

# CODE OF CONDUCT

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**Laader Berg AS is a privately owned Norwegian company founded in 1960 by Mr. Laader Berg.**

**Laader Berg® AS, is the inventor of Maxfoam™, the world`s leading and most used polyurethane foaming system, and we have sold more than 550 foaming machines to more than 100 countries.**

## PREFACE

LAADER BERG AS is an Industrial company where sustainable business and respect for individuals are integral parts of our values. It is essential to us that all employees involved in our supply chain are treated with respect and dignity, provided with good working conditions, and involved in environmental responsible manufacturing processes. Therefore, we want to ensure that all our suppliers operate in compliance with the terms and regulations of our Code of Conduct, which is based on universally accepted standards for human rights, labour practices, anti-corruption, and the environment.

### **Code of Conduct – a commitment for our long-term partners**

The aim of this Code is to ensure our supply-chain relationships are built upon the relevant values and are assessed fairly across the globe. We wish to make a positive impact and increase transparency in our supply base in order to strengthen relationships where most needed. In case of non-compliance with our Code of Conduct, we will help to establish a plan to reach full compliance and close any gaps.

### **Your commitment**

As an important part of our ongoing business relationship, we ask you to sign our Code of Conduct to indicate that your company agrees to comply with the Code`s globally established terms and regulations. Thank you for sharing our deep commitment to do business responsibly together.

Kind regards  
Johnny Berg

HR Responsible / Finance Director  
LAADER BERG AS

## **INTRODUCTION**

**The purpose of this Code of Conduct is to ensure that the suppliers we engage with, operates in accordance with internationally recognised minimum standards on human rights, labour, anticorruption and the environment. LAADER BERG AS adhere to the principles of this code and expect the same of its suppliers.**

Compliance with the terms of this Code of Conduct or a comparable code is considered a basic condition of any agreement or contract between LAADER BERG AS and a supplier. See appendix for further details and definition of a comparable code.

We do not wish to cease any business relationship between our company and supplier, but to help suppliers improve social and environmental standards where gaps can be detected.

However, we will not conduct business with a supplier if compliance with the terms of this Code is deemed impossible. Nor will we conduct business with a supplier engaged in violations of fundamental human rights.

LAADER BERG AS will periodically review the adequacy and continuing effectiveness of this Code of Conduct.

### **Scope of Application**

The terms of this Code extend to the company as a corporate body and its workers, regardless of their status or relationship with the supplier. This Code of Conduct therefore also applies to workers who are engaged informally, on short-term contracts, or on a part time basis. It is the responsibility of each supplier to ensure that its sub-suppliers do not violate the standards of this Code of Conduct.

### **Legal Compliance**

In addition to meeting the terms of this Code, the supplier shall comply with all national laws and regulations, as well as other applicable industry standards.

Where there are differences between the terms of this Code and national laws or other applicable standards, the supplier shall always adhere to the higher or more stringent requirements. Conflicts between this Code and national laws or other applicable standards shall be evaluated by LAADER BERG AS with the supplier and relevant stakeholders. If any conflicts are detected, the supplier must inform LAADER BERG AS immediately.

### **Communication and Raising Awareness**

It is the supplier's responsibility to ensure that the standards included in this Code of Conduct is communicated to all employees as an integrated part of the supplier's own regulations and management policies. All relevant employees, including managers and supervisors, should be informed through appropriate means of communication and training if deemed needed.

## **CHARTERS OF THE CODE OF CONDUCT**

### **Labour and Human Rights charters**

1. Forced labour and freedom of movement.
2. Child Labour and Young Workers
3. Discrimination
4. Freedom of association

### **Health and Safety charters**

5. Workplace Health & Safety
6. Conditions of Employment and Work

### **Ethics charter**

7. Bribery and corruption
8. Disclosure of information
9. Intellectual property

### **Environmental charters**

10. Hazardous Substance Management and regulations
11. Environmental permits and reporting.

# THE CODE OF CONDUCT

## **1. Labour and Human rights**

*(ILO C8; C182, C29, C105, C95, Universal declaration of human rights  
UN Global Compact principles # 1,2)*

Suppliers to LAADER BERG AS must uphold the human rights of workers, to treat them with dignity and respect as understood by international community.

### **1.1 Forced Labour and Freedom of Movement**

*(ILO 29; 105)*

The supplier must not participate in, or benefit from, any form of forced labour including bonded labour, forced prison labour, slavery, or human trafficking, in accordance with the ILO-conventions. Workers must have the freedom of movement during the course of their employment.

Forced, bonded or compulsory labour is defined as forcing people to work against their will or under pressure from a threat or punishment.

### **1.2 Retention of monetary and/or material goods**

*2. (ILO 95)*

The supplier must not withhold any part of any person`s salary, benefits, property, or documents (identity cards or travel documents) in order to force such personnel to continue working for them.

### **2.1 Disciplinary measures**

The supplier shall treat all personnel with dignity and respect.

The supplier shall not engage in or tolerate the use of corporal punishment, mental or physical coercion and verbal abuse of personnel.

## **3. Child Labour and Young Workers**

*(ILO 138; 185, UN Convention on the rights of the child, UN Global Compact principle # 5)*

### **2.1 Minimum Age Requirements**

The supplier shall not engage in, or benefit from, the use of child labour. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years were established by national laws in accordance with the ILO developing-countries exception)

## 2.2 Educational Remediation Program

If the supplier becomes aware that its employing children of school age according to above established requirements, it shall ensure that the children are enrolled in a remediation program, rather than being summarily terminated from the employment. The program shall include access to education and financial support and shall be decided in consultation with the child and family or next of kind.

## 2.3 Apprenticeship Program

Apprenticeship programs for young workers (below 18 years) must be remunerated and clearly aimed in training.

## 2.4 Hazardous and Harmful Work

The supplier shall refrain from hiring young workers (below 18 years old) to perform any type of work, which is likely to jeopardize their health, safety or morals.

### 3.1 Discrimination in Employment-related decisions.

*(ILO C100, C111, C1183, UN Global Compact principle #6)*

The supplier shall not engage in or support discrimination on the basis of race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, pregnancy, family responsibilities, age, and disability or other distinguishing characteristics.

Hiring, remuneration, benefits, training, advancement, discipline, termination, retirement or any other employment-related decisions shall be based on relevant and objective criteria.

## 4. Freedom of Association

*(ILO C87, C98, C135, C154, UN Global Compact principle #3)*

### 4.1 The Right to Freedom of Association and Collective Bargaining

The supplier must not interfere with the workers' right to form and join unions or other associations of their own choosing, and to bargain collectively. Nor shall the supplier discourage memberships of unions. Worker's representatives shall not be subject to discrimination and shall be given access to employees at the workplace. The supplier must recognize elected workers' representatives and bargain in good faith with them regarding all important concerns at the workplace.

#### **4.2 Alternative Measures in Case of State Prohibition on Unions**

If trade unions are not allowed in the area of operation, or only state authorized organisations are allowed, then supplier shall facilitate, and not prevent, alternative measures to allow employees to gather independently to discuss work-related matters and a forum to present work-related concerns to management.

### **5. Workplace Health and Safety**

*(ILO C148, C155, C161, R164)*

Suppliers must be committed to creating safe working conditions and healthy work environment for all their workers.

#### **5.1 Health and Safety Standards**

The supplier shall ensure that its workers are offered a safe and healthy working environment with adequate protection from fire, accidents, and toxic substances. This includes to prevent actions such as evacuation procedures, emergency training and drills, appropriate fire detection and suppression equipment and well-marked exit facilities. Adequate health and safety policies and procedures must be established, communicated and followed.

#### **5.2 Training and Protective Gear**

The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely.

#### **5.3 Occupational Safety**

Suppliers shall comply with all the applicable health and safety related laws and regulations. Workers shall never be disciplined for raising safety concerns and for refusing working in an unsafe environment. Clear procedures shall be in place to identify, manage, record and report occupational injuries and illnesses appropriately. Furthermore, Suppliers shall implement corrective actions to eliminate the root causes of injuries and illnesses. Where hazardous substances are used, relevant supervision, controls and emergency plans shall be provided. Suppliers shall ensure washing facilities near acids and other corrosive substances. Electrical equipment and wires shall be safely insulated, equipped with safety fuses and regularly inspected and repaired.



## 5.4 Physically Demanding Tasks and Ergonomics

Suppliers shall identify physically demanding tasks and evaluate and control worker exposure for these tasks. Examples of these tasks include heavy lifting and heavy material handling, prolonged standing and highly repetitive tasks.

Suppliers shall ensure that workers are not subject to unnecessarily poor work ergonomics, and this applies especially to physically demanding tasks.

## 5.5 Sanitary Infrastructure

The supplier must provide a suitable, clean and sanitary infrastructure, including access to toilets and portable water, which conforms to the needs and numbers of its employees. Accommodation, if provided by the supplier, shall conform to the same requirements, including the general provisions on health and safety standards listed above.

## 6. Conditions of Employment and Work

*(ILO C1, C14, C131)*

### 6.1 Workplace Violence, including Assault, Harassment and Threats.

The supplier shall protect workers from acts of physical, verbal, sexual, or physiological harassment, abuse, or threats in the workplace, whether committed by managers or fellow workers including determining and implementing disciplinary measures.

### 6.2 Remuneration

The supplier shall comply with legal minimum standard or industry benchmark standards concerning wages and benefits, whichever is higher. In any case, the supplier shall always provide a “living wage”, which means that workers should be able to meet the basic needs of themselves and their dependents, as well as provide some extra income left for spending after necessities like shelter and food are paid for.

Overtime shall be remunerated and clearly specified.

Vacation, including time off, sick leave, holidays and parental leave shall be remunerated according to national law. Wages shall be paid directly to the employee, or someone elected by employee, and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.

### 6.3 Established Working Relationship

All workers shall be provided with a written, understandable, and legally binding labour contract. The supplier shall not rely on part-time, short-term, or casual labourers, trainees, or false apprenticeships to pay lower wages or reduced benefits.

### 6.3 Leave

The supplier shall grant employees holiday and sick leave each year according to national laws. Women or men, who take parental leave, must not face dismissal or threat of dismissal, and shall be able to return to work in their former employment or equal at the same rate of pay and benefits.

### 6.3 Hours of Work, Rest Periods and Breaks

The supplier shall ensure that the workweek is limited to 48 hours, and under no circumstances exceed 60 hours including overtime. Overtime shall be voluntary and infrequent. Employees are entitled to at least one day off per week and shall be given reasonable breaks while working and sufficient rest periods between shifts.

## 7. Ethics

### 7.1 Bribery and Corruption

*(UN Convention against Corruption, UN Global Compact principle # 10)*

LAADER BERG AS has a zero-tolerance policy on bribery and corruption. This applies to all of LAADER BERG AS business and transactions in all the countries in which we and our supplier`s business operate. Following Nations Convention against Corruption (UNCAC), we strive to fight corruption and bribery through increased transparency and governance downstream in our supply chain, alongside implementing internal anti-corruption policies.

Our zero-tolerance policy effectively means that the supplier shall not, directly or indirectly through agents or consultants, participate in or endorse any corrupt practices, such as bribing or any other method, to unjustly influence public official, the judiciary and/or private parties to gain improper advantage.

## 8. Disclosure of Information

Our business commitment is dependent upon co-operation, mutual trust and respect between our suppliers and LAADER BERG AS. All observations, discussions and written information received from LAADER BERG AS are to be treated confidentially by the supplier, its employees and any third-party organisations appointed by either side.

## 9. Intellectual Property

Suppliers must respect intellectual property rights and recognize the value of intellectual property such as patents, designs, pictures, trademarks, trade secrets and copyrights. Transfer of technology and know-how must be done in a manner that protects intellectual property rights.

## 10. Environment

*(ILO C170, UN Global Compact principle # 7-9, UN Environmental Programme)*

At LAADER BERG AS, environmental responsibility is an integral part of our business practices. Acknowledging the UN Global Compact principle #7-9 and UNEP's guidelines to make an impact, we promote suppliers who are committed to reducing their environmental impact.

The supplier shall work towards reducing its environmental impact through an active and responsible leadership. The most commonly prioritized aspects of environmental impact are, exploitation of natural resources, energy, fresh water, emissions to air and water, noise and dust, risk to cause soil pollution, waste disposal and product related aspects such as design, packaging and transportation.

We encourage our suppliers to have documented Environmental Management System (EMS) in place in order to manage the organization's procedures and production processes in a comprehensive and documented manner, specifically adhering to environmental regulations.

### 10.1 Hazardous Substance Management and Regulations

The supplier must comply with all national laws and regulations prohibiting or restricting specific substances. Suppliers shall for example comply with material restrictions and continuously maintain records of relevant raw material declarations such as Material Data Sheets (MDS) or similar. In terms of documentation, suppliers must have appropriate management systems and routines in place in order to monitor:

- The handling of any chemicals in its operations in an environmentally safe way.
- The handling of any Conflict minerals shall follow international rules to implement reporting and disclosure requirements regarding conflict materials.
- The handling, storing and disposing of hazardous waste in an environmentally safe manner.
- Routines to avoid pollution.
- Emergency routines to prevent and minimize the effects on health and environment in the event of an emergency situation or an accident.
- How development and diffusion of environmentally friendly technologies and/or materials addresses and encouraged where applicable.

## 10.2 Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities must be monitored, controlled and treated as required by applicable laws and regulations before discharge and disposal. In any case, LAADER BERG AS, requires its suppliers to characterize, monitor, control and treat wastewater and any solid waste in a responsible manner. Records and evidence of treatment procedures should be provided upon request.

## 10.3 Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particles, ozone depleting chemicals and combustion by-products generated from operations must be characterized, monitored, controlled and treated as required by applicable laws and regulations before discharge. Regardless of applicable national regulations, LAADER BERG AS, requires its suppliers to characterize, monitor, control and treat air emissions in a responsible manner. Records and evidence of treatment procedures should be provided upon request.

## 10.4 Pollution prevention and resource reduction

Suppliers must endeavour to reduce or eliminate waste of all types, including water and energy, by implementing appropriate conservation measures in its facilities and throughout its production processes. Furthermore, we expect our suppliers, as a natural of their own commitment to environmental policies, to consider reusing, recycling or substituting materials with improved environmentally friendly properties where applicable. Consideration of environmentally friendly technologies should also be addressed and encouraged where applicable.

## 12. Environmental permits and reporting

Suppliers must obtain, maintain and keep all required environmental permits and registrations and follow the operations and reporting requirements of such permits.

# IMPLEMENTATION & OPERATING WITHIN THE CODE OF CONDUCT STANDARDS

## **Records and Documentation**

LAADER BERG AS expect our suppliers to maintain appropriate records to demonstrate compliance with the terms of this Code of Conduct. To verify compliance with the terms of this Code of Conduct, following records are considered the basic check list for any supplier and should therefore be made available at scheduled inspections upon request, accompanied by relevant confidentiality measures from suppliers side.

- Names and ages of all workers
- Time sheets
- Payroll records including wage slips and overtime wage records.
- Material safety data sheets, accident records and relevant health and safety certificates and permits.
- Environmental records including data from the monitoring of significant environmental impacts and relevant permits as listed above.
- Records of non-compliance encountered in relations to this Code, including summary of the corrective actions taken to remedy the event.

## **Definition of Roles and Responsibilities**

The supplier must assign responsibilities within its organisation for the implementation of this Code of Conduct. As a minimum, the following representatives shall be designated:

- One or more management representatives with the responsibility and authority to ensure compliance with the terms of this Code or any comparable code as defined in the appendix.
- A qualified health and safety representative at each facility responsible for planning, implementing and monitoring the suppliers health and safety policies and procedures according to ILO R0164.
- A freely elected workers representative responsible for facilitating dialogue and communication between the supplier and its employees on all matters pertaining to the work environment. This function may alternatively be carried out by a freely elected trade union representative according to ILO C98.

The supplier shall ensure that repeated offences and serious neglect by any of its personnel in relation to matters pertaining to this Code will result in appropriate disciplinary actions, which may include dismissal from employment.

## **Complaints Procedures**

The supplier shall establish mechanisms for hearing, processing, and handling complaints of employees or local communities. Workers must have the right to anonymously submit complaints regarding all workplace concerns, including complaints regarding the suppliers failure to comply with this Code of Conduct, without fear of punishment or adverse employment action.

The supplier shall properly investigate, address and settle all complaints in accordance with its pre-established complaint procedure. Anyone affected by the supplier's activities must have access to communicate concerns or submit complaints without discrimination or fear of reprisals.

## **Relations with Sub-supplier contracts**

The supplier is responsible for ensuring that its representatives sub-suppliers comply with the terms and standards of this Code of Conduct or any comparable code as defined in the appendix.

The zero-tolerance standards of LAADER BERG AS, outlined below are also applicable to sub-supplier.

## **Monitoring**

LAADER BERG AS, reserves the right to monitor the operations of our suppliers to assess and ensure compliance with our communicated Code of Conduct. Our monitoring program consists of:

- On-site inspections
- Periodic self-evaluations by suppliers of their premises and those of their subcontractors.
- Auditing through 3<sup>rd</sup> party contractor to verify compliance.

The frequency and details of supplier's audits will depend on the size of the supplier and its exposure to risk elements.

The supplier shall, when business justifies, at any time freely submit to announced audits. The supplier is required to provide physical access to any auditor from LAADER BERG AS, or party assigned by us. This obligation entails unhindered access to manufacturing facilities, relevant records, and were provided by suppliers, housing, as well as employees for confidential interviews.

Where confidentiality matters are at stake, the supplier shall make its best effort to provide momentary access to relevant facilities and records to validate its compliance.

## **Enforcement, Remediation and Corrective Actions**

The results of all monitoring visit will be documented in a monitoring report. Where instances of non-compliance with the terms of this Code of Conduct are identified the supplier shall be given a fixed period to take corrective action and remedy the identified gaps, as well as take measures to prevent similar problems from recurring in the future.

In the event of failure to self-correct a problem, LAADER BERG AS, is willing to help the supplier to develop and implement a corrective action plan, with appropriate time frame for implementation and goals to be met with.

## **Zero-tolerance Standards**

LAADER BERG AS will not conduct business with a supplier engaged in violations of fundamental human rights.

The following practices are therefore considered unacceptable:

1. The use of bonded and forced labour, including forced prison labour and human trafficking.
2. Any violation of the ILO convention C182 worst form of child labour.
3. Any harsh, inhumane or degrading treatment or punishment of employees.
4. The exposure of employees to life-threatening work environments, where they have not been informed of the dangers and where protective measures have not been undertaken.
5. Deliberately causing substantial pollution to air or water, or substantial soil contamination.
6. Any complicity in violations of international humanitarian law and other crimes against the human person as defined by international law, including war crimes, crimes against humanity, genocide, torture, forced disappearances, hostage taking and extrajudicial, summary or arbitrary executions.

## **Violation of Zero-tolerance Standards**

If LAADER BERG AS has reason to believe that such violations are being committed by supplier, the business relationship will be terminated immediately. If we have reason to believe that a supplier knowingly operates in violation of fundamental human rights, the supplier will be reported to the proper authorities.

## **Supplier Code of Conduct Declaration**

Each supplier must sign our supplier Code of Conduct Declaration (separate document) and this will be continuously evaluated in our supply-chain with regard to new and existing suppliers.

## References

In preparing this code of conduct for suppliers the following reference were consulted:

UN Global Compact  
[Unglobalcompact.com](http://Unglobalcompact.com)

Universal Declaration of Human Rights (UDHR)  
[Un.org/en/documents/udhr/index.shtml](http://Un.org/en/documents/udhr/index.shtml)

UN Conversation on the Rights of the Child:  
[Unicef.org/crc/](http://Unicef.org/crc/)

International Labour Organization:  
[Ilo.org](http://Ilo.org)

Rio Declaration, Agenda 21:  
[Unep.org](http://Unep.org)

Children`s Rights and Business Principles:  
[Unglobalcompact.org/Issues/humanrights/childrensprinciples.html](http://Unglobalcompact.org/Issues/humanrights/childrensprinciples.html)

United Nations Convention against Corruption:  
[Unodc.org/unodc/en/treaties/CAC/index.html](http://Unodc.org/unodc/en/treaties/CAC/index.html)

OECD Guidelines for Multinational Enterprises:  
[Oecd.org/daf/internationalinvestmest/guide-linesformulationalerprises/49744860.pdf](http://Oecd.org/daf/internationalinvestmest/guide-linesformulationalerprises/49744860.pdf)



## APPENDIX

### Clarifying information

**Definition of Comparable code-** While many companies emphasize their sustainability commitments through various standards and codes, the ultimate basis for these commitments are in general the same. Therefore, we at LAADER BERG AS are willing to validate and accept comparable codes with suppliers who already have such agreements in place, given at they adhere to the same stringent requirements.

By “**comparable code**” we mean a code which at a minimum is based on the Universal Declaration of Human Rights, and the ILO conventions and includes an obligation to comply with national legislation. In addition, the code should contain provisions on anti-corruption, health & safety, environment and working conditions that are comparable with the provisions of the LAADER BERG AS Code of Conduct charters.

Suppliers are required to submit the code/standards and their written commitments as proof of compliance.

The assessment of a comparable code relies on an individual level conducted by LAADER BERG AS.

**Definition of Conflict Minerals-** Conflict minerals refer to gold, tantalum, tungsten, tin, columbite-tantalite and wolframite, regardless of where they are sourced, processed or sold. In response to violence and human rights violations in the mining of these minerals from Eastern portion of the Democratic Republic of Congo and surrounding countries, U.S. Securities and Exchange Commission has adopted rules to implement reporting and disclosure requirements related to Conflict Minerals. We support these initiatives and the humanitarian goal of ending violent conflict in the DRC and surrounding countries.