

## Code of conduct

This Code of Conduct states the requirements on Suppliers regarding working conditions and environmental issues.

Fleggaard Leasing places great value on its employees and appreciate suppliers, which take steps to ensure that they are considered a valued employer, find ways to stand out as an excellent company and are thus able to attract and keep the best personnel.

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## **1: Labor and Working Conditions**

The working conditions and the terms of employment must comply with national labor, social security and occupational health and safety laws and the principles and international standards of International Labour Organization's (ILO) core conventions. The policy of human resources must be clear, understandable and accessible to all workers and the Supplier.

**Employee Right to Regular Employment** - Regular Employment should be provided. All workers must have the right to a written contract of the employment.

**No forced Labor** - Employment must be freely chosen and the worker must be free to leave the premises after their shift ends. No worker can be forced to continue employment any longer than they themselves want. Guards may be posted only for normal security reasons. The use of any form of corporal or physical punishment/harassment cannot be accepted.

**No Child Labor** - Under no circumstances can children under the national policy of minimum age for admission to employment or work be hired at the Supplier doing any occupation other than special cases clearly described in the ILO Convention No. 138 (on the Minimum Age for Admission to Employment and Work) from 1973. The minimum age shall not be less than the age of completion of compulsory schooling and, in any case, shall always be protected from work that can be harmful to their wellbeing or jeopardize their health, safety or morals.

**No Discrimination** - There must be an anti-discrimination policy at the workplace to ensure that the workers are protected from abuse, harassment, bullying and discrimination. The workers must not suffer any negative consequences, or be dismissed, due to sickness or pregnancy. No discrimination at work and no inequality based on one's faith, race, gender, age, a disability, sexual orientation or ethnic background are accepted. Workers with the same competence, qualifications and experience shall have equal opportunities and be compensated equally.

**Freedom of Association** - The workers must be able to freely join any unions. The workers must also have the right to peacefully and legally demonstrate and strike. Any form of penalization for workers that take part in any of the above activities cannot be accepted.

**Grievance Mechanism** - The Supplier shall have a viable and transparent grievance mechanism for workers to raise reasonable workplace concerns. The management must be committed to deal with the raised concerns duly and fairly.

**Working Hours and Leaves** - The number of working hours per week must comply with the national law or, in absence of the law, the number of working hours must adhere to human and safe working conditions. There should be enough free time for the worker to recover. Overtime must be voluntary and compensated. All workers must be entitled to vacation, sick leave, maternity leave, national holidays and other potential vacations with benefits according to national law.

**Wages and Benefits** - A suitable wage and overtime compensation must be paid to all workers at least according to the minimum level stated by law. In absence of law, a decent wage for the work done which is enough to feed and house workers' families is the minimum wage that can be accepted. The workers must be paid regularly and on time. Basic income security should be offered in case of need, health care, sickness, old age and invalidity, unemployment injury, maternity, family responsibilities and death, within the statutes of local legislation. It is recommended that factories provide child care for workers with small children, where relevant.

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**Health and Safety** - The Supplier's site/s must be equipped with basic humane standards such as clean drinking water, hygienic toilets and sufficient light, ventilations and temperature. The workers must be permitted to perform basic needs and to have breaks for meals. The workers must not be exposed to any danger at work. Machinery shall be equipped with relevant safety features. Safety protections must comply with or exceed laws. The workers must have access to appropriate personal protective equipment free of charge. All workers whose duties include tasks requiring the use of personal protective equipment are to be instructed and, if necessary, trained to use the protective equipment. First Aid supplies and medical assistance must be available on each shift in case of accidents. The Supplier must have a documented emergency prevention, preparedness and evacuation procedure in case of emergency. There should be a sufficient amount of unblocked emergency exits on each floor of the Supplier's building/s to ensure that all employees can be evacuated without harm. These exits must be accessible at all times and if locked there must be a key placed next to the door inside breakable glass making them accessible. All the Supplier's buildings must be equipped with up-to-date fire and safety equipment, which is checked regularly. Evacuation and emergency procedures, emergency exits and relevant equipment must be at minimum according to local regulations. The workers must be trained in emergency evacuation. It is essential that all workers have the skills and training required for their respective job. Start of work must be preceded by adequate training to reduce risk for danger. The risks in all workplaces must be identified and minimized as reasonably possible. Occupational accidents, diseases and incidents must be monitored. If a specific risk or hazard is identified, relevant measures must be taken to minimize further exposure of the workers to the risk or hazard as reasonably possible.

## 2: Corruption and Bribery

The ethical guidelines require that all business relationships are carried out without personal gain. Corruption or bribery cannot be tolerated, whether by direct or indirect means, in terms of money, gifts or other unfair advantages. Employees and Suppliers are urged not to misuse their position in order to grant unwarranted personal or business advantages. Further they are not permitted to give inappropriate presents to business partners. Any gifts for either officials or federal employees must be omitted. Employees are allowed to accept low value gifts as per national customs and habits on the provision that there is no purpose of manipulation of the beneficiary.

## 3: Community Involvement

The Supplier must identify and assess potential risks and impacts of its operations to local inhabitants in case of accidents, environmental releases and major changes in operations. There must be a procedure in place for complaints and other issues raised by the local people. The Supplier is encouraged for open and appropriate disclosure of information relevant to the local people. The requirements of national law with respect to public information and consultation must always be met. The Supplier must respect the cultural heritage of the community as well as the rights of indigenous peoples and traditional livelihoods are not jeopardized.

## 4: Climate and Environmental Issues

The ethical guidelines state that the company prioritizes and aims for processes, methods, products and services that the minimal impact on the environment. The Supplier must take responsibility for its impact on the environment and human health. Environmental standards, permits and regulations shall follow at a minimum the requirements set up by the country in which the factory is situated. Optimally they are formed from global perspective.

**Use of Chemicals** - Supplier must certify that all products and their packaging delivered, are fully compliant with the prescriptions of REACH regulations (1907/2006/EC) and/or required safety standards depending on product and territory in which the product will be marketed. All materials used for production do not contain any substances of very high concern (SVHC) above 0.1% by weight, according to the applicable SVHC candidate list. According to Article 33(1) of the REACH regulation, the Supplier must promptly provide Fleggaard Leasing and its relevant business units with information of changes in their chemical supplier list, when products manufare to be affected. The Supplier must also immediately

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inform of any article that contains a newly identified SVHC above 0.1% (w/w) as soon as the substance has been included in the supplier candidate list.

**Origin of Materials** - The Supplier must ensure that all materials used in the production of goods are legal. On request the Supplier will provide the necessary information regarding the source of used materials.

**Handling of Wastewater/Effluent Discharge and Air Emissions** - All emissions and effluents to air, water and soil must be minimized and controlled to comply with local or national law and other requirements set by authorities. Emissions, effluents and handling of waste must be monitored to assure compliance with local or national law and other requirements in all situations. Best available techniques and practices should be used in pollution abatement and control taking into consideration the technical characteristics of the installation concerned, its geographical location, and local environmental conditions to ensure a high level of protection for the environment as whole.

**Handling of Solid Waste and Hazardous Waste** - Wastes shall be taken care of by reputable, legal and licensed enterprises. The Supplier shall seek possibilities to minimize the use of hazardous chemicals and other materials as reasonably possible. The storage and handling of chemicals and other hazardous materials shall be safe and releases into the environment shall be minimized and adequately controlled.

**Noise** - Noise must be within nationally limits, and employees working in loud positions must have access to protective gear free of charge.

**Minimized and Controlled Waste and Emissions** - The Supplier should always strive to minimize its impact on the environment by improving energy efficiency, optimizing and by using as few environmentally hazardous products or substances in production as possible.

**Protection of Biodiversity** - The Supplier must strive to minimize adverse effects on biodiversity in the planning and implementation of its operations and projects. In particular, the Supplier shall avoid causing harm to any endangered species and their habitats. No operations or projects shall be located in environmental conservation areas protected under local or national law or other statutes. It is recommended that areas of high importance for biodiversity (e.g. wetlands) must be avoided when possible and in any case impacts caused to such areas must be carefully minimized.

## 5: Compliance

The purpose of this Code of Conduct is to encourage the engaged Supplier to act responsibly. The Supplier is obliged to follow the standards in this Code of Conduct after signing the document.

Fleggaard Leasing has the right to audit the Supplier's facilities or request information to verify their compliance. The same qualifications are also demanded for any subcontractors hired by the Supplier.

If Fleggaard Leasing will observe any interfering actions to this Code of Conduct, which is not improved within an agreed time limit, Fleggaard Leasing is free to cancel the agreement with the Supplier.

Supplier name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name in clear text: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_