

Alrec

Code of Sustainable Supply

(COSS)

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Introduction

Corporate Social Responsibility (CSR) is a core component of our business. Alrec will comply fully with all national and international labour and social laws. In addition, our business partners will conform to the fundamental social standards of this Code. The fundamental social standards outlined in this Code are based on ILO Conventions and the United Nations Universal Declaration of Human Rights. They constitute the absolute minimum, and not the maximum, of protection and promotion of fundamental rights for employees. Whenever the provision of national and international laws, specific industry standards and this Code address the same subject, the regulation which affords the greater protection for employees applies.

In this Code of Sustainable Supply, we have identified our ambitions when it comes to CSR. Together with our suppliers, we believe in the sustainable quality of our production and services which can contribute to a better world. That's why we trust that we can rely on your support. All suppliers are expected to comply with the Code of Sustainable Supply.

This enables Alrec to ensure that social responsibility principles are well applied throughout the supply chain of products and services. Alrec is willing to work with suppliers and support them to achieve compliance with this Code.

We require our business partners (suppliers, their producers and subcontractors) to observe and protect these fundamental rights for employees as a minimum, regardless of whether employed directly by our business partners and regardless of the contractual basis of this employment.

Labour

1. Forced Labour

Employment is freely chosen. Suppliers shall not employ any form of forced, bonded, slave or otherwise unfree labour. All work shall be voluntary, and employees shall be free to leave upon reasonable notice. Employees shall not be subject to any regulation which limits their personal freedom of movement.

It is not acceptable that suppliers require employees to pay a deposit in order to be able to work, or that employees are required to lodge identification documents with the employer upon commencing employment. It is also not acceptable to withhold a person's salary, benefits, property or documents.

2. Hours of Work

Hours of work shall comply with the local laws and industry standards, whichever of the two is more stringent. In any event, workers shall not, on a regular basis, be required to work in

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excess of 48 hours per week. Overtime shall be voluntary, shall not exceed 12 hours per week and not be demanded on a regular basis. Employees are entitled to at least one free day following six consecutive days of working. Employees may refuse overtime without any threat of penalty, punishment or dismissal.

Suppliers will provide employees with all legally mandated leave, including maternity leave, paternity leave, compassionate leave and annual leave.

3. Wages and Benefits

Wages and benefits paid for a standard working week must meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher, including those relating to minimum wages, overtime hours and legally mandated benefits. In any event wages should always be enough to meet basic needs and to provide some disposable 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 shall be transparent and must never be used as a disciplinary measure. All disciplinary measures should be recorded.

4. Humane Treatment

Employees shall be treated with respect and dignity. Any kind of harassment or abuse, whether it be corporal, mental, psychological, sexual or verbal, as well as any other form of intimidation, is prohibited. Disciplinary measures shall be in line with national laws and internationally recognized human rights.

Employees, who raise any complaint based on the Code and/or with regard to applicable national/international laws, shall not be subject to any form of disciplinary measures or reprisal.

5. Non-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. Employees with disabilities will be provided with reasonable job flexibility as needed to perform their job function.

6. Freedom of Association and Collective bargaining

Employees have the right to form unions or join associations of their choice, without any restrictions

or consequences. Workers representatives shall be protected against discrimination and shall be provided free access to the workplaces to ensure that they can exercise their rights in a lawful and peaceful way.

7. Working Contracts

Suppliers will not require workers to work more than the regular and overtime hours allowed by local law. In no event will the regular working week exceed 48 hours. Furthermore, workers will be allowed at least 24 consecutive hours of rest in every seven-day period. All overtime work will be consensual. Suppliers will not request overtime on a regular basis and will compensate for overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week will not exceed 60 hours.

Health and Safety

1. Working Conditions and Health & Safety

The workplace will not pose a threat to employee's health and safety and a safe and hygienic working environment will be provided. Occupational health and safety practices shall be promoted, which prevent accidents and injury in the course of work, or, as a result of the operation of the employer's facilities. Employees will receive regular communication and training on these health and safety practices. Employees shall not be disciplined for raising health and safety concerns.

2. Industrial Hygiene

Worker exposure to chemical, biological and physical agents is to be appropriately identified, evaluated and controlled. Suitable measures must be taken to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programmes.

3. Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks, is to be identified, evaluated and controlled.

Environmental Protection

1. Environmental sustainability

Suppliers will make continual progress towards eliminating and reducing waste of all types, including water and energy, at the source or, by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

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2. Permits and legal compliance.

As a minimum, suppliers shall follow all local and applicable international laws protecting the environment. All required environmental permits (e.g. discharge monitoring), approvals and registrations shall be obtained, maintained and kept current.

3. Employees Training

Suppliers need to provide their employees with adequate education and training about environmental issues regarding its primary processes, waste management systems, local laws etc.

Implementation and Monitoring

1. Documentation and records

Suppliers shall maintain appropriate documents and records to ensure compliance to legal and regulatory requirements, as well as the content of this code.

2. Audits and assessments

Suppliers shall conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, as well as the content of this code. Alrec may also monitor the supplier through an on-site audit. Such an audit will be agreed upon in advance with the supplier. Alrec will treat all findings and conclusions of such audits as confidential and will not forward them to third parties.

Ethics

Suppliers must always maintain ethical behaviour, establishing legitimate and productive relationships with their supply chain with whom they have contractual relationships. They must act with honesty and integrity in dealings with all persons inside and outside their company, including public officials from different administrations, customers, suppliers and members of the community in any country where they operate. Alrec does not tolerate any form of bribery, corruption and money laundering from criminal or illegal activities and requires that all suppliers comply with this obligation in all areas where they operate.

Management Practice

The requirements as defined in this Code shall be acknowledged by the management team of the supplier. Unless they are already part of the supplier's own code of conduct, the supplier shall communicate the standards and guidelines included in this Code to its employees.