



## Sustainability Policy for MES and Suppliers

This policy applies to all MES and its affiliate companies around the world. MES is committed to three key missions:

- 1] Providing win-win solutions for our customers
- 2] Providing challenging and exciting opportunities to our team members
- 3] Developing quality suppliers across the globe

The policies defined below are applicable to our team members around the world as well applicable to our suppliers, per their local laws.

At MES, we are strongly committed to ensuring that the products and services we provide are produced in a way that respects human rights, the environment, and protects the fundamental dignity of workers. We engage with suppliers that are committed to these same principles, and we set exacting standards for suppliers of goods and services for MES and MES's subsidiaries. These standards are derived from the United Nations Guiding Principles on Business and Human Rights, and the Core Conventions of the International Labor Organization (ILO), including the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights. When interpreting these policies, we follow ILO guidance materials and definitions.

MES expects all products sold by them or provided to them to be manufactured or produced in accordance with this Supplier Code of Conduct ("Supplier Code"). We also expect all suppliers of goods and services to MES to comply with the Supplier Code, even when this Supplier Code exceeds the requirements of applicable law.

In our application of these standards, we follow these key principles:

- a) **Inclusivity:** Our standards apply to all of our office staff, our manufacturing and warehousing workers as well as staff at our suppliers, regardless of race, color, national origin, gender, gender identity, sexual orientation, religion, disability, age, political opinion, pregnancy, migrant status, ethnicity, caste, marital or family status, or similar personal characteristics. We recognize these groups may be disproportionately impacted by issues addressed in our Supplier Code and may be more vulnerable to exploitation. We are committed to addressing risks specific to these groups and working with our suppliers to evaluate and address circumstances that may arise but are not specifically covered by our Supplier Code.
- b) **Continuous improvement:** MES operates a policy of continuous improvement, and we are committed to working with our suppliers to improve protections for their workers and workplace. We reserve the right to terminate a relationship at any time for failure to meet our Supplier Code of Conduct, however, we strive to always put the interests of workers first. Termination will be considered when a supplier refuses to cooperate with an assessment, refuses to change a required behavior or practice, does not make timely progress on remediation, or engages in falsification or misrepresentation of records or other illegal or deceitful activity.
- c) **Supply chain accountability:** In order to ensure these standards are cascaded throughout our supply chain, we expect suppliers to consistently monitor and enforce these standards in their own operations and supply chain, as well as make improvements to meet or exceed our expectations and those of our customers as reflected in our Supplier Code. Suppliers are required to disclose any subcontractors or labor agents upon request. They are also expected to hold their subcontractors, and labor agents to the standards and practices covered by our Supplier Code. Suppliers with subcontracted production are required to work with their subcontractors to adopt and raise awareness of this Supplier Code. We recognize that suppliers in deeper tiers of the supply chain and suppliers in informal sectors may take more time to align with these standards. We are committed to working with suppliers to help them understand our policies.

# MES Sustainability Policy

This policy includes the following:

- A. Labor Rights
- B. Health and Safety
- C. Environment Minerals
- D. Conflict Minerals, Land Rights and Responsible sourcing
- E. Ethical Behavior
- F. Management Systems
- G. Goals and Tracking the impact

## A. Labor Rights

**Child Labor:** MES does not tolerate the use of child labor. Suppliers are required to engage workers who are: (i) minimum 15 years old, (ii) the age of completion of compulsory education, or (iii) the minimum age to work in the country where work is performed, whichever is greater. Furthermore, workers under the age of 18 (“young workers”) must not perform hazardous work that is likely to jeopardize their health or safety or compromises their education (e.g., night shifts, overtime).

**Light Work:** In accordance with international labor standards, light non-hazardous work in select circumstances is permitted as long as the child helps their parents or relatives in ways that do not jeopardize their education, health, schooling, or personal and physical development. In all circumstances, suppliers must comply with child labor laws and international labor standards.

**Student Workers:** MES supports the development of legitimate workplace apprenticeship programs that support the students’ educational goals, and comply with MES’s Supplier Code and applicable local laws. Suppliers are required to ensure careful management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable law and regulations. In the absence of local law, the wage rate for student workers, interns, and apprentices must be at least the same wage rate as other entry-level workers performing equal or similar tasks. Apprenticeship programs should have a limited time duration or be considered as an entry point to full-time employment upon completion of the program.

**Involuntary Labor, Human Trafficking, and Slavery:** MES suppliers must not use forced labor—slave, prison, indentured, bonded, or otherwise. MES does not tolerate suppliers that traffic workers or in any other way exploit workers by means of threat, force, coercion, abduction, or fraud. All work must be voluntary, and workers must be free to leave work and terminate their employment or other work status with reasonable notice. Workers must not be required to pay recruitment, hiring, agents’ or brokers’ fees, or other related fees for their employment either in their home country or the country where work is performed. Suppliers are required to bear or reimburse to their workers the cost of any such fees incurred at any point during the recruitment process, even if outside of the suppliers’ direct control of the recruitment process. All fees and expenses charged to workers must be disclosed to MES and communicated to workers in their native language in advance of employment or work.

MES also expects our suppliers to hold their third-party labor agents or brokers to the standards and practices covered by our Supplier Code. Suppliers are required to analyze and monitor the practices of recruitment agencies and labor brokers, and employ agencies that act ethically and in the best interests of workers when contracting labor. Suppliers must ensure that staffing or recruiting agencies comply with our Supplier Code, as well as all applicable laws of the country where work is performed and the worker’s home country.

Suppliers must not require workers to surrender government issued identification, passports, or work permits as a

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condition of working. Suppliers may only temporarily hold onto such documents to the extent reasonably necessary to complete legitimate administrative and immigration processing. Workers must be given clear, understandable documentation that defines the terms and conditions of their engagement in a language and manner understood by the worker.

**Migrant Workers:** MES expects our suppliers to pay particular attention to the risks of exploitation that both domestic and foreign migrant workers face and ensure migrants workers are not discriminated against in respect to these standards. Our suppliers may only engage workers who have a legal right to work. If suppliers engage foreign or domestic migrant workers, such workers must be engaged in full compliance with the immigration and labor laws of the host country. Workers must be able to voluntarily terminate contracts without penalty upon reasonable or legally applicable notice. Suppliers are required to keep up-to-date records of all employees, particularly migrant workers; this includes the basic contract terms and the workers' arrival and departure dates.

**1. Wages and Benefits.** Suppliers are required to pay their workers in a timely manner and provide compensation (including overtime pay and benefits) that, at a minimum, satisfy applicable laws. Suppliers are required to provide to their workers the basis on which workers are being paid in a timely manner via pay stub or similar documentation. Deductions from wages as a disciplinary measure are not permitted. In addition, we encourage our suppliers to regularly evaluate whether workers earn enough to meet their basic needs and the needs of their family.

**2. Working Hours.** MES expects suppliers to regularly monitor working hours to ensure the safety, health, and welfare of workers. Except in special or emergency situations, (i) suppliers are required to limit working hours to no more than 60 hours perweek, including overtime, and (ii) each worker must be entitled to at least one day off for every seven-day work period. In all circumstances, working hours must not exceed the maximum amount permitted by law.

**3. Anti-discrimination.** MES suppliers must not discriminate on the basis of race, color, national origin, gender, gender identity, sexual orientation, religion, disability, age, political opinion, pregnancy, migrant status, ethnicity, caste, marital or family status, or similar personal characteristics in hiring and working practices such as job applications, promotions, job assignments, training, wages, benefits, and termination. Suppliers must not use mandatory pregnancy or HIV tests. All medical tests required of workers or applicants must not be used in a discriminatory manner. Suppliers are required to make reasonable accommodations for workers of different religious backgrounds, and must have an equal opportunity employment policy that promotes gender equality inemployment practices. We encourage our suppliers to provide maternity leave.

**4. Fair Treatment.** All workers must be treated with respect and dignity. Our suppliers must not engage in or permit physical, verbal, or psychological abuse or coercion, including threats of violence, corporal punishment, mental coercion, sexual harassment, or unreasonable restrictions on entering or exiting work and residential facilities, or other forms of intimidation. Workers must be free to voice their concerns to MES or its auditors including through confidential worker interviews, and allowed to participatein the audit process without fear of retaliation by supplier management. We encourage suppliers to provide training on non- discrimination and harassment.

**5. Freedom of Association.** MES expects that our suppliers respect the rights of workers to establish and join an organization of their own selection. Workers must not be penalized or subjected to harassment or intimidation for the non-violent exercise of their right to join or refrain from joining such legal organizations.

## **B. Health and Safety**

**1. Health and Safety.** MES expects our suppliers to provide workers with a safe and healthy work environment. Suppliers must, at a minimum, comply with applicable laws regarding working conditions and with the standards in MES's Supplier Code.

**2. Occupational Safety.** Suppliers are required to monitor workers' potential for exposure to safety hazards (e.g.,

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chemical, mechanical, electrical and other energy sources, fire, vehicles, and fall hazards) and identify, assess, and control these hazards through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, suppliers are required to provide workers with appropriate, well-maintained, personal protective equipment, together with training on when and how to use the equipment correctly and educational materials about risks to them associated with these hazards. We encourage suppliers to monitor for workplace health and safety risks that may impact pregnant women and nursing mothers and take reasonable steps to reduce these risks and inform them of any hazards.

**Occupational Injury and Illness:** Suppliers are required to put procedures and systems in place to prevent, manage, and track occupational injury and illnesses, such as encouraging worker reporting, classifying and recording injury and illness cases, providing necessary medical treatment, investigating cases, and implementing corrective actions to eliminate their causes.

**Industrial Hygiene:** We encourage suppliers to identify, evaluate, and control worker exposure to chemical, biological, and physical agents. This includes eliminating or controlling potential hazards through proper design, engineering, and administrative controls. Workers must be informed and receive appropriate education in advance if they will be working with (or otherwise exposed to) hazardous or dangerous conditions or materials. In addition, workers must be given appropriate personal protective equipment and educated and trained on the proper use of such equipment.

3. **Physically Demanding Work.** Suppliers are required to continually identify, evaluate, and control physically demanding tasks to ensure that worker health and safety is not jeopardized.

4. **Emergency Preparedness and Response.** Suppliers are required to identify and plan for emergency situations and implement and train their workers on response systems, including emergency reporting, alarm systems, worker notification and evacuation procedures, worker training and drills, first-aid supplies, fire detection and suppression equipment, and unblocked exit facilities.

5. **Machine Safeguarding.** Suppliers are required to implement a regular machinery maintenance program. Production and other machinery must be routinely evaluated for safety hazards. Where appropriate, suppliers are required to provide properly maintained machinery controls (e.g., physical guards, interlocks, barriers) when machinery presents an injury hazard to workers.

6. **Sanitation and Housing.** Workers must have reasonable access to clean toilet facilities and potable drinking water. If suppliers provide a canteen or other food accommodations, they must include sanitary food preparation, storage, and eating facilities. If suppliers provide residential facilities for their workers, they must provide clean and safe accommodations. Such residential facilities must be equipped with fire alarm, detection, and suppression equipment and workers must be provided with emergency egresses, reasonable and secure personal space, entry and exit privileges, reasonable access to hot water for bathing, adequate heat and ventilation, and reasonable transportation to and from work facilities (if not reasonably accessible by walking).

## **C. Environment**

1. **Environment.** Suppliers are required to comply with applicable environmental laws; we encourage our suppliers to look for opportunities to go beyond regulatory compliance obligations and make progress towards integrating sustainable practices throughout their operations. We encourage our own site offices, warehouses and manufacturing plants as well as suppliers to look for ways to minimize the impact on the environment (including the use of energy, air emissions, greenhouse gas emissions, waste, water, pollution, hazardous materials, and recycling) through their entire operations.

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2. Energy Consumption and Greenhouse Gas Emissions. We encourage suppliers to look for ways to improve energy efficiency, minimize energy consumption, and mitigate greenhouse gas emissions. Commonly available changes such as solar energy, LED bulbs, utility companies, should be reviewed atleast every 3 years for lowering energy consumption.
3. Environmental Permits and Recordkeeping. Suppliers are required to obtain and keep current all required environmental permits, approvals, and registrations and follow applicable operational and reporting requirements.
4. Effective Management and Disposal of Hazardous Substances. MES's manufacturing plants, warehouse as well as Suppliers are required to effectively identify and manage the safe handling, movement, storage, and disposal of chemicals and substances that pose a threat to the environment, including providing workers with appropriate training on the safe-handling and disposal ofhazardous substances. Suppliers are also required to monitor and control wastewater or solid waste generated from operations before disposing in accordance with applicable laws.

In addition, suppliers must characterize, monitor, control, and treat regulated air emissions before discharging in accordance with applicable laws.

**Pollution Prevention and Resource Reduction:** Whenever feasible, suppliers should look for opportunities to minimize air emissions, discharge of pollutants, and generation of waste. We encourage suppliers to identify opportunities to reduce natural resource consumption, including water, fossil fuels, minerals, and virgin forest products. We also encourage and commit to using lubricants, coolants, chromate compounds, which are not hazardous to the environment. We recycle these in our operations and also ensure that suppliers are using recyclable chemicals in their operations. We also work to give options to customers to change to environmentally friendly coatings, paints, lubricants, where possible.

**Water Management:** We encourage suppliers to look for opportunities to implement a water management program. All wastewater is to be identified, monitored, controlled, and treated prior to discharge or disposal as required by law.

**Solid Waste:** Suppliers are required to implement a systematic approach to identify, manage, and responsibly dispose of or recycle solid waste. We encourage suppliers to look for opportunities to minimize waste to landfill throughout their operations.

**Air Emissions:** Suppliers are required to identify, routinely monitor, control, and treat air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by-products generated from operations as requiredby law prior to discharge. At MES's request, suppliers are required to demonstrate that any such required air emissions control systems are performing properly. In our plants, we will conduct air quality surveys (minimum every 3 years) to make sure our plants are operating at good air quality level for team members health and safety.

5. MES will conduct consulting groups or college student groups to do Scope 1, 2 or 3 emissions every 3 years to evaluate the impact its business has on carbon emissions. Much of our business is limited by our suppliers and customers but we can do our part in reducing carbon foot print by designing compact packaging, packing fuller containers, engaging in renewable energy where possible and all other operational means. Where not possible, we will partner with agencies to donate and purchase carbon offsets.
6. MES has added and will continue to add more stipulations to ensure supplier's environmental awareness and engagement. We prefer suppliers who have ISO15001 environmental certification wherever possible. We will also add more questions to qualify our suppliers better for environmental stewardship.

### **D. Conflict Minerals, Land Rights and Responsible sourcing of raw materials**

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1. Conflict Minerals. MES is committed to avoiding the use of minerals that have fueled conflict in the Democratic Republic of the Congo or an adjoining country. We expect suppliers to support our effort to identify the origin of designated minerals used in our products.
2. Land Rights. It is important that our suppliers respect the legal land rights of individuals, indigenous people, and local communities. Upon MES's request, suppliers and producers are required to demonstrate a legal right to use the land. Developments and acquisitions of agricultural and forestry land are subject to free, prior, and informed consent of the affected local communities, including women or indigenous peoples and other marginalized stakeholders.
3. Responsible sourcing of raw materials. MES holds ourselves and our supply chain accountable to address the risks associated with raw materials extraction, harvesting, processing, refining and transportation. We envision a future where all raw materials, unbounded by specific materials or locations, are sourced from responsible suppliers, based in countries, where international norms are practiced and international rules of laws enforced and audited.

### **E. Ethical Behavior**

1. No Bribery. Our suppliers must not engage in bribery with anyone for any reason, whether dealings with government officials or the private sector. This includes offering, promising, giving, or accepting anything of value to obtain or provide undue or improper advantages to anyone for any reason. Our suppliers must not induce MES employees to violate our Code of Business Conduct and Ethics.
2. Anti-Corruption. Suppliers are required to comply with applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act and local country laws, and never bribe a government official on MES's behalf. Suppliers must not offer, give, or promise anything of value, either directly or indirectly, to government officials to encourage them to act improperly or to reward them for doing so. Prohibited payments can take many forms including, but not limited to cash or cash equivalents, gifts, meals, and entertainment. Any questions regarding the applicability of this provision or exceptions to this provision must be directed to MES's Legal Department.
3. Grievance Mechanism and Whistleblower Protections. MES expects suppliers to protect worker whistleblower confidentiality and prohibit retaliation against workers who report workplace grievances. Suppliers are required to create a mechanism for workers to submit their grievances in a confidential and anonymous manner and maintain an effective process to investigate and address worker concerns. MES team members also shall act in a manner, which is open and transparent for any concerns within its own operations. MES considers its President and Chief People Officer to be ultimate responsibility to hear any grievances or about any possible wrong doing and encourage any team members to reach out to them without any concerns.
4. Transparency. MES expects its team members and suppliers to keep and maintain complete and accurate records about working conditions (e.g., wage and working hour records). Information regarding suppliers' labor, health and safety, environmental practices, where necessary to demonstrate suppliers' compliance with requirements of this Supplier Code must be disclosed in accordance with applicable regulations and upon MES's request. MES will not tolerate falsification of records or misrepresentation of conditions or practices in the supply chain.
5. Conflicts of Interest. In performing their job duties, employees are expected to use their judgement to act, at all times and in all ways, in the best interests of MES. A "conflict of interest" exists when an employee's personal interest interferes with the best interests of MES. For example, a conflict of interest may occur when an employee or a family member receives a personal benefit as a result of the employee's position with MES. A conflict of interest may also arise from an employee's business or personal relationship with a customer, supplier, competitor, business partner, or other employee, if that relationship impairs the employee's objective business judgement.

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Because an employee's receipt of gifts or services could create a conflict of interest, MES limits its in-kind gifts to be under \$100 equivalent. For any events, or entertainment, limit is \$250 / event and maximum of \$500 / year.

Employees should attempt to avoid conflicts of interest and employees who believe a conflict of interest may exist should promptly notify the President or Chief People Officer, who are responsible for imposing highest levels of ethical conduct for the company. Executive management along with local manager will consider the facts and circumstances of the situation to decide whether corrective or mitigating action is appropriate.

### **1. Fair competition and Anti-Trust**

- a. Competitors. Agreements with competitors about pricing, customers, market allocation and boycotts are strictly prohibited by antitrust laws. MES Team members are prohibited with discussing this and other types of sensitive information with competitors.
- b. Customer Restrictions. Antitrust and competition laws generally require companies to offer similarly situated, competing customers the same price, price-related terms, promotional services, and allowances. However, a company may offer better terms to a specific customer to meet (but not beat) a competitor's offer. There may be exceptions to this rule based on holistic customer relationship – please consult your manager for clarification.
- c. Anti-Trust and businesses with outside investors – Public or private. From time to time, MES affiliates may have outside partnership or even publicly traded ownership. Team members of those entities shall restrict themselves from discussing anything about stock prices, future financial results, business projections or any information, which may provide additional information to potential investors. We will treat all investors in our companies, large or small, the same. All investors should have access to information, which helps them make decisions whether to invest in our business at the same time, and of highest quality. We should share with all investors, how management views the business, what they consider important, where they consider risks are.

### **F. Management Systems**

1. Management Systems. MES expects that suppliers adopt a management system to drive continuous improvement, and ensure compliance with applicable laws and this Supplier Code. At times, suppliers may have ISO14001 and other certifications to validate their management.
2. Management Accountability and Responsibility. MES expects that our suppliers have designated representatives responsible for implementing management systems and programs that oversee compliance with applicable laws as well as this Supplier Code. Senior management at MES must routinely review and assess the quality and efficiency of its operational and human resources management systems and programs.
3. Risk Management. MES expects our suppliers to establish a process to identify the environmental, health, safety, and ethical risks associated with their operational and labor practices. In addition, management must develop appropriate processes to control identified risks and ensure regulatory compliance. Suppliers are required to consistently monitor and enforce these standards in their own operations, supply chain, and subcontractors, and should make improvements to meet or exceed our expectations and those of our customers as reflected in our Supplier Code. We encourage suppliers to continuously assess their risks, including those specific to vulnerable groups, including women, migrant workers, and indigenous peoples.
4. Training. MES expects our suppliers to maintain appropriate training programs for managers and workers to implement the standards in our Supplier Code and to comply with applicable legal requirements.

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5. Communication and Worker Feedback. MES expects that our managers as well as our suppliers clearly and accurately communicate and educate workers about MES policies, practices, and expectations. MES encourages suppliers to implement a process to assess workers' understanding of their rights and responsibilities, and meaningfully engage them through worker-management committees or similar forums. MES may require suppliers to post educational materials in a location accessible to their workers and translated into the appropriate local language(s), train workers on the risks of key issues, and notify or otherwise train workers on their rights. Suppliers should be conscious of issues with illiteracy, ensuring that trainings take these issues into account.
6. Documentation and Records. Suppliers are required to create, retain, and dispose of business records in full compliance with applicable legal requirements along with appropriate confidentiality to protect privacy. All facilities must maintain a valid business license; suppliers are responsible for reviewing and complying with all legal requirements, and have available required permits, licensees (e.g., health and safety permits, occupancy permits, etc.) necessary to operate.