



Factorial Supplier Code of Conduct

Factorial was founded on the principles of sustainability and safety. Given that founding vision, Factorial endeavors to ensure that not only will its products enable sustainability and safety, but its supply chain shall encourage and enhance these principles. Factorial is also committed to advancing standards of labor, human rights, environmental, and ethical conduct. In view of this, Factorial's suppliers are required to provide safe working conditions, treat workers with dignity and respect, act fairly and ethically, and use environmentally responsible practices wherever they supply products or perform services for Factorial. Factorial requires its Suppliers to operate in accordance with the principles and requirements, as applicable, in this Factorial Supplier Code of Conduct ("Code"), and in full compliance with all Applicable Laws and Regulations.

Labor and Human Rights

Factorial believes all workers in our supply chain deserve a fair and ethical workplace. Workers must be treated with the dignity and respect, and Factorial Suppliers shall uphold global standards of human rights.

Freely Chosen Employment

Supplier shall not permit forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities including, if applicable, workers' dormitories or living quarters. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. Supplier must ensure all work is voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker

Humane Treatment, Anti-Harassment, and Abuse

Supplier commits that there shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

Anti-Discrimination



Supplier shall not discriminate against any Worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law, in hiring and other employment practices. Supplier shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety and shall not improperly discriminate based on test results.

Third Party Employment Agencies

Supplier shall ensure that the Third-Party Employment Agencies it uses are compliant with the provisions of this Code and the law.

Prevention of Underage Labor

Supplier shall employ only Workers who are at least 15 years of age, the applicable minimum legal age for employment, or the applicable age for completion of compulsory education, whichever is highest. Supplier may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

Juvenile Worker Protections

Supplier may employ juveniles who are older than the applicable legal minimum age but are younger than 18 years of age, provided they do not perform work that might jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138. Supplier shall not require juvenile workers to work overtime or perform nighttime work.

Working Hours

A workweek shall be restricted to 60 hours, including overtime, and Workers shall have at least 1 day off every 7 days except in emergencies or unusual situations. Regular workweeks shall not exceed 48 hours. Supplier shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

Wages and Benefits

Supplier shall pay at least the minimum wage and provide any benefits required by law and/or contract. Supplier shall compensate Workers for overtime hours at the legal premium rate. Supplier shall communicate pay structure and pay periods to all Workers. Supplier shall meet all legal requirements relating to wages and benefits, pay accurate wages in a timely manner, and shall not use wage deductions as a disciplinary measure. All use of temporary and outsourced labor shall be within the limits of the local law.

Freedom of Association and Collective Bargaining

Supplier shall freely allow Workers' lawful rights to associate with others, form and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment.



Grievance Management

Supplier shall ensure that workers have an effective mechanism to report grievances and that facilitates open communication between management and workers.

Health and Safety

Worker health, safety, and well-being is important to Factorial. Supplier shall provide and maintain a safe work environment and integrate sound health and safety management practices into its business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

Health and Safety Permits

Supplier shall obtain, keep current, and comply with all required health and safety permits.

Occupational Health and Safety Management

Supplier must ensure that worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards.

Reasonable steps must also be taken to remove pregnant women and nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

Emergency Preparedness and Response

Supplier shall identify and assess potential emergency situations and events, and minimize their impact by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

Injury and Disease Preparedness and Response

Supplier shall implement procedures and systems to prevent, manage, track and report occupational injury and illness including near misses. These systems should include provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.



Hazard Control and Elimination

Supplier shall identify, evaluate, and control worker exposure to chemical, biological, and physical agents according to the Hierarchy of Controls. If any potential hazards were identified, participants shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

Physically Demanding Work

Supplier shall identify, evaluate, and control worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks

Machine Safeguarding

Supplier shall ensure that production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

Chemical Management

Supplier shall develop and implement a program to take reasonable steps to prevent adverse impacts to people and planet arising from processes and operations of chemicals.

Working and Living Conditions

Supplier shall provide workers with reasonably accessible and clean toilet facilities, as well as potable water. Supplier-provided dining, food preparation, and storage facilities shall be sanitary. Worker dormitories provided by Supplier or a Third Party shall be clean, safe, and provide reasonable living space.

Environment

Factorial is committed to protecting the environment, and environmental responsibility is at the core of how we operate. Supplier shall develop, implement, and maintain environmentally responsible business practices.

Environmental Permits and Reporting

Supplier shall obtain, keep current, and comply with all required environmental permits. Supplier shall comply with the reporting requirements of applicable permits and regulations.

Pollution Prevention and Resource Reduction

Supplier shall minimize or eliminate emissions and discharges of pollutants and generation of waste at the source or by practices such as adding pollution control equipment; modifying production,



maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

Hazardous Substances Management

Supplier shall identify, label, and manage chemicals, waste, and other materials posing a hazard to humans or the environment to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

Solid Waste Management

Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle Hazardous Waste and non-Hazardous waste.

Materials Management

Supplier shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

Water and Wastewater Management

Supplier shall implement a systematic approach to identify, control, and reduce wastewater produced by its operations. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems.

Air Emissions Management

Supplier shall identify, manage, reduce, and responsibly control Air Emissions emanating from its operations that pose a hazard to the environment. Supplier shall conduct routine monitoring of the performance of its Air Emission control systems.

Boundary Noise Management

Supplier shall identify, control, monitor, and reduce noise generated by the facility that affects boundary noise levels.

Ethics

Factorial expects the highest standards of ethical conduct in all its endeavors. Supplier shall always be ethical in every aspect of its business, including relationships, practices, sourcing, and operations.

Responsible Sourcing of Materials

Supplier shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas or an equivalent and



recognized due diligence framework. Due diligence shall be conducted down to the material processing level in order to determine whether Relevant Materials originate from High risk Regions, which include areas associated with conflict, the worst forms of child labor, forced labor and human trafficking, gross human rights violations such as widespread sexual violence, or other reasonably objective high-risk activities, including severe health and safety risks, as well as negative environmental impacts.

Business Integrity

Supplier shall not engage in and have a zero-tolerance policy on corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anticorruption conventions.

Supplier shall have a policy relating to business with Factorial that prohibits the giving and acceptance of gifts. Gifts include items such as cash or cash equivalents including entertainment, gift cards, product discounts, and non-business activities. Supplier shall have a process to investigate and report any violations of the policy.

Disclosure of Information

Supplier shall accurately record information regarding its business activities, labor, health and safety, and environmental practices and shall disclose such information, without falsification or misrepresentation to all appropriate parties and as required by law.

Protection of Intellectual Property

Supplier shall respect intellectual property rights and safeguard customer information. Supplier shall manage technology and know-how in a manner that protects intellectual property rights. Privacy and Data Protection Supplier acknowledges that Factorial considers privacy to be a fundamental human right, and shall have processes and practices in place to secure and protect personal data.

Supplier shall comply with all privacy, data protection, and cybersecurity laws that are applicable to Factorial or Supplier.

C-TPAT

To the extent that Supplier transports goods for Factorial into the United States, Supplier shall comply with the C-TPAT (Customs-Trade Partnership Against Terrorism) security procedures on the U.S. Customs website at www.cbp.gov (or other website established for such purpose by the U.S. government).

Sanctioned Countries and Individuals

Supplier shall not conduct any business with Sanctioned Persons or Sanctioned Countries. Sanctioned Person and/or Sanctioned Country shall mean any Person with whom dealings are restricted or prohibited under the Sanctions Laws of the United States, the United Kingdom, the European Union or the United Nations, including (a) any Person or Country identified in any list of sanctioned Persons maintained by (i) the United States Department of Treasury, Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security, or the United States Department of State; (ii) Her Majesty's



Treasury of the United Kingdom; (iii) any committee of the United Nations Security Council; or (iv) the European Union; (b) any Person located, organized, or resident in, organized in, or a Governmental Body or government instrumentality of, any Sanctioned Country and (c) any Person directly or indirectly 50% or more owned or controlled by, or acting for the benefit or on behalf of, a Person described in (a) or (b).

References and Sources

This Supplier Code of Conduct is based on the Responsible Business Alliance Code of Conduct which may be found in:

https://www.responsiblebusiness.org/media/docs/RBACodeofConduct7.0_English.pdf

ILO Minimum Age Convention No. 138 can be found in:

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ilo_code:C138