



Dantherm Group Supplier Code of Conduct



1. Purpose of the Supplier Code of Conduct

This Supplier Code of Conduct is a legally binding document for all entities supplying goods and/or services to any part of the DANTHERM Group, hereafter referred to as DANTHERM.

The Purpose and Aim of this Code of Conduct

The purpose of this Code is to ensure that our SUPPLIERS operate in accordance with internationally recognized minimum standards on human rights, labour rights, climate, environment, and anticorruption.

DANTHERM therefore expects the SUPPLIER to establish systems to avoid and address adverse impacts on these minimum standards.

DANTHERM adheres to the content of this Code and expects the same from its SUPPLIERS.

Compliance with the requirements of this Code is therefore a condition of any agreement or contract between DANTHERM and its SUPPLIERS.

The purpose is not to cease the business relationship between DANTHERM and the SUPPLIER if non-compliance were to be identified, it is to help the SUPPLIER improve their management of adverse impacts continuously.

However, DANTHERM will not conduct business with a SUPPLIER if compliance with the terms of this Code is deemed impossible and the SUPPLIER shows no willingness or ability to mitigate identified adverse impacts.

The Provisions of this Code of Conduct

The provisions of this Code constitute minimum and not maximum standards, and this Code should not be used to prevent the SUPPLIER from exceeding these standards.

Companies applying this Code are expected to comply with national and other applicable law and, where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection.

DANTHERM is aware that our company's actions and procurements practices can influence the SUPPLIER's ability to comply with the requirements in this Code. Therefore, DANTHERM will routinely assess any adverse impacts we may cause or contribute to through our purchasing, compliance and other supply chain practices.

This includes ensuring that the following purchasing practices do not negatively impact the SUPPLIER's ability to meet the requirements set forth in this Code: Lead time, order volume versus production capacity, product development process, pricing, order size fluctuation and consistency of orders.

In addition, DANTHERM shall periodically review the adequacy and continuing effectiveness of this Code.

This Supplier Code of Conduct is based on the UN Global Compact principles and the UN Guiding Principles.

SEDEX

Chapter 2 of this document covers the exact SEDEX Members Ethical Trade Audit (SMETA) Measurement Criteria (version 6.1, May 2019).

DANTHERM encourages the SUPPLIER to apply the SEDEX tools. Any non-conformance with the SEDEX requirements indicates non-compliance with the equivalent provisions of this Code.

DANTHERM requirements

Chapter 3 comprises specific DANTHERM requirements, which are not part of the SEDEX system.

The SUPPLIER shall, upon DANTHERM's request, provide evidence of the compliance with each requirement.

In case of non-compliance the SUPPLIER must notify the Dantherm Global Sourcing Team (globalsourcing@dantherm.com) within 48 hours if they detect a violation of this Code.



2. Main Supplier Code of Conduct

Universal Rights covering UNGP

The SUPPLIER should have a policy, endorsed at the highest level, covering human rights impacts and issues and ensure it is communicated to all appropriate parties, including its own suppliers.

The SUPPLIER should have a designated person responsible for implementing standards concerning Human Rights.

The SUPPLIER shall identify their stakeholders, their impact and salient issues.

The SUPPLIER shall measure their direct, indirect and potential impacts on stakeholders' (rights holders) Human Rights.

Where the SUPPLIER has an adverse impact on Human Rights within any of their stakeholders, they shall address these issues and enable effective remediation.

The SUPPLIER shall have a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

Management Systems & Code Implementation

The SUPPLIER is expected to implement and maintain systems for delivering compliance to this Code.

The SUPPLIER shall appoint a senior member of management who shall be responsible for compliance with the Code.

The SUPPLIER is expected to communicate this Code to all employees.

The SUPPLIER is expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.

The SUPPLIER should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Freely chosen employment

There is no forced, bonded or involuntary prison labour.

Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Freedom of Association

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer adopts an open attitude towards the activities of trade unions and their organizational activities.

Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder, the development of parallel means for independent and free association and bargaining.



Health and Safety

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Workers shall receive regular and recorded Health & Safety training and such training shall be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water and, if appropriate, sanitary facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.

The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Child Labour and Young Workers

There shall be no new recruitment of child labour.¹

Companies shall develop or participate in and contribute to policies and programs which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

Children and young persons under 18 shall not be employed at night or in hazardous conditions.

These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Wages and Benefits

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Working Hours

Working hours must comply with national laws and collective agreements.

¹ Definition of "a child" is in accordance to the ILO Conventions for minimum ages (C138) and child labour (C182). This states that no person will be employed or engaged in work if they are younger than 15 (or 14 in some developing countries). Light work may be allowed for 12- and 13-year-olds in most developing countries provided it does not interfere with schooling. However, if the legal minimum age is higher than the ILO conventions then no person may be employed or work if they are younger than the legal minimum age for work in the country of manufacture, this also applies to persons engaged in a workplace apprenticeship programme.



Working hours, excluding overtime, shall be defined by contract and shall not exceed 48 hours per week. International standards recommend the progressive reduction of normal hours of work, where appropriate to 40 hours per week without any reduction in workers' wages as hours are reduced.

All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all of the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of regular rate of pay.

The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by the clause below.

Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following criteria are met:

- This is allowed by national law.
- This is allowed by collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce.
- Appropriate safeguards are taken to protect the worker's health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Discrimination

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Regular Employment

To every extent possible, work performed must be on the basis of recognized employment relationships established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from regular employment relationships shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

The SUPPLIER has full understanding of the entire recruitment process including all labour recruiters and intermediaries in terms of required legal and/or ethical requirements.

There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract, agency, temporary or casual labour.

Employment agencies must only supply workers registered with them.

No worker's pay recruitment fees at any stage of the recruitment process.

Workers' contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

There should be no sub-contracting unless previously agreed with the main client.

Systems and processes should be in place to manage sub-contracting, homeworking and external processing.



Harsh or Inhumane Treatment

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Companies should provide access to a confidential grievance mechanism for all workers.

Other Issues

Entitlement to Work

Only workers with a legal right to work shall be employed or used by the SUPPLIER.

All workers, including employment agency staff, must be validated by the SUPPLIER for their legal right to work by reviewing original documentation.

Environment

The SUPPLIER as a minimum must meet the requirements of local and national laws related to environmental standards.

Where it is a legal requirement, the SUPPLIER must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

The SUPPLIER shall be aware of their end client's environmental standards/code requirements.

The SUPPLIER should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own SUPPLIERS.

The supplier shall be aware of the significant environmental impact of their site and its processes.

The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use.

The SUPPLIER shall make continuous improvements in their environmental performance.

The SUPPLIER shall have available for review any environmental certifications or any environmental management systems documentation.

The SUPPLIER should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.

Business Ethics

The SUPPLIER shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

The SUPPLIER as a minimum, must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

Where it is a legal requirement, the SUPPLIER must be able to demonstrate that they comply with all fiscal legislative requirements.

The SUPPLIER shall have access to a transparent system in place for confidentially reporting and dealing with unethical Business Ethics without fear of reprisals towards the reporter.



The SUPPLIER should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice.

The SUPPLIER should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics, are trained on what action to take in the event of an issue arising in their area.



3. Specific Dantherm requirements

Chemicals

SUPPLIERS must comply to the restrictions in the EU Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Restriction of the use of certain Hazardous Substances (RoHS), and Substances of Concern In articles as such or in complex objects (Products) (SCIP) established under the Waste Framework Directive (WFD).

Substances of very high concern (SVHC)

If any substances of very high concern (SVHC) are present in the provided products, the SUPPLIER must immediately inform DANTHERM thereof.

Conflict minerals

The SUPPLIER cannot provide conflict minerals as defined in the Dodd-Frank directive of any kind to DANTHERM.

Climate

SUPPLIERS must minimize their negative impact on the climate.

Waste

SUPPLIERS must comply with and act in accordance with the WEEE directive 2002/96/EC as amended.

Disassembly, re-use and end-of-life treatment

DANTHERM is in the process of mapping the disassembly, re-use and end-of-life treatment of all materials. In this regard, DANTHERM would like the SUPPLIER if possible, to provide DANTHERM with information on disassembly, re-use and end-of-life treatment of products provided. The SUPPLIER warrants that the information provided to DANTHERM based on this request is correct and adequate. If any changes are made in the products that affects the product disassembly, re-use and end-of-life treatment information, the SUPPLIER shall deliver to DANTHERM such information.

Certificates and markings

The SUPPLIER shall for every product or part delivered provide relevant documentation for certifications and markings like e.g. CE or EAC markings if obtained.

EU directives

The SUPPLIER shall comply with all relevant EU directives for the products provided. This includes e.g. The Low Voltage Directive, The Machinery Directive, and The Packaging and Packaging Waste Directive.

Country of Origin

The SUPPLIER shall provide DANTHERM with documentation of the HS-Code and the Country of Origin for each part delivered to ensure correct registration of data for customs clearance.

DANTHERM shall submit a template for this documentation, in the form of a Long Term Supplier Declaration. SUPPLIER is to complete, sign and return this Declaration prior to first order confirmed and it remains valid for all deliveries on forward.

The SUPPLIER is obliged to inform DANTHERM of any planned change in origin as soon as possible and prior to the first confirmation of order with new origin.

An updated Long Term Supplier Declaration is then sent to the Dantherm Global Sourcing Team (globalsourcing@dantherm.com).



Signature

Date

Company

Name

Title
