

Code of Conduct for Suppliers of materials, components and services for VELUX products

Introduction

The surrounding world is making increasing demands on companies to act in a responsible way in relation to society, the environment and employees. These are natural priorities for the VELUX Group. As early as 1965 the Group's founder formulated the objective to be a model company: It is the Group's purpose to establish a number of model companies, which co-operate in an exemplary manner. By *Model Company* we mean a company working with products useful to society, which treats its customers, suppliers, employees of all categories and shareholders better than most other companies.

We firmly believe that we should behave towards the world around us, which includes society in general, beyond the requirements of legislation and regulation.

The purpose of this Code of Conduct is to make sure that all VELUX products are manufactured in a way that characterizes a company that acts in a responsible way in relation to all stakeholders. We aim to establish long lasting relationships with our suppliers to our mutual benefit. It is the intention to encourage commitment to responsible manufacturing.

The VELUX Group endorses the guidelines and recommendations of the World Trade Organization (WTO) and will, therefore, other things being equal prefer suppliers from member countries.

General requirements

The VELUX Group recognizes the Universal Declaration of Human Rights (1948) as well as the core labour conventions of the International Labour Organization as reflected in the Declaration on the Fundamental Principles of Rights at Work (1998). These international standards form the basis of this Code of Conduct, and we expect our suppliers to share our commitment to these standards.

All suppliers of materials and components must as a minimum comply with local laws and regulations in their countries of operation. Should any of the specific provisions of this 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.

All suppliers must act in compliance with national and international competition legislation and regulation, and they must follow the WTO's legal ground-rules for international commerce in order to obtain open, fair and undistorted competition.

The VELUX Group does not accept bribery.

The VELUX Group requires our suppliers to communicate and use this Code of Conduct in co-operation with their own suppliers for materials and components delivered to the VELUX Group.

The VELUX Group offers to assist the suppliers with advice in the process of implementing this code of conduct as appropriate. We will enter into a constructive dialogue with the suppliers to improve the overall conditions.

¹⁾ Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
Forced Labour Convention, 1930 (No. 29)
Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
Minimum Age Convention, 1973 (No. 138)

Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
Abolition of Forced Labour Convention, 1957 (No. 105)
Equal Remuneration Convention, 1951 (No. 100)
Worst Forms of Child Labour Convention, 1999 (No. 182)

Scope of the VELUX Group Code of Conduct

Employees

In respect of human and labour rights the specific requirements of this code of conduct are based on the eight core conventions defined in the ILO Declaration on the Fundamental Principles of Rights at Work.

All suppliers to the VELUX Group must provide a safe and healthy working environment for all employees.

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

Employees must be treated within the applicable national or local laws regarding employment. Working hours should be mutually agreed upon between the company and the employees. In companies where an organized labour union exists working hours should be defined through the collective bargaining process.

The VELUX Group believes that working hours should not exceed 60 hours including regular overtime a week.

The VELUX Group believes that all children have the right to a childhood and an education. Suppliers must ensure that no person shall be employed at an age younger than 15 or younger than the age of completing compulsory education. Where national law permits, workers of 12 to 15 of age may undertake light work a few hours a day provided it is not likely to be harmful to their physical or mental health and development nor to prejudice their attendance at school.

This Code of Conduct applies to part-time and full-time employees; adults and children. The VELUX Group will not conduct business with suppliers who discriminate.

The VELUX Group will not conduct business with suppliers who use forced or involuntary labour.

Environment

All suppliers must have a written environmental policy or statement. The VELUX Group recommends the suppliers to have an ISO 14001 certification or EMAS registration or equivalent environmental management system.

Monitoring

The VELUX Group reserves the right to monitor suppliers and their facilities to ensure compliance with the VELUX Group Code of Conduct.

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

The VELUX Group can request adequate action plans to correct monitoring findings and undertake follow-up visits to ensure that improvements are made. If improvements do not progress in an acceptable manner the VELUX Group reserves the rights to terminate the relationship.

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