

SERVICE CORPORATION INTERNATIONAL

# Supplier Code of Conduct





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# Statement of Purpose, Commitment and Scope

SCI SUPPLY CHAIN IS COMMITTED TO UPHOLDING THE CORE VALUES OF OUR COMPANY: RESPECT, INTEGRITY, SERVICE EXCELLENCE AND ENDURING RELATIONSHIPS.

Our customers expect us to support these core values, and we endeavor to build relationships with partners that show a commitment to high ethical standards, integrity in business practices and respect for individuals and the environment. Every SCI Supply Chain Supplier (“Supplier”) is expected to uphold these standards throughout their supply chain and comply with all laws, rules and regulations of the countries in which it operates. SCI or the Company refers to Service Corporation International, and its affiliated operating entities.



# SCI Standards for Suppliers

## SERVICE TO THE CUSTOMER

### UPHOLDING STANDARDS

The Supplier Code of Conduct (“Supplier Code”) outlines our minimum expectations regarding the workplace and business standards of Suppliers, their parent entities, subsidiaries, affiliates, subcontractors and any contributor to their supply chain (“Suppliers”). These expectations are to be considered the minimum requirements for doing business with SCI.

### HONESTY AND TRANSPARENCY

We expect all Suppliers to engage in transparent, fair and accurate reporting in all areas of business. We require our Suppliers to work collaboratively with SCI to respond to our inquiries and requests for information. In upholding our high standards, participation in audits may be necessary, including disclosures on upstream Suppliers, product information and unrestricted access to facilities within the supply chain. It is the responsibility of each Supplier to maintain documentation to support compliance in all areas of the Supplier Code. Falsification of records or misrepresentation in any business dealing, including the requirements and disclosures covered by the Supplier Code, is unacceptable and will have appropriate consequences.

## RESPECT FOR INDIVIDUALS

### ASSOCIATES

SCI holds itself to the highest ethical standards and expects all Suppliers to uphold the same standards within their organizations. Therefore, Suppliers are expected to support the following criteria for their associates:

- Human Rights
  - o Suppliers are required to maintain a work environment free from harassment, harsh treatment, intimidation, verbal abuse, corporal punishment, mental or physical coercion or violence.
  - o Suppliers must provide a process for their associates to confidentially report grievances to management and a method to address and document any such complaints.
  - o Suppliers must uphold all human rights as defined by the United Nations (U.N.) Universal Declaration on Human Rights and the U.N. Declaration on the Rights of Indigenous People.
- Inclusion and Diversity
  - o Suppliers should foster an inclusive culture and environment while delivering the best products and services.
- Discrimination
  - o Suppliers should be committed to providing a work environment free from unlawful discrimination and harassment. Our Suppliers are expected to have policies that forbid any unwelcome conduct based on an individual’s race, color, national origin, religion, ethnicity, age, sex or veteran’s status or disability.
- Child Labor
  - o Suppliers should not use child labor in work that threatens his or her health, education, or development and prohibits the use of child labor, as defined by all applicable laws and regulations.
  - o SCI supports the rights of children under the U.N. Convention of the Rights of the Child and the International Labor Organization’s Convention on Child Labor.

- Freely Chosen Employment
  - o No Supplier should use forced, bonded or indentured labor of any kind. Involuntary or exploitative prison labor, slavery or trafficked persons are further prohibited.
  - o No Supplier should make unreasonable restrictions on an associate's freedom of movement within their facilities.
  - o No Supplier should restrict the ability of an associate to terminate their employment voluntarily.
  - o Suppliers or agents are prohibited from confiscating, holding or destroying any identity or immigration documents of its associates.
- Wages, Hours and Benefits
  - o Suppliers must fully comply with all applicable laws and regulations regarding wages, hours and benefits, including overtime and time off.
  - o Since associate strain is a significant factor in productivity, product quality, injury, illness and turnover, Suppliers should set policies that discourage excessive continuous hours of work.
  - o The Supplier should provide pay within a timely manner with supporting documentation on the calculation of the wages paid.
  - o The Supplier should maintain accurate written records of an associate's regular and overtime hours.
- Freedom of Association
  - o Supplier's associates should have the right to join any lawful association, collectively bargain and peacefully assemble without fear of retaliation from their employer.

## HEALTH AND SAFETY

SCI believes that the associates health and safety directly impact our supply chain. Suppliers are expected to uphold the following standards to support our core values and beliefs:

- Occupational Safety
  - o Suppliers should have a monitoring system capable of complying with all local and federal regulatory standards, codes and laws, including but not limited to, OSHA, NFPA and ANSI standards.
  - o Suppliers should take a comprehensive and preventative approach to occupational safety; this should include safe, secure, clean and sanitary work environments.

- o If Suppliers provide residential facilities to their associates, they must conform to the same standards of work environments and continuously evaluate for hazards.
- o Suppliers should post health and safety notices and update them regularly.

## RESPECT FOR THE ENVIRONMENT

### MANAGEMENT AND REDUCTION OF RESOURCES

SCI believes in the responsible use of resources and works to reduce its adverse impact on the communities in which we live and operate. Sustainability is important within the SCI Supply Chain to help reduce the use of natural resources and impact on the environment while optimizing processes to manage capital responsibly. Therefore, Suppliers are expected to uphold the following standards:

- Suppliers are challenged to optimize their supply chain by continually looking for ways to efficiently produce and transport products. Reductions should include, but are not limited to:
  - o Reduction of use of raw materials
  - o Reduction in the volume or weight of packaging
  - o Utilization of the most efficient means of transportation
- Suppliers should create management systems to track, monitor and report their ongoing efforts to reduce resource consumption and waste in the following areas:
  - o Energy
  - o Solid Waste
  - o Air Emissions
  - o Water Management

### SUSTAINABLE BUSINESS PRACTICES

SCI will remain dedicated to partnering with Suppliers that uphold our ethics, values and culture to deliver the very best products and services in terms of quality, cost and sustainability. Sustainability supports responsible and ethical business behavior, and our Suppliers are expected to share our goals to:

- Incorporate environmental considerations into policy, business plans and management practices
- Reduce energy and water consumption as a result of conservation and efficiencies initiatives
- Promote the responsible use of resources
- Promote green procurement practices by considering the environment in purchasing decisions
- Encourage the development and diffusion of environmentally-friendly technologies
- Monitor environmental emissions and set annual goals to continually improve performance
- Protect and minimize impacts on biodiversity and habitats by controlling effluents and waste
- Undertake precautionary approaches to environmental challenges and reduce impacts

## ENVIRONMENTAL LAWS AND REGULATIONS

All Suppliers are required to comply with all applicable state, federal and local laws.

## HAZARDOUS SUBSTANCES

All Suppliers are expected to have a defined procedure for handling hazardous substances and chemicals. All associates, either working with or exposed to hazardous chemicals, should have appropriate training on how to properly identify, label and manage such chemicals to ensure safe handling, use and disposal. All such materials must be disposed of in accordance with the relevant laws. Suppliers are required to communicate any significant or negative environmental impacts to SCI's Assistant Vice President of Supply Chain Management. This includes, but is not limited to impacts on the following areas:

- Materials
- Energy
- Water Management
- Air Emissions
- Solid Waste

## COMMITMENT TO EXCELLENCE

### RISK MITIGATION

SCI is committed to the continuous improvement of its supply chain and requires Suppliers to commit to assessing and understanding risk within their supply chain. Examples include, but are not limited to:

- Creating a structured process for evaluating supply chain risk
- Visiting and evaluating facilities within their supply chain
- Monitoring compliance to SCI's Supplier Code
- Remediating nonconformance to the SCI's Supplier Code

### LEGAL COMPLIANCE

SCI requires its Suppliers to abide by all governing local and national laws, regulations, standards and international conventions, as well as contractual obligations to SCI and the Supplier Code. We understand that no Code of Conduct can cover all situations, and therefore, it is important to note that these requirements supplement rather than replace specific language found in Master Relationship Agreements or Service Agreements. In any situation where national, local or regional law requires a higher standard, that law should supersede the SCI Supplier Code, and in any situation where the national, local or regional law is less restrictive, the SCI Supplier Code prevails. Violations of this Supplier Code will result in appropriate actions taken by SCI, including the potential termination of contracts.

## INTEGRITY IN BUSINESS PRACTICES

### CONFLICT MINERALS

To uphold responsible, ethical business practices and ensure the sustainability of our product, we require all Suppliers to produce or source products responsibly. Therefore, all Suppliers are expected to supply products or materials that do not include materials sourced from any areas involved in armed conflict, as outlined in the Dodd-Frank Act and all applicable federal laws.

### GLOBAL TRADE AND SECURITY

SCI works in partnership with our Suppliers to ensure our compliance with global security criteria, and the accurate

country of origin, product marking, customs entry, licensing and all other import/export-related records. Suppliers are responsible for maintaining all material evidence to prove compliance with all applicable global security criteria including, but not limited to:

- U.S. Customs Trade Partnership Against Terrorism (C-TPAT)
- Canada Partnerships in Protection (PIP)

## **ANTI-CORRUPTION LAWS**

SCI holds itself accountable to high standards of conduct in all areas of business and requires our Suppliers to establish policies governing:

- Conflicts of Interest
- Securities Trading and Investment
- Anti-Corruption

## **CONFIDENTIALITY, PRIVACY AND SECURITY**

In order to optimize our supply chain and create value through our partnerships, Suppliers are trusted with sensitive and

confidential information that must be protected to maintain relationships with SCI and our customers. Suppliers are expected to comply with all applicable contractual obligations, laws and regulations regarding confidentiality, privacy and security.

## **MANAGEMENT AND OVERSIGHT**

SCI Supply Chain will periodically review and update the Supplier Code. Potential use of audits, disclosures and site visits will enhance our relationships with Suppliers and will serve as an active feedback mechanism for further enhancements and compliance.

If a Supplier encounters an ethics issue, where this Supplier Code or other company policies do not expressly provide an answer or a situation in which the Supplier believes to be a law, rule or regulation is unclear or conflicts with a provision of this code, the Supplier should contact SCI Supply Chain for further guidance. Suppliers are expected to promptly report any suspected or actual violation of this code to SCI's Assistant Vice President, Supply Chain Management.

