



## Supply Chain Responsibility

Document #: PL_PUR002_HYP				
REV	DATE	CHANGE	CREATED/MODIFIED BY	APPROVED BY
01	2016-03-10	Update	Mike M	Jonathan A
02	2019-06-13	Add sections 8 & 9	Ridha D	Mike M
03	2019-08-03	Update	Ridha D	Mike M
04	2019-11-26	Update	Roch B	Mike M

## Responsibilities to Suppliers

Hypertec procures various materials from a large number of suppliers in and outside Canada. In order to develop long-term business relationships based on its Procurement Policies, Hypertec is working to strengthen CSR activities across its entire supply chain, while improving measures for proper transactions.

### Socially Responsible Procurement at Hypertec

Hypertec has established Procurement Policies in order to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policies cover matters including legal compliance, respecting human rights, labor, safety, and health, as well as environmental protection. Hypertec constantly improves its socially responsible procurement by obtaining the understanding and support of suppliers for the policies and building strong partnerships.

### Procurement Policies

Hypertec aims to fulfill its social responsibilities, including compliance with relevant laws and social norms, and protection of the environment, through fair and equitable transactions throughout the supply chain by strengthening partnership with suppliers.

#### 1. Fair and equitable transactions

Hypertec carries out fair and equitable transactions by providing equal opportunities to all suppliers (and candidates) in and outside Canada accordance with its internally established procedures.

#### 2. Compliance with laws and social norms

Hypertec's procurement activities comply with all relevant laws, social norms, standards and treaties worldwide, including the protection of human rights, the prohibition of child labor, forced labor and discrimination, and avoiding the use of conflict minerals, and respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensure that absolutely no contact is made with organized criminal elements. Therefore, Hypertec requires its suppliers to observe the same legal and social requirements.

#### 3. Environmental protection

Hypertec helps to protect the global environment through environmentally friendly procurement in cooperation with suppliers.

#### 4. Strengthening partnerships with suppliers

Hypertec builds up relationship of trust with its suppliers through reciprocal efforts, such as merging and complementing mutual technological development abilities, supply chain cooperation, compliance with laws and social norms and protection of the global environment, which will benefit both parties.

## 5. Policies on supplier selection and transaction continuation

Hypertec initiates and continues transactions with suppliers based on comprehensive evaluation criteria, which include compliance with laws and social norms, environmental protection, proper information security, respect for intellectual property, sound and stable corporate management, superior technological development ability, right price and quality, stable supply capabilities and electronic transaction systems.

## 6. Securing right price and quality

Hypertec endeavors to secure right price and quality in order to provide its customers with stable supply of optimal products, which ensures that Hypertec gains the full confidence of customers around the world.

## 7. Prohibition of personal-interest relationships

Hypertec does not allow any employees to have personal-interest relationships with any suppliers.

## 8. Monitoring and surveillance

Our company have the necessary control and surveillance for these responsibilities by the application of the NC measurement and evaluation internal system by data analysis or performing some onsite visit if necessary. Based on our supplier evaluation process all the suppliers will be expected to meet the following criteria:

- A. Obtaining environmental and social management system certification
- B. It is strongly recommended that suppliers obtain environmental management system certification from the relevant independent organizations (e.g., ISO14001 certification). Please obtain independent certification if at all possible.
- C. Establishing a quality assurance management system for controlling and surveillance of the chemical substances by ensuring the following procedures are in place:
  - A quality assurance system relating to all areas from production to shipment, is put into place, maintained and continuously improved upon, assuring obviation of any part or product containing hazardous chemical substances in the supply chain.
  - Data regarding chemical substances in parts and materials being used are readily available for scrutiny on demand.
  - Chemical content management system and responsible manager are established.
  - Full training is given to all relevant staff regarding the control of hazardous chemical substances in the supply chain process.
  - Performing a risk assessment to guarantee that your supplier don't use any dangerous substance in the RoHs list
- D. Cooperation with various surveys

Suppliers may be required to perform surveys to verify paragraphs (1) and (2) above, survey the content of chemical substances, and/or submit non-inclusion guarantees for specific chemical substances. Please cooperate in responding to such requests accordingly. Submitted responses will be shared with other companies in the Hypertec Group. They also may be shown to customers if requested by the customer.

## 9. Risk Mitigation

Hypertec's Supply Chain policy is based on its certifications of ISO 9001, ISO 14001 and the RBA code of conduct to ensure that the products shipped and supply chain operations are well-managed and to mitigate that products/services may include potentially counterfeits or malware, or may contain physical risks from poor manufacturing and development in the supply chain.

## 10. References

- RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT: P\_HR001\_CIA\_RBA Code of Conduct
- CAPA System: Corrective action and preventive action
- HYP\_QE02 Supplier Evaluation Process