

April 2018

Teknos Supplier Code of Conduct

Introduction

Teknos aims to be a sustainable coating solutions provider close to customers. Our values “Creative, Persistent and Fair” guide us in everything we do. We are highly committed to protecting the planet and making the world last longer. We intend to collaborate with suppliers who are willing to share this commitment. This Supplier Code of Conduct (SCC) defines the minimum standards we expect our suppliers to respect and meet within their own operations and within their supply chain. This SCC is based on the UN Global Compact ten principles in the areas of human rights, labour, environment and anti-corruption.

Environment

We expect our Suppliers to apply a precautionary approach in all their operations to minimise the impact on the environment.

Suppliers must comply with the requirements of applicable environmental legislations and regulations.

Suppliers must have a management system in place to define, control and mitigate adverse environmental impacts. Preferably this system is based on an international standard, ISO 14001 or similar, and is third-party certified.

Suppliers must set ambitious targets for reducing their environmental impact and aim for continuous improvement in their environmental performance.

Suppliers must reduce waste and emissions to air, ground and water. Suppliers must characterize and treat wastewater on site or use an external wastewater treatment facility. Emissions to outdoor air must be monitored and treated according to applicable permits and emission limits. Ground contamination must be prevented, and any contamination must be immediately acted upon.

Hazardous waste must be handled, stored and disposed in an environmentally safe manner.

Suppliers must handle chemicals in a safe way.

Suppliers must contribute to the recycling and reuse of materials and products, reduce energy consumption and strive for more efficient use of resources.

Health and safety

Suppliers must provide a healthy and safe working environment for all employees.

Suppliers must have a system in place to recognise and avoid potential risks in their operations.

Suppliers must take necessary actions to prevent accidents and injuries in all operations.

Suppliers must provide safety training and access to protective equipment when appropriate.

If housing facilities are provided, Suppliers must ensure reasonable privacy, quietness and personal hygiene facilities.

Labour and human rights

Suppliers must comply with all applicable laws and respect internationally recognised human rights, wherever they operate. In the rare situation that national law directly conflicts with international standards, Suppliers should seek ways to honour the principles of internationally recognised human rights.

Suppliers are strictly prohibited to use child labour. Suppliers must not employ children below the age of 15 (14 in certain developing countries) or below the age of completion of compulsory schooling in that country or the minimum age of employment under applicable national laws and regulations whichever is higher.

Employees under 18 are not allowed to work in hazardous conditions.

Suppliers must have a documented process in place to ensure that any identified child labour will be acted on immediately.

Suppliers must not use forced or bonded labour. Employment must always be voluntary. Employees must be entitled to terminate their employment after reasonable notice to employer. Employees are free to leave the Supplier's premises during non-working hours.

Suppliers must not discriminate. All employees must be treated fair and equally. Any form of mental or physical disciplinary action, harassment or abuse is not tolerated.

Suppliers must not use illegal overtime. Working hours must not be excessive and not exceed the statutory limit. Adequate rest periods must be regulated between the Supplier and the employees. Overtime shall be voluntary and always be compensated.

Suppliers must not prevent workers from associating freely with any worker's association or group of their choosing or collective bargaining association. Employees must have the right to form and join trade unions and other worker organisations without harassment, interference or retaliation.

Suppliers must pay at least the minimum legal wage and all legally mandated benefits, so that the wage is sufficient to meet basic needs for employees and their entitled official dependents.

Suppliers must pay compensation for overtime with respect to local law. Compensations must always be paid timely. Disciplinary deductions from wages are not allowed.

Business ethics and integrity

Suppliers must comply with all applicable laws and regulations and conduct their business in fair and ethical manner.

Suppliers must prevent bribery and corruption. Suppliers shall not pay or accept bribes or kickbacks or offer/promise any improper advantage directly or through intermediaries.

Suppliers must value free and fair competition throughout the world and respect competition laws in all the areas they operate.

Suppliers must be able to disclose the country of origin for all products Teknos is purchasing.

Suppliers must protect all confidential information provided by Teknos and its business partners and respect all intellectual property rights.

Chemical legislation (e.g. REACH)

Suppliers must follow all national and regional regulatory requirements.

Suppliers must assess the tradability of the products Teknos buys with respect to compliance with worldwide chemical regulation and assist in seeking compliance. This includes compliance with bans, restrictions, registrations and business standards. Suppliers must answer questions about chemical composition and provide test results when needed. Suppliers must inform Teknos about any significant changes in technical or chemical properties or regulatory status of a product as soon this information is available.

Management systems and commitment

Suppliers' management shall understand and respect the importance of corporate social and environmental responsibility and business ethics and be willing to improve in these areas.

Suppliers must identify, monitor and comply with all applicable national laws and regulations, industry minimum standards and with international conventions concerning social and working conditions, child labour and the protection of the environment.

Suppliers shall implement and integrate this SCC into their business and train employees and subcontractors on their rights and obligations as defined by this SCC and local laws.

Audits

Teknos will assess Suppliers' compliance with this SCC with supplier self-assessment questionnaires and reviews and by conducting onsite audits on Suppliers' premises. Audits may be performed by Teknos or third-party monitors. We intend to use the received information in our sourcing strategies, supplier evaluations and in determining with which suppliers Teknos will continue to engage and grow our business together.

We want to develop the cooperation with our suppliers and we are willing to work together with suppliers in order to meet these requirements and be more responsible towards society and environment.

References

UN Global Compact ten principles
ILO International labour standards

Teknos Corporate Management Group has approved this Supplier Code of Conduct in April 2018.

We (Supplier Company name) _____ confirm,
that we accept the requirements stated above.

Authorised Name and Position: _____

Signature _____ Date: _____

Alternatively, Supplier's adherence to these principles can be demonstrated by reference to their own code of conduct or corporate policy with comparable standards. It is the Supplier's duty to compare and check the compliance. Should a Supplier not have comparable standards in place, Supplier is expected to undertake compliance with Teknos Supplier Code of Conduct.