

Milestone AV Technologies
TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 1 OF 8

Revision History

Date	Rev	Reason for Change
11/30/2009	00	Initial Release - ECO number 500001801
3/1/2013	01	ECO Number 500007225 Section 3.0: Deleted reference document 3.2.2 Corporate Social Responsibility (CSR) Specification 8900-000006; added Milestone Supplier Code of Conduct Policy
1/29/2015	02	Added section 4.8.10 - Milestone Supplier Code of Conduct Policy ECO Number 500011262 Added reference to Milestone Policy Statement on Conflict Minerals to section 3.2 Added section 4.8.11 Conflict Minerals

Milestone AV Technologies

TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 2 OF 8

1.0 Purpose

The purpose of this specification is to define the Milestone requirements for supplier social responsibility. Milestone maintains the highest standard of ethics in the code of our business and high ethics have always been an integral part of Milestone's culture. We build our business with all of our partners based on trust, honesty and mutual respect. We expect all of our business partners to operate on the same principles. This specification defines the requirements of Milestone's business code of conduct and enables Milestone to develop, maintain, and enforce social responsibility policies and procedures in order to ensure the requirements are being met.

2.0 Scope

The scope of this specification includes all suppliers and service providers that provide products and services to Milestone.

3.0 Documents

3.1 Order of precedence

In the event of conflicting requirements, the following order or precedence shall apply:

- 1) Milestone Customers' Specification (i.e. Best Buy and Wal-Mart)
- 2) Supplier Social Responsibility Specification (8900-000006-this document)
- 3) Local laws and regulations

3.2 Reference documents

- 3.2.1 Purchasing Specification 8900-000001
- 3.2.2 Milestone Supplier Code of Conduct Policy
- 3.2.3 Milestone Customer Specifications (i.e. Best Buy and Wal-Mart)
- 3.2.4 Supplier Social Responsibility Assessment Checklist & Report Form
- 3.2.5 Supplier Audit Procedure
- 3.2.6 Supplier Audit Schedule
- 3.2.7 [Milestone Policy Statement on Conflict Minerals](#)

4.0 Requirements

Compliance with Applicable Laws

- Suppliers shall comply with all applicable laws and regulations of the jurisdiction in which the suppliers are doing business.
- Suppliers shall comply with Milestone's customers' requirements when applicable.

4.1 Forced Labor

- 4.1.1 Any type of labor that is against the will of the worker is not allowed to employ; typical forced labor includes prison, bonded, indentured or forced labor.
- 4.1.2 The supplier shall not withhold government issued identification, passports or work permits from employees with or without employee consent and shall not require new or existing employees to pay deposits for equipment, supplies, uniforms, room or board.
- 4.1.3 Workers shall be voluntarily employed. Workers shall not be prohibited from leaving the facility or dormitories after working hours. Unreasonable restrictions on liberties, such as bathroom usage, drinking water, and appropriate use of the infirmary are not allowed. Contract terms that limit workers' freedom to voluntarily terminate their employment are not allowed.
- 4.1.4 Security personnel and/or management shall not force or coerce workers. Security staff shall not be used to restrict movement or force employees to work.

Milestone AV Technologies

TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 3 OF 8

4.2 Child Labor

- 4.2.1 Suppliers shall not employ any persons younger than 14 years of age or the age specified by local law, whichever age is higher.
- 4.2.2 Suppliers shall verify the age of all employees and document the verification in the employee's personal file.
- 4.2.3 Suppliers shall establish procedures for remediation of children found to be working in situations which fit the definition of child labor specified in sections 4.2.1 and 4.2.2 above.
- 4.2.4 Suppliers shall not employ any persons younger than 18 years of age for any type of work which by its nature, or the circumstances in which it is carried out, is likely to jeopardize the health, safety or morals of the employee.
- 4.2.5 Where legal requirements pertaining to the age for completion of mandatory education exist, suppliers that employ workers younger than 18 years of age shall not prejudice attendance to compulsory schooling or the capacity to benefit from the instruction received by the nature of the work or the number of hours worked.

4.3 Wages and Benefits

- 4.3.1 Suppliers shall comply with all applicable laws relating to wages and benefits, including laws governing minimum wages, overtime, piecework and benefits.
- 4.3.2 Suppliers shall establish, document, implement and communicate the policies and/or procedures for wages and compensation.
- 4.3.3 The minimum legal wage as per the local regulations should be followed at a minimum.
- 4.3.4 A system shall be in place to verify and accurately record payroll, deductions and hours worked by employees, maintaining accurate timecards, payroll and overtime documentation, and other records.
- 4.3.5 Suppliers shall provide employees with complete wage statements for each pay period, in which deductions are reasonable and clearly explained.
- 4.3.6 Employees shall be paid in a timely manner, which is considered to be not more than 30 days following the work period.

4.4 Hours of Work

- 4.4.1 Suppliers shall comply with all applicable laws relating to working hours and overtime.
- 4.4.2 Suppliers shall establish, document, implement, and communicate the policies and/or procedures for working hours and overtime.
- 4.4.3 Suppliers shall ensure that all overtime is compensated in accordance with the requirements of local law and is performed on a voluntary basis.
- 4.4.4 Suppliers shall ensure that employees be allowed at least one full 24-hour rest period off in every seven day period.
- 4.4.5 Suppliers shall establish a regular weekly work schedule that does not exceed the local legal limit on regular working hours, and that in no event exceeds 60 hours per week, except in extraordinary circumstances.

4.5 No Harassment and Abuse

- 4.5.1 Suppliers shall treat each employee with respect and dignity and shall not subject any employee to physical, sexual, psychological, verbal, or any other form of abusive discipline or conduct.

Milestone AV Technologies

TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 4 OF 8

- 4.5.2 The suppliers should have written policies and/or procedures, which include freedom from mental and physical abuse. The procedure should address formal warning procedures, grounds for contract termination, guidance on unacceptable behavior, appropriate disciplinary actions for unacceptable behavior, and a complaint procedure that includes method of investigation and resultant actions.
- 4.5.3 The suppliers are prohibited from using fines to discipline workers.
- 4.6 Non-Discrimination
- 4.6.1 The suppliers shall protect against unlawful discrimination in employment, including hiring, compensation, benefits, promotion, discipline, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, age or any other applicable prohibited basis.
- 4.6.2 Suppliers shall establish, document, and implement policies and/or procedures on the subject of discrimination. The policy should comply with the local law, covering discrimination in recruitment, hiring, compensation, training, promotion, discipline, termination and retirement.
- 4.6.3 Suppliers shall not interfere with the rights of personnel to observe beliefs or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership, and political affiliation.
- 4.7 Freedom of Association and Collective Bargaining
- 4.7.1 Suppliers shall recognize and respect the right of all personnel to form and join trade unions of their choice and to bargain collectively.
- 4.7.2 Suppliers shall ensure the employees have the ability to approach management on issues of concern without fear of retribution.
- 4.8 Health, Safety, and Environment
- 4.8.1 Fire Prevention
- 4.8.1.1 Suppliers shall establish an overall written program to address fire hazards and preparedness for emergencies.
- 4.8.1.2 Suppliers shall establish a set of fire prevention procedures including, but not limited to:
- Fire hazard identification
 - Firefighting equipment
 - Storage and handling of combustible materials
 - Hot work permits
- 4.8.1.3 Suppliers shall provide, maintain, and test firefighting equipment to ensure it is in good working condition.
- 4.8.1.4 As a minimum requirement, two exits should be provided for each floor.
- 4.8.1.5 Evacuation routes shall be clear of any obstructions and provide adequate path width for occupancy; exit doors shall be free to open and shall be clearly marked and illuminated to provide a visible sign during emergencies.
- 4.8.1.6 An evacuation plan shall be posted throughout the facility and clearly marked on every floor to show employees the primary and secondary emergency routes for evacuating the building.

Milestone AV Technologies

TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 5 OF 8

- 4.8.1.7 Suppliers shall conduct emergency evacuation drills at least once every year to ensure that all workers know how and when they should exit the facility.
- 4.8.1.8 Spills and loose materials shall be promptly removed from all floor areas to avoid slipping, tripping and falling hazards, particularly during fire emergency evacuations.
- 4.8.2 Electrical Safety
 - 4.8.2.1 Suppliers shall ensure all electrical wiring is of proper wire size, adequately insulated, properly connected, and free of hazards.
 - 4.8.2.2 Electrical equipment and protective devices shall receive regularly scheduled maintenance.
 - 4.8.2.3 Electrical boxes or panels shall be covered with no exposed wiring.
 - 4.8.2.4 Electrical equipment shall be grounded to prevent injury and/or fire; high voltage areas shall have restricted access and warning signs.
 - 4.8.2.5 A competent electrician shall be available to monitor the electrical system and provide maintenance.
 - 4.8.2.6 Heat-producing equipment such as motors, ovens, etc., shall be kept clear of combustible materials such as dust, grease, oil, and fibers.
- 4.8.3 Equipment Safety
 - 4.8.3.1 Machine safeguarding shall be provided on all moving parts of machinery to prevent employees from coming into accidental contact with any machine part, function, or process that may cause injury.
 - 4.8.3.2 Machinery shall be properly maintained and cleaned, power shut-off or lock-out shall be present for maintenance or cleaning.
 - 4.8.3.3 Starting/stopping controls shall be accessible to the operators. Emergency stop buttons shall be colored red, machinery should not be left running while unattended.
- 4.8.4 Personal Protective Equipment
 - 4.8.4.1 Personal protective equipment shall be provided and worn by workers where necessary.
 - 4.8.4.2 Eye/Face protection shall be provided where there is a potential for injury from flying objects, liquids, injurious radiation, or a combination of these hazards.
 - 4.8.4.3 Foot protection shall be provided where foot injuries could occur from impact of falling or rolling objects or objects piercing the sole. Protective boots shall be provided where feet are exposed to corrosive liquids, other contaminants, hazardous chemicals, or where employee's feet are exposed to electrical hazards.
 - 4.8.4.4 Hearing protection shall be provided where hearing loss from high noise exposures could occur.
 - 4.8.4.5 Hand protection should be provided to adequately protect employees against contact with chemicals, lacerations, burns, punctures, and extreme hot or cold temperatures.
 - 4.8.4.6 Head protection shall be provided to protect against injury from impact and penetration from falling and flying objects and limited electric shock burn.

Milestone AV Technologies

TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 6 OF 8

- 4.8.4.7 Protective clothing shall be provided to the employee to prevent exposure to chemicals, lacerations, punctures, cold and burns.
- 4.8.4.8 Respiratory protection shall be provided where the potential for inhalation exposure to harmful types or quantities of airborne contaminants could occur.
- 4.8.4.9 Employees shall be provided training on the proper use, storage and cleaning of PPE.
- 4.8.5 Chemical Management
 - 4.8.5.1 Chemicals shall be stored in a manner appropriate to the risks of the chemical, including but not limited to risks of accidental spills and risks of fire (see 4.8.1.2). Storage of large quantities of chemicals in the workplace shall be avoided. Local law may require chemicals to be stored in a separate, specifically built storage room.
 - 4.8.5.2 All containers of chemicals coming into the facility shall have a label attached with the name of the chemical, an indication of the potential hazard, and any specific handling and storage instructions, either with symbols or in the local language.
 - 4.8.5.3 Material Safety Data Sheets (MSDS) in the local language must be available to employees for each hazardous chemical used or stored in the facility. Employees shall be informed that the MSDS are available and where they can be found.
 - 4.8.5.4 A list of all hazardous chemicals currently being used or stored at the facility shall be maintained and available.
 - 4.8.5.5 Secondary containment devices are necessary to prevent pollution of ground and groundwater.
 - 4.8.5.6 Air exhaust ventilation system shall be available where chemicals are stored and used to keep the concentration of contaminants within safe limits.
 - 4.8.5.7 Emergency eyewash equipment shall be present in all hazardous chemical use areas per requirements noted on Material Safety Data Sheets.
 - 4.8.5.8 Where required by law, a health check shall be provided at least once per year for all employees working with hazardous materials.
 - 4.8.5.9 Preparation or consumption of food, drink or tobacco shall not be permitted in areas where chemicals are used.
- 4.8.6 Sanitation
 - 4.8.6.1 Sanitary drinking water shall be accessible to all employees.
 - 4.8.6.2 Clean, segregated and sufficient number of restrooms or bathing facilities shall be provided.
 - 4.8.6.3 Clear water basin with soap and running water shall be provided.

Milestone AV Technologies TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 7 OF 8

4.8.7 Accident/Medical/First-Aid

- 4.8.7.1 Suppliers shall establish, document, and implement a process for recording, investigating, and completing corrective actions for incidents.
- 4.8.7.2 Suppliers shall have adequate first-aid equipment and personnel trained in first-aid to respond easily to common workplace accidents.
- 4.8.7.3 First aid kits shall be adequate for the size of the factory and the number of workers. First aid kits shall also be easily accessible to each work area and sufficiently stocked and replenished as needed.

4.8.8 Environment

- 4.8.8.1 Suppliers shall maintain the legal required permits and approvals on environmental protection, which include
 - Environmental Impact Assessment
 - Approval of wastewater treatment
 - Permit of hazardous wastewater discharge
- 4.8.8.2 Hazardous waste shall be collected, segregated and disposed appropriately. Hazardous waste shall be collected and treated with approval by local government.
- 4.8.8.3 Training shall be provided to employees for waste identification, labeling and disposal.

4.8.9 Living Conditions

- 4.8.9.1 If the suppliers provide dormitory facilities for workers, the facilities shall be clean, safe and meet the basic needs of workers. Dormitory rooms shall be maintained in a way that ensures human dignity and at least a minimum of personal privacy.
- 4.8.9.2 The supplier shall provide clean toilets to all workers and shower facilities shall be adequate and acceptable.
- 4.8.9.3 If suppliers provide kitchen or canteen, the facilities shall be clean, sanitary and well-lit with seating in a protected or covered area.
- 4.8.9.4 Kitchen and dining facilities are to be kept separate from sleeping areas.

4.8.10 Milestone Supplier Code of Conduct

- 4.8.10.1 Milestone suppliers must follow basic obligations related to Milestone's Supplier Code of Conduct Policy when working with Milestone employees.

Milestone AV Technologies

TECHNICAL SPECIFICATION

Number:	8900-000006	
Title:	Supplier Social Responsibility Specification	
Revision:	02	PAGE 8 OF 8

4.8.11 Conflict Minerals

4.8.11.1 Background: Milestone supports the efforts of human rights organizations to end violence and atrocities in the Democratic Republic of Congo (DRC) and nine adjoining countries: Republic of Congo, Central Africa Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda and Uganda. It has been widely reported that the major driver of this violence is the natural abundance of the minerals tin, tungsten, tantalum and gold, now referred to as "conflict minerals." Armed groups fight for control of mines in this region and use forced labor to mine and sell the minerals, which in turn funds ongoing violence.

4.8.11.2 Supplier Expectations - In support of Milestone's policy on conflict minerals, suppliers are expected to supply materials to Milestone that are "DRC Conflict-Free". Suppliers are expected to adopt policies and management systems with respect to conflict minerals and to require their suppliers to adopt similar policies and systems. Milestone expects suppliers to establish their own due diligence program to ensure conflict-free supply chains.

Under the definition of "DRC Conflict-Free," products supplied to Milestone:

- Shall not contain tantalum, tin, tungsten or gold (3TG) as elements necessary to their production or functionality, or,
- If products supplied to Milestone do contain these minerals, the minerals:
 - Must originate outside the DRC or
 - Come from scrap or recycled sources or
 - Be supplied from smelters that are members in the Conflict Free Sourcing Initiative (CFSI) and have been validated as "conflict-free".

4.8.11.3 Proof of Compliance
Suppliers may be required to submit compliance reports using the *Conflict Minerals Reporting Template (CMRT)* and/or be subject to compliance audits.

5.0 Attachments
None