

Code of Conduct for Suppliers

1. INTRODUCTION

This Code of Conduct applies to suppliers to Veltec Industrial Services A/S Ringsted, Denmark (DK reg.no CVR-89966310) and Veltec AS Mongstad, Norway (NO reg.no. 971410434), hereinafter jointly referred to as Veltec.

1.1. Veltec`s commitment to integrity, sustainability and social responsibility

Veltec sets high standards on its own operations and assumes substantial responsibility for the impact it has on the environment, society generally and Veltec`s customers' operations in a wider perspective.

Business should be conducted in a professional, safe and environmentally friendly manner that satisfies all the requirements set by applicable legislation, industry standards and collective agreements.

The business shall in addition be characterized by a high degree of integrity and responsible conduct.

Veltec also endeavors to be a responsible employer with focus on fair treatment and development of its employees.

1.2. Supplier selection and supplier commitment

Veltec strives to establish lasting relationships with suppliers who share our commitment to integrity, sustainability and social responsibility and will therefore, when selecting suppliers, prioritize suppliers who comply with this Code of Conduct.

The principles Veltec`s suppliers and their potential subcontractors should comply with are reviewed in this Code of Conduct.

2. GENERAL EXPECTATIONS

2.1. Local legislation and international conventions

Legislation:

- The basic requirement is that suppliers comply with all applicable national laws, rules and regulations.
- This includes but is not limited to environmental legislation, safety legislation, competition rules, labor law and tax law.

International conventions:

- Veltec has joined the UN Global Compact guidelines and follows the principles of the UN Universal Declaration of Human Rights and the ILO's human rights conventions in working life.
- We expect our suppliers – whether they have subscribed to these conventions or not – to share the fundamental principles outlined in the conventions.

Where national legislation and international conventions differentiate the supplier must follow the relevant national legislation while working towards acting in accordance with the international conventions.

2.2. Ethical business practices

In addition to complying with legislation and conventions, suppliers should also assume responsibility for satisfying high standards of good ethics and business morals in all their operations and in all relationships.

2.3. Supply Chain Responsibility

The suppliers are encouraged to promote responsible practices throughout their supply chains, ensuring that their own suppliers and subcontractors adhere to these Codes of Conduct.

3. SPECIFIC EXPECTATIONS

The specific expectations to the Supplier, included in this section are organized according to the four thematic areas of the UN Global Compact.

3.1. Human rights issues

Human rights must be respected.

This encompasses respecting the right of indigenous people and communities affected by the Suppliers activities.

The Supplier must not engage in or tolerate any violation of human rights such as torture, inhuman treatment, sexual violence, harassment, war crimes, crimes against humanity or genocide.

3.2. Labour issues

3.2.1. Labour rights

The suppliers shall uphold fundamental rights for their employees in accordance with local legal requirements and international conventions i.e.:

- Fair remuneration (living wage) shall be ensured.
- Fair and reasonable working hours and working conditions shall be ensured.
- Use of forced labor and child labor is prohibited.
- The right of workers to join (or not to join) trade unions shall be respected.
- Any form of discrimination (on grounds of age, sex, religion, sexual orientation, disability, political opinion, or ethnicity etc.) is prohibited.

3.2.2. Health and Safety

The supplier must provide a safe and healthy working environment for their employees - both physically and mentally.

- The safety work shall be organized in accordance with the relevant legislation.
- Incidents must be recorded, and safety statistics shall be submitted to Veltec upon request.
- Relevant risk assessments must be carried out and documented.

3.3. Environmental issues

Suppliers must actively reduce and mitigate their environmental impacts through responsible initiatives such as waste reduction, resource conservation and the use of sustainable materials i.e.:

- The supplier's services, products and processes must be designed in such a way that energy, natural resources and raw materials are used efficiently and that the amount of waste and residual products is minimized.
- The supplier must avoid materials and methods that pose risks to the environment when there are other available and suitable alternatives.
- The supplier shall set targets and continuously reduce greenhouse gas emissions accordingly
- The Supplier shall set targets and strive towards net positive impact on biodiversity

3.4. Anti-corruption measures

The highest standard of integrity is expected in all business interactions:

- Veltec does not permit competition to be affected or distorted through gifts, bribes, price fixing, kickbacks, the formation of cartels or abuse of market dominance.
- Veltec`s suppliers may never utilize gifts, benefits, bribes or other prohibited remuneration in any form in relation to customers, suppliers, the authorities or other decision-makers with the aim of obtaining or retaining business.
- Veltec`s employees may not be offered gifts or other benefits from suppliers that would constitute a breach of legislation or that could affect the professional judgment of the employee.
- Veltec shall never accept, facilitate or in any way support activities that involve money laundering.

4. IMPLEMENTATION AND FOLLOW-UP

4.1. Supplier management system

The supplier shall establish a management system aimed at ensuring compliance to this Code of conduct.

This system should encompass policies, procedures, organization and responsibilities – and in addition:

- Practices for identification and assessment of actual and potential negative impacts on fundamental human rights and decent work conditions.
- Practices for implementation of appropriate measures to stop, prevent or mitigate negative impacts.
- A description of Suppliers procedures and practices for reporting of actual and potential negative impacts.
- A description of the Supplier`s grievance systems for reporting of unfair treatment and other complaints.

4.2. Compliance verification

- The supplier is liable for following up compliance with its subcontractors.
- Veltec reserves the right to verify compliance with the Code of Conduct with the supplier and its potential subcontractors through means including following up on the supplier's own inspections, audits by the supplier and through contacts with the supplier's employees on the relevant delivery.

4.3. Information disclosure

The Supplier is obliged to disclose any information that is relevant and/or needed for:

- Verification of the Suppliers and his sub-suppliers Compliance to this Code of Conduct
- Reporting to authorities in accordance with applicable national legal provisions

4.4. Non-compliance handling

In the event of a breach of the Supplier Code of Conduct, Veltec and the supplier will jointly prepare a plan for remedying the breach.

Veltec reserves the right to terminate the agreement with the Supplier if the Supplier has not remedied the breach within a reasonable time.

Veltec also reserves the right to terminate the agreement in case of material breach of the Code of Conduct