



Milspec Services Pty Ltd ACN 071 999 132
("Milspec")
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Phone: 61 7 5557 9700 Fax: 61 7 5557 9755

**SUPPLIER
CODE OF
CONDUCT**



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Introduction

Milspec is committed to high standards of business ethics and sustainability and expect their suppliers to be likewise committed.

This Supplier Code of Conduct is based on the UN Global Compact's ten principles and expresses the expectations we hold for our suppliers.

We encourage our suppliers to establish their own codes of conduct based on similar standards and to ensure these standards are applied by all persons and entities supplying goods or services to Milspec.

We also expect that our suppliers will, upon receiving reasonable notice, give Milspec access to relevant premises and documentation to verify compliance with this Code of Conduct.

If a supplier fails to meet our expectations as set out in this Code of Conduct, Milspec's general approach is to encourage improvement., however, critical deviations or repeated unwillingness to make improvements, may jeopardise the supplier's ongoing relationship with Milspec.

Milspec expects its suppliers to comply with the requirements outlined below.

1. Compliance With Laws

The supplier must operate in full compliance with all laws and regulations applicable to its business.

2. Labour Standards

Minimum Age Requirements

Milspec expects the supplier will not engage in, or benefit from, the use of child labour, in accordance with the ILO convention 138.

No Discrimination

Milspec expects the supplier to always make decisions on hiring, promotion, development and compensation solely based on the employees' abilities and skills related to the job. These decisions must never be based on irrelevant factors such as gender, age, ethnic or national origin, religion, disability, sexual orientation, union membership or political affiliation.

Freedom of Association and Collective Bargaining

Milspec expects the supplier to respect the right of employees to freely associate and bargain collectively.

Modern Slavery

Milspec expects the supplier not to engage in modern slavery practices or related activities, such as:

- using force, threats or deception to persuade a person to work; or
- destroying or otherwise denying access to an employee's identity or immigration documents; or
- charging employees recruitment fees; or
- failing to provide an employment contract.

Wages and Working Hours

Milspec expects the supplier to compensate employees fairly and, as a minimum, comply with legal minimum standards. Working hours shall comply with national laws.

Health and Safety Standards

Milspec expects the supplier to ensure its employees are offered a safe and healthy working environment, with adequate health and safety policies and procedures established and followed.

3. Environment

Management

Milspec expects the supplier to reduce negative environmental impact through a proactive and systematic approach and responsible management.

Climate

If energy consumption or transportation is a significant environmental aspect of the supplier's operations, then Milspec expects the supplier to measure greenhouse gases emissions and have targets and plans to reduce those emissions.



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Resource Efficiency

Milspec expects the supplier to use energy efficient and recyclable design and strive to minimise waste of all types. In areas vulnerable to a scarcity of freshwater, suppliers are expected to establish plans for how to reduce the use of freshwater in its operations.

Hazardous Substances

Milspec expects the supplier to identify and phase out hazardous substances in products and operations and ensure proper treatment of emissions generated from operations.

Sustainable Technologies

Milspec expects the supplier to encourage the development and use of sustainable technologies, e.g., to choose sustainable effective technologies and components in their own production processes and strive to increase the use of technologies that reduce the environmental footprint.

4. Business Ethics

Anti-corruption

The supplier must refrain from all forms of corruption, extortion and bribery, and specifically ensure that all payments or other benefits offered or made to public officials, private sector employees or any other party comply with applicable anti-corruption laws and regulations.

Business Courtesies

Milspec expects the supplier to compete on the merits of its products and services.

The exchange of business courtesies may not be used to gain an unfair competitive advantage.

In any business relationship, the supplier must ensure the offering or receipt of any gift or business courtesy is permitted by law and regulations, does not violate the rules or standards of the recipient's organisation, and is consistent with reasonable marketplace custom.

Conflict of Interest

Milspec expects the supplier to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in its dealings with Milspec.

Milspec expects the supplier to report to Milspec any situations of actual or potential conflicts of interest between the personal interests of those involved in the dealings and the interests of Milspec.

Anti-money Laundering

Milspec expects the supplier to take steps to ensure it does not breach any anti-money laundering and anti-terrorism laws.

5. Information Protection

Milspec expects the supplier to properly handle sensitive information, including confidential, proprietary and personal information. Information should not be used for any other purpose than for which it was provided.

The supplier must respect the intellectual property of Milspec and others.

6. Trade Compliance

Export Control

The supplier must ensure its business practices comply with applicable laws and regulations governing the export, import and retransfer of products, components, software and technical data and assistance.

The supplier shall provide truthful and correct restriction information and is expected to adhere to applicable embargoes and sanctions aimed at maintaining or restoring peace and security.

Conflict Minerals

Milspec expects the supplier, where applicable, to exercise reasonable due diligence concerning its use of conflict minerals and the source of these minerals and to respond in a timely manner to Milspec's request for information on these activities and findings.