

Customer Value through Innovation



# SUPPLIER CODE OF CONDUCT



Valid from April 1, 2016

For NORMA Group SE and its direct and indirect subsidiaries

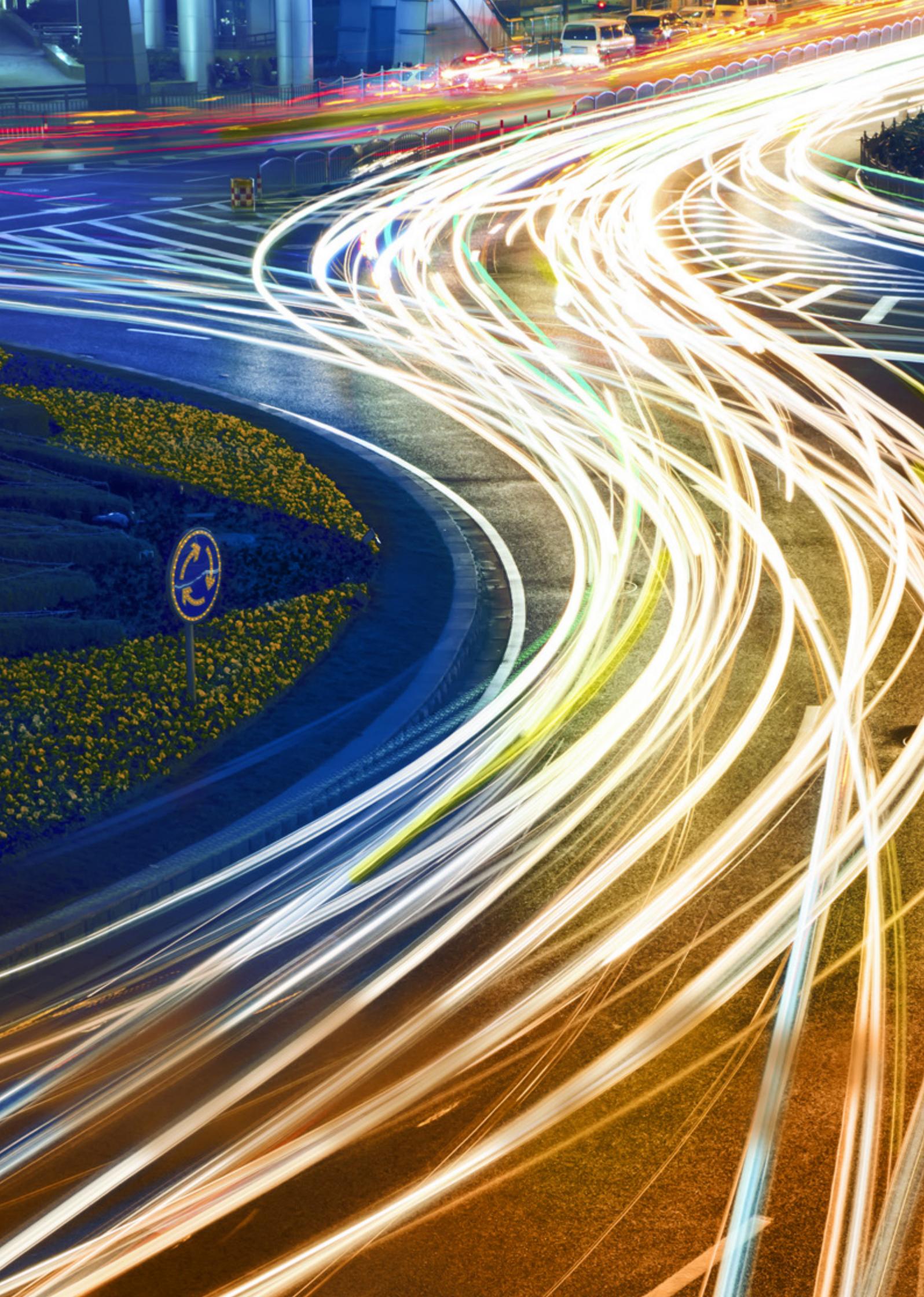
NORMA – a NORMA Group brand

[www.normagroup.com](http://www.normagroup.com)



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# 1. INTRODUCTION

## **NORMA Group – SUPPLIER CODE OF CONDUCT**

At NORMA Group<sup>1</sup>, we aim to exceed our clients' expectations by offering extraordinary levels of customer service and innovative products. At the same time, we strive to operate our company in a manner compliant with the law, ethical business practices, respect of human rights, and to adhere to health, safety and environmental standards.

Any individual, who is directly or indirectly engaged in activities associated with NORMA Group, shall do so within the same principles, which we have implemented internally. Therefore, this Supplier Code of Conduct outlines what we as NORMA Group expect from our suppliers regarding management practices and ethics, labor and human rights, health and safety as well as environmental protection. NORMA Group operates a supplier evaluation and selection process. In this process, we evaluate and select suppliers based not only on the usual metrics of service level, quality and commercial performance, but also on their commitment to meet the goals and objectives set out in this agreement.

We require all suppliers to sign this agreement to demonstrate that they comply with these standards or are committed to meeting them in the future by communicating their action plan to us.

Suppliers, who fully comply with this agreement, will have a candidate – preferred supplier' status within NORMA Group. Suppliers, who do not sign this agreement, will not be considered for new business opportunities in the future. If you as our supplier do not sign this agreement, your existing business may also be at risk when existing contracts or agreements expire and are subject to renewal. This action is not intended to be punitive but is a positive step by NORMA Group to select long term suppliers who operate on the same principles as we do.

<sup>1</sup> References to "NORMA Group" include NORMA Group SE and all its direct and indirect subsidiaries.

## 2. SCOPE OF AGREEMENT

In signing this agreement, we expect from the supplier that, at a minimum:

1. The standards set out in this agreement are applied consistently throughout their business, regardless of the contractual nature of the employment (i.e. full time, part time, temporary, etc.);
2. The supplier is committed to raising awareness of the principles contained in this document across their own supply base; and
3. The supplier does not intentionally bypass this document by means of outsourcing or subcontracting.

## 3. RED FLAG ISSUES

NORMA Group has highlighted the most important issues in this Supplier Code of Conduct with a red flag. Suppliers must fully comply with all these issues marked with a red flag. NORMA Group reserves the right to audit any supplier if NORMA Group learns about, or suspects, that a supplier may have violated these

obligations. If the suspicions turn out to be correct, NORMA Group will require the respective supplier to immediately take any measures necessary to meet the required standards. Otherwise NORMA Group will assess legal actions against the supplier including termination of the business relationship.

## 4. HUMAN RIGHTS AND LABOR

### 1. Respect and support of human rights<sup>2</sup>

NORMA Group expects its suppliers to support and respect human rights. Suppliers have to confirm that they do not take part in human rights violations.

### 2. No Forced and compulsory labor<sup>3</sup>

NORMA Group does not tolerate forced or compulsory labor in any form. Any person employed or engaged by our suppliers must have voluntarily chosen to do so. Any type of slave or forced, bonded or prison labor is prohibited. Employees must not be in any way restricted in their personal freedom of movement. Exceptions apply only to designated restricted areas (e.g. for safety or confidentiality reasons).

### 3. No Child Labor<sup>4</sup>

Child labor as defined by International Labour Organization ("ILO") and UN Conventions as well as local national laws is prohibited and not tolerated. Therefore, suppliers must not employ:

- a. children below 15 years of age (or 14, if allowed by national law in accordance with ILO agreement 138 Article 4+5);
- b. children below the minimum age of employment permitted by the law of the country or the age of the end of compulsory schooling in that country, whichever is higher; or
- c. persons below 18 years of age for work that by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons;

<sup>2</sup> These principles were derived from Universal Declaration of Human Rights (UDHR) and are set out in the United Nations Global Compact (GC 1 and GC 2)

<sup>3</sup> ILO 29, GC 4

<sup>4</sup> ILO 138, ILO 182, GC 5

Aside from any liability to local government authority that may arise, suppliers will be held accountable directly to NORMA Group for breaches of the prohibition of child labor if breaches are discovered at their manufacturing sites. Satisfactory measures to improve the situation of any affected child must be taken immediately taking into account the age, the social background and the education of the child in order to ensure the future well-being of the child. Regulations for the protection of adolescent workers must be strictly complied with.

#### **4. Freedom of Association and Collective Bargaining<sup>5</sup>**

Any person employed or engaged by our suppliers is entitled to form or join an employee organization (or union) of their choice with the aim of conducting collective bargaining and defending their interests. If national laws restrict this right, all employees should be given the right to form representations in order to promote their common interests and engage in direct dialogue with their employers. Further, suppliers should facilitate and support alternative types of independent and free association designed to conduct collective bargaining.

#### **5. No Discrimination<sup>6</sup>**

Suppliers must support equal opportunities, fairness and diversity. All persons employed or engaged by our suppliers must be treated equally. We do not tolerate discrimination with regard to sex, religion, age, race, social background, caste, nationality, ethnic and national origin, membership in an employee organization, disability, sexual or political orientation or any other personal characteristic, unless necessary due to the inherent requirements of the job or condoned because of a diversity program.

#### **6. Adequate Wages and Working Hours<sup>7</sup>**

NORMA Group expects its suppliers to ensure the payment of wages in legal tender, at regular intervals and directly to the employees concerned.

Any person employed or engaged by our suppliers must be given full information on the composition of their remuneration in a clear and understandable manner; deductions from wages are permitted only under the conditions of and to the extent prescribed by the applicable law, regulations or collective agreement. Suppliers should inform the workers affected by such deductions at the time of each payment.

The wages, working hours and other working conditions provided by suppliers should be generally comparable to the working conditions prevailing locally for work that is comparable with regards to the concerned industry or market and the qualification of the workers in the area where it is being performed, i.e. as contained in:

- a. collective agreements covering a substantial proportion of employees and workers;
- b. arbitration awards; or
- c. applicable laws or regulations.

#### **7. Humane Treatment & Disciplinary Practices<sup>8</sup>**

NORMA Group condemns and will not directly or indirectly support harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor the threat of any such treatment.

#### **8. Conditions of Employment**

NORMA Group expects its suppliers to record working and employment conditions that are agreed upon with its employees (e.g. salary, holidays, working time) in a formal document such as an employment contract or hiring letter.

<sup>5</sup> ILO 87, GC 3

<sup>6</sup> ILO 111, GC 6

<sup>7</sup> ILO 95 and other conventions addressing working time: <http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/working-time/lang--en/index.htm>

<sup>8</sup> SA8000 (6. Disciplinary Practices): <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1463>

# 5. HEALTH AND SAFETY

## 1. Occupational health and safety<sup>9</sup>

NORMA Group expects its suppliers to make employees' safety a priority at all times. The workplace must not put the health or safety of employees at risk, employees should always work in safe work environments. NORMA Group therefore expects suppliers to ensure, that:

- a. the workplaces, machinery, equipment and processes under their control are safe and without risk to health;
- b. the chemical, physical and biological substances and agents under their control are without risk to health; and
- c. where necessary, adequate protective clothing and protective equipment are provided to prevent, to an extent that is reasonably practicable, risk of accidents or of adverse effects to health;

Occupational health and security practices shall be promoted to avoid accidents and injuries at work, or as a result of using company facilities. These safety practices and approaches must be communicated to the employees and workers, and workers as well as employees must have sufficient opportunity to be fully trained on how to apply them effectively.

The principles in this article also apply to all other employee facilities and company apartments provided by the employer.

## 2. Emergency Preparedness<sup>10</sup>

NORMA Group expects its suppliers to assess and identify potential emergency situations and events. The possible impact of such events is to be minimized by implementing emergency plans and response procedures including:

- a. emergency reporting;
- b. employee notification and evacuation procedures;
- c. worker training and drills;
- d. appropriate fire detection and suppression equipment; and
- e. adequate exit facilities.

## 3. Prevention of occupational injury and diseases<sup>11</sup>

NORMA Group expects suppliers to put procedures and systems in place to prevent, manage, track and report occupational injury and diseases. These systems help to encourage workers to report accidents, classify and record injury and disease cases, provide necessary medical treatment and to investigate cases. This information can be utilized to implement corrective actions to eliminate their causes.

## 4. Physically demanding work

NORMA Group expects suppliers to identify, evaluate and control their workers' exposure to the hazards of physically demanding tasks such as manual material handling, heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks.

## 5. Industrial Hygiene

NORMA Group expects suppliers to identify, evaluate and control their workers' exposure to chemical, biological and physical agents. If overexposure can't be controlled by means of engineering or administrative controls, workers are to be protected by appropriate personal protective equipment.

<sup>9</sup> ILO 155, Art. 16

<sup>10</sup> ILO 161, ILO-OSH 2001

<sup>11</sup> ILO 155, Art. 11

# 6. ENVIRONMENT

## 1. General Requirements<sup>12</sup>

NORMA Group requires its suppliers to have an effective environmental policy, to hold and maintain all required environmental permits and to comply with existing local laws and regulations regarding the protection of the environment. Suppliers should, wherever possible, support a precautionary approach to environmental matters and undertake initiatives to promote greater environmental responsibility.

## 2. Hazardous and Chemical Substances

NORMA Group expects its suppliers to identify and monitor chemical products and other materials posing a hazard to the environment, to ensure their safe handling, movement, storage, recycling or reuse and disposal.

## 3. Wastewater and Solid Waste

Should suppliers discharge or dispose solid waste or wastewater generated from operations, industrial processes and sanitation facilities directly into the environment and without prior handling by a third party, NORMA Group expects its suppliers to characterize, monitor, control and treat wastewater and solid waste prior to discharge/disposal.

## 4. Air Emissions

NORMA Group expects its suppliers to characterize, monitor and control air emissions of aerosols, volatile organic chemicals, corrosives, ozone depleting chemicals, combustion by-products and particulates generated from operations, in order to control and treat them as required prior to discharge/disposal.

## 5. Minimize Waste, Maximize Recycling

NORMA Group expects its suppliers to reduce or eliminate waste of all types and to reduce the inefficient use of resources, including water and energy, at the source or by practices such as material substitution, conservation, recycling, modifying production, maintenance and facility processes.

<sup>12</sup> This principle was derived from: GC 7, 8 and 9

## 7. ETHICS

### 1. Business Integrity

NORMA Group expects its suppliers to strictly prohibit all and any forms of bribery, corruption, embezzlement and extortion and to have a zero tolerance policy towards such practices. Bribes or any other means of obtaining undue advantage are neither to be offered nor to be accepted. NORMA Group expects its suppliers to comply with the US FCPA, UK Bribery Act and other anti-corruption legislation. NORMA Group may exercise its audit rights if it has reason to suspect that its supplier is not complying with both the anti-corruption and books and records portions of these laws.

### 2. Disclosure of Information

NORMA Group expects its suppliers to disclose information regarding business activities, corporate structures, financial situation and performance in accordance with applicable regulations without falsification or misinterpretation.

### 3. Intellectual Property

NORMA Group expects its suppliers to respect and uphold intellectual property rights. If necessary, the transfer of technology and know-how is to be conducted in a manner that protects intellectual property rights.

### 4. Protection of Identity

NORMA Group expects its suppliers to protect the identity of anyone who makes a disclosure about improper conduct by an employee or officer of the company.

### 5. Fair Business, Competition and Advertising

NORMA Group expects its suppliers to uphold standards of fair business, advertising and competition. Appropriate means to safeguard customer and confidential business information must be available.

### 6. Minerals from the "Conflict Region"

NORMA Group supports ending the violence and human rights violations in the mining of certain minerals from a location described as the "Conflict Region", which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. These "conflict materials" currently refer to gold, as well as tin, tantalum, and tungsten, the derivatives of cassiterite, columbite-tantalite, and wolframite. If requested by NORMA Group, suppliers who provide parts that contain one or more "conflict material" and source from the "Conflict Region", must be willing to cooperate to conduct due diligence as per the requirements of the Dodd-Frank Act under U.S. federal law.

# A. RESPONSE FORM

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**RESPONSE FORM**

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(Name of supplier) has read and understood this document

and complies with the Red Flag Issues

**Yes**

**No.** If "no", please make sure to comply with the Red Flag Issues within three month after signing this document

and fully complies with the remaining paragraphs of this Code of Conduct

**Yes**

**No.** if "no", please communicate your action plan leading to full compliance with the document within three month after signing this document

and commits him/herself to immediately report any violation of this agreement to [compliance@normagroup.com](mailto:compliance@normagroup.com).

**Name:**

**Position:**

**Email:**

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Place, date

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Signature

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Place, date

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Signature (Compliance Officer)