



EMBS Supplier Management System

Part 1: Global Supplier Manual

Valid from: September 2025

The English version of the Global Supplier Manual is the master version. Although translations are provided by EMBS, should there be any ambiguity in the translation, then the original English version shall take precedence.

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0 Introduction

0.1 Purpose and Objectives

The purpose of this manual is to describe the requirements of the EMBS Supplier Management System (EMBS-SMS) as run by the Battery Systems Sector; all subsequent references to EMBS within this manual are to these two divisions only. Suppliers shall familiarize themselves with the EMBS-SMS and comply with its requirements.

The objectives of the EMBS-SMS are to

- provide a consistent set of processes across all EMBS sites for working with suppliers,
- ensure that products and services provided by suppliers meet the requirements of EMBS and its customers,
- monitor the performance of products and services provided by suppliers,
- provide performance feedback to suppliers, and
- provide a consistent and timely way of addressing issues with suppliers.

0.2 How to Use this Manual

Suppliers shall ensure that they are using the latest version of all documents that comprise the Global Supplier Manual.

The Global Supplier Manual is split into three parts:

Part 1: Global Supplier Manual

This is the primary manual for outlining EMBS requirements of its suppliers. It is split into six sections:

- Section 1: General Requirements
- Section 2: Operation of the EMBS Supplier Management System
- Section 3: Quality Requirements
- Section 4: Health and Safety Requirements
- Section 5: Environmental Standards and Sustainability
- Section 6: Corporate Social Responsibility

Part 2: Appendices

This part includes detailed information, specific to Battery Systems division, and should be read in conjunction with Part 1.

Part 3: Site-Specific Requirements

This part details requirements specific to each EMBS site.

1 General Requirements

1.1 Overview of the EMBS Supplier Management System

The EMBS-SMS is split into four primary processes:

- Supplier Approval Process;
- Supplier Performance Process;
- Supplier Complaint and Escalation Processes;
- Supplier Development Process.

1.2 General Principles

EMBS is committed to deliver defect-free products to its customers on time, every time. Similarly, EMBS requires the same commitment from its suppliers to supply

- the right product,
- at the right quality,
- at the right time,
- in the right condition, and
- at the right price.

EMBS is committed to continual improvement and it expects the same commitment from its suppliers. Suppliers shall employ a defined process for delivering continual improvement that is managed at all levels of their business.

1.3 Management System Requirements

Suppliers should be certified to ISO 9001 by an accredited certification body, or shall be actively following a plan to achieve ISO 9001 certification. Suppliers who are not certified to ISO 9001, or have been certified by a body that EMBS does not recognize, shall follow a realistic action plan to achieve certification with a EMBS-recognized certification body* and may be subject to enhanced monitoring.

Suppliers should aim to progress to compliance with IATF 16949:2016. The first step in achieving this goal is adherence to the EMBS-SMS.

Unless otherwise confirmed in writing by EMBS, all suppliers shall be design responsible for their products. All business processes associated with the manufacture and supply of product to EMBS shall be covered in the scope of a supplier's certification.

Suppliers should be certified to ISO 14001 by an accredited certification body, or actively working towards certification. EMBS recommends that suppliers work to ISO 45001 principles.

Suppliers shall submit copies of relevant certificates to EMBS upon any change of status or upon any change in the organization of the supplier; *e.g.*

- acquisition;
- merger;
- relocation.

Supplier is obliged to provide renewed ISO 9001/IATF certificates without a reminder from EMBS within 2 weeks from the expiration date of the certificates.

*: For guidance on EMBS-recognized certification bodies, please refer to your local EMBS quality contact.

1.4 Management of Supply Chain

The supplier shall ensure that its suppliers and sub-suppliers who work on products that will be purchased by EMBS comply with EMBS's requirements on

- quality,
- health and safety,
- environmental standards and sustainability, and
- corporate social responsibility.

1.5 Supplier Audits and Access to Supplier Facilities

EMBS may conduct periodic audits of the supplier's systems, products and processes to ensure that they meet requirements. These may be performed by EMBS or in conjunction with a EMBS customer. The supplier shall provide access to enable audits to be performed; e.g. to the following:

- areas associated with the manufacture, storage and testing of product purchased by EMBS;
- training and competency records;
- EHS data for the supplier's locations.

Reasonable restrictions to ensure confidentiality of supplier information will be permitted.

The supplier shall take all reasonable steps to facilitate an audit on the premises of its own suppliers or sub-contractors if requested by EMBS.

1.6 Conduct on EMBS Sites

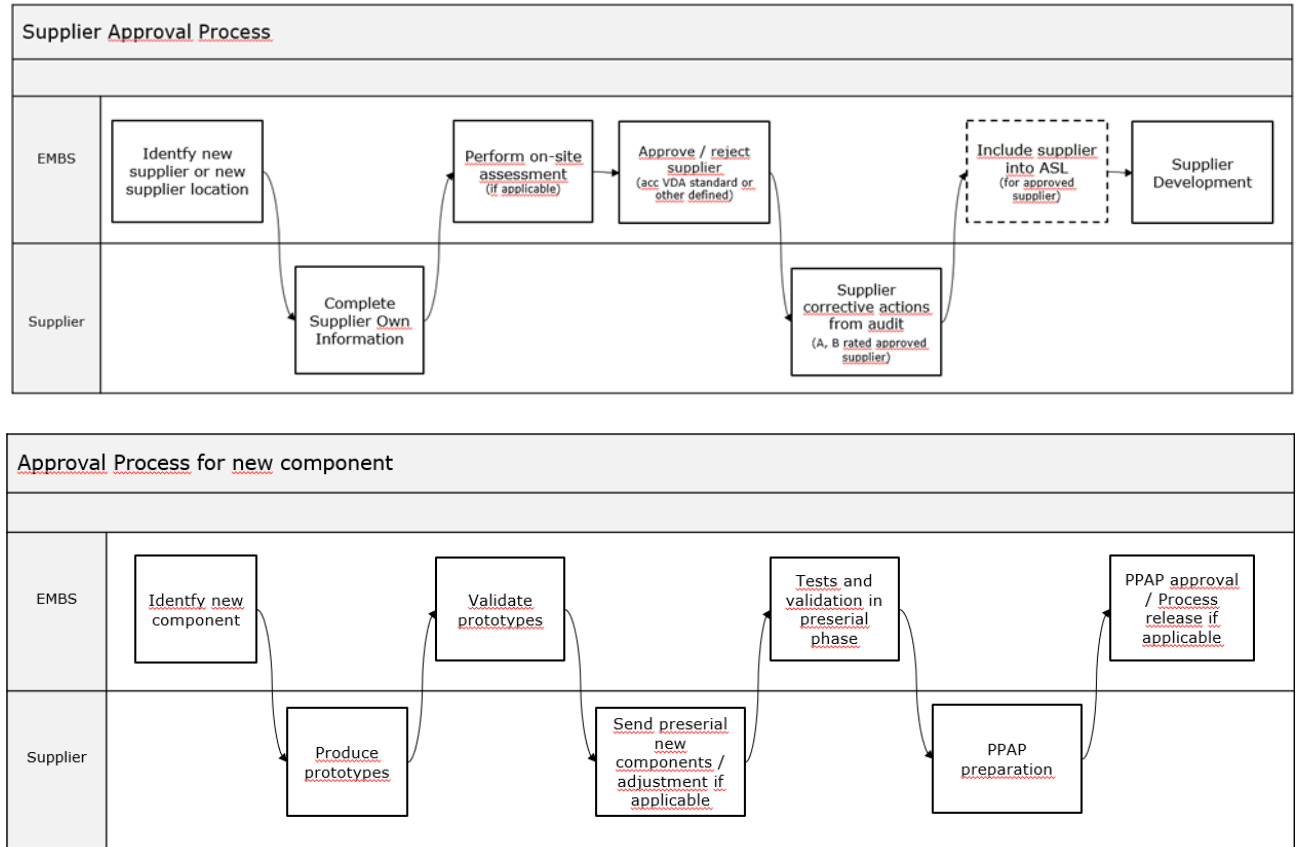
The supplier is responsible for the conduct of its personnel on any EMBS site (including contracted delivery drivers). The supplier's personnel shall adhere to local EMBS conduct rules, as detailed in the Site-Specific Requirements, or as advised by EMBS staff.

2 Operation of the EMBS Supplier Management System

2.1 Supplier Approval Process

There are a number of steps that need to be completed to become an approved supplier to EMBS (Figure 1).

Figure 1 Overview of the Supplier Approval Process



These processes are outlined in more detail in the appropriate Appendix C.

2.2 Supplier Performance Process

EMBS completes periodic assessments of its suppliers, based upon the following areas:

- on-going performance data:
 - quality performance;
 - delivery performance;
 - commercial performance;
- business assessment:
 - technical capability & product performance;
 - financial stability;
 - capacity;
 - pricing;
- management systems:
 - quality systems;
 - environmental and sustainability performance;
 - health and safety.

EMBS will share the supplier's overall rating, along with areas for improvement, with the supplier.

2.3 Supplier Complaint and Escalation Processes

The supplier shall resolve issues and problems in a robust and timely manner. Details of the supplier complaint process can be found in the appropriate Appendix B.

In situations where problems cannot be resolved using the supplier complaint process, EMBS may employ an escalation process, which can include further containment actions to assure product quality, e.g:

- reinspection or testing of all parts/materials by the supplier prior to shipment to EMBS;
- reinspection or testing of all parts/materials by a third party, approved by EMBS, prior to shipment to EMBS;
- reinspection or testing of all parts/materials by EMBS or a third party at a EMBS plant.

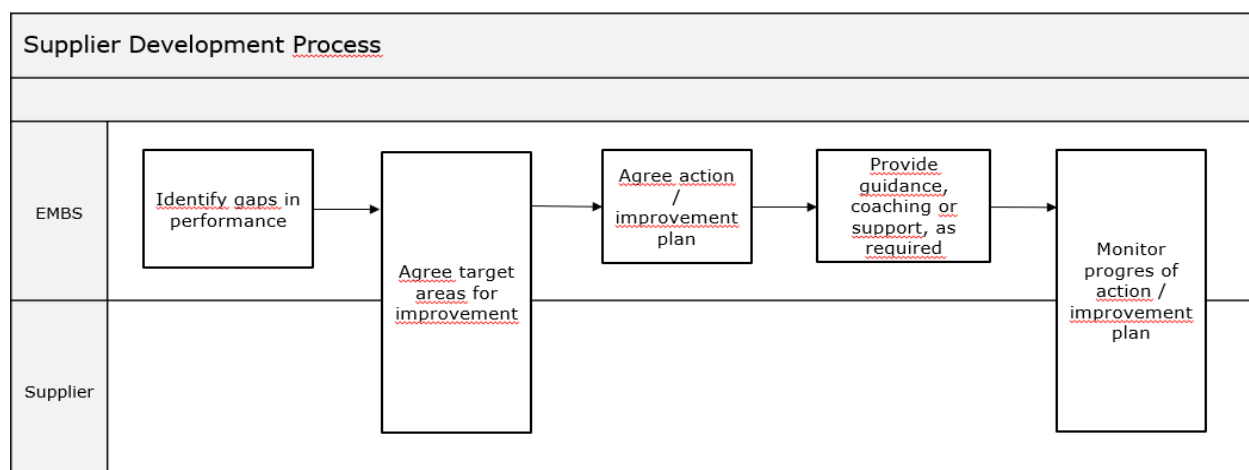
The supplier shall bear any costs associated with reinspection or testing, and any consequential disruption to EMBS manufacturing.

In addition to these controls, EMBS may undertake supplier development actions (see Section 2.4). These may include targeted process audits and improvement planning. This may lead to downgrading of the supplier and possible deselection.

2.4 Supplier Development Process

EMBS may become involved in development activities with the supplier to improve business performance, see Figure 2.

Figure 2: Overview of the EMBS Supplier Development Process



There are a number of tools that EMBS may use during any of these processes, which are detailed in the appropriate Appendix B.

3 Quality Requirements

3.1 Document and Record Retention Requirements

The supplier shall maintain all documents and records for a minimum retention period to prove conformance to

- legal requirements (e.g. SDS, RoHS, REACH),
- EMBS-specific requirements (e.g. copies of process control plans),
- EMBS specification requirements (e.g. certificate of analysis values),
- the supplier's quality management system requirements (e.g. 3rd party certification information),
- traceability requirements (e.g. raw materials utilised, through to product shipment), and
- OEM requirements (e.g. N2580, IMDS).

The supplier shall make documents and records available to EMBS upon request during the minimum retention period, even in the event that the supplier ceases to supply products to EMBS.

The minimum retention period is as specified in the contract and/or purchase order.

3.2 Risk Assessments and Special Characteristics

The supplier shall complete risk assessments on the manufacturing process and, if design is owned by the supplier, on the product. The default tool is Failure Mode and Effects Analysis (FMEA) performed according to AIAG&VDA's 'Potential Failure Mode and Effects Analysis' reference manual (see the appropriate Appendix A).

The supplier shall complete process risk assessments at each location where parts/materials are manufactured; subcontracted processes are included in this requirement.

The supplier shall make the product and process risk assessments available for review by EMBS prior to the production of the validation batch and upon subsequent request.

The supplier shall pay particular attention to special characteristics. A special characteristic is a product or process characteristic which can impact the safety, performance, subsequent processing, compliance with regulations, or fit, form or function of the product (*i.e.* special characteristics as outlined in IATF 16949).

The form in which the supplier will inform EMBS about the obtained results could be:

- electronic;
- e-mail;
- customer form / supplier form;

The frequency of above information's could be:

- results sent with each delivery;
- collective sending of results for deliveries 1/month;
- sending of results after inquiry,
- etc.

at the prototype stage and at the pre-series and serial production stages.

Above agreements would be decided individually between Supplier and EMBS.

There are three main special characteristics -> safety, legal and functional which can be monitored as you can see in below table:

<u>Prototype Production</u>	Safety	Legal	Functional
Monitoring Method	100% measurements of special characteristics	100% measurements of special characteristics	100% measurements of special characteristics

Table 1: Examples of special characteristics monitoring for the prototype production stage

<u>Pre-serial Production</u>	Safety	Legal	Functional
Monitoring Method	100% measurement	100% measurement	100% measurement
	100% assessment by jig „GO-NO GO“ (with periodical result measurement)	Periodical measurement	Periodical measurement
	SPC	100% assessment by jig „GO-NO GO“	100% assessment by jig „GO-NO GO“
		100% assessment by jig „GO-NO GO“	Periodical assessment by jig „GO-NO GO“
		SPC	SPC

SPC limits:

Process capability criteria	$P_p \geq 2,00$ $P_{pk} \geq 1,67$	$P_p \geq 1,67$ $P_{pk} \geq 1,67$	$P_p \geq 1,33$ $P_{pk} \geq 1,33$
Machine capability criteria	$C_m \geq 2,00$ $C_{mk} \geq 1,67$	$C_m \geq 1,67$ $C_{mk} \geq 1,67$	$C_m \geq 1,33$ $C_{mk} \geq 1,33$

Table 2: Example of special characteristics monitoring for the pre-series production stage

<u>Serial Production</u>	Safety	Legal	Functional
Monitoring method	100% measurement	100% measurement	100% measurement
	100% assessment by jig „GO-NO GO“ (with periodical result measurement)	Periodical measurement	Periodical measurement
	SPC	100% assessment by jig „GO-NO GO“	100% assessment by jig „GO-NO GO“
		100% assessment by jig „GO-NO GO“	Periodical assessment by jig „GO-NO GO“
		SPC	SPC

SPC limits:

Process capability criteria	$C_p \geq 2,00$ $C_{pk} \geq 1,67$	$C_p \geq 1,67$ $C_{pk} \geq 1,67$	$C_p \geq 1,33$ $C_{pk} \geq 1,33$
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Table 3: Examples of special characteristics monitoring for the serial production stage

Other solutions to meet the expectations for special characteristics proposed by suppliers are also acceptable if they provide evidence of monitoring and compliance with the requirements for special characteristics.

3.3 Process Flow Diagrams and Process Control Plans

The supplier shall develop and document a process flow diagram (PFD) and process control plan (PCP), which shall include subcontracted processes, prior to production of the validation batch. The default tool for developing a PCP is outlined in AIAG's 'Advanced Product Quality Planning and Control Plan' reference manual (see the appropriate Appendix A). The supplier shall submit the PFD to EMBS as part of the EMBS Product Approval Process. The supplier shall make the PCP available for review by EMBS prior to the production of the validation batch.

The supplier shall review and update the PFD and PCP when any change occurs that impacts the product, manufacturing process, measurement systems, logistics or supply sources, or when there are updates to the product or process risk assessments. The supplier shall make the PFD and PCP available for review by EMBS following any changes.

3.4 Specifications

Suppliers with design responsibility shall complete a product review with EMBS to capture and document the requirements for each product supplied. This information shall be contained in a specification approved by EMBS.

3.5 Work Instructions

The supplier shall employ documented work instructions for processes that impact conformity to product requirements. Work instructions shall be available for use at necessary workstations.

3.6 Product Approval Process

The supplier shall follow a EMBS-defined product approval process, details of which can be found in the appropriate Appendix C.

EMBS has a specific procedure for internal validation of raw materials.

3.7 Process Performance

Unless otherwise specified by EMBS, the supplier shall manage all identified key characteristics to ensure that the "long-term process performance" meets the following criteria:

long-term process performance ≥ 1.67

3.8 Production Batch/Lot Sample Retention

The supplier shall retain a representative sample from each production batch/lot as specified in the contract and/or purchase order.

3.9 Change Management

The supplier shall employ a defined change management process. Changes initiated by EMBS shall be included within the scope of the change management process.

3.9.1 Change Request and initial samples (validation batch)

The supplier shall notify in writing any change to EMBSBS Purchasing Department, if the product will not be made with the intended production equipment or by the intended production process (planned process change by supplier) or need a design change (planned design change by supplier). In case of product change supplier shall send an agreed batch of material/component (initial sample) for EMBS validation process.

Criteria of changes are outlined in the appropriate Appendix D.

3.9.2 Production Change Management after submission of a EMBS validation batch

For changes outlined in the appropriate Appendix D, the supplier shall obtain written approval from Supplier Quality Team prior to supplying material with the changes applied.

If a requirement for a new validation batch is identified according to the criteria outlined in the appropriate Appendix D, or by the EMBS, the product approval process shall be followed.

3.10 Inventory Management

The supplier shall use a 'first-in-first-out' (FIFO) inventory management system. Obsolete stock shall be managed in a similar manner to non-conforming product.

3.11 Premium Freight

Any premium freight or alternative transport must be arranged in conjunction with the relevant purchasing site.

3.12 Training

The supplier shall ensure that appropriate training needs are identified and documented including those for subcontracted processes. This shall include training to cover EMBS-SMS requirements and the tools identified in the appropriate Appendix A.

3.13 Problem Solving

The supplier shall employ a defined problem-solving process, which leads to identification and elimination of root causes. An example technique is outlined in AIAG's 'Effective Problem Solving' guideline manuals (see the appropriate Appendix A).

3.14 Contingency Planning (Business Continuity Plan)

The supplier shall assess and document the risks facing the supplier's business, especially those that could affect supply to EMBS. The supplier shall assess the likelihood of occurrence of these risks and document plans to ensure that supply to EMBS is not interrupted. Examples of such risks include utility interruptions, labor shortages, key equipment failure and field returns.

The supplier shall make contingency plans available for EMBS to review upon request. The supplier shall perform periodic updates on an appropriate basis.

3.15 Preventive Maintenance

The supplier shall employ a defined system for carrying out planned total preventive maintenance. This shall include having replacement parts available for key manufacturing equipment.

4 Health and Safety Requirements

4.1 Compliance with Applicable Laws

The supplier shall comply with all applicable laws regarding working conditions, including worker health and safety, hygiene and sanitation, fire safety, risk protection, and electrical, mechanical and structural safety, by implementing a structured health and safety management system.

4.2 Management Commitment

The supplier shall demonstrate a clear commitment to health and safety through the appointment of a competent qualified health and safety responsible person who shall report to an appropriate level within the supplier's organization.

4.3 Safe Working Environment

The supplier shall assess its work environments for health and safety hazards and eliminate, control or otherwise mitigate identified risks. The supplier shall clearly identify all building exits, and allow workers to evacuate buildings in an orderly fashion in the event of a fire or other emergency. The supplier shall provide fire alarms and adequate fire suppression equipment for each working environment.

The supplier shall assess its working environments for noise. Where excessive noise levels are found the supplier shall eliminate the source of the noise or provide hearing protection for workers as appropriate.

The supplier should review its working environments to check that they are correctly lit, ventilated and free from temperature extremes in line with the appropriate legislation/guidance.

4.4 Equipment Management

The supplier shall ensure that production and associated machinery is equipped with appropriate operational safety devices, and shall be maintained, inspected and serviced on a regular basis. The supplier should implement and communicate a lockout-tagout program such that all machinery and equipment is to be shut off, locked and

tagged as appropriate when maintenance or service work is performed. Failure to do so could cause injury due to unexpected start-up or release of stored energy.

4.5 Risk Assessments

The supplier shall complete and document health and safety risk assessments and communicate the results of such risk assessments to all relevant parties. These assessments shall be completed by a competent person and include

- identification of potential hazards,
- identification of those who may be harmed,
- how this harm may occur,
- a defined scoring system for likelihood and severity, and
- control measures that are in place to eliminate or reduce the risks identified.

4.6 Worker Ability

The supplier shall have strict policies that prohibit the use of illegal drugs or consumption of alcohol in its work environments and prohibit impaired employees from working.

4.7 Contractor Management

The supplier shall have a process in place to manage the health and safety of activities performed by contractors. The supplier should have a contractor management and permit-to-work program in place.

4.8 Provision of Personal Protective Equipment

Appropriate personal protective equipment (e.g. gloves, steel-toed shoes or boots, safety glasses, goggles, hearing and respiratory protection) shall be used where applicable, as identified through the supplier's risk assessment. This equipment shall be made available to workers at no cost. Provisions shall be made for storing such equipment in a hygienic manner.

4.9 Employee Training

The supplier shall provide specific health and safety training to its employees as appropriate to the employees' roles.

4.10 Employee Wellbeing

The supplier shall provide safe and accessible drinking water for all workers and allow reasonable access to sanitary toilet facilities throughout the working day. Where accommodation is provided for employees, conditions should be sanitary and in accordance with local legislation.

4.11 Communication of Health and Safety Information to EMBS Sp. z o.o.

The supplier shall, upon request, provide full disclosure of its accident statistics. The supplier shall inform EMBS within five working days of the following types of health and safety incidents:

- accidents leading to loss of life;
- incidents which adversely affect production or delivery;

4.12 Management of Health and Safety Impact

Suppliers are encouraged to obtain ISO 45001 certification.

5 Environmental Standards and Sustainability Requirements

5.1 Compliance with Applicable Laws

Suppliers shall comply with all applicable environmental laws, regulations and standards that apply to their business.

5.2 Management of Environmental Impact

The supplier should manage compliance, minimize environmental impact and drive continual improvement through the implementation of ISO 14001, or a comparable standard.

5.3 Environmental Impact on Communities

The supplier should have procedures for notifying the local community authorities in case of accidental discharge or release of hazardous materials into the environment, or in the case of any other environmental emergency.

5.4 Monitoring and Measurement

The supplier should develop robust means by which they monitor, measure and validate its use of materials and resources, discharges and emissions to understand and reduce its impact on the environment. Specifically, the supplier should focus on

- greenhouse gases (GHG) and other emissions to the air,

- ozone-depleting compounds in a manner that meets standards such as the Montreal Protocols, and
- waste, reuse and recycling, where disposal is the least desired outcome.

Where disposal does take place, the supplier is expected to have full traceability of waste to the final point of disposal.

5.5 Climate Change and Energy Reduction

EMBS may ask the supplier to provide data on its GHG emissions through the Supply Chain section of the Carbon Disclosure Project, or through an annual questionnaire.

Suppliers are encouraged to obtain ISO 50001 certification.

5.6 Compliance Requirements

5.6.1 Due diligence requirements

EMBS requires supplier to read and align with EMBS due diligence policy available on our site. EMBS monitors and tracks the use of certain minerals known as 'conflict minerals' as per Regulation EU 2017/821. Conflict minerals, known as 3TGs (tin, tungsten, tantalum and gold), are mined in conditions of armed conflict and human rights abuses in the Democratic Republic of Congo and its adjacent countries. EMBS also follows requirements set for additional minerals of concern listed in Extended Minerals Reporting Template. EMBS will work with suppliers and strive to ensure that minerals in its products come from conflict-free sources.

All suppliers that provide tin, tungsten, tantalum or gold as raw materials or incorporated into products shall be required to make an annual submission to EMBS stating where these materials are sourced.

5.6.2 Raw materials and substances of concern

Product supplied to EMBS shall not contain any material or substance which is prohibited by legislation or regulation applicable in the supplier's country of operation or into which the product may be supplied. The supplier shall review restricted substance lists where relevant, and inform EMBS of any substances that are prohibited or declarable when contained in product supplied to EMBS.

The supplier shall provide appropriate information related to new substances and mixtures, usually in the form of declaration.

5.6.3 Most common material requirements

The substances listed in Regulations mentioned in section Compliance in document *EMBS Supplier Sustainability Questionnaire* should not be used in individual parts, in the complete system or in the manufacture of parts; in some cases they might be declarable. This must be taken into account by all our supply chain.

This document does not release suppliers from their obligation to comply with all applicable legal and regulatory requirements related to raw material substances and product compliance. This includes requirements applicable at the component level as well as those that may apply at the end-product level, in all target markets communicated by the EMBS. If not communicated otherwise, considered target markets are Europe (EU, UK, CH, NO) and North America (US, Canada).

Suppliers are responsible for ensuring compliance with such regulations and for maintaining a process to identify and monitor applicable regulatory changes.

The following applies to substances identified: If the use of a substance is necessary or unavoidable for technical reasons, then it is essential in all cases to report this in written to EMBS. Changes to employed materials, e.g. due to legal requirements, must be agreed on at an early point of project.

6 Corporate Social Responsibility Requirements

By working with EMBS Sp. z o.o., suppliers commit themselves to adhere to the standards outlined in the following areas:

- working conditions and labor standards;
- business ethics standards;
- conflict minerals.

6.1 Working Conditions and Labour Standards

6.1.1 No Forced or Child Labour

The supplier shall not use slave or involuntary labour of any kind, including prison labour, debt bondage, or forced labour by governments and the supplier shall not be involved in human trafficking. The supplier shall not use corporal punishment, physical or psychological abuse, threats of violence, or other forms of physical or mental coercion. No original copies of employee identification documents (e.g. identity papers or passports) shall be held

by the supplier.

There shall not be unreasonable restrictions on the ability of employees to enter or exit the workplace.

Only workers who meet the applicable minimum legal age requirements in the country where they are working. The supplier shall comply with all laws preventing child labour. Vocational or developmental programs for young people may require an exception to these age requirements.

6.1.2 Wages, Benefits and Working Hours

The supplier shall follow all applicable laws regarding working hours, wages and overtime pay. Workers shall be paid at least the minimum legal wage.

Where there is no legislated minimum wage, a wage that meets local industry standards shall be paid.

The supplier shall conduct operations in ways that limit overtime to a level that ensures humane and productive working conditions.

The supplier shall pay overtime and any incentive rates that meet all legal requirements or other local industry standards.

Workers shall receive necessary time off, paid annual leave and holidays, as required by local law.

6.1.3 Commitment to Freedom of Association

The supplier shall respect employees' freedom of association, right to bargain collectively and all other workplace rights as mandated by local legislation. Employees shall be able to choose whether or not to join a union, if permitted by local legislation, and shall not be subject to discrimination based on that choice. If union membership is not legally permitted, appropriate systems should be put in place to allow workers to collectively speak with management.

6.1.4 Discrimination and Harassment

The supplier shall comply with all local laws and regulations with regard to unlawful discrimination. The supplier should not discriminate directly or indirectly against its employees because of their race, sex, religion or beliefs.

6.2 Business Ethics Standards

6.2.1 Anti-Corruption and Compliance

The supplier shall adhere to all laws and regulations applicable to both itself and its commercial relationship with EMBS Sp. z o.o.. This includes desisting from all practices which may lead to liability due to fraud, embezzlement, insolvency crimes, guaranteeing advantages, acceptance of benefit, bribery, acceptance of bribes or other corruption on the part of persons employed by the supplier or associated third parties.

In the event of violation of any of the above, EMBS has the right to take action which may include

- termination of the business or tendering process,
- suspension of the supplier relationship, and
- a full audit of the supplier's ethical practices.

6.2.2 Fair Competition and Anti-Trust Compliance

The supplier shall comply with all applicable anti-trust and fair competition laws and regulations.

6.2.3 Supporting Local Communities

The supplier should be aware of community concerns around its plants and take action where appropriate.

EMBS encourages suppliers to invest in their local community through the provision of employment, services and other sustainability or philanthropic work as appropriate.