

**Basic Purchasing Policies and CSR Procurement Guidelines**

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<b>Standard Elements</b>	ISO 9001:2008 7.4.1 Purchasing Process 7.4.2 Purchasing Information 7.4.3 Verification of Purchased Product		

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<b>Release and Audit Schedule</b>	
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**1.0 Purpose**

As a manufacturer and supplier of high quality manufactured film systems through coating and laminating, Madico Inc. places importance on management of the supply chain as it relates to the needs of its end users. This includes the management of production facilities, as well as procurement of raw materials. Madico has established Basic Purchasing Policies to guide its upstream management and ensure fair transactions. In addition, the Company has created an effective supply chain that fulfills its corporate social responsibilities, and has established CSR Procurement Guidelines in order to provide customers with materials that are environmentally and socially conscious.

**2.0 Basic Purchasing Policies**

1. Madico Inc. does its uttermost to select suppliers and determine actual purchase fairly and ethically on the basis of economic rationality. Consideration for price, quality and capability aid in providing stable supplies, technological capabilities and reliability.
2. In selecting suppliers, Madico Inc. opens doors to a wide range of companies inside and outside of the United States. Madico Inc. does not rely solely on existing suppliers, past relationships or on members of its corporate group.
3. In making purchases, Madico Inc. complies with local relevant laws and regulations while taking environmental preservation and fulfilling corporate social responsibility (CSR) issues into account. Madico Inc. actively pursues green procurement as part of its environmental efforts.
4. Madico Inc. works to maintain and improve the quality of purchased products through cooperation and guidance of its suppliers.
5. Madico Inc. works to uphold its corporate social responsibilities on a company-wide basis.

**3.0 CSR Procurement Guidelines**

1. Establish an internal CSR organization and be committed to CSR
2. Work to enhance corporate ethics and company fully with all laws and regulations
3. Position safety, accident prevention, and environmental preservation as a management priority and practice green procurement and purchasing whenever and wherever possible
4. Put crisis management systems into place, including capabilities for responding swiftly in unexpected situations, and disclose accurate information
5. Encourage dialogue and cooperation among all stakeholders
6. Ensure product safety as a precondition for supplying products
7. Respect human rights, eliminate discrimination, and improve workplace environments; prohibit forced labor, slave labor, child labor, and unfair low-wage labor
8. Maintain the confidentiality of information and respect others' intellectual property rights

**4.0 Madico Inc. Whistle Blower Policy:**

Madico has a confidential reporting method to address possible serious violation of internal policies, procedures or external laws or regulations. Madico welcomes such information and considers it essential to preserving its reputation and long-term viability. Madico is committed to compliance with all applicable laws, regulations, and policies. Our compliance will only be possible if all employees follow all applicable laws and regulations and all internal policies.

We ask our suppliers if they have information which, in their best judgment, demonstrates the involvement of the company, or one of its employees, officers, or directors, in any of the following:

- A violation of one of the company's policies;
- A violation of any external law, rule, or regulation;
- An unsafe work environment, or situation or circumstance which poses a threat to

the health or safety of employees or the general public;

- Corruption, fraud, or mismanagement of company resources; and
- Questionable auditing or accounting matters.

All information received under this policy will be thoroughly and promptly investigated. Normally, this investigation will be conducted by Human Resources, though outside resources may also be used where appropriate and expedient. The investigation will be completed as soon as possible after the receipt of the information so that the matter can be dealt with as quickly as possible. A report will then be made to the audit team, and/or the company's external legal counsel of the investigation's findings. During the investigation process, the identity of the supplier disclosing the information will be kept confidential to the greatest extent possible and will be revealed only on a need-to-know basis or as required by law or court order.

If the investigation confirms the allegations made in the disclosure under this policy, immediate steps will be taken to bring the company into compliance with the applicable law, regulation or policy. Unsafe working conditions will be promptly remedied and no work will be performed until it is safe to do so.

Where appropriate, the company may also report any violations to external regulators or authorities.



# Together.

Together... we can build a successful organization.  
Together... we can ensure an outstanding reputation.  
Together... we can protect our values.


Your role on our team is to speak up if you know of or suspect any unethical behavior. Our role is to listen. Report any violations or get more information by logging on to Madico Inc. Whistle Blower Hotline:

**<https://madico.alertline.com>**

or by calling: 800-596-4142

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**Associated Documents****Document Control Documents**

 L4 - Form Control Document QR-00391 : Supplier Self-Assessment Questionnaire

**Reason for Change****Notification List****Notification Recipients**

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