



PACBRAKE COMPANY SUPPLIER CODE OF ETHICS

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Pacbrake Company's Sustainability Standards Towards Suppliers

Pacbrake Company is committed to promoting sustainability and ethical practices throughout its supply chain. This document outlines the standards and expectations for tier-1 suppliers across various critical areas. These standards are binding and must be passed along the supply chain to ensure a comprehensive approach to sustainability.

Environmental Standards and Practices

Pacbrake Company requires its suppliers to adhere to environmental standards and policies to ensure that its entire supply chain aligns with its commitment to sustainability and environmental responsibility. Pacbrake requires that suppliers must have statements and policies that include the following items to ensure sustainability practices:

- GHG emissions
- Energy efficiency
- Renewable energy
- Decarbonisation
- Water quality, consumption & management
- Air quality
- Responsible chemical management
- Sustainable resources management
- Waste reduction
- Reuse and recycling
- Animal welfare
- Biodiversity, land use and deforestation
- Soil quality
- Noise emissions



Ethical Work Practices and Employment Rights

Pacbrake Company requires its suppliers to comply to ethical work and employment standards and policies to promote fair labor practices and ensure the well-being of workers throughout its supply chain. Pacbrake requires that suppliers must have statements and policies that include the following items to ensure ethical work practices and employment rights:

- Child labour and young workers
- Wages and benefits
- Working hours
- Modern slavery (i.e. slavery, servitude and forced or compulsory labour and human traffick. . .
- Ethical recruiting
- Freedom of association and collective bargaining
- Non-discrimination and harassment
- Women's Rights
- Diversity, equity, and inclusion
- Rights of minorities and indigenous peoples

Business Property and Integrity

Pacbrake Company requires its suppliers to follow their own business property and integrity standards and policies to maintain a high level of trust, transparency, and ethical conduct within its supply chain. The main points Pacbrake requires its suppliers to state in their policies include:

- Land, forest and water rights and forced eviction
- Use of private or public security forces
- Health and safety
- Anti-corruption and anti-money laundering
- Data protection and data security
- Financial responsibility (Accurate Records)
- Disclosure of information
- Fair competition and anti-trust
- Conflicts of interest
- Counterfeit parts
- Intellectual property
- Export controls and economic sanctions
- Whistleblowing and protection against retaliation



Supplier Implementation to pass along standards

Pacbrake Company requires suppliers to implement similar standards towards their own tier-1 suppliers to ensure consistency and alignment throughout the entire supply chain. This cascading approach helps to maintain high levels of environmental, ethical, and business integrity across all levels of production, minimizing risks and enhancing overall quality and sustainability. By extending these standards, Pacbrake ensures that every part of the supply chain contributes to the company's commitment to responsible business practices, thereby safeguarding its reputation and promoting long-term success.

Pacbrake Company requires suppliers to have binding requirements for their own tier-1 suppliers to pass on standards along the supply chain in order to:

1. **Ensure Consistent Compliance:** Binding requirements ensure that all parties in the supply chain adhere to the same environmental, ethical, and business standards, creating a uniform approach to compliance and reducing the risk of non-compliance at any level.
2. **Strengthen Accountability:** By making these standards binding, Pacbrake holds all suppliers accountable, ensuring that they actively enforce these requirements and do not allow any lapses or deviations.
3. **Enhance Supply Chain Integrity:** Binding standards help maintain the integrity and reliability of the entire supply chain, reducing the risk of unethical practices, environmental violations, or quality issues that could impact the final product.
4. **Promote Sustainability:** Enforcing these standards at every level of the supply chain supports Pacbrake's commitment to sustainability and ethical business practices, ensuring that these values are upheld by all suppliers involved in the production process.
5. **Mitigate Risks:** Binding requirements help mitigate legal, reputational, and operational risks by ensuring that all suppliers, including tier-1 suppliers, are held to the same high standards that Pacbrake demands.

By implementing binding requirements for tier-1 suppliers, Pacbrake ensures that its standards are consistently applied and maintained throughout the supply chain, contributing to the overall success and sustainability of the company.

REVISION DETAILS *(MUST be filled out when a revision is made)*

REV	DATE	DESCRIBE THE CHANGE MADE	AUTHOR
01	11-Jul-2024	Revision with formatting and updates	P. Lisle
02	09-Aug-2024	Change format and requirements for clarity	P. Lisle