

Supplier Code of Conduct



VELAN

1. INTRODUCTION

Velan is committed to promoting ethical, fair, environmentally friendly, and responsible business conduct throughout its supply chain. In order to properly establish the legal standards to which Velan's suppliers and sub-suppliers (the "Suppliers") are expected to adhere, Velan has developed the following Code of Conduct, which shall be deemed to apply to every agreement it signs with Suppliers, and purchase order it issues.

The quality of Velan's valves is a direct reflection of the quality of its supply chain. It is Velan's expectation that all of its Suppliers adopt environmental, labour, safety, and manufacturing standards that are fully compliant both with applicable legal requirements, and with Velan's standards. Failure to comply with the standards of this Code of Conduct set out herein can be cause for contract termination and other remedies available at law.

It is of paramount importance that all Velan Suppliers adhere to the highest standards of business and ethical conduct in order to ensure a strong and healthy international supply chain. Velan may from time to time verify the Supplier's compliance with those standards via site visits and audits.

2. LABOUR STANDARDS

Velan is committed to promoting ethical labour practices throughout its supply chain, and requires Suppliers to comply with this same standard. In particular, the Supplier must ensure that its labour practices meet the following minimum standards as well as the standards specified by the *United Nations International Labour Organization*:

- SAFE & FAIR WORKING CONDITIONS. Working conditions (including wages) must be fair and meet the minimum legal standards required by local law. Employee health and safety must always be the Supplier's priority. Supplier must provide its employees with the requisite personal protective equipment in order to perform their task. Working hours must be compliant with the standards established in the country of work. An employee's wages and benefits must be properly documented in writing (or recorded in an accessible format if the employee cannot read) in the language chosen by the employee with a copy given to the employee. Velan also reserves the right to verify whether wages paid to Supplier's employees are compliant with the local standards.
- PROHIBITION OF USING CHILD LABOUR. All persons working at the Supplier's facility must be at least the minimum age authorized to work pursuant

to local law. Supplier must ensure that no child labour (as defined by applicable laws and international conventions) is employed at its facilities.

- **NO FORCED LABOUR.** All persons working at the Supplier's facility must be doing so upon their own free will and must be legally permitted to work. Supplier must ensure that there is no forced labour such as, without limitation, prison labour, slave labour or indentured labour. Supplier must be mindful about the risk of human trafficking and must not directly or indirectly participate in the trafficking of individuals.
- **FREEDOM OF ASSOCIATION.** To the maximum extent applicable in the country of work, the Supplier must not take any steps or actions preventing the formation of labour unions or collective bargaining units.
- **NON-DISCRIMINATION.** Employee wages and benefits must be solely based upon the individual skills, competence and seniority of the employee. Furthermore, Supplier must not discriminate on the basis of gender, sex, social status, religion, race, origin or analogous grounds.
- **NO WITHHOLDING OF IDENTITY OR IMMIGRATION PAPERS.** Supplier must not withhold the identity or immigration papers of employees or contractors longer than necessary for processing work and immigration authorizations.
- **FREE OF HARASSMENT AND VIOLENCE.** Supplier must maintain its work environment free from harassment and violence (physical, verbal, and psychological).

3. ENVIRONMENT

Velan is committed to the protection of the environment and requires this same commitment from its Suppliers. At a minimum, Supplier must do the following:

- **PROPER WASTE AND POLLUTANT MANAGEMENT.** Supplier must manage waste and pollutants in accordance with local laws and international standards.
- **DISCLOSURE TO VELAN.** Supplier must disclose to Velan any toxic or potentially toxic chemicals in the goods or chemicals supplied to Velan, including without limitation those covered by: EU Reach, EU Restriction of Hazardous Substances (RoHS), United States Toxic Substance Control Act (TSCA), California Proposition 65, and/or other potential pollutants and forever chemicals such as PFAS.

Supplier should further strive to do the following:

- REDUCTION OF WASTE AND POLLUTANTS. Supplier should reduce the emission of waste and pollutants into the environment.
- WATER AND ENERGY CONSERVATION. Supplier should conserve water and energy by implementing efficient systems.
- USE CLEAN ENERGY. Supplier should use cleaner sources of energy.
- LIMIT GREENHOUSE GAS EMISSIONS. Supplier should reduce greenhouse gas emissions or consider recapturing greenhouse gas.
- LIMIT ENVIRONMENTAL FOOTPRINT. Supplier should limit its environmental footprint and reduce the potential negative impacts to biodiversity from its operations.

4. CONFLICT MINERALS & EXPORT CONTROL

Velan requires that its Suppliers take all necessary measures to prevent Conflict Minerals (generally recognized as tin, tungsten, tantalum, and gold originating from the Democratic Republic of the Congo) from being included in the goods supplied to Velan. Furthermore, Supplier must conduct its activities in full compliance with all applicable import and export controls as mandated by local and international law.

5. CONFIDENTIALITY, INTELLECTUAL PROPERTY & DATA

Velan requires its Suppliers to implement best efforts in order to protect intellectual property, confidential information, and sensitive data that Velan may share with its Suppliers. Notably, this includes the following:

- TAKING PRECAUTION. Supplier must take reasonable precautions in storing and safeguarding any information (for both paper and electronic formats).
- PROPER ACCESS CONTROL. Supplier must employ proper access controls to both Supplier's physical and electronic facilities, including locking physical locations, and appropriate passwords for software used by Supplier.

- SECURITY PROCEDURES. Supplier must maintain proper security procedures, such as facilities monitoring and security software.
- BREACH DISCLOSURE. Supplier must promptly disclose to Velan any security breach or data leak that may affect Velan's confidential information, intellectual property or proprietary data.
- PERSONAL INFORMATION PROTECTION. Supplier must protect any personal information shared by Velan, and use said information solely for legally permissible purposes in a manner compliant with international standards on privacy, including but not limited to GDPR.

6. INTEGRITY, ANTI-BRIBERY, ANTI-CORRUPTION & COMPETITION LAW

Supplier must act with integrity and in full compliance with the standards contained in this Code. Notably, the Supplier must adhere to the following principles of integrity:

- ANTI-BRIBERY AND ANTI-CORRUPTION. Supplier must abide by applicable anti-bribery & anti-corruption laws, among others Canada's *Criminal Code* and *Corruption of Foreign Public Officials Act*, United States *Foreign Corrupt Practices Act*, *UK Foreign Corrupt Practices Act* and *Bribery Act*. Any facilitation payments to government officials are strictly prohibited.
- GIFTS OF NOMINAL VALUE. Supplier must not offer Velan's employees gifts, entertainment or favors of more than nominal value. Commissions and discounts may be given to Velan as a company but not to specific individuals in the normal course of business.
- COMPETITION AND ANTI-TRUST. Supplier must abide by applicable competition and anti-trust laws.
- FAIR AND COMPETITIVE. Supplier must engage only in fair and competitive business practices (not fixing/controlling prices, restricting competition, dividing or allocating markets, or submitting artificial bids in response to request for proposals).
- HONESTLY AND WITHOUT FALSIFICATION. Supplier must do business honestly and not falsify its own corporate records. All commercial transactions should be supported by proper documentation.

- NO CONFLICT OF INTEREST. Supplier must disclose any potential conflicts of interest in supplies to Velan other than Supplier's interest in making a profit and Supplier's possible sales to a competitor of Velan.
- NOT ACTING ON VELAN'S BEHALF WITH GOVERNMENTS WITHOUT MANDATE. Supplier must never make any political contributions on behalf of Velan, nor lobby on behalf of Velan except with Velan's written consent and mandate.
- NO MONEY LAUNDERING OR TAX EVASION. Supplier must take measures to avoid directly or indirectly facilitating money laundering or tax evasion.

7. CONTACT

For the purpose of reporting any matters relating to this Code of Conduct, including but not limited to the reporting of complaints and/or suspected violations, the below individuals may be contacted:

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You may also submit a report or concern online via Velan's whistleblowing webpage:
<https://velan.com/anonymous-and-confidential-whistle-blowing-reporting/> .