

Policy and Purpose

- 1.1 **Ethical Purchasing.** Nexteer believes in ethical purchasing and will not knowingly use suppliers who fail to abide by Nexteer Corporate Social Responsibility Supplier Principle Requirements, supply unsafe products or services, violate applicable labor or employment laws, use child or forced labor, use private or public security forces to interfere with freedom of association or violate human rights, or use harassment, abuse, or physical punishment to discipline their employees.
- 1.2 **Prohibition on Forced or Compulsory Labor.** Nexteer supports the elimination of all forms of forced or compulsory labor. Forced or compulsory labor is work or service which is exacted from a person under the threat of penalty and for which that person has not offered them self voluntarily. Nexteer prohibits the use of forced or compulsory labor, as defined above, including prison, indentured, bonded or otherwise, in any Nexteer operation and in any level of the supply chain.
- 1.3 **Prohibited Uses of Security Forces.** Nexteer will not use security forces to interfere with legally-protected rights related to freedom of association in any Nexteer operation, and will not hire or use private or public security forces to protect a Nexteer operation without ensuring that proper safeguards and controls are in place both to prevent the use of torture and cruel, inhuman, or degrading treatment during the deployment of security forces and to prevent injury to life and limb in any other way when security forces are deployed.
- 1.4 **Expectations of Nexteer's Suppliers.** Nexteer expects each of its suppliers to comply with our prohibition of the use of any form of forced labor and the prohibition on the use of security forces to interfere with freedom of association or violate human rights. This includes the obligation for each of Nexteer's suppliers to ensure all suppliers in their supply chain also comply with these prohibitions.

Nexteer expects each of its suppliers to comply with the ban on using private or public security forces in any prohibited manner described above.
- 1.5 **Freedom of Association and Collective Bargaining.** Nexteer recognizes the right of workers to form employee representative bodies and to bargain collectively to regulate working conditions. Nexteer upholds the right of its employees to join trade unions and expects that its suppliers shall also uphold these rights. Establishing, joining, or becoming a member of a trade union shall not be used as a reason for unjustified discrimination or retaliation. Unions shall be allowed to operate freely in accordance with the law of the place of employment. This includes the right to strike and the right to collective bargaining.
- 1.6 **Material Breach.** Nexteer will regard the use of forced labor and the use of private or public security forces to interfere with freedom of association or violate human rights as a material breach of the Nexteer General Terms & Conditions that could lead to termination of any existing contracts or purchase orders.



- 1.7 **Concerns and Reporting.** Any concerns or questions should be directed to your direct supervisor, or, in the case of a Nexteer supplier, to the relevant Nexteer buyer. If you believe this policy has been violated in any way, please contact Nexteer's Ethics Line by phone or online. The Nexteer Code of Conduct document contains the Ethics Line phone numbers and link for online reporting and is available on Nexteer.com at the following link: <http://www.nexteer.com/corporate-governance/>.