

# The VELUX Group Code of Conduct for suppliers



*Bringing light to life™*

# The VELUX Group Code of Conduct for Suppliers

## 1. Introduction

The purpose of this Code of Conduct for suppliers is to ensure that all VELUX Group products and services are developed and manufactured in a responsible way. We aim to establish long lasting relationships with our suppliers to our mutual benefit. The Code of Conduct is based on the ten principles of the United Nations Global Compact and The United Nations Sustainable Development Goals (SDGs) and outlines our expectations to suppliers.

In the VELUX Group we are aware that responsibility goes beyond our own activities, and we take a responsible approach throughout the entire supply chain. It is the VELUX Group's purpose to maintain a company working with products useful to society, which treats its customers, suppliers, employees of all categories and shareholders better than most other companies.

## 2. General Requirements

All suppliers must, as a minimum, comply with local laws and regulations in their countries of operation. Should any of the specific provisions of the Code of Conduct legally conflict with national or local laws, the applicable laws should always prevail; in these cases, the VELUX Group should be notified.

The VELUX Group offers to assist suppliers with advice in the process of implementing this Code of Conduct as appropriate. We will have a constructive dialogue with suppliers to improve overall working conditions and minimize environmental Impact.

## 3. Sustainability

In the VELUX Group Sustainability Strategy 2030 ('Its' our nature'), we pioneer climate and nature action, innovate sustainable products and work to secure a responsible business. It significantly transforms the way we do business and the products and solutions that we bring to market. It helps us keep our own house in order and involves many employees and, not least, our supply chain.

We aspire to secure a responsible business for more diverse, inclusive, safe, healthy and innovative ways of working. We aim to innovate sustainable products to create better indoor spaces for people and to care for the environment, and we will pioneer climate and nature action to become Lifetime Carbon Neutral and showcase sustainable buildings and communities.

We expect the supplier to acknowledge and support our Sustainability Strategy 2030 in any current or future business relation.

## 4. Climate and Environment

We expect VELUX Group suppliers to carry out operations with care for the environment and strive to minimise negative impacts on the environment.

- All suppliers must comply with local and international (for products moving across borders) environmental laws. This includes, among others, compliance with REACH (Registration, Evaluation and Authorisation of Chemicals) and RoHS (Restriction of Hazardous Substances) Directives where appropriate.
- All suppliers must have a written environmental policy or statement that is appropriate for the size and type of operation.
- We expect our suppliers to use natural resources such as energy, water, and raw materials in an efficient and sustainable way. Suppliers should consider the use of renewable resources in their supply chains whenever possible and enact procedures to establish and track progress towards

documented sustainability goals.

- We encourage our suppliers to:
  - a) reduce greenhouse gas emissions
  - b) responsibly manage water use - quantity and quality
  - c) improve energy and resource efficiency
  - d) reduce waste.
- The VELUX Group prefers suppliers to have an environmental management system, preferably one that is certified in accordance with ISO 14001 (Environmental), ISO 50001 (Energy management) or equivalent.
- Ref: UN SDG No.13

## 5. Human Rights and Working Conditions

We expect VELUX Group suppliers to comply with basic human rights as defined by the International Bill of Human Rights and the core labour rights set out by the International Labour Organisation as reflected in the Declaration on the Fundamental Principles and Rights at Work. We expect our suppliers to share our commitment to these standards.

### Child labour, forced labour and human trafficking

The VELUX Group will not conduct business with suppliers that are associated with child labour, forced labour or any form of human trafficking. This includes work on a forced contract, slavery and other forms of work that is done against a worker's will or choice. The VELUX Group believes that all children have the right to a childhood and an education.

- Suppliers must ensure that no person is employed at an age younger than 16 years unless completing a work-based educational course or apprenticeship.

### Working conditions

Employees must comply with the applicable national or local laws regarding employment. We expect our suppliers to ensure:

- Working conditions, hours, rest periods, leave and wages should be in accordance with local regulations and industry practice and should be at a level that enables a decent living standard according to local conditions. The normal work week must not exceed 48 hours or comply with local law. Overtime work should be voluntary and at the discretion of the employee.
- In companies where an organised labour union exists, working hours should be defined through the collective bargaining process.
- Wages may not be withheld as a disciplinary sanction.

### Freedom of association and collective bargaining

The supplier must respect its employees' right to organise themselves and negotiate collective wage agreements. If independent trade unions are either obstructed or restricted, the supplier shall enable workers to gather independently to discuss work-related issues. We expect our suppliers to ensure:

- Employees have freedom of association and the right to collective bargaining consistent with applicable laws.

### Discrimination

We expect suppliers to treat employees fairly without discrimination.

- Employees must have equal opportunities and treatment in employment.

### Right to privacy

We expect our suppliers to respect employees' right to privacy when gathering or keeping personal information or implementing employee-monitoring practices.

## 6. Health and Safety

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

- We expect suppliers to protect employees from work-related hazards and to work to continuously reduce workplace-related hazards, accidents and injuries.
- We expect suppliers to follow all applicable local laws and regulations to prevent accidents and injury at the employer's facilities.
- We expect suppliers to continuously improve working conditions and reduce workplace-related risks and hazards by e.g. introducing a health and safety programme, defining management responsibilities, setting targets and conducting training. This should preferably be managed within a certified occupational health and safety management system in accordance with ISO 45001 (formally OHSAS 18001).

## 7. Anti-Corruption

The VELUX Group works against corruption in all its forms, including bribery and facilitation payments.

- We expect that our suppliers do not engage in any form of corrupt practices, including bribery, extortion, or money laundering, whether directly or indirectly. Suppliers shall also refrain from offering expensive gifts or extravagant entertainment to VELUX employees which could be seen as an attempt to influence business decisions.
- All suppliers must act in compliance with national and international competition legislation and regulations.
- We expect suppliers to maintain adequate procedures for preventing employees, suppliers etc. from undertaking any illegal behaviour regarding corruption.

## 8. Information and Data

All suppliers must keep all confidential and proprietary information in strict confidence, except when authorised to or legally required to disclose it. Suppliers must keep customer, employee and other data protected and in accordance with local and international law.. The absence of an NDA does not exempt the supplier from this requirement.

## 9. Sub-Suppliers

The VELUX Group expects our suppliers to communicate and use this Code of Conduct in co-operation with their own suppliers for products and services delivered to the VELUX Group, and to ensure compliance with the VELUX Group's Code of Conduct in their supply chain so far as is practically possible.

## 10. Compliance

The VELUX Group reserves the right to monitor and audit suppliers and their facilities to ensure compliance with the VELUX Group's Code of Conduct for suppliers and other specific requirements. In order to verify the supplier's compliance with the Code of Conduct, our suppliers shall be prepared to provide the VELUX Group access to relevant and reasonably requested information and documentation during an audit.

The VELUX Group also reserves the right to monitor and audit, as appropriate, our suppliers' sub-contractors to assess their compliance with the VELUX Group's Code of Conduct for suppliers.

The VELUX Group can request adequate action plans to correct monitoring findings and undertake follow-up visits to ensure that improvements are made. If requested improvements do not progress in an acceptable manner, the VELUX Group reserves the rights to bring the cooperation with the supplier in question to an end.

## 11. Whistleblower System

In the VELUX Group, we promote ethical behaviour in all business relationships. Our whistleblower system "Speak Up!" allows supplier representatives and other individuals not directly employed by VELUX Group to report illegal or unethical practices and violations of this Code of Conduct. Concerns can be reported at [velux.whistleblownetwork.net](https://velux.whistleblownetwork.net). All reports done in good faith will be investigated, and the VELUX Group ensures anonymity and confidentiality to everyone involved in the investigation without fear of retaliation.



Peter Bang  
Executive Director, CFO, VELUX Finance



Jörn Neubert  
Senior Vice President, Supply

I hereby accept with signature below the above mentioned terms.

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Accepted by: .....

Name: .....

Date:.....

Signature:.....