

1. Purpose

Carolina Components Group upholds internationally recognized human rights standards, including the principles established in the [Universal Declaration of Human Rights](#) and the [International Labour Organization's Core Conventions](#). CCG believes that respecting and promoting human rights is fundamental to its core values and its operations' long-term success and integrity.

Carolina Components Group understands that all organizations can face human rights risks. That's why CCG is committed to incorporating responsible practices into our business, which are extended to its suppliers and contractors. To apply these principles, CCG conducts human rights risk assessments to identify potential risks. CCG's commitment extends to its suppliers, who undergo strict vetting, onboarding, monitoring, and remediation to ensure compliance with the CCG Code of Conduct. Training is provided to educate CCG employees with knowledge of their rights. This policy is reviewed annually to align with best practices, evolving regulations, and international standards.

2. Scope

These policies apply to all CCG employees, contractors, and suppliers.

The scope of this policy includes:

- Developing a foundation for socially responsible practices by aligning the company's operations with globally recognized human rights standards.
- Protecting the rights of all the stakeholders connected with the company's operations, including employees, contractors, customers, suppliers, and the community.
- Cultivating a workplace culture that prioritizes inclusion, respect, fairness, and equality.
- Enhancing the company's reputation by showcasing a solid commitment to human rights, which helps build trust with employees, clients, and the wider community.
- Ensuring that all company practices follow human rights laws and regulations.
- Supporting the company's long-term growth and success by incorporating human rights considerations into every facet of business operations.

3. Assignment of Responsibility

3.1. CCG Senior Management

- 3.1.1. Management development, approval, and periodic review of the human rights policy.

- 3.1.2. Ensures that human rights are part of the company's business strategy and decisions.
- 3.1.3. Provides the necessary financial, human, and technological resources to implement the human rights policy.
- 3.1.4. Oversees the identification, assessment, and mitigation of human rights risks
- 3.1.5. Ensure that all employees, including those in leadership positions, receive appropriate training.
- 3.1.6. Engages with workers, suppliers, customers, and the community to understand their concerns and ensure that this policy is responsive to these needs.
- 3.1.7. Ensures this policy remains relevant through regular reviews.

3.2. CCG Employees

- 3.2.1. Familiarize with the human rights policy and adhere to its guidelines in their daily work.
- 3.2.2. Participate in any training programs related to human rights
- 3.2.3. Report any suspected human rights violations, whether within the company or in its supply chain
- 3.2.4. Contribute to building a positive work environment free from discrimination, harassment, or abuse.
- 3.2.5. Comply with all company Human Rights Policies and procedures, including cooperating with any investigations into human rights issues.
- 3.2.6. Suggest ways to improve the company's human rights practices
- 3.2.7. Employees, especially those involved in operations, supply chain management, and risk assessments, should support the company's efforts to conduct human rights due diligence

4. Definitions

Term	Definition
Child Labor	Any Worker less than 15 years old.
Juvenile Labor	Any worker aged 15-17 years old.
Adult Labor	Any worker aged 18 years old and above.
Historical Underage Worker	A worker who was above the minimum age when the audit or assessment started but worked when he or she was below the minimum age.

Active Underage Worker	An Underage Worker working at the facility during the audit or assessment.
Minimum Legal Age	The term "minimum legal age" refers to the lowest age at which an individual is legally allowed to engage in certain activities, as determined by law. The minimum allowable age for employment is 15 years old, or the age for completing compulsory education in that country, whichever is higher.
Qualified Educational Program	A course of instruction at least one academic term that leads to a certification, degree, or diploma in a career field.
Vocational/Student Worker	A worker, regardless of age, who is enrolled at an educational institution and is employed by the company for an internship, work-study, or any other program ("program") that the academic institution arranges.
Third-Party Employment Agency	A private service enterprise or a public or government agency, including subagents, carrying out operations on behalf of individuals or enterprises whose role is to provide access to employment or career progression by filling employment vacancies.
Forced Labor	Workers do not provide their labor voluntarily.
Indentured Labor	Under the agreement, workers are bound to the factory and cannot leave at will. Slaveholding is a form of indentured labor.
Bonded Labor	Workers provide labor without payment to repay a third party's debts to the factory owner. Workers are allowed to leave the factory at will.
Slavery	When a person is owned by someone else and forced to work for them without pay or freedom of movement.
Human Trafficking	Workers who are tricked or forced into a forced labor situation and held in place by debt or threats.
Political Coercion	Compelling a person to act or think in a certain way for political purposes by force, intimidation, or authority. For example, placing individuals in state labor camps to silence them or punish them for their political opinions is a form of political coercion.
Physical Abuse	Constitute any physical contact with the intent to injure or intimidate (including the throwing of objects) and disciplinary measures that cause physical discomfort.

Sexual Harassment	<p>Requests for sexual favors, unwelcome sexual advances, and any other verbal or physical sexual conduct when:</p> <ul style="list-style-type: none"> • As a term or a condition of an individual's employment, it is required submission to such conduct either explicitly or implicitly • an employment decision is based on an individual's submission or rejection of such conduct • Such conduct is intended to disrupt the worker's job performance unreasonably by creating a hostile or sexually offensive environment. <p>Offensive sexual comments, jokes, innuendoes, and other sexually oriented statements. Display of pornographic materials or sexually explicit images. <i>The following shall not be construed as Sexual Harassment:</i></p> <ul style="list-style-type: none"> • Interaction based on mutual consent. • Occasional compliments are socially and culturally acceptable and appropriate unless they make an individual uncomfortable.
Verbal Harassment	Chronic use of implied or direct threats.
Psychological Harassment	Humiliating or intimidating verbal or non-verbal behavior, including the throwing of objects.

5. Policy

5.1. *Child Labor*

5.1.1. Child Labor Principle

5.1.1.1. Carolina Components Group and its suppliers must employ only workers who have achieved 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. Carolina Components Group and its suppliers may offer legitimate apprenticeship programs for educational benefit consistent with the ILO Minimum Age Convention. This policy aims to prevent underage labor in CCG operations and supply chain.

Child Labor General Compliance

5.1.2.1. Carolina Components Group and its suppliers must enforce underage labor policies and procedures and oversee the implementation of juvenile and student worker protections, policies, and procedures in their companies.

5.1.2.2. Carolina Components Group and its suppliers must have appropriate age documentation and verification systems.

5.1.3. **Government Permits and Parental Consent Documentation**

5.1.3.1. Carolina Components Group and its suppliers shall obey all pertinent rules and procedures where the law requires government permits or parental permission as a condition for employment and always keep documentation on-site for inspection.

5.1.4. **Employment of Juvenile Workers**

5.1.4.1. Carolina Components Group and its suppliers must comply with all laws that apply to young or juvenile workers; this includes rules and regulations related to the hiring process, working conditions, types of work, working hours, proof of age documentation, and overtime.

5.1.4.2. Workers under 18 shall not engage in any hazardous work, which refers to tasks likely to jeopardize the health and safety or compromise the morals of persons under 18. Juvenile Workers shall not engage in work involving any of the following:

5.1.4.3. Exposure to hazardous environments, substances, agents, or processes potentially damaging to their health, including but not limited to:

5.1.4.4. Environments/conditions likely to cause heat or cold stress or injury.

- Noisy environments require ear protection.
- Explosives or articles containing explosive components.
- As per country regulations, any exposure to radioactive substances, including radium, self-luminous compounds, thorium salts, and ionizing radiation, is over 0.5 rem per year.

5.1.4.5. Operations in inherently dangerous locations, including:

- Underground
- Underwater
- Heights over 2 meters
- Hazardous Confined Spaces

5.1.4.6. Work with or near chemical processes above the applicable legal limits for Juvenile Workers. Suppose no such legal limits or industry regulations exist. In that case, Juvenile Workers shall be exposed to no more than 50 percent of the

applicable exposure limit for adults (for example, if the applicable adult standard limits exposure to 100 ppm per 8 hours, the Juvenile Worker standard shall be 50 ppm per 8 hours).

5.1.4.7. Operations involving the following equipment:

- Power-driven hoisting apparatus
- Any mobile power-driven apparatus without a legal operator's license
- Stamping, cutting, and laser equipment or any equipment with pinch points.

5.1.4.8. Other hazards are deemed unsafe for juvenile workers by the environmental health and safety department or a Qualified Health Professional.

5.1.5. **Apprenticeships, Vocational Training, and Minimum Working Age**

5.1.5.1. Vocational/student workers shall not be under the age of 15 or under the age to complete compulsory education, whichever is higher.

5.1.5.2. Carolina Components Group and its suppliers will address Student Worker protection requirements specified in Applicable Laws and Regulations and this Standard.

5.1.5.3. Carolina Components Group and its suppliers must properly manage vocational/student workers. Good management of vocational/student workers includes adequate student records maintenance, due diligence of educational partners, and protection of students' rights per applicable laws and regulations.

5.1.5.4. Carolina Components Group and its suppliers must provide pertinent support and training to all student workers.

5.1.6. **Proof-of-Age Documentation**

5.1.6.1. Carolina Components Group and its suppliers must establish and implement appropriate age documentation and verification management systems to ensure that Underage Workers are not working on-site. This system includes verification of third-party employment agency workers and qualified educational programs.

5.1.6.2. Where the law does not dictate the official documentation required, Carolina Components Group and its suppliers must inspect and cross-reference at least one of the following to verify validity: birth certificate, government-issued personal identification card, driver's license, voting registration card.

5.1.6.3. Carolina Components Group and its suppliers must collect and maintain copies of all documentation, such as government photographic ID, necessary to verify the date of birth of all workers.

5.1.6.4. Carolina Components Group and its suppliers must take appropriate measures to ensure all necessary documentation is complete and accurate.

5.1.7. **Remediation in the Case of Child Labor Violation**

5.1.8. Suppose any active underage worker, historical underage worker, or terminated underage worker is found through an external audit or self-review. In that case, the company must immediately notify its stakeholders and implement a remediation program. The following steps will be followed:

5.1.9. **Immediate steps to be taken**

5.1.9.1. Ensure the underage worker is:

- A. Physically safe
- B. Free from threat of retaliation
- C. Removed from the workplace (worker should not be expelled from the facility).

5.1.10. **Management During Remediation**

5.1.10.1. The timeline for a remediation program is six months or until the worker reaches the minimum age, whichever is longer. Funds must be assigned to provide for the welfare of the underage worker, including the provision of:

- A. Tuition expenses and reasonable additional requisite expenses (for such items as books and supplies and general living) to enable the worker to return to school.
- B. Forgone wages the worker would have earned.
- C. Administrative costs for case management

5.1.11. **Training**

5.1.11.1. Carolina Components Group and its suppliers must ensure that all recruitment personnel, including Third-Party Employment Agencies and accredited educational providers, receive thorough training on proper age documentation and verification processes.

5.1.11.2. Carolina Components Group and its suppliers must communicate the underage labor prevention policy to all workers, supervisors, and managers during their initial orientation and provide refresher training.

5.2. *Forced Labor*

5.2.1. **Forced Labor Principle**

5.2.1.1. **Carolina Components Group prohibits slavery, forced labor, or human trafficking in any form, internally or at any stage of its supply chain.**

5.2.1.2. In the same way, Carolina Components Group's suppliers shall not traffic persons or use any enslaved person, indentured, forced, bonded, or prison

labor, including the transportation, harboring, transfer, recruitment, or receipt of persons utilizing threat, coercion, force, abduction, fraud, or payments to any person having control over another person for exploitation.

- 5.2.1.3. Carolina Components Group's suppliers must take the necessary actions to ensure that they are not sourcing materials or working with manufacturers that use any forced or involuntary labor, whether imprisoned, bonded, slave, trafficked, indentured, or other.

5.2.2. General Compliance

- 5.2.2.1. **Carolina Components Group and its suppliers are obligated to adhere to all relevant national laws, regulations, and procedures that prohibit forced labor and human trafficking.**
- 5.2.2.2. Forced labor and human trafficking encompasses activities such as transporting, harboring, recruiting, transferring, or receiving individuals through methods like threats, coercion, abduction, fraud, or payments to those exerting control for exploitation.
- 5.2.2.3. Carolina Components Group and its suppliers must identify and take the necessary actions to comply with involuntary labor prevention requirements and protect workers who report forced labor violations.

5.2.3. Freedom in Employment

- 5.2.3.1. Carolina Components Group and its suppliers must ensure the workers' right to commence or conclude their employment freely.
- 5.2.3.2. Employment terms must be voluntarily and mutually agreed upon.
- 5.2.3.3. Carolina Components Group and its suppliers, employment agencies, or intermediaries' employment terms must:
- Not hold wages already earned; or
 - Not use earned back wages as penalties and
 - In no manner should workers be penalized for ending their employment.
- 5.2.3.4. Carolina Components Group and its suppliers must ensure that their workers' contracts indicate employment conditions in a language their workers understand.

5.2.4. Debt / Bonded Labor

- 5.2.4.1. Carolina Components Group and its suppliers, along with employment agencies or intermediaries, must not request workers to remain employed as a requirement for settling a debt. This situation includes extending personal loans to workers or job seekers where the repayment terms might be interpreted as

leading to debt bondage or forced labor. Such practices are expressly prohibited.

5.2.5. **Freedom of Movement**

- 5.2.5.1. Carolina Components Group and its suppliers must ensure workers have free egress from their facilities, even if the entrances are locked for security reasons.
- 5.2.5.2. Carolina Components Group and its suppliers must not impose terms restricting workers' freedom of movement or free transit.
- 5.2.5.3. Carolina Components Group and its suppliers will not restrict workers' freedom of movement inside the production area or other facilities, including access to drinking water, except, when necessary, actions need to be taken to protect workers' safety and permitted by Applicable Laws and Regulations.
- 5.2.5.4. Carolina Components Group and its suppliers will not restrict workers' access to bathrooms regarding the time or frequency of bathroom breaks, the number of workers going to the bathroom at any time, or non-payment of wages during bathroom breaks.

5.2.6. **Employer Controlled Residence**

- 5.2.6.1. Carolina Components Group's suppliers must not mandate workers to live in residences under their control as a prerequisite for recruitment or ongoing employment or to receive equivalent terms of employment and working conditions as their peers in the same position.

5.2.7. **Freedom of Movement in Employer-Controlled Residence**

- 5.2.7.1. Carolina Components Group requires suppliers not to unreasonably restrict workers' freedom of movement in employer-controlled residences. _

5.2.8. **Threat of Penalty**

- 5.2.8.1. Carolina Components Group and its suppliers will not use employment agencies that restrict their workers' ability to terminate employment or freedom of movement or create a threat of penalty. Some examples of this include but are not limited to:

- The threat of physical or mental coercion
- Requesting deposits.
- Imposing financial penalties.
- Requesting workers to pay recruitment or employment fees.
- Providing precarious employment.

5.2.9. **Personal Identification and Other Documents**

- 5.2.9.1. Workers at Carolina Components Group and workers at its suppliers must maintain possession of their passports, identity documentation, travel documents, work permits, and other personal legal documents.
- 5.2.9.2. Carolina Components Group and its suppliers shall not require workers to surrender their original identity documents, withhold workers' original identity documents, or restrict workers' access to original identity documents for any reason. Carolina Components Group and its suppliers will obtain and retain simple copies of their workers' original identity documents.
- 5.2.9.3. Carolina Components Group and its suppliers may request (but may not demand or require) their workers' original identity documents to obtain visa renewals or satisfy other work permit-related requirements for such workers.

5.2.10. Storage for Worker Documents

- 5.2.10.1. Carolina Components Group and its suppliers will not withhold any personal documents of their workers for any reason or restrict their workers' access to them.

5.2.11. Employment/Recruitment Fees

- 5.2.11.1. Carolina Components Group and its suppliers are solely responsible for covering fees and other expenses related to their workers' employment, including those classified as migrant, contingent, contract, or temporary workers.

5.2.12. Bank Accounts

- 5.2.12.1. Carolina Components Group and its suppliers must only have direct control over or access to their workers' bank accounts to make direct compensation deposits.

5.2.13. Free Disposal of Wages

- 5.2.13.1. Carolina Components Group and its suppliers must not limit their workers' freedom to dispose of their wages in any way.
- 5.2.13.2. Workers must be free from coercion to use the company stores or merchandise.

5.3. *Non-Discrimination*

5.3.1. Non-Discrimination Principle

- 5.3.1.1. Carolina Components Group does not discriminate against any worker in their hiring or employment practices, including salary, benefits, advancement, discipline, termination or retirement, or other based on race, ethnic origin, national origin, religion, age, marital status, capacity to bear children, pregnancy, HIV or any other medical status, sexual orientation, gender, political opinion,

social status, legal migrant worker status, disability, or other legally protected category. Carolina Components Group requires its suppliers to act in the same way.

5.3.2. General Compliance

5.3.2.1. Carolina Components Group and its suppliers must comply with all national non-discrimination laws, regulations, and procedures.

5.3.3. Employment Decisions

5.3.3.1. All employment decisions must be made only based on a worker's qualifications, such as education, experience, training, skills, or abilities, as they relate to the inherent requirements of a particular job. Employment decisions shall not be based on gender, race, religion, age, sexual orientation, political opinion, ethnic origin, nationality, social group, marital status, union affiliation, or sympathy.

5.3.4. Job Advertisements, Job Descriptions, and Evaluation Policies

5.3.4.1. Recruitment and employment policies and practices shall be free from discriminatory bias, such as job advertisements, job descriptions, job application forms and interview questions, and job performance and evaluation policies and practices.

5.3.4.2. *Disclosure of Personal Information*

5.3.4.3. Carolina Components Group and its suppliers are required not to request the disclosure of any personal, non-job-related information at any stage of the application, recruitment, or hiring process. This information includes gender, race, religion, disability, sexual orientation, political opinion, social group, nationality, ethnic origin, or marital status.

5.3.4.4. *Compensation Discrimination*

5.3.4.5. Carolina Components Group and its suppliers must ensure that workers receive equal compensation for work of equivalent value regardless of gender, race, religion, disability, age, sexual orientation, political opinion, nationality, social group, or ethnic origin.

5.3.5. Marital, Partnership, or Family Discrimination

5.3.5.1. Carolina Components Group and its suppliers must not discriminate based on family, marital, partnership, or other family status.

5.3.5.2. Carolina Components Group and its suppliers must refrain from threatening workers with dismissal or adverse employment actions due to changes in their family, marital, partnership, or any other family-related status, including marriage or pregnancy.

- 5.3.5.3. Carolina Components Group and its suppliers are required not to base any employment decision that negatively impacts employment status, such as dismissal, demotion, loss of seniority, or wage deduction, on a worker's family, marital, partnership, or any other family status, including pregnancy.
- 5.3.5.4. Carolina Components Group and its suppliers must not restrict or limit reproductive rights.

5.3.6. **Pregnancy Testing.**

- 5.3.6.1. Carolina Components Group and its suppliers must not require pregnancy testing for workers except as national law requires.

5.3.7. **Protection and Accommodation of New Mothers and Pregnant Workers**

- 5.3.7.1. Carolina Components Group and its suppliers are required to comply with all provisions in national laws and regulations benefitting new mothers and pregnant workers, including requirements such as maternity leave and other benefits, provisional reassignments away from workstations that jeopardize the health of pregnant women, or their unborn children, or new mothers and their newborn children, prohibitions to work at night, temporary hours of work adjustment during and after pregnancy, and breast-feeding breaks and facilities.

5.3.8. **Health-Related Discrimination**

- 5.3.8.1. Carolina Components Group and its suppliers are required not to make any employment decisions that negatively impact a person's employment status based on their health status. Employment decisions refer to recruitment, termination, promotion, assignment, or reassignment of work unless the inherent necessities of the job or a medical necessity are required to protect the worker and other workers.

5.3.8.2. **Confidentiality of Health Status**

- 5.3.8.3. Carolina Components Group and its suppliers are required to respect the workers' confidentiality and health status and not take any action that could lead to a breach of privacy, including screening, direct or indirect testing (for instance, by assessing risk behavior), or asking questions related to possible previously taken tests or medications.

5.3.8.4. **Reasonable Accommodation for Health Reasons**

- 5.3.8.5. Carolina Components Group and its suppliers are required to take the necessary actions to reasonably accommodate its workers with chronic illnesses, including HIV/AIDS-related illnesses. These measures could include rearrangement of working hours, special equipment, opportunities for rest breaks, medical appointments, time off, flexible sick leave, part-time work, and return-to-work arrangements.

5.3.8.6. **Pregnancy and Nursing Mothers Accommodation**

5.3.8.7. Carolina Components Group and its suppliers shall provide reasonable accommodations for nursing mothers unless restricted by applicable laws and regulations.

5.3.8.8. **Reasonable Accommodation, Modifications, and Adjustments**

Carolina Components Group and its suppliers must make reasonable modifications and adjustments to accommodate the religious, gender, ethnic, and disability-based needs of all workers in the workplace and within any facilities provided by the employer, such as dormitories or transportation.

5.3.8.9. Carolina Components Group and its suppliers must not require workers to be reimbursed for the cost of these accommodations.

5.3.9. **Dress Codes and Uniforms**

5.3.9.1. Carolina Components Group and its suppliers are required not to impose any discriminatory restrictions on workers' dress or appearance. Accommodations shall be made for religious practice or disability in cases where the workplace requires uniforms or other specific clothing.

5.3.10. **Spoken Languages**

5.3.10.1. Carolina Components Group and its suppliers are required not to ask for specific languages to be spoken in the workplace or prohibit using any languages among workers.

5.4. *Abuse and Harassment*

5.4.1. **Abuse and Harassment Principle**

5.4.1.1. **Carolina Components Group treats each employee with dignity and respect. It does not use corporal punishment, threats, or other forms of unlawful, physical, sexual, psychological, or verbal harassment, abuse, or coercion, whether mental or physical. As such, it expects its suppliers to do the same and to implement a non-retaliation policy that allows workers to express their concerns freely.**

5.4.2. **General Compliance**

5.4.2.1. Carolina Components Group and its suppliers must comply with all national laws, procedures, and regulations concerning discipline, violence, harassment, and abuse.

5.4.2.2. Carolina Components Group and its suppliers must ensure that workers are respected. No form of harassment or abuse shall be tolerated at the workplace.

5.4.2.3. Carolina Components Group and its suppliers must protect workers who might be victims of harassment or abuse violations, as well as protect workers who are victims of domestic violence.

5.4.2.4. Carolina Components Group and its suppliers must uphold disciplinary rules, procedures, and practices embodying a Progressive Discipline system.

5.4.2.5. Discipline with fines and penalties

Carolina Components Group and its suppliers must not use monetary fines and penalties to enforce labor discipline, such as poor performance, lost or broken tools or machinery, or violations of company rules, regulations, and policies.

5.4.2.6. Discipline with access restriction to facilities

5.4.2.6.1. Access to food, water, toilets, medical care, health clinics, or other necessities shall not be used as a reward or a means to maintain labor discipline.

5.4.2.7. Discipline with physical abuse

5.4.2.7.1. Carolina Components Group and its suppliers must not allow workers to threaten or use physical violence to maintain labor discipline.

5.4.2.8. Discipline with psychological abuse

5.4.2.8.1. Carolina Components Group and its suppliers must not use Psychological Harassment, Humiliation, or intimidating verbal or nonverbal behavior, including throwing objects.

5.4.2.8.2. Carolina Components Group and its suppliers must not threaten or use psychological abuse to maintain labor discipline.

5.4.2.9. Discipline with Restriction to Freedom of Movement

5.4.2.9.1. Carolina Components Group and its suppliers must uphold workers' freedom of movement, including access to cafeteria facilities, breaks, toilets, drinking water, and necessary medical attention, without restrictions that could impact labor discipline. They must also not impose unreasonable restrictions on company-provided facilities' movement, entry, or exit.

5.4.3. Elimination of Violence, Harassment, and Abuse at the Workplace

- i. Carolina Components Group and its suppliers must ensure that the workplace is free from violence, harassment, or abuse in any form, physical, psychological, sexual, or verbal.
- ii. They need to evaluate specific risks of harassment and abuse in the workplace, including gender—or race-based violence. These risks include risks from

working conditions, labor arrangements, work organization, and third-party intermediaries such as recruitment agencies, contractors, or others.

- iii. Carolina Components Group and its suppliers must have procedures to prevent violence, harassment, and abuse in the workplace.
- iv. Carolina Components Group and its suppliers must have procedures to prevent violence, harassment, and abuse in the workplace.
- v. Carolina Components Group and its suppliers must take preventive actions to eliminate any action (by the employer, between employees, or by third parties whose work relates to the workplace) that would result in gender—or race-based violence or harassment.

5.4.4. **Sexual Harassment**

- 5.4.4.1. Carolina Components Group and its suppliers must require its top management, supervisors, and, in general, all employees to refrain from:
- 5.4.4.2. Any act of sexual harassment, including inappropriate remarks, insults, jokes, insinuations, or comments on a person's dress, physique, appearance, age, style, family situation, etc.
 - A. A paternalistic or condescending attitude with sexual implications undermining dignity.
 - B. Any unwelcome, implicit, or explicit invitation or request, whether accompanied by threats.
 - C. Any unnecessary physical contact or action, such as touching, caressing, pinching, or assault.
- 5.4.4.3. Carolina Components Group and its suppliers must prohibit its employees from offering or taking any action that might suggest an offer of recruitment, continued employment status, promotion, improvement of working conditions, preferential projects or work projects, or other special treatment or benefits in exchange for a sexual relationship.
- 5.4.4.4. Carolina Components Group and its suppliers must prohibit employees from subjecting workers to prejudicial treatment in retaliation for refusing sexual advances or correcting inappropriate behavior.

5.4.5. **Punishment of Abusive Workers, Supervisors, or Managers**

- 5.4.5.1. Carolina Components Group and its suppliers must discipline managers, supervisors, or workers who are involved in any physical, psychological, sexual, or verbal violence, harassment, or abuse. Discipline must be conducted through measures such as compulsory counseling, warnings, demotions, terminations, or a combination of these actions, regardless of whether such action was intended to prevent the recurrence of violence and harassment and facilitate

their reintegration into work, where appropriate. Carolina Components Group does not permit practices such as public humiliation of workers.

5.4.6. Training and Communication

i. **Staff Training**

- A. Carolina Components Group and its suppliers must provide all staff with comprehensive anti-harassment and abuse training. The training shall, at a minimum, include Compliance with local laws and regulations.
- B. All personnel who receive or process complaints regarding harassment and abuse shall be formally trained to address such complaints.

ii. **Workers, Supervisors, and Managers**

- A. Carolina Components Group and its suppliers must communicate their Anti-Harassment and Abuse Policy to all workers, supervisors, and managers.
- B. Training on harassment and abuse prevention will be:
- C. All workers, supervisors, and managers must be reinforced during the initial orientation and via refresher training.
- D. Disciplinary rules, procedures, and practices shall be communicated to all workers.

5.4.7. Documentation

- 5.4.7.1. Carolina Components Group and its suppliers must keep any documentation related to anti-harassment and abuse, including but not limited to:
 - A. Records of all disciplinary actions taken
 - B. Records of completed training.

5.5. *Wages and Benefits*

5.5.1. Wages and Benefits Principle

- 5.5.1.1. *Carolina Components Group and its suppliers shall compensate their workers for a standard workweek sufficient to cover basic needs and provide discretionary income. They must also pay the minimum wage, comply with all legal wage requirements, and provide any required fringe benefits under law or contract.*

5.5.2. General Compliance

5.5.2.1. **Compliance with Law**

- 5.5.2.1.1. Carolina Components Group and its suppliers must adhere to all national laws, regulations, and procedures governing compensation payments to

workers.

5.5.2.2. **Minimum Wage**

5.5.2.2.1. Carolina Components Group and its suppliers must compensate workers with at least the legal minimum wage for regular working hours (excluding overtime) and inform them about the minimum wage.

5.5.3. **Wages- Trial Period Status**

5.5.3.1. Where onboarding or introductory employment periods are legally allowed, workers shall:

- A. Receive compensation of at least the minimum or prevailing industry wage, whichever is higher.
- B. Receive all legally mandated benefits.
- C. This employment category shall be at most three months.

5.5.4. **Wage- Apprenticeship or Vocational Training**

5.5.4.1. During their training period, apprentices and vocational trainees must be compensated with at least the minimum or prevailing industry wage, whichever is higher, and receive all legally mandated benefits.

5.5.5. **Wage- Contract, Contingent or Temporary Workers**

5.5.5.1. Contract, contingent, migrant, and temporary workers must be paid at least the minimum or prevailing industry wage, whichever is higher. They are entitled to receive all legally mandated benefits. Additionally, their compensation should be comparable to regular workers who perform similar job responsibilities or tasks with similar experience levels.

5.5.6. **Timely and Direct Payment of Wages**

5.5.6.1. All wages, including overtime payments, must be paid promptly and in full within legally specified timeframes. Where no specific time limits are defined by law, compensation should be disbursed at least once monthly.

5.5.7. **Accurate Calculation and Payment of Wage**

5.5.7.1. Workers' hourly wages, piecework rates, benefits, and other incentives must be accurately calculated, recorded, and disbursed under established procedures. All financial transactions related to employee compensation must be conducted transparently and in compliance with legal requirements.

5.5.8. **Accurate Length of Service Calculation**

5.5.8.1. Carolina Components Group and its suppliers shall recognize and count all hours employees work when calculating their length of service and determining the benefits to which they are entitled.

5.5.9. Overtime Payments Calculation

5.5.9.1. Carolina Components Group and its suppliers shall compensate workers accurately for all hours worked.

5.5.9.2. Carolina Components Group and its suppliers must comply with all relevant laws, regulations, and procedures regarding paying premium rates for work on holidays, rest days, and overtime.

5.5.9.3. Carolina Components Group and its suppliers shall compensate employees for all overtime hours at the premium rate legally required in the producing country.

5.5.10. Overtime Wage Awareness

5.5.10.1. In their respective languages, workers shall be notified verbally and in writing about the wage rates for overtime work.

5.5.11. Deposit of Legally Mandated Deductions

5.5.11.1. All required deductions for taxes, social insurance, and other purposes shall be deposited or transmitted to the designated accounts or agencies each pay period. This includes any legal garnishments for back taxes and other obligations.

5.5.12. Voluntary Wage Deductions

5.5.12.1. Voluntary wage deductions must comply with legal limits and conditions and can only be made with the express written consent of individual workers. This includes deductions for savings clubs, loan payments, union membership dues, or other union fees unless specified in valid collective bargaining agreements.

5.5.13. Pay Statement

5.5.13.1. Carolina Components Group and its suppliers shall provide workers with a pay statement in workers' language for each pay period and not less frequently than once a month. The statement shall show earned wages, wage calculations, total hours worked, regular and overtime pay bonuses, all deductions, and the final salary.

5.5.13.2. All compensation records, including wages and fringe benefits, whether in cash or in-kind, must be documented appropriately, and the relevant worker must confirm their receipt and accuracy in writing (e.g., signature, fingerprint).

5.5.13.3. Only wages may be collected on behalf of a worker if the worker has freely provided written authorization for another person to do so.

5.5.14. Worker's Awareness of Compensation

5.5.14.1. Carolina Components Group and its suppliers must take all necessary steps to ensure workers fully comprehend their compensation details, including the calculation methods for incentives, benefits, and bonuses in the workplace and as mandated by law.

5.5.14.2. **Employer-Provided Benefits:** All workers have a right to use or not to use employer services, such as housing or meals.

5.5.14.3. **Legally Mandated Benefits:** Carolina Components Group and its suppliers must deliver all legally mandated benefits to eligible workers, such as holidays, bonuses, leave, severance payments, and other compensations, within timeframes specified by law.

5.6. *Health and Safety*

5.6.1. Principle of a Health and Safety Environment

5.6.1.1. Carolina Components Group upholds rigorous Health and Safety Standards across all its operations. We hold our suppliers to the exact high expectations, requiring them to establish and maintain a safe and healthy work environment. This commitment is crucial to preventing accidents, injuries, and incidents during work or because of operating facilities.

5.6.2. General Compliance with Health and Safety

5.6.2.1. Carolina Components Group and its suppliers shall comply with all national health and safety laws, regulations, and procedures.

5.6.3. Document Maintenance/Workers Accessibility and Awareness

5.6.3.1. All documents required by applicable laws (such as health and safety policies, MSDS, and environmental emergency procedures) must be accessible in the prescribed format and provided in local and workers' languages.

5.6.4. Notification and Record Maintenance

5.6.4.1. As applicable laws mandate, Carolina Components Group and its suppliers must promptly notify the relevant national and local authorities of all illnesses, accidents, and environmental emergencies. Records of illness, safety incidents, accidents, and emergencies must be kept on-site for at least one year or longer, as stipulated by legal requirements.

5.6.5. Permits and Certificates

5.6.5.1. Carolina Components Group and its suppliers must maintain all required permits and certificates related to health and safety. This includes ensuring compliance with sanitation permits for facilities, conducting regular vehicle inspections, and obtaining necessary driver permits if providing transportation services.

5.6.6. Evacuation Requirements

5.6.6.1. All required and recommended elements for safe evacuation must be followed, including clear exit routes, updated evacuation plans, visible signage, adequate lighting, regular training and drills, accessible exits, effective communication systems, necessary emergency equipment, and designated assembly areas:

- A. **Posting Evacuation Plans:** Evacuation plans must be visible and easily accessible.
- B. **Installation and Maintenance of Fire Alarms:** Fire alarm systems should be installed and maintained regularly.
- C. **Installation and Maintenance of Emergency Lighting:** Emergency lighting must be properly installed and in good condition.
- D. **Clear Aisles and Exits:** Aisles and exits must remain clear so workers have unobstructed access within their workstations.
- E. **Employee Education and Training:** Employees should receive education and training on evacuation procedures
- F. **Evacuation Procedures and Fire Drills:** Regular fire drills must be conducted, and workers should be trained on evacuation procedures.
- G. **Regular Testing of Alarm Systems:** Alarm systems should be tested regularly, and evacuation drills should occur at least once a year.
- H. **Emergency Evacuation Procedure (EEP):** Emergency evacuation procedures (EEP) must include steps for notifying local authorities in case of accidental discharge or release of chemicals, waste products, or any other environmental emergencies.

5.6.7. Safety Equipment and First Aid Training

5.6.7.1. All safety and medical equipment, such as fire-fighting tools and first aid kits, should be appropriately distributed, maintained, and stocked as needed. Equipment should always be easily accessible to workers. Designated workers should be trained in first aid and firefighting techniques, including initial training upon hire and periodic refresher courses.

5.6.8. Personal Protective Equipment

All safety and medical equipment, such as fire-fighting tools and first aid kits, should be appropriately distributed, maintained, and stocked as needed.

5.6.9. Use of Personal Protective Equipment

- 5.6.9.1. Ensure workers receive all necessary personal protective equipment (PPE), including gloves, eye protection, hearing protection, and respiratory protection, at no cost.
- 5.6.9.2. Equip workers with PPE to effectively mitigate exposure to health and safety hazards such as solvent vapors, noise, dust, and medical waste.

5.6.10. Chemical Management and Training

- 5.6.10.1. Ensure proper labeling and secure, ventilated storage of all chemicals and hazardous substances, following applicable laws and international standards for safe disposal.
- 5.6.10.2. Provide job-specific training on the hazards, risks, and safe handling practices of chemicals and hazardous substances.

5.6.11. Material Safety Data Sheets / Workers Awareness

- 5.6.11.1. Make Material Safety Data Sheets (MSDS) available at all sites where chemicals and hazardous substances are used and stored in the local language and the language workers understand.
- 5.6.11.2. Provide workers with unrestricted access to MSDS for all chemicals and hazardous substances.

5.6.12. Chemical Management / Pregnant Women and Young Workers

- 5.6.12.1. Carolina Components Group and its suppliers shall prevent unsafe exposure to hazardous chemicals and substances and provide appropriate accommodations for pregnant women and workers under 18.

5.6.13. Installation and Maintenance of Ventilation and Electrical Systems:

- 5.6.13.1. Install and maintain all necessary systems such as ventilation, plumbing, electrical, noise, and lighting services to comply with legal requirements and minimize hazardous conditions for workers.

5.6.14. Machinery Safety, Maintenance, and Workers Training

- 5.6.14.1. Maintain proper guarding and regular maintenance of all production machinery, equipment, and tools.
- 5.6.14.2. Provide thorough training for workers in safely and appropriately operating machinery, equipment, and tools.

5.6.14.3. Ensure safety instructions are displayed near machinery or readily accessible to workers in a language they understand.

5.6.15. Proper Use of Machinery

- 5.6.15.1. Avoid using negative incentives, such as monetary penalty schemes, to enforce workers' safe and proper use of machinery, equipment, and tools.
- 5.6.15.2. Focus on training workers in risk awareness and proper machine use.
- 5.6.15.3. Implement positive incentives, such as bonuses, to promote safe practices and encourage proper use of machinery, equipment, and tools.

5.6.16. Worker's Refusal to Use Unguarded or Unsafe Machinery

- 5.6.16.1. Workers shall not face repercussions for refusing to operate machinery, equipment, or tools lacking adequate guards or deemed unsafe.

5.6.17. Ergonomics

- 5.6.17.1. Design workstations, including seating, standing arrangements, and tool accessibility, to minimize physical strain on workers. Train employees on proper lifting techniques and supply them with necessary items like lifting belts.

5.6.18. Sanitation in Workplace Facilities

- 5.6.18.1. All workplace facilities, including buildings, toilets, canteens, kitchens, and clinics, must be maintained clean, safe, and compliant with all applicable sanitation, medical, safety, and health regulations.

5.6.19. Toilets Restrictions

- 5.6.19.1. Provide the required number of toilets per laws, ensuring they are close to the workplace. Consider the number of workers, privacy, gender needs, accessibility, and cleanliness when setting up toilets.
- 5.6.19.2. Employees should be able to use the toilets as often and for as long as needed without restrictions.

5.6.20. Drinking Water

- 5.6.20.1. Ensure safe and clean drinking water is always accessible and within a reasonable distance from the workplace.
- 5.6.20.2. Maintain drinking water at a reasonable temperature for employee comfort.
- 5.6.20.3. Provide safe, sanitary drinking utensils, such as cups, in sufficient quantities.
- 5.6.20.4. Avoid placing unnecessary restrictions on the availability of drinking water in terms of time and frequency for employees.

5.6.21. **External Contractors**

5.6.21.1. Carolina Components Group and its suppliers must implement a comprehensive system to ensure external contractors have essential health and safety protections. This includes specific measures for working within confined spaces, addressing maintenance issues, and adhering to general health and safety regulations.

5.6.22. **High-Risk Areas**

5.6.22.1. Carolina Components Group and its suppliers must take the necessary actions to ensure that workers receive adequate protection when working at heights, confined spaces, or other high-risk areas.

6. Forms

N/A

7. References

<i>Reference Description</i>
SAFPOL-1 Fall Protection
SAFPOL-2 Bloodborne Pathogens
SAFPOL-3 Personal Protective Equipment
SAFPOL-4 Hazard Communication
SAFPOL-5 Respiratory Protection Program
SAFPOL-6 Lockout/Tagout & Electrical Safety
SAFPOL-7 Emergency Action Planning & Fire Safety
SAFPOL-8 Forklift & Powered Industrial Truck Safety Program
SAFPOL-9 Injury and Illness Prevention Program
POL-15 Employee Health and Personal Hygiene Policy

8. Appendix

Appendix 1- Additional External References and Resources

<i>Reference Description</i>

Universal declaration of human rights (no date) *United Nations*. Available at: <https://www.un.org/en/about-us/universal-declaration-of-human-rights> (Accessed: 23 August 2024).

Ilo declaration on fundamental principles and rights at work (2024) *International Labour Organization*. Available at: <https://www.ilo.org/ilo-declaration-fundamental-principles-and-rights-work> (Accessed: 23 August 2024).

Due diligence for responsible business conduct (no date) *OECD*. Available at: <https://www.oecd.org/en/topics/sub-issues/due-diligence-guidance-for-responsible-business-conduct.html> (Accessed: 23 August 2024).

C138 - minimum age convention, 1973 (no. 138) (no date) *Convention C138 - Minimum Age Convention, 1973 (No. 138)*. Available at: https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB%3A12100%3A0%3A%3ANO%3A%3AP12100_ILO_CODE%3AC138 (Accessed: 23 August 2024).