



## Code of Conduct as of 2024



FAYARD A/S - Kystvejen 100 - DK-5330 Munkebo, Denmark - Phone: +45 75 92 00 00 –

18.05.2024

## Introduction

At FAYARD, being a good corporate citizen, has been an integral part of the way we do business for more than one hundred years. It is reflected in our core values that we believe in constant care, our name, our employees and that we strive to be upright yet humble in our activities.

We are committed to work with our partners to promote responsible practices in general and throughout our supply chain. Our aspiration is to ensure that all our partners acknowledge our values and share our commitment to conduct business in an ethical, legal and socially responsible manner; We strive to continually improve our impact within the areas of human rights, labor standards, the environment and to work against any form of corruption and for compliance with sanctions and export controls.

We strongly believe that implementing the FAYARD Code of Conduct (referred to as the '**Code of Conduct**') not only at FAYARD, but also towards our partners and in our supply, chain will create value for all parties and this is a step to establish a long-term sustainable relationship with our partners, suppliers and subcontractors, our employees and the society where we operate within.

Our Code of Conduct aligns with the UN Global Compact and our respect for universally recognized normative standards such as the United Nations Universal Declaration of Human Rights and the Core Labor Conventions of the International Labor Organization.

---

## Scope of the Code of Conduct

The Code of Conduct formalizes the key principles applied to FAYARD and to the entities whom FAYARD does business with; these include suppliers, subcontractors, business partners, contractors, and joint venture partners, for easy reference "**Suppliers**".

The FAYARD Code of Conduct describes what we consider appropriate business conduct by Suppliers.

We expect that the Supplier implements the standards of this Code of Conduct to its own business partners, including suppliers, affiliates, contractors, and joint venture partners.

---

## Compliance

In addition to this Code of Conduct, we expect our Suppliers to comply with all applicable local and international laws and prevailing industry standards.

In case there are different requirements set forth in this Code of Conduct compared to the applicable laws or other applicable regulations or standards, we expect the Suppliers to work towards the higher or more stringent requirements. FAYARD's Suppliers must strive to comply with the requirements of this Code of Conduct and promote best practices and continuous improvement throughout their operations.

---

# Responsible Business Behavior & Prohibited Business Practice

## The Responsible Business Behavior

Our Suppliers shall conduct business in an ethical and lawful manner and act with integrity and in compliance with all applicable laws including anti-trust laws and the Supplier must comply with all applicable anti-money laundering and anti-terrorist financing laws.

The Supplier shall under no circumstances cause or be part of any breach of general or special competition regulations, such as illegal cooperation on pricing, illegal market sharing or any other behavior that is in breach of relevant anti-trust and competition laws.

The Supplier shall have accurate recording and reporting of information. As such, the Supplier's books, records, and accounts must accurately and fairly reflect the Supplier's transactions in reasonable detail and in accordance with generally accepted accounting principles.

## Anti-Corruption

FAYARD has zero tolerance towards all forms of corruption and the Supplier must comply with all applicable laws and regulations concerning bribery, corruption, fraud, and other prohibited practices. Our Suppliers shall avoid participation in or knowingly benefit from, any kind of corruption, extortion, or bribery. Consequently, the Supplier may not offer, promise, authorize or give anything of value to any public official in any country, or to any business partner, to gain any improper business advantage of any kind. In addition, the Supplier may not solicit or accept any form of bribe from any person. Gifts and hospitality should never be extended or accepted, unless doing so is reasonable, proportionate, and business-related. The Supplier is obliged to report to FAYARD any such suspicions.

## Sanctions and export control

FAYARD is committed to conducting business in accordance with, and we expect our suppliers to comply with, all applicable sanctions and export control laws and regulations. The Supplier shall take reasonable steps to ensure that no entity or person targeted by United Nations, United States, United Kingdom, the European Union or other applicable sanctions laws and regulations is involved in or unlawfully benefits from the Supplier's operations and business. The Supplier shall refrain from being involved in any transaction or activity prohibited by applicable sanctions and export control laws and regulations, including entering into agreement with sanctioned entity.

# Working and Employment Conditions

## Human Rights

FAYARD supports and respects the internationally recognized human rights and expects that our Suppliers respect internationally recognized human rights as well. We expect that our Suppliers prioritize and promote a culture that protects human rights both in the workplace and also more broadly in all their business activities.

Suppliers shall avoid being complicit in human rights abuses of any kind and shall never engage in or allow actions that constitute a violation of human rights.

## Health and Safety

We expect our Suppliers to provide a safe and healthy working environment for all their employees. An employee is an individual who works part time or full time, under an open or fixed term contract of employment that may be oral or written. We expect our Suppliers to have effective health and safety management systems that ensure, among other things:

- Compliance with applicable laws and regulations.
- Compliance with customer requirements.
- Management of hazards and risks associated with its operations (risks and hazards are identified and controlled).

The Supplier shall do its utmost to control hazardous and take necessary precautionary measures against accidents and occupational diseases. Whenever necessary workers are to be provided with, and instructed to use, appropriate personal protective equipment.

We expect our Suppliers to continuously work to reduce and mitigate health and safety risks in the workplace. We expect our Suppliers to educate, train and protect all employees from any harm arising from workplace activities.

## **Products Liability**

We expect our Suppliers to 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.

## **Respectful Treatment**

We expect our Suppliers to not use, or permit the use of, corporal punishment or other forms of mental or physical coercion, sexual harassment or abuse, nor execute threats of such treatment. The Supplier shall prohibit and refuse to tolerate, and not confer upon its workers, any unacceptable or degrading treatment, including mental cruelty, sexual harassment or discrimination gestures, language, or physical contact.

## **Data Privacy**

Our Suppliers shall respect the privacy of all individuals and will manage personal data responsibility and in compliance with applicable privacy laws. The Supplier shall also safeguard business information received regarding FAYARD, including confidential and proprietary information relating to FAYARD.

## **Use of Company Security Forces**

We expect our Suppliers to prevent its security guards from excessive or uncalled for infringement on the liberty and security of others, by providing the necessary training on when to intervene in security-related situations and how to use the minimal force necessary.

## **Equal Opportunity Rights**

We expect our Suppliers to not engage in or any support discrimination and to adopt a non-discriminating practice that strives to ensure equal treatment in recruitment, hiring, compensation, access to training, employee benefits and services, promotion, termination and retirement, irrespective of age, gender, race, color, disability, religion or belief, language, national or social origin, trade union membership, or any other status recognized by international law.

## **Child Labor**

The acceptable minimum age for employees is 15 years. As far as necessary and only if national law permits, children under the age of 15 only can carry out light work that does not interfere with compulsory schooling. If the Supplier discovers that child labor is used, the Supplier shall address and rectify the situation immediately.

Employees under the age of 18 years are not to be involved in night work or work that is hazardous or likely to have a negative impact on the employee's physical or mental development.

## **Voluntary Labor**

Our Suppliers shall not use or benefit from, forced or involuntary labor. All employees of the Supplier shall enjoy the freedom of movement during their employment including the internationally recognized principles under the International Labor Organizations ("ILO") core conventions. Personal/employment documents or payment of compensation must not be withheld, thereby preventing such an employee from terminating his/her employment and be free to leave their employment after giving reasonable notice. The Supplier shall not use or tolerate any form of forced, bonded or compulsory labor and shall strictly prohibit any form of slavery or human trafficking.

## Freedom of Association and Right to Collective Bargaining

Our Suppliers must recognize and respect the rights of its employees to associate freely in accordance with national law and international conventions and the right to collective bargaining of its employee and/or workers consistent with local laws and regulations.

The Supplier shall not discriminate against worker's representatives or members of trade unions, which shall also have access to carry out their representative functions in the workplace.

## Compensation

We expect our Suppliers to pay all employees a fair and equal compensation, in accordance with national laws and regulations, including overtime hours and all legally mandated benefits.

## Working Hours

Our Suppliers shall comply with appropriate working hour requirements as established by national law or relevant collective agreements. We expect our Suppliers to ensure that overtime is voluntary, communicated to the employee and appropriately compensated in accordance with local and international regulations and collective agreements. Further, we expect the Supplier to have written and binding agreements of employment for all workers setting out the employment conditions in a language understandable to the worker.

## Environment

We expect our Suppliers to integrate environmental considerations in its activities and strive for continuous improvement, by minimizing any adverse effects and impacts of its activities on the environment.

We expect our Suppliers to comply with all relevant local and national environmental laws and regulations, as well as all requirements for environmental licenses and permits.

We expect our Suppliers to strive to develop and implement environmental management systems that include measurement and monitoring to:

- Identify environmental impacts.
- Reduce waste, energy and emissions to air, ground, and water.
- Handle chemicals in an environmentally safe way.
- Manage, store, and dispose of hazardous waste in an environmentally safe manner.
- Contribute to the recycling and reuse of materials and products and implement environmentally friendly technology.

---

## Policy of dealing with severe violations

The underlying objective of the Code of Conduct is to establish a basis for a positive development of responsible procurement practices through dialogue and ongoing working relationships.

However, breach of the Code of Conduct may result in actions being invoked against the Supplier, in addition to any contractual or legal remedies. The action will depend on the nature and seriousness of the breach and the degree of commitment shown by the Supplier in breach to its obligations under the Code of Conduct.

The range of actions available to be imposed on the Supplier includes but is not restricted to: (i) formal warnings and (ii) termination of contract without recourse.

FAYARD reserves the right to terminate the business relationship with Suppliers who repeatedly and knowingly violate the Code of Conduct and refuse to collaborate with FAYARD in implementing improvement plans. In certain cases, e.g. in cases of bribery, corruption, violation of sanctions and export control rules and regulation termination may be with immediate effect.

The Supplier must maintain all documents necessary to demonstrate compliance with the Code of Conduct.

We expect our Suppliers to maintain documentation necessary to demonstrate their performance, in comparison to the guidelines set in the Code of Conduct and/or recognized guidelines, standards or management systems for social responsibility as well as compliance with applicable laws and regulations.

We expect our Suppliers to continually improve their impact within the areas of human rights, labor standards, and the environment and to work against any forms of corruption and for compliance with sanctions and export controls.

---

## Requirements for suppliers with an existing long-term business relationship

In addition to the Code of Conduct, Suppliers with an existing long-term business relationship with FAYARD are expected to have management systems in place to ensure compliance to this Code of Conduct and to pro-actively extend these principles within their own supply chain.

### **Implementation**

FAYARD will give preference to Suppliers based on quality, reliability, and price and who share our commitment to conduct business in a compliant, ethical, as well as environmentally and socially responsible manner. We will request the Supplier to work with us in an open and transparent manner to assess whether the Supplier respects the Code of Conduct. The process of such an assessment may consist of an initial collection of Code of Conduct related information by FAYARD in a dialogue with the Supplier. This may be followed by information provided by the Supplier through answering a more detailed self- assessment questionnaire or an on-site audit and a subsequent improvement program.