



VIMALUX

STATEMENT OF BUSINESS PRINCIPLES

&

CODE OF CONDUCT

FOR SUPPLIERS, AGENTS & BUSINESS PARTNERS IN GENERAL

Objectives

The purpose of this code of conduct is to ensure that suppliers to VIMALUX operate in accordance with internationally recognized minimum standards on human rights, labor and the environment. VIMALUX adheres to the principles of this code and expects the same of its suppliers.

Observance of the code will be an enforceable and enforced part of any agreement or contract between VIMALUX and our suppliers.

The aim of the code is not to terminate business, but to help suppliers improve social and environmental standards. VIMALUX is therefore willing to work with suppliers to achieve compliance with the provisions of this code. However, we will not conduct business with a supplier if compliance with the requirements of the code is deemed impossible. Nor will we conduct business with a supplier engaged in violations of fundamental human rights (see zero-tolerance standards below).

VIMALUX shall periodically review the adequacy and continuing effectiveness of this code of conduct.

Scope of Application

This code applies to all VIMALUX 's suppliers. The provisions of the code extend to all workers, regardless of their status or relationship with a supplier. The code therefore also applies to workers who are engaged informally, on short-term contracts, or on a part-time basis.

It shall be the responsibility of suppliers to ensure that their sub-suppliers do not violate the standards of this code.

General Principles

Any questions or disputes regarding the interpretation of the provisions of this code shall be resolved by VIMALUX.

The code is not and should not be interpreted to circumvent or undermine national laws or national labor inspectorates. Similarly, this code is not and should not be interpreted as a substitute for free trade unions, nor should it be used as a substitute for collective bargaining.

The code establishes minimum standards and VIMALUX will not accept any attempt to use the requirements to lower existing standards or to prevent or discourage collective bargaining.

When implementing the code, suppliers shall take all necessary measures to ensure that they do not unintentionally leave workers and other beneficiaries in a worse position than before the code was introduced.

Legal Compliance

In addition to meeting the provisions of this code, suppliers shall comply with all national laws and regulations as well as other applicable standards (e.g. collective bargaining agreements or other codes of conduct). Where there are differences between the provisions of this code and national laws or other applicable standards, suppliers shall adhere to the higher or more stringent requirements. Conflicts between the provisions of this code and national laws or other applicable standards shall be evaluated by VIMALUX in cooperation with the supplier and relevant stakeholders to establish the most appropriate course of action that will help to foster respect for fundamental human rights, labor standards and the environment. If any conflicts are detected, the supplier must inform VIMALUX immediately.

International Standards

This code of conduct is based on the general principles contained in the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), the International Covenant on Economic, Social and Cultural Rights (1966), the Eight Fundamental ILO Conventions and other relevant international human rights and labor standards, as listed in Annex B. Each provision of the code makes explicit reference to the underlying international human rights or labor standards.

Termination

If a supplier to VIMALUX fails to comply with the objections and conditions set out in this Code of Conduct VIMALUX will give the supplier 7 calendar days' notice to remedy such non-compliance. If the supplier after 7 calendar days cannot prove without a reasonable doubt the non-compliance has been remedied VIMALUX may terminate all agreements with the supplier with immediate effect. In that event the supplier shall be deemed to be in breach and not entitled to any claim for damages or losses directly or indirectly connected to the termination.

Any breach of this Code of Conduct shall be deemed significant.

PART I: CONDUCT REQUIREMENTS

1. Forced Labor

1.1. Forced Labor and Freedom of Movement

The supplier must not participate in, or benefit from, any form of forced labor, including bonded labor, forced prison labor, slavery, servitude, or human trafficking. Workers must have the freedom of movement during their employment.

1.2. Retention of Identity Cards and Travel Documents

The supplier shall refrain from retaining the identity cards, travel documents, and other important personal papers of its employees.

2. Child Labor and Young Workers

2.1. Minimum Age Requirements

The supplier shall not engage in, or benefit from, the use of child labor. 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 where established by national laws in accordance with the ILO developing-country exception).

2.2. Educational Remediation Program

If the supplier becomes aware that it is employing children of school age, it shall ensure that the children are enrolled in a remediation program, rather than being summarily terminated from 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 kin.

2.3. Light work and Apprenticeship Program

Where permitted by national laws, the supplier may employ children between 12 and 15 to perform a few hours of light work per day. The work must be simple tasks of a limited nature and not interfere with the children's educational responsibilities. Apprenticeship programs for children below the minimum age of employment must be remunerated and clearly aimed at training.

2.4. Hazardous and Harmful Work

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

3. Workplace Health and Safety

3.1. Health and Safety Standards

The supplier shall ensure that its workers are offered a safe and healthy working environment, including, but not limited to, protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.

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3.2. Training and Protective Gear

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

3.3. Sanitary Infrastructure

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

4. Conditions of Employment and Work

4.1. Workplace Violence, including Assault, Harassment and Threats

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

4.2. Remuneration

The supplier shall comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. In any event, the supplier shall always provide a 'living wage', which enables workers to meet the basic needs of themselves and their dependents and to provide some discretionary income. Overtime shall be remunerated at a premium rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.

4.3. Established Working Relationship

All workers shall be provided with a written, understandable, and legally binding labor contract. The supplier shall not rely on part-time, short-term or casual laborer's, trainees, or false apprenticeships to pay lower wages and fewer benefits. Provisions for non-permanent and seasonal workers should be no less favorable than for permanent workers.

4.4. Leave

The supplier shall grant employees paid holiday and sick leave each year, as well as parental leave to employees who must care for a new-born or newly adopted child. Women who take maternity leave will not face dismissal or threat of dismissal and shall be able to return to their former employment at the same rate and benefits.

4.5. Hours of Work, Rest Periods and Breaks

The supplier shall ensure that the work-week is limited to 48 hours. Overtime shall be voluntary, infrequent, and not exceed 12 hours per week. 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.

4.6. Employee Privacy

The supplier shall respect the privacy rights of its employees whenever it gathers or keeps private information or implements employee-monitoring practices.

5. VIMALUX Products

5.1. Products Liability

The supplier shall exercise due diligence when designing, manufacturing, and testing products, to protect against product defects which could harm the life, health or safety of people likely to be affected by the defective product or have an adverse impact on the environment.

6. Environmental Protection

6.1. Managing Environmental Aspects

The supplier must strive to minimize the adverse environmental impacts of its activities, products and services through a proactive approach and responsible management of its environmental aspects (including, but not limited to):

- Use of scarce natural resources, energy and water
- Emissions to air and releases to water
- Noise, odor and dust emission
- Potential and actual soil contamination
- Handling of hazardous substances
- Handling of hazardous and non-hazardous wastes
- Product issues (design, packaging, transport, use and recycling/disposal)

6.2. Complying with Environmental Legislation

The supplier shall maintain awareness of current environmental legislative requirements, relevant to the environmental impacts of its activities, products and services and ensure legal compliance through training, awareness, operational control and monitoring.

6.3. Continuously Improving Environmental Performance

The supplier shall demonstrate continuous improvements of the overall environmental performance related to significant environmental aspects.

PART II: IMPLEMENTATION

1. Records and Documentation

The supplier shall maintain appropriate records to demonstrate compliance with the requirements of this code. Records shall be available to VIMALUX upon request at any time. Appropriate records include, but are not limited to:

- Names and ages of all workers.
- Timesheets.
- Payroll records, including wage slips and overtime wage records.
- Health and safety records, including material safety data sheets, accident records and relevant certificates and permits.
- Environmental records, including data from the monitoring of significant environmental impacts and relevant permits
- Records of any significant instances of non-compliance encountered in relation to this code, including a summary of the corrective actions taken to remedy the deficiencies.

2. Definition of Roles and Responsibilities

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

- One or more management representatives with the responsibility and authority to ensure compliance with the provisions of this code.
- A qualified health and safety officer at each facility responsible for planning, implementing and monitoring the supplier's health and safety policies and procedures.
- A freely elected workers' representative responsible for facilitating dialogue and communication between the supplier and its employees on all matters pertaining to this code. This function may be carried out by a freely elected trade union representative.

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.

3. Training and Awareness-Raising

The standards included in this code shall be communicated to all new employees, including managers and supervisors, immediately upon hiring. The supplier shall ensure that all employees are regularly informed about the standards included in the code and the necessity of acting in accordance with them. In areas with high illiteracy rates, employees shall receive verbal instructions. The code shall also be transmitted to local unions or other workers' representatives and shall always be accessible to all employees and in the local languages whenever appropriate.

4. Complaints Procedures

The supplier shall establish mechanisms for hearing, processing, and settling complaints of employees. Workers must have the right to anonymously submit complaints regarding all workplace concerns, including complaints regarding the supplier's failure to comply with this code, without fear of punishment or adverse employment action. The supplier shall properly investigate, address and settle all complaints in accordance with its pre-established complaints procedure. Anyone affected by the supplier's activities must have access to communicate concerns or submit complaints without discrimination or fear of reprisals. The supplier shall properly investigate, address and settle any complaints or concerns raised by local communities.

5. Relations to Sub-suppliers

The supplier is responsible for ensuring that its respective sub-suppliers observe the standards of this code. As part of this obligation, the supplier shall:

- Require sub-suppliers to inform the supplier about other business entities in the supply chain taking part in the production of each order.
- Screen and select sub-suppliers based on their ability to meet the standards of this code.
- Make observance of the standards included in the code a condition of any agreement or contract that it enters with sub-suppliers.
- Undertake reasonable efforts to check that sub-suppliers operate in conformance with the code.

The zero-tolerance standards of VIMALUX outlined below shall also apply to sub-suppliers. .

6. Monitoring

VIMALUX will monitor the operations of our suppliers to assess and ensure their compliance with this code. Our monitoring program consists of on-site inspections (or audits) and periodic self-evaluations by suppliers of their premises and those of their subcontractors. The supplier shall submit at any time to announced as well as unannounced audits. The supplier is required to provide physical access to any auditor from VIMALUX or other auditor assigned by VIMALUX. This obligation entails unhindered access to all facilities, records, and where provided by suppliers, housing, as well as employees for confidential interviews. The frequency and intensity of supplier audits will depend on - and shall be appropriate to - the scale and intensity of their operations.

7. Verification

VIMALUX reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this code.

8. Enforcement, Remediation and Corrective Action.

Where instances of non-compliance with the requirements of this code are identified, the supplier shall promptly take corrective action to remedy the deficiencies as well as taking measures to prevent similar problems from recurring in the future. The supplier shall make timely and reasonable amends to any employee, former employee, or community member whose rights have been violated. Remediation includes, but is not limited to, paying back all wages found to have been unlawfully withheld or reinstating any employee found to have been unlawfully dismissed. Where instances of non-compliance are detected because of audits, the supplier shall be given a fixed period of time to self-correct the deficiency. In the event of failure to self-correct a problem, VIMALUX is willing to engage in a constructive dialogue with the supplier to develop and implement a corrective action plan, with appropriate time scales for implementation and improvements to be achieved. Agreement to abide by the corrective action plan allows continuation of the business relationship, as long as VIMALUX finds that the supplier is implementing the plan in good faith. In the event of repeated and serious breaches of the requirements of the code, VIMALUX reserves the right to terminate the business relationship with a supplier and possibly cancel any production or delivery in progress.

9. Zero-tolerance Standards

VIMALUX will not conduct business with a supplier engaged in violations of fundamental human rights. The following practices are therefore considered unacceptable:

- The use of bonded and forced labor, including forced prison labor and human trafficking.
- Worst forms of child labor, including forced child labor, child prostitution, and other work which is likely to jeopardize the health, safety and morals of children.
- Any harsh, inhumane or degrading treatment or punishment of employees.
- 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.
- Deliberately causing substantial pollution to air or water, or substantial soil contamination.
- 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.

If VIMALUX has reason to believe that such violations are being committed by a supplier, the business relationship will be terminated with immediate effect without any right for the supplier to remedy such violation. If we have reason to believe that the supplier was aware of the violation and willingly operated in violation of fundamental human rights, the supplier may be reported to the proper authorities

Both Parties hereby fully comply and commit to uphold and implement in practice and intention this Code of Conduct.

On behalf of Supplier:

On behalf of VIMALUX

Signature:

Signature:

Name: _____

Name: Luciano VIMALUX

Title: _____

Title: Director

Date: _____

Date:

Company Stamp:

Company Stamp: