



# Supplier Code of Conduct

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## Introduction

- To achieve our objectives and uphold ethical standards, it is imperative that Virgo Polymer's suppliers align with our values and vision, elevating sustainability practices within our supply chain.
- We recognize the pivotal role of long-term sustainable development for our suppliers in achieving mutual success and cherish relationships with those who share our business philosophy.
- Demonstrating our commitment, we have crafted a Supplier code of conduct, an extension of our core values, applicable to all our suppliers. Compliance with this COC and adherence to relevant laws and regulations is expected.
- Going beyond legal requirements, this COC draws from global standards, ensuring best practices are identified and defined internationally to enhance ethical conduct and sustainability.
- Addressing ethics, business integrity, human rights, health and safety, environment, local community engagement, and product quality, this COC outlines our comprehensive expectations. Regular reviews will be conducted to ensure alignment with our vision, urging suppliers to integrate these principles into their ongoing dealings with Virgo Polymer for a mutually beneficial and sustainable supply chain.

## Principles

### 1. Ethically Driven

Our business activities are conducted with fairness, transparency, honesty, integrity, and high ethical standards, emphasizing respect for human rights. We believe these principles are fundamental for establishing strong business relationships, and we require our suppliers to share this commitment in their operations.

#### 1.1. Business Integrity and Ethics

**a. Conflict of Interest:** Suppliers are expected to promptly report any conflict of interest in their dealings with Virgo polymer, allowing us to take appropriate actions. Disclosure is required if any Virgo polymer employee or contracted professional has significant ownership or interest in the supplier's business.

**b. Bribery, Corruption, Gifts, and Donations:** Suppliers must refrain from receiving or offering illegal payments, gifts, bribes, donations, or any improper advantages in their commercial dealings with Virgo polymer. Compliance with anti-bribery and anti-corruption laws is mandatory.

**c. Confidentiality:** Suppliers are obligated to safeguard and respect Virgo polymer's intellectual property, trade secrets, and confidential information, using it only for its intended purpose as agreed upon between Virgo polymer and the supplier.

**d. Anti-competitive and Restrictive Trade Practices:** Suppliers must adhere to applicable local and international laws promoting free and fair competition, securing business through competitive pricing and innovative products.

#### 1.2. Human Rights



**a. Forced and Child Labour:** Suppliers are prohibited from using child labor and must ensure that no person below the age of 18 (or per local law) is employed. Forced labor, human trafficking, and modern-day slavery are strictly forbidden.

**b. Compensation and Working Hours:** Suppliers are expected to comply with wage and hour laws, regulations, and industry standards regarding minimum wages, overtime pay, working hours, and rest periods.

**c. Non-discrimination:** Suppliers must ensure that their hiring and employment practices are free from discrimination based on race, color, gender, age, nationality, religion, sexual orientation, marital status, citizenship, disability, veteran status, or medical condition.

### **1.3. Accountability and Transparency**

**a. Maintaining Appropriate Financial Records:** Suppliers are required to prepare and maintain accurate financial records in accordance with accounting and financial reporting standards, reflecting generally accepted guidelines, principles, standards, laws, and regulations of their country of operation.

### **1.4. Legal and Regulatory Compliance**

Suppliers are expected to comply with all applicable laws and regulations within their country of operation, including international laws and regulations. Legal compliance requires adherence to guidelines for permits and registrations at all times.

## **2. Social Focused**

### **Committed to Sustainable Development:**

We are dedicated to supporting sustainable development and business practices. Our commitment extends beyond environmental considerations to encompass social performance criteria, emphasizing the positive role organizations should play within local communities and society at large. We actively contribute to the social and economic development of the communities where we operate and expect our suppliers to take similar steps.

### **2.1. Responsible Conduct with Stakeholders**

**a. Fair Dealing with Vendors/Suppliers:** We encourage suppliers to engage in fair and transparent transactions with their business partners. This includes fair evaluation, reasonable selection processes, equal opportunities, and fostering fair and free competition for all.

**b. Diversity in Workforce:** Suppliers are urged to initiate efforts to build a diverse and inclusive workforce, considering factors such as age, gender, experience, and ethnicity.

**c. Engage and Involve Local Communities:** Suppliers are encouraged to address and minimize the impact on the communities affected by their operations. Active engagement with local communities to understand and resolve concerns is a key aspect.

### **2.2. Employee Health and Safety**

We expect suppliers to adopt robust management practices to comply with applicable health and safety laws, rules, regulations, and industry standards. Suppliers are encouraged to conduct training and awareness activities for employees on health and



safety. Additionally, we recommend suppliers take proactive measures to prevent accidents and injuries by analyzing and minimizing risk exposure.

### **2.3. Local Community Development**

We recognize that our operations influence not only our immediate communities but also those connected to our supply chains and suppliers. Therefore, we encourage suppliers to collaborate with and support local communities in their economic and social development. This includes providing employment opportunities, contributing to poverty eradication, and assisting in the development of local skills, wherever relevant.

## **3. Green Inspired**

### **Addressing Today's Environmental Challenges:**

Environmental concerns are immediate challenges that demand attention today. We are dedicated to transforming our value chain into an environmentally friendly and responsible entity. Our commitment extends to complying with local laws and regulations related to the environment in the regions where we operate and source materials, products, or services.

#### **3.1. Green Products and Processes**

**a. Reducing Emissions and Water Intake:** Suppliers are encouraged to identify emission sources and proactively work towards reducing emissions (CO<sub>2</sub>, Greenhouse Gases, SOX, NOX, and Particulate Matter). Measures for water conservation should be implemented.

**b. Efficient Systems and Processes:** Suppliers should focus on enhancing efficiency and performance through continuous improvement, technology monitoring, and assessment. Adopting good practices ensures the valuation and protection of environmental resources.

**c. Reducing Usage of Hazardous and Toxic Materials:** Suppliers are expected to assess and minimize the use of hazardous and toxic materials, introducing substitutes and replacements to reduce exposure.

**d. Disposal of Toxic Waste:** Handling toxic waste should follow professional guidance, and proper mechanisms for disposal to authorized waste processors must be in place.

**e. Renewable Energy:** Suppliers are recommended to embrace renewable energy sources for increased energy efficiency and independence. Identifying opportunities to replace conventional energy sources with sustainable alternatives is encouraged.

#### **3.2. Reduce, Reuse, and Recycle**

**a. Zero Waste to Landfill:** Suppliers should analyze waste destined for landfills and set targets to reduce disposal quantities. Exploring alternate waste disposal techniques minimizes environmental impact.

**b. Responsible Consumption of Resources:** Suppliers are urged to minimize resource use, including virgin raw materials, by improving efficiency, investing in advanced technology, and innovating products and processes for material reuse. Reducing dependence on scarce natural resources through appropriate replacements is essential.

**c. Packaging Material:** Suppliers should take steps to reduce the environmental impact of packaging material by innovating practical solutions in design and disposal methods.

#### **3.3. Adopting Green Initiatives and Practices**



In order to monitor and minimize environmental impact, practices for environmental performance should be integrated into organizational processes. Suppliers are encouraged to incorporate such practices into their operations and initiate new environmental-friendly initiatives.

#### 4. Quality Centred

##### Prioritizing Quality and Standards:

Ensuring quality and strict adherence to manufacturing and product standards is our top priority.

##### 4.1. Quality Management System

Suppliers are expected to establish quality objectives, policies, manuals, and procedures, implementing a certified Quality Management System by a competent authority such as ISO. Compliance with local regulations, registrations, and conducting trainings, management reviews, and internal audits are essential to ensure the effectiveness of the Quality Management System.

##### 4.2. Facility and Machinery

Suppliers should give utmost importance to the design, installation, and maintenance of equipment. Validation and verification of machinery should be conducted regularly. Proper housekeeping and pest control measures should be in place to ensure the hygiene, safety, and security of the workforce.

##### 4.3. Good Manufacturing Practices and Quality Controls


Suppliers are expected to have established manufacturing and packaging operations with meticulous record-keeping. Process controls and a finish product release program should be in place to maintain high-quality standards throughout the production process.

##### 4.4. Material Management

Suppliers should have established practices for the storage, handling, and transportation of raw materials. Maximizing risk prevention measures through good warehousing practices and proper handling of rejected items is crucial to maintain the quality of materials used in the manufacturing process.

##### Supplier Assessments:

Virgo Polymers is dedicated to collaborating with Suppliers to ensure adherence to the Code of Conduct and expects Suppliers to mutually address applicable and relevant topics. In instances of non-compliance or violations of the Code of Conduct, Virgo may grant the Supplier a reasonable opportunity to respond with proposed corrective actions, unless the violation is severe or incurable, or involves a breach of the law. Virgo reserves the right to suspend or terminate its association with the Supplier and/or report the matter to the appropriate authorities in the event of a legal violation.

Signature: 



Date: 15.07.2023