

Procedure #: 5.0 D	<b>Quality Procedures</b>		
Rev: 1			
Date: 16/04/23	<b>Supplier Sustainability, Social and Security Policy</b>		
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## **Purpose:**

This procedure defines the requirements from MOTORAD suppliers related to Employment Code of conduct, Human rights, Business ethics, Sustainability, Environmental and Safety and Security protection.

**Suppliers are required to communicate the contents of this document to their suppliers, obligate them to observe the same requirements and verify that these Standards are adhered to throughout the supply chain.**

## **Binding requirements towards tier-1 suppliers**

**The supplier is expected to binding requirements towards tier-1 suppliers to pass on standards along the supply chain.**

## **1. Employment code of conduct**

### **1.1. Human Rights**

Suppliers are obligated to respect internationally recognized human rights and to promote adherence to them. For all business activities within their sphere of influence, suppliers shall make every effort to ensure that they, their business partners and their suppliers do not violate any human rights or become involved in any such violations

#### **1.1.1. Rights of Minorities and Indigenous Peoples**

Suppliers are obligated to respect Minorities and Indigenous Peoples rights and to promote adherence to them

#### **1.1.2. Woman Rights**

Suppliers are obligated to respect woman rights and to promote adherence to them.

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**1.2. Free Choice of Employment, modern slavery is prohibited**

Forced or compulsory labor is prohibited. Employees must have the freedom to terminate their employment, provided they give reasonable notice.

**1.3. Child Labor**

Ostracism of Child Labor - Child labor is not allowed at any phase of production or processing. As a minimum, suppliers are requested to comply with the ILO's conventions on minimum employment age and the ban on child labor. Children must not be inhibited in their development. Their health and safety must not be impaired.

**1.4. Ethical recruiting, Non-discrimination and harassment**

Equal Opportunities/ **Ban on Discrimination** - Suppliers are obligated to ensure equal opportunity of recruiting and employment and avoid all forms of discrimination. Discrimination against employees, for instance on the basis of race, origin, nationality, skin color, religion, ideology, political or union activity, gender, sexual orientation, age, disability, disease or pregnancy, is prohibited.

**1.5. Diversity, Equity, and Inclusion**

The supplier shall have a policy for promoting Diversity, Equity, and Inclusion

**1.6. Freedom of association and collective bargaining**

Freedom of Association and the **Right to Collective Bargaining** - Companies should preserve freedom of association and actively acknowledge the right to collective bargaining. They must ensure that their employees can discuss working conditions openly with management without fear of punishment. The right of employees to assemble, join a union, appoint representatives and be elected to the union must be respected.

**1.7. Wages and benefits**

Fairness in Pay, Working Hours, **and Social Benefits** - Compensation and social benefits must correspond to the basic principles of minimum wages, applicable overtime regulations and statutory social benefits. Work hours and time off must, as a minimum, be

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in conformity with applicable laws, industry standards or relevant ILO conventions, whichever are strictest.

**1.8. Health and Safety**

Health and Safety at the **Workplace** - As employers, suppliers shall ensure health and safety in the workplace at levels no less than those required by national legislation, and shall support the continuous advancement and improvement of working conditions.

**1.9. The right to privacy, Data protection and data security**

The supplier is obligated **that the right to privacy, data protection and data security is fully assured**. No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honor and reputation. Everyone has the right to the protection of the law against such interference or attacks. In the European Union, the General Data Protection Regulation (GDPR) shall be followed. The aim is to protect all EU citizens from privacy and data breaches in an increasingly data-driven world. The GDPR applies to organizations located within the EU, as well as to organizations located outside of the EU if they offer goods or services to, or monitor the behavior of, EU data subjects. It applies to all companies processing and holding the personal data of data subjects residing in the European Union, regardless of the company’s location.

**2. Business Ethics and Compliance**

**2.1. Anti-corruption and anti-money laundering**

We expect the highest level of integrity in all business activities and business relationships. Suppliers are requested to refrain from all forms of fraud or disloyalty, insolvency crimes, corruption, granting of unfair advantages, and giving or taking bribes. Suppliers are obligated to obey all laws and regulations, which apply to them and their business relations with MOTORAD.

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**2.2. Fair competition and anti-trust**

Fair Competition - Laws that protect and promote competition, in particular laws against restraints on competition, must be adhered to. Companies must respect rules of fair competition and comply with the ban on agreements with competitors or other actions taken to interfere with the free market.

**2.3. Avoidance of Conflicts of Interests** - When dealing with business partners, suppliers are obligated to make decisions solely based on objective information and not allow themselves to be influenced by personal or selfish financial interests.

2.4. The supplier is obligated to the following business ethical rules:

**2.4.1. Avoid any harm to Land, Forest and Water Rights and Forced Eviction**

**2.4.2. Avoid any use of Private or Public Security Forces**

**2.4.3. Avoid any harm to Animal welfare**

**2.4.4. Avoid any harm to Biodiversity, keep land use and deforestation**

**2.4.5. Avoid any harm to Soil quality**

**2.4.6. Avoid Noise emissions to environment**

2.5. The supplier is obligated to ensure that the following business aspects are strictly kept:

**2.5.1. Financial responsibility: assure Accurate Records**

**2.5.2. Disclosure of Information**

**2.5.3. Prevent any use of Counterfeit parts**

**2.5.4. Keep Intellectual property rights**

**2.5.5. Follow Export controls and economic sanctions**

**2.6. Safeguarding of Trade Secrets** - Suppliers are obligated to treat as confidential all non-public financial and technical details to which they become privy during the course of the business relations.

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### **3. Environmental Protection and Safety**

#### **3.1. Environmental Responsibility**

When addressing environmental issues, suppliers must follow precautionary principles and take initiatives to promote greater environmental responsibility as well as the development and spread of environmentally friendly technologies.

#### **3.2. Environmentally Friendly Production**

Optimum environmental protection must be guaranteed during every phase of production. This includes a proactive approach to preventing and minimizing the impact of accidents that may harm the environment. Especially significant in this context are the utilization and continued development of technologies for conserving energy and water, characterized by the use of strategies for reduction of emissions, reuse and recycling of materials.

#### **3.3. GHG emissions**

Monitoring and management of environmental and CO2e emissions:

The following aspects and potential environment impacts shall be managed. Accordingly, risk mitigation and continuous improvement actions shall be defined and implemented:

##### **3.3.1. Energy efficiency and the use of renewable energy**

##### **3.3.2. Water quality, consumption & management**

##### **3.3.3. Air pollutions / Air quality**

##### **3.3.4. Responsible chemical management**

##### **3.3.5. Sustainable resources management**

##### **3.3.6. Waste reduction**

#### **3.4. Environmentally friendly products and materials**

All products and materials manufactured along the supply chain must meet the environmental standards of their market segments. This applies to the complete product life cycle as well as to all materials used. Chemicals and other substances, which are potentially harmful substances if released

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into the environment, must be identified. A management system for hazardous materials must be established to enable safe handling, transport, storage recycling, reuse, and disposal of such materials.

**3.5. Reuse and recycling**

The use of reuse or recycled materials has to be promoted as apply

3.6. Product Safety and Quality - All products and services must meet contractual criteria for quality, active, and passive safety upon delivery. They must be used safely in line with their intended purpose.

**4. Security**

4.1. As part of commitment to security, Supplier has implemented a comprehensive facility security plan that includes measures to prevent and detect criminal activities. These measures are designed to protect facilities from illicit activities, and to ensure that the supply chain operations are conducted in compliance with all applicable laws and regulations.

4.2. Supplier commitment to security is fully supported by senior management. Supplier recognize that security is a shared responsibility, and encourage all stakeholders, including his suppliers, customers, and contractors, to support our efforts in maintaining a secure supply chain.

4.3. Prevention must be first priority. Threats analysis and risk evaluation should be carried out on a continuous basis.

**5. Escalation ("whistle-blowing") policy**

5.1. Any employee, at any level, that may detect, be exposed to, or suffer from any deviation from the above rules is encouraged to report on what s/he has been exposed. It might be directly to the CEO or VP of HR, or to specific email address

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- 5.2. The reporting can be done discreetly, and either directly or indirectly via a third party.
- 5.3. The reported issue will be immediately investigated, with the full cooperation of the top-level management.
- 5.4. It is clarified that an employee who reports on any Ethics issue will be fully protected, and will not be harmed.

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**Supplier commitment approval:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

6. Revisions history:

Date	Rev	Change description	Approver
16/04/2023	1	Approved procedure	Alona Tane Dolev

7. Approvals:

Name	Job Title	Date	Signature
Alona Tane Dolev	VP Quality	16/04/2023	Alona Tane Dolev
Oren Jacobs	VP Supply Chain	16/04/2023	Oren Jacobs