

# Cresto Safety Supplier Code of Conduct

## 1. Introduction

Cresto Safety operates in a world that expects companies to be aware of their impact on the community based on environmental, economic and social factors. Cresto Safety's intention and commitment is to proactively take its responsibility for its supply chain and for this purpose, the Board of Directors of Cresto Safety have adopted a Supplier Code of Conduct, which describes Cresto Safety's desired position with respect to such factors. Cresto Safety is committed to perform its business in accordance with the UN Global Compact Principles regarding human rights, environment and anti-corruption.<sup>1</sup> Cresto Safety's business is based on close, long-term relationships with customers, suppliers and other business partners. Cresto Safety aims to be perceived as a trustworthy, long-term and reliable collaboration partner and will act professionally, honestly and ethically correct.

To be able to accomplish Cresto Safety's goals related to environmental, economic and social factors, a Supplier Code of Conduct has been developed and implemented. This Supplier Code of Conduct places expectations on Cresto Safety's suppliers<sup>2</sup> to respect fundamental human rights and treat their workforce fairly and with respect. In order to fulfil the requirements set out in this Supplier Code of Conduct, all suppliers to Cresto Safety are requested to adhere to the principles and requirements listed in this Code – and to confirm this by signing this document and to send a copy of the signed document to the purchasing manager at Cresto Safety.

Suppliers shall also be responsible for ensuring that their sub-suppliers, contractors and agents are in compliance with this Code, as well as assess their performance against this Code. Thus, this Code shall be applicable for the entire Supply Chain of Cresto Safety.

Please note, this Supplier Code of Conduct is a minimum requirements document. Cresto Safety may have further requirements on specific suppliers and those additional requirements are referred to in the individual business agreements between Cresto Safety and the supplier.

## 2. Business principles, Monitoring and Compliance

Cresto Safety expects that all suppliers shall conduct their business according to the principle of long-term, sound development, and be conducted at a high level of integrity and ethics. All suppliers to the Cresto Safety shall provide proof and information regarding the implementation of the requirements of this Code. Suppliers shall provide Cresto Safety or a Cresto Safety designated party with reasonable access to all relevant information, documentation and facilities for the purposes of assessing performance against the Code. A follow-up of the ethical, social and environmental obligations of major suppliers shall be performed on a regular basis and actions shall be taken immediately in the case of breach of the requirements of the Cresto Safety Supplier Code of Conduct. The results of such follow-ups are reported to company management on an annual basis.

If a supplier identifies any serious breach of the Code in its own operations or in its supply chain, the supplier must immediately report the issue to Cresto Safety together with an agreed schedule for corrective action.

Suppliers are expected to provide a corrective action plan with date of closure for any issues identified during an environmental and business ethics assessment/audit that do not meet the requirements of this Code. Cresto Safety is willing to help and support its suppliers regarding the applicability and

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<sup>1</sup> For more information, please visit <http://www.unglobalcompact.org/>

<sup>2</sup> A supplier to Cresto Safety is an entity or other organization, where a business agreement exists regarding deliveries of goods or services.

interpretation of the requirements set in this Code. For further information and support, the supplier shall contact the purchasing manager at Cresto Safety.

### **3. Supplier Business Ethics Requirements**

#### **3.1. Compliance with laws and regulations**

Suppliers to Cresto Safety shall comply with laws and regulations in the country of their operation. If any requirement specified in this Code should be in conflict with the law of the country of operation, the law shall take precedence and the supplier shall notify Cresto Safety.

Each supplier to Cresto Safety shall ensure that all its employees receive adequate information and training in relation to all relevant legal, regulatory and internal requirements that apply to their jobs.

#### **3.2. Basic Employment Rights**

All suppliers shall follow the Basic Employment Requirements stated below.

##### **3.2.1. Equality and Discrimination<sup>3</sup>**

All suppliers shall adhere to the principle of equal rights at the workplace and there shall be no discrimination (e.g. recruitment, salary, training, promotion, dismissal) at the workplace. All employees shall be treated on their individual abilities and qualifications to perform the work.

No form of discrimination on the ground of race, gender, religion, political opinions, national origin, social origin, sexual preference or other comparable grounds shall occur.

##### **3.2.2. Employment Contracts**

All employees shall be entitled to a written and signed contract of employment. Basic employment conditions (e.g. position, salary, working hours, tasks) shall be stated in the contract.

##### **3.2.3. Forced labour and disciplinary measures<sup>4</sup>**

Forced, bonded, involuntary prison and illegal labour shall be prohibited. The employer shall not keep personal possessions, money or wages as deposit in exchange for work or work related activities. All employees shall be free to leave their employment after a reasonable notification period. Physical, psychological as well as financial punishments shall not be permitted.

##### **3.2.4. Wages and working hours**

Wages and working hours shall, at least, be compliant with the legislated minimum level requirements. Wages must be paid regularly and on time and overtime must be voluntary and in accordance with national, regional and local law.

##### **3.2.5. Leave and sick leave**

Employees shall be granted their relevant statutory rights such as annual leave, sick leave and maternity/paternity leave without any form of repercussions.

##### **3.2.6. Freedom of Association<sup>5</sup>**

All employees shall be free to join or not to join trade unions and similar external representative organizations for the promotion and defence of their occupational interests. All employees shall have the right of collective bargaining. Workers in places where these rights may be limited shall be guaranteed opportunities to meet management to discuss wages and working conditions.

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<sup>3</sup> See ILO concerning Equal Remuneration for men and women workers for work of equal value (No.100) and ILO Convention concerning Discrimination in Respect of Employment and Occupation (No.111).

<sup>4</sup> See ILO Convention concerning Forced or Compulsory Labour (No.29) and ILO Convention concerning the Abolition of Forced Labour (No.105).

<sup>5</sup> See ILO Convention concerning Freedom of Association and Protection of the Right to Organize (No.87) and ILO Convention concerning the Application of the Principles of the Right to Organize and to Bargain Collectively (No.98).

### 3.3. Child Labour<sup>6</sup>

No Cresto Safety supplier shall permit child labour and suppliers shall protect children from economic exploitation and from performing work that may interfere with the education of the child. All persons younger than 15 years of age shall be considered as children and persons below 18 years of age shall be considered as young persons. If a supplier employs persons between the age of 15 and 18, these young persons shall not be allowed to perform any hazardous work.

If children between the age of 12 and 15 work as apprentices in accordance with the employment legislation of the country of operation, they must be afforded protection against any and all exploitation.

Furthermore, the employer must secure that:

- the work is not interfering with the education of the child,
- the apprenticeship is limited to a few hours per day,
- the work is light and clearly aimed for training,
- the child is clearly compensated.

### 3.4. Workplace Safety Requirements

All Cresto Safety suppliers shall offer a safe, healthy and sound working environment. Suppliers shall strive to constantly improve measures related to the health and safety of the employees. Cresto Safety encourages its suppliers to implement a health and safety management system, e.g. OHSAS. Cresto Safety's minimum requirements on suppliers are:

- Each supplier shall have a documented Health & Safety Management System or procedures in line with such a system.
- Workplace accidents and injuries shall be minimized and eliminated.
- Emergency routines must be documented and communicated and whenever necessary also updated.
- Emergency evacuation plans and emergency routes shall be visible throughout the entire facility.
- Workplace temperature, noise level and air quality shall be compliant with the local law.
- Employees shall have correct Personal Protective Equipment (PPE) for the work that is performed.
- All machinery shall be equipped with appropriate safety arrangements.
- The suppliers must ensure that all employees understand all safety requirements and warning labels.
- All chemicals shall be handled in a safe manner and information regarding each chemical shall be obtained from Material Safety Data Sheets (MSDS). All MSDS shall be reviewed before releasing any chemical product in the production to be able to determine correct PPE. All MSDS shall be available for the employees.
- Chemical containers must be marked with their content.
- Employees shall receive adequate training related to the Workplace Safety and to the respective work duties.
- Employees shall be informed about the possible health risks that their work could involve.

### 3.5. Housing Conditions

If the supplier provides housing for the employees, the living area per employee shall comply with the statutory minimum requirements, be hygienic, safe and offer satisfactory personal integrity. Appropriate workplace safety requirements shall also be applicable for the housing conditions.

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<sup>6</sup> See ILO Convention concerning Minimum Age of Admission to Employment (No.138), ILO Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (No.182) and UN Child Convention concerning the Right to Protection from Economic Exploitation (Article 32).

### 3.6. Business Ethics

Cresto Safety does not tolerate corruption, bribes and unfair practices that may limit competition. All sales activities and marketing of Cresto Safety's products and services shall be conducted in compliance with relevant laws and regulations in each respective country.

Suppliers to Cresto Safety shall not act in breach of applicable competition legislation in each country where they have operations, market their products or perform business with customers and/or suppliers. Suppliers shall not participate in cartels or other unlawful collaboration with competitors, customers or suppliers that limit or distort competition.

Suppliers to Cresto Safety shall not receive, offer or make undue payments or give other compensation to any person or any organization for the purpose of inducing such person or organization to act in breach of prescribed obligations.

## 4. Environment

Cresto Safety's impact on the environment, and its preemptive efforts to limit such environmental impact, are important issues for the Group. The environmental performance of its suppliers is therefore an important factor to the overall environmental impact of the company. Cresto Safety expects its suppliers to work actively with the management of natural resources and chemicals. Cresto Safety strives towards ensuring all its suppliers shall be certified against an internationally recognized Environmental Management System, such as ISO 14001 or equivalent. Furthermore, suppliers shall be compliant with relevant legal environmental requirements, both for their own operations and for the products and components that are supplied to Cresto Safety (e.g. EU RoHS, EU REACH). The intent of the Company is to gradually increase the environmental requirements on its suppliers to improve the overall environmental performance.

### Confirmation

We hereby confirm that we have taken the principles and requirements set out in this document into consideration, and that we, and any sub-suppliers hired by us, will strive to adhere to these principles and requirements. We also confirm that child labour is not permitted in the production.

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[Supplier / Company Name]

Signature \_\_\_\_\_

Title \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_