physical. As such, it expects its suppliers to do the same and to implement a non-retaliation policy that allows workers to express their concerns freely.

### **General Compliance**

Suppliers must comply with all national laws, procedures and regulations, concerning discipline, violence, harassment, and abuse.

Suppliers must ensure that workers are respected. No form of harassment or abuse shall be tolerated at the workplace.

Suppliers must protect workers who might be victims of harassment or abuse violations, as well as protect workers who are victims of domestic violence.

Suppliers must uphold disciplinary rules, procedures, and practices embodying a Progressive Discipline system.

- **Discipline / Monetary Fines and Penalties**

Suppliers must not use monetary fines and penalties to enforce labor discipline, such as poor performance, lost or broken tools or machinery, or violations of company rules, regulations, and policies.

- **Discipline / Access to Facilities**

Access to food, water, toilets, medical care, health clinics, or other necessities shall not be used as a reward or a means to maintain labor discipline.

- **Discipline / Physical Abuse**

To maintain labor discipline, Suppliers must not allow workers to threaten and/or use any form of physical violence.

- **Discipline / Psychological Abuse**

Suppliers must not use Psychological Harassment, Humiliation, or intimidating verbal or nonverbal behavior, including throwing objects.

Suppliers must not threaten or use psychological abuse to maintain labor discipline.

- **Discipline / Freedom of Movement**

Suppliers must uphold workers' freedom of movement, including access to cafeteria facilities, breaks, toilets, drinking water, and necessary medical attention without restrictions that could impact labor discipline.

Suppliers must not impose unreasonable restrictions on company-provided facilities' movement, entry, or exit.

▪ **Elimination of Violence, Harassment, and Abuse at the Workplace**

Suppliers must ensure that the workplace is free from violence, harassment, or abuse in any form, physical, psychological, sexual, or verbal.

- Suppliers must evaluate specific risks of harassment and abuse in the workplace, including gender—or race-based violence. These risks include risks from working conditions, labor arrangements, work organization, and third-party intermediaries such as recruitment agencies, contractors, or others.
- Suppliers must implement procedures to eliminate the risk of violence, harassment, and abuse in the workplace.
- DEHNCO has a zero-tolerance policy for violence, harassment, and abuse. Suppliers must develop and follow procedures for investigating allegations and implement measures to protect complainants, victims, and witnesses.
- Suppliers must take preventive actions to eliminate any action (by the employer, between employees, or by third parties whose work relates to the workplace) that would result in gender—or race-based violence or harassment.

▪ **Sexual Harassment**

Suppliers must require their top management, supervisors, and, in general, all employees to refrain from:

- Any act of sexual harassment, including inappropriate remarks, insults, jokes, insinuations, or comments on a person's dress, physique, appearance, age, style, family situation, etc.
- A paternalistic or condescending attitude with sexual implications undermining dignity.
- Any unwelcome, implicit, or explicit invitation or request, whether accompanied by threats.
- Any unnecessary physical contact or action, such as touching, caressing, pinching, or assault.

Suppliers must prohibit their employees from offering or taking any action that might suggest an offer of recruitment, continued employment status, promotion, improvement of working conditions, preferential projects or work projects, or other special treatment or benefits in exchange for a sexual relationship.

Suppliers must prohibit employees from subjecting workers to prejudicial treatment in retaliation for refusing sexual advances or correcting inappropriate behavior.

▪ **Punishment of Abusive Workers, Supervisors, or Managers**

Suppliers must discipline managers, supervisors, or workers who are involved in any physical, psychological, sexual, or verbal violence, harassment, or abuse. Discipline must be conducted through measures such as compulsory counseling, warnings, demotions, terminations, or a combination of these actions, regardless of whether such action was intended to prevent the recurrence of violence and harassment and facilitate their reintegration into work, where appropriate. DEHNCO does not permit practices such as public humiliation of workers.

## **Training and Communication**

▪ **Staff Training**

Suppliers must provide comprehensive training to all staff on Anti-harassment and abuse. The training shall, at a minimum, include:

- Compliance with local laws and regulations.
  - All personnel who receive or process complaints regarding harassment and abuse shall be formally trained to address such complaints.
- **Workers, Supervisors, and Managers**
- Suppliers must communicate their Anti-Harassment and Abuse Policy to all workers, supervisors, and managers.

Training on harassment and abuse prevention will be:

- All workers, supervisors, and managers must be reinforced during the initial orientation and via refresher training.
- Disciplinary rules, procedures, and practices shall be communicated to all workers.

## **Documentation**

Suppliers must keep any documentation related to anti-harassment and abuse, including but not limited to:

- Records of all disciplinary actions taken.
- Records of completed training.

## **Definitions**

### **Physical Abuse**

Constitute any physical contact with the intent to injure or intimidate (including the throwing of objects) and disciplinary measures that cause physical discomfort.

### **Sexual Harassment**

Requests for sexual favors, unwelcome sexual advances, and any other verbal or physical sexual conduct when:

- (a) As a term or a condition of an individual's employment, it is required submission to such conduct either explicitly or implicitly
- (b) an employment decision is based on an individual's submission or rejection of such conduct
- (c) Such conduct is intended to disrupt the worker's job performance unreasonably by creating a hostile or sexually offensive environment.

Offensive sexual comments, jokes, innuendoes, and other sexually oriented statements.

Display of pornographic materials or sexually explicit images.

*The following shall not be construed as Sexual Harassment:*

- Interaction based on mutual consent.

- Occasional compliments are socially and culturally acceptable and appropriate unless they make an individual uncomfortable.

**Verbal Harassment:**

Chronic use of implied or direct threats.

**Psychological Harassment**

Humiliating or intimidating verbal or non-verbal behavior, including the throwing of objects.

**Remediation for Harassment and abuse cases**

A general remediation approach for cases of harassment or abuse in the workplace should prioritize immediate support, fair investigation, and preventive measures to ensure a safe and respectful environment for all employees. Key steps include:

- **Immediate Response and Investigation**

Promptly initiate a fair, confidential investigation upon receiving a complaint. This process should be thorough and impartial and involve gathering statements from the complainant, alleged offender, and witnesses. Engaging an external investigator may help ensure objectivity.

- **Protective Measures for the Complainant**

To prevent further harm or retaliation, temporary measures, such as adjustments to work assignments or reporting structures, may be implemented. These steps protect the complainant's well-being and create a safe space while the investigation is ongoing.

- **Appropriate Disciplinary Actions**

Based on the findings of the investigation, disciplinary actions must be taken. Depending on the severity of the behavior, the consequences for the offender can range from warnings and counseling to suspension or termination.

- **Supportive Resources for Affected Individuals**

Access to resources, such as counseling or medical assistance, can help the affected individual cope with the incident's impact. Restorative measures, such as reinstating lost job benefits or opportunities, may also be appropriate if the individual's work is affected.

- **Non-Retaliation Assurance**

Ensure that employees who report harassment or abuse are protected from retaliation. Enforcing a robust non-retaliation policy demonstrates a commitment to protecting employees and encourages others to come forward if necessary.

## **13. Wages and Benefits Policy**

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**Wages and Benefits Principle**

Suppliers must pay the minimum wage, comply with all legal wage requirements, and provide any required fringe benefits under law or contract.

## General Compliance

- **Compliance with Law**

Suppliers must adhere to all national laws, regulations, and procedures governing compensation payments to workers.

- **Minimum Wage**

Suppliers must compensate workers with at least the legal minimum wage for regular working hours (excluding overtime) and inform them about the minimum wage.

- **Wages- Trial Period Status**

Where onboarding or introductory employment periods are legally allowed, workers shall:

- Receive compensation of at least the minimum or prevailing industry wage, whichever is higher.
- Receive all legally mandated benefits.
- This employment category shall be at most three months.

- **Wage- Apprenticeship or Vocational Training**

During their training period, apprentices and vocational trainees must be compensated with at least the minimum or prevailing industry wage, whichever is higher, and must receive all legally mandated benefits.

- **Wage- Contract, Contingent or Temporary Workers**

Contract, contingent, migrant, and temporary workers must be paid at least the minimum or prevailing industry wage, whichever is higher. They are entitled to receive all legally mandated benefits. Additionally, their compensation should be comparable to regular workers who perform similar job responsibilities or tasks with similar experience levels.

- **Timely and Direct Payment of Wages**

All wages, including overtime payments, must be paid promptly and in full within legally specified timeframes. Where no specific time limits are defined by law, compensation should be disbursed at least once monthly.

- **Accurate Calculation and Payment of Wage**

Workers' hourly wages, piecework rates, benefits, and other incentives must be accurately calculated, recorded, and disbursed under established procedures. All financial transactions related to employee compensation must be conducted transparently and in compliance with legal requirements.

- **Accurate Length of Service Calculation**

Suppliers shall recognize and count all hours employees work when calculating their length of service and determining the benefits they are entitled to.

- **Overtime Payments Calculation**

Suppliers shall compensate workers accurately for all hours worked.

- Suppliers must comply with all relevant laws, regulations, and procedures regarding paying premium rates for work on holidays, rest days, and overtime.
  - Suppliers shall compensate employees for all overtime hours at the premium rate legally required in the producing country.
- **Overtime Wage Awareness**  
In their respective languages, workers shall be notified verbally and in writing about the wage rates for overtime work.
- **Deposit of Legally Mandated Deductions**  
All required deductions for taxes, social insurance, and other purposes shall be deposited or transmitted to the designated accounts or agencies each pay period. This includes any legal garnishments for back taxes and other obligations.
- **Voluntary Wage Deductions**  
Voluntary wage deductions must comply with legal limits and conditions and can only be made with the express written consent of individual workers. This includes deductions for savings clubs, loan payments, union membership dues, or other union fees unless specified in valid collective bargaining agreements.
- **Pay Statement**  
Suppliers shall provide workers with a pay statement in workers' language for each pay period and not less frequently than once a month. The statement shall show earned wages, wage calculations, total hours worked, regular and overtime pay bonuses, all deductions, and the final salary.
  - All compensation records, including wages and fringe benefits, whether in cash or in-kind, must be documented appropriately, and the relevant worker must confirm their receipt and accuracy in writing (e.g., signature, fingerprint).
  - Only wages may be collected on behalf of a worker if the worker has freely provided written authorization for another person to do so.
- **Worker's Awareness of Compensation**  
Suppliers must take all necessary steps to ensure workers fully comprehend their compensation details, including the calculation methods for incentives, benefits, and bonuses in the workplace and as mandated by law.
  - **Employer-Provided Benefits:**  
All workers have a right to use or not to use employer services, such as housing or meals.
  - **Legally Mandated Benefits**  
Suppliers must deliver all legally mandated benefits to eligible workers, such as holidays, bonuses, leave, severance payments, and other compensations, within the timeframes specified by law.

## 14. Health and Safety Policy

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### Principle of a Health and Safety Environment

Suppliers must establish and maintain a safe and healthy work environment. This commitment is crucial to preventing accidents, injuries, and incidents during work or because of operating facilities.

### General Compliance with Health and Safety

Suppliers shall comply with all national health and safety laws, regulations, and procedures.

- **Document Maintenance/Workers Accessibility and Awareness**

All documents required by applicable laws (such as health and safety policies, SDS, and environmental emergency procedures) must be accessible in the prescribed format and provided in local and workers' languages.

- **Notification and Record Maintenance**

As applicable laws mandate, Suppliers must promptly notify the relevant national and local authorities of all illnesses, accidents, and environmental emergencies. Records of illness, safety incidents, accidents, and emergencies must be kept on-site for at least one year or longer, as stipulated by legal requirements.

- **Permits and Certificates**

Suppliers must maintain all required permits and certificates related to health and safety. This includes ensuring compliance with sanitation permits for facilities, conducting regular vehicle inspections, and obtaining necessary driver permits if providing transportation services.

- **Evacuation Requirements**

All required and recommended elements for safe evacuation must be followed, including clear exit routes, updated evacuation plans, visible signage, adequate lighting, regular training and drills, accessible exits, effective communication systems, necessary emergency equipment, and designated assembly areas:

- **Posting Evacuation Plans:** Ensure evacuation plans are visible and easily accessible.
- **Installation and Maintenance of Fire Alarms:** Regularly install and maintain fire alarm systems.
- **Installation and Maintenance of Emergency Lighting:** Ensure emergency lighting is installed and maintained.
- **Clear Aisles and Exits:** Ensure aisles and exits are not blocked, and workers have unobstructed access within their workstations.
- **Employee Education and Training:** Provide education and training for all employees on evacuation procedures.

- **Evacuation Procedures and Fire Drills:** Conduct regular fire drills and ensure workers are trained in evacuation procedures.
  - **Regular Testing of Alarm Systems:** Test alarm systems regularly and conduct evacuation drills at least annually.
  - **Emergency Evacuation Procedure (EEP):** Include procedures for informing local authorities in case of accidental discharge or release of chemicals, waste products, or any other environmental emergency.
- **Safety Equipment and First Aid Training**
    - Ensure all safety and medical equipment (e.g., fire-fighting equipment, first aid kits) is adequately distributed throughout the workplace, maintained, and stocked as required.
    - Make sure equipment is always easily accessible to workers.
    - Provide workers with training in first aid and firefighting techniques, including initial training upon hire and periodic refresher courses.
  - **Personal Protective Equipment**
    - Provide workers with necessary personal protective equipment (PPE), such as gloves, eye protection, hearing protection, and respiratory protection, at no cost.
    - Ensure the PPE prevents exposure to health and safety hazards like solvent vapors, noise, dust, and medical waste.
  - **Use of Personal Protective Equipment**
    - Ensure workers receive all necessary personal protective equipment (PPE), including gloves, eye protection, hearing protection, and respiratory protection, at no cost.
    - Equip workers with PPE to effectively mitigate exposure to health and safety hazards such as solvent vapors, noise, dust, and medical waste.
  - **Chemical Management and Training:**
    - Ensure proper labeling and secure, ventilated storage of all chemicals and hazardous substances, following applicable laws and international standards for safe disposal.
    - Provide job-specific training on the hazards, risks, and safe handling practices of chemicals and hazardous substances.
  - **Material Safety Data Sheets / Workers Awareness**
    - Make Safety Data Sheets (SDS) available at all sites where chemicals and hazardous substances are used and stored in the local language and the language workers understand.
    - Provide workers with unrestricted access to SDS for all chemicals and hazardous substances.



- **Chemical Management / Pregnant Women and Young Workers**  
Suppliers shall prevent unsafe exposure to hazardous chemicals and substances and provide appropriate accommodations for pregnant women and workers under the age of 18.
- **Installation and Maintenance of Ventilation and Electrical Systems:**  
Install and maintain all necessary systems such as ventilation, plumbing, electrical, noise, and lighting services to comply with legal requirements and minimize hazardous conditions for workers.
- **Machinery Safety, Maintenance, and Workers Training**
  - Maintain proper guarding and regular maintenance of all production machinery, equipment, and tools.
  - Provide thorough training for workers in safely and appropriately operating machinery, equipment, and tools.
  - Ensure safety instructions are displayed near machinery or easily accessible to workers in a language they understand.
- **Proper Use of Machinery**
  - Avoid using negative incentives, such as monetary penalty schemes, to enforce workers' safe and proper use of machinery, equipment, and tools.
  - Focus on training workers in risk awareness and proper machine use.
  - Implement positive incentives, such as bonuses, to promote safe practices and encourage proper use of machinery, equipment, and tools.
- **Worker's Refusal to Use Unguarded or Unsafe Machinery**
  - Workers shall not face repercussions for refusing to operate machinery, equipment, or tools lacking adequate guards or deemed unsafe.
- **Ergonomics**
  - Design workstations, including seating, standing arrangements, and tool accessibility, to minimize physical strain on workers.
  - Provide training on proper lifting techniques and supply employees with necessary items like lifting belts.
- **Sanitation in Workplace Facilities**  
All workplace facilities, including buildings, toilets, canteens, kitchens, and clinics, must be maintained clean, safe, and compliant with all applicable sanitation, medical, safety, and health regulations.
- **Toilets Restrictions**
  - Establish the required number of toilets per applicable laws, ensuring they are within a reasonable distance from the workplace.
  - When determining toilet facilities, consider factors like the number of workers, privacy for individuals, gender-specific needs, accessibility, and hygiene standards.

- Do not restrict the time or frequency of employees' toilet use.
- **Drinking Water**
  - Ensure safe and clean drinking water is always accessible and within a reasonable distance from the workplace.
  - Maintain drinking water at a reasonable temperature for employee comfort.
  - Provide safe, sanitary drinking utensils, such as cups, in sufficient quantities.
  - Avoid placing unnecessary restrictions on the availability of drinking water in terms of time and frequency for employees.
- **External Contractors**
  - Suppliers must implement a comprehensive system to ensure external contractors have essential health and safety protections. This includes specific measures for working within confined spaces, addressing maintenance issues, and adhering to general health and safety regulations.
- **High-Risk Areas**
  - Suppliers must take the necessary actions to ensure that workers receive adequate protection when working at heights, confined spaces, or other high-risk areas.

## **Document Reviews and updates**

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DEHNCO will review and revise this policy annually to ensure its effectiveness and relevance.