



Lemvigh-Müller Code of Conduct

Environment:

The supplier shall ensure that their operation minimise adverse impacts on the environment. Specifically, we require our partners to:

- Comply with all applicable environmental laws in the country of operation, and in so doing obtain and maintain the necessary registrations, permits and licences;
- Establish systems for ensuring the safe handling, movement, storage, disposal, recycling, reuse of management of raw materials, waste, air emissions and waste water discharges. In this regard, any waste, waste water or emissions with the potential to adversely impact human or environmental health shall be controlled and treated prior to release into the environment;
- Avoid contamination of the local environment by preventing spills and accidental releases, and ensure that air, noise and odour pollution is within nationally defined limits; and
- Continuously improve environmental performance by setting environmental targets, initiating action plans and undertaking necessary improvements identified by internal or external assessments.

Health and Safety

The supplier shall provide their employees with a safe, healthy and hygienic workplace as well as accommodation, where this is provided by the company.

We require our suppliers to:

- Implement effective programmes and systems for ensuring the safety of workers by minimising work-related accidents and illnesses, and provide sufficient protection against exposure to chemical, biological or physical hazards in the working environment and in any accommodation that is provided to employees;
- Identify and assess emergency situations, implement emergency plans and response procedures in the workplace and in any accommodation provided by the company, and provide sufficient fire exits, escape routes and fire fighting equipment;
- Provide regular health and safety training for employees;
- Provide unlimited access to drinking water and hygienic toilet facilities in the workplace and in any accommodation provided; and
- Continuously improve safety performance by setting targets, initiating action plans and undertaking necessary improvements identified by internal or external assessments.

Labour practise

The supplier shall respect the human rights of workers and treat employees with dignity and respect. Specifically, we expect our partners to adhere to the following requirements on labour practices:

- **Wages and benefits**

The supplier shall pay employees at least the minimum wage required by law or the prevailing industry standard in the country, whichever is greater, and shall provide all legally mandated benefits, including medical insurance, social insurance and pensions in full and on time.

The suppliers are encouraged to ensure that their employees receive wages that are sufficient to cover the cost of accommodation, health care, nutrition, clothing and education for the employees and any dependent children. The supplier shall ensure that it adheres to all applicable laws or industry standards, whichever may be more stringent, relating to wages, working hours, overtime and benefits.

- **Working hours**

Employees shall not be required to work more than 48 hours a week. Overtime shall be voluntary, infrequent, and not exceed 12 hours a week or the limits on regular hours and overtime allowed by local laws and regulations. If required, overtime shall be voluntary and communicated to the employee. Overtime shall be remunerated at a higher rate than the hourly rate and shall be paid in legal tender on a regular basis.

- **Child labour**

The supplier shall not recruit or employ child labour, the minimum age of workers shall be 15 years or the minimum age set by the national laws in the country of manufacturing, whichever is higher. Young workers, i.e. those above the minimum age and below the age of 18, may only be employed for non hazardous work.

- **Non-discrimination**

The supplier shall not discriminate with regard to race, colour, gender, language, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, age, disability, or other distinguishing characteristics. Any employment-related decisions, from hiring to termination and retirement, shall be based only on relevant and objective criteria.

- **Forced labour**

The supplier shall not participate in or benefit from any form of forced labour, including bonded labour, indentured labour, slave labour, or human trafficking. Workers shall be allowed to move around freely and leave their place of work when their shift ends.

- **Retention of identity cards and travel documents**

The supplier shall refrain from asking employees to submit their original identity papers or any other original official documentation or to pay a deposit as part of their conditions of employment.

- **Harassment**

The supplier shall protect workers from any acts of physical, verbal, sexual or psychological harassment, abuse or threats in the workplace by either their fellow workers or their managers.

Ethics

The suppliers shall act with integrity while conducting business

- Business integrity

The suppliers shall comply with all laws and regulations on bribery, corruption and prohibited business practices applicable in the specific country. The suppliers shall not engage in any form of bribery, corruption, extortion or embezzlement. The suppliers shall not give or receive bribes to obtain undue or improper advantage. The suppliers shall also refrain from offering expensive gifts and extravagant entertainment to LM purchasers or other counterparts in LM in an attempt to influence business decisions.

Compliance

The suppliers must, in addition to meeting the provisions of this code, comply with all national laws and regulations. Should there be differences between the content of this code and national laws, suppliers must adhere to the more stringent requirements. Conflicts between the provision of this Code and national laws or other applicable standards will be evaluated by LM in cooperation with the supplier. Suppliers must be able to document their compliance, and if any conflicts are detected, suppliers must inform LM immediately.

LM believes that building long-term relationships with suppliers is crucial for our business. We value honest and open communication with suppliers and believe that transparency is vital to a successful business relationship. In the event of non-compliance, we require our suppliers to be committed and engaged in remedying the non-compliance issues within the time schedule set out in the corrective action plan. LM seeks to continuously improve together with our suppliers and help them achieve compliance with the provisions of this Code, while reserving the right to terminate any agreements should a supplier decide that compliance with the requirements of the Code is impossible to obtain or the supplier shows repeated disregard for the Code. LM will periodically review the adequacy and continuing effectiveness of this Code of Conduct.

Date 2009

, Supplier

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, Supplier

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Product manager, Lemvigh-Müller

Date 2009

, Lemvigh-Müller