

IES's Supply Chain Policies: Environmental, Health and Safety, Transportation, Labor/Human Resources and Supplied Materials

The following set of policies describes IES's expectations for its suppliers in the areas of environmental, health and safety (EH&S), transportation, labor/human resources (labor), and supplied materials. These policies apply to the selection and retention of all suppliers that provide goods or services to IES. While IES recognizes that there are different legal and cultural environments in which suppliers operate throughout the world, these policies establish a framework that IES considers important to the management of manufacturing and distribution operations to minimize adverse impact to the environment, to a healthy and safe workplace, to the maintenance of fair and reasonable labor practices and to the content of materials supplied to IES.

IES may in its sole discretion assess and monitor ongoing performance and compliance with these policies, including but not limited to a review of appropriate supplier documents, an onsite visit to determine whether these policies are being addressed, review of past practices of the supplier, and/or consideration of the local environment in which the supplier will perform services. The following set of policies is not intended to limit IES's discretion on information that might be requested from a supplier in connection with any EH&S, transportation, labor or materials content review conducted by IES. On a periodic basis, suppliers may also be requested to certify conformance to these policies. IES reserves the right to terminate any operation where conformance with these policies is not achieved and maintained.

These policies are dynamic and evolving to address ongoing protection of employees and to manage impacts to the environment and the community.

Compliance:

IES suppliers must comply with all national and other applicable laws and regulations relating to environmental, occupational safety and health, transportation, labor and human resource practices, and material content for supplied materials. Suppliers will maintain compliance systems and be able to demonstrate a satisfactory record of compliance with laws and regulations in the conduct of their business.

Corrective Action:

When non-compliance is detected, IES will attempt to work with the supplier concerned to correct the situation. We expect the supplier to develop a corrective action plan to bring its operations into compliance so that supply to IES can continue. If a supplier does not develop such a plan or fails to implement it, IES will move to terminate the business relationship.

Environmental, Health and Safety:

EH&S Laws. IES suppliers are expected to comply with all local and country environmental, health and safety laws and regulations.

EH&S Practices. IES suppliers are expected to provide workers with a safe and healthy work environment and to manage their operations to minimize impact to the environment and community. Suppliers are expected to establish and maintain a management system or program that encourages continual improvement in EH&S performance and includes the following elements:

IES's Supply Chain Policies: Environmental, Health and Safety, Transportation, Labor/Human Resources and Supplied Materials

- A process to protect employees from unsafe noise levels and to provide appropriate lighting and temperatures in the workplace.
- *A process to provide and maintain operating machinery and equipment with guarding or other protective measures as necessary to prevent injury to workers.*
- *A process to identify, evaluate and control workplace exposures to chemical, biological and physical agents to prevent worker illness and injury.*
- *A process to identify and control hazards in the workplace (examples include activities such as regular inspections, hazard surveys, job hazard analyses, and equipment hazard reviews).*
- *A process to determine the cause of incidents that result or could result in injury, illness, property or environmental damage or business interruption.*
- *A process to encourage employee participation in health and safety programs and to encourage employees to report workplace illnesses and injuries.*
- *A process to assess that sufficient and qualified resources are assigned to the EH&S program.*
- *A process for maintaining drums, storage tanks and other storage containers to prevent water or soil contamination or accidental discharge and a process to remedy any existing contamination.*
- *A process to ensure proper treatment of chemical or process wastewater prior to discharge.*
- *A process to ensure safe handling and appropriate disposal or recycling of waste.*
- *An EH&S training program for new and existing employees.*
- *An emergency action program for each of its manufacturing locations covering events such as fires, medical emergencies, weather/natural disasters, spills and air releases.*

Transportation:

Transportation Laws. IES suppliers are expected to comply with all local, country and international laws and regulations governing the transportation of goods and materials.

Transportation Practices.

If handling Hazardous Materials/Dangerous Goods suppliers are expected to be registered as required by local, U.S. and International laws as a Hazardous Materials/Dangerous Goods shipper and are expected to be trained, tested and certified to handle, package, mark, label and ship Hazardous Materials/Dangerous Goods as required by U.S. and International laws.

Labor and Human Resource Practices:

Suppliers are expected to adopt sound labor and human resource practices and treat their workers fairly.

IES's Supply Chain Policies: Environmental, Health and Safety, Transportation, Labor/Human Resources and Supplied Materials

Employment Practices. Suppliers must hire and employ workers in compliance with applicable laws. Wages, benefits, and working hours are expected to be fair and reasonable in the local labor market.

Child Labor. Suppliers must comply with the applicable local laws with regard to the minimum hiring age for employees. If no such law exists or if the existing law permits the hiring of child labor younger than 18 years of age, the supplier may not employ child labor under 16 years of age to work on IES projects. The supplier may hire child labor between 16 and 18 years of age to work on IES projects only if the supplier implements and maintains, in addition to the general standards for environmental, health and safety identified above, all working conditions needed to adequately protect the safety and health of each such child.

Forced Labor. IES expects suppliers to not use labor that is a result of mental or physical coercion, physical punishment, slavery or other oppressive labor conditions. Suppliers and their employees cannot engage in any form of human trafficking. This prohibition includes not only forced labor and other forms of coercive conduct but also the recruitment, harboring, transportation, provision, or obtaining of persons for commercial sex acts and the legal or illegal procurement of sex acts for anything of value.

Discrimination. Suppliers must respect the right of every person to participate in all aspects of employment without regard to their personal characteristics or beliefs (for example, their race, religion or sex). Suppliers' policies and practices should result in employment decisions being made on the basis of workers' ability to do the job, and not on their personal characteristics or beliefs. Freedom of Association. Suppliers must respect workers' right to associate freely, in compliance with existing local laws and without intimidation, reprisal or harassment.

Materials Supplied to IES:

Suppliers are expected to comply with all applicable local, country, and international laws regarding material content for the materials supplied to IES. At IES's request, suppliers are expected to provide to IES reports on the occurrence of substances in any materials supplied to IES that may be restricted by, or require disclosure to, governmental bodies, customers and/or recyclers.

Conflict Minerals. "Conflict Minerals" refers to minerals or other derivatives that are mined in the provinces of the Democratic Republic of Congo (DRC) and in the adjoining countries where revenues may be directly or indirectly financing armed groups, contributing to armed conflict and/or human rights abuses. Under the Dodd-Frank Wall Street Reform Act publicly traded companies and their suppliers whose products contain metals derived from minerals defined as conflict minerals, which include tantalum, tin, tungsten, and gold (collectively referred to as 3TGs), are required to report annually on the chain of custody usage.

- *IES expects our suppliers to source materials from socially responsible suppliers. This included supplied materials that are from recycled or scrap sources and/or supplied materials that contain materials from recycled or scrap sources.*
- *IES expects all its suppliers to comply with the Dodd-Frank regulation and provide necessary declarations.*

IES's Supply Chain Policies: Environmental, Health and Safety, Transportation, Labor/Human Resources and Supplied Materials

- *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.*
- *Suppliers who are non-compliant to these requirements shall be reviewed by Purchasing Management for future business.*

No Illegally Harvested Plant Materials. Suppliers are expected to supply to IES materials containing plant materials or their derivatives that are legally sourced, harvested and exported from their country of origin. Suppliers are expected to adopt policies and management systems with respect to the U.S. Lacey Act, the EU Timber Regulation and similar laws and to require their suppliers to adopt similar policies and systems.