

# Ethical Code for Suppliers

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I. A few words from the Group Management

II. United Nations Guidelines Compliance:

- A. Human Rights
- B. Labour
- C. Ethic Conduct
- D. Environment

Through this Supplier Ethical Code, we want to ensure fair and ethical workplace standards in every corner of our supply chain. No exceptions or indulgence of any kind shall be tolerated towards the 17 points developed.

Conceived as efficient as possible, this Code will be the direct translation of our **commitment towards the community**.

# United Nations Guidelines Compliance

Serac believes that a strong commitment and a strategic approach to corporate responsibility are essential for managing the challenges and opportunities of a rapidly changing global environment.

Therefore, in line with Serac's vision for its suppliers, Serac wishes to actively engage its supply chain by the adherence of all its suppliers to its Supplier Ethical Code that has been developed with recognition of the Ten Principles (\*) outlined in the United Nations Global Compact, as well as with the following requirements from the United Nations initiative:

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|---------------------------------------|---|
| 1. Mines                              | 10. Freedom of Association and Collective Bargaining  |
| 2. Environmental                      | 11. Forced or Compulsory Labour                       |
| 3. Chemical and Hazardous Materials   | 12. Child Labour                                      |
| 4. Wastewater and Solid Waste         | 13. Discrimination                                    |
| 5. Air Emissions                      | 14. Wages, Working Hours and Other Conditions of Work |
| 6. Minimize Waste, Maximize Recycling | 15. Health and Safety                                 |
| 7. Corruption                         | 16. Human Rights                                      |
| 8. Conflict of Interest               | 17. Harassment, Harsh or Inhumane Treatment           |
| 9. Gifts and Hospitality              |   |

(\*) These principles are derived from United Nation Supplier Code of Conduct and are set out in the [UN Supplier Code of Conduct](#) (Rev.05)

## **A. Human Rights (\*)**

Serac expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

### **Harassment, Harsh or Inhumane Treatment**

Serac expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

### **Mines**

Serac expects its suppliers not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

(\*) These principles are derived from Universal Declaration of Human Rights (UDHR) and are set out in the United Nations Global Compact (see [http://www.unglobalcompact.org/Issues/human\\_rights/index.html](http://www.unglobalcompact.org/Issues/human_rights/index.html))

## B. Labour

### **Child labour (\*)**

The minimum age for employment shall be based on the laws of the respective country and shall not be less than 14 years of age regardless of the type of work. The minimum age for allowing any type of employment or work which by its nature or the conditions under which it is performed may harm the health, safety, or morals of young people shall be based on national laws and shall not be under 16 years of age.

### **Forced labour (\*\*)**

Forced or compulsory labour of any type is prohibited. Workers shall be free to leave work or terminate employment with reasonable notice as provided for under the law. Employers are prohibited from withholding any identity papers, passports, training or apprenticeship certificates, work permits, or other documents. Employing convicts is permitted. The only condition is that their work must be voluntary and they must be remunerated for their work.

### **Wages and benefits (\*\*\*)**

Suppliers shall pay workers at least the minimum wage required by applicable laws and regulations and provide legally mandated benefits. (This also applies to apprentices, interns, and employees in trial period.) In accordance with national laws on maximum working hours, overtime shall be paid at a higher rate than normal working hours.

The basis for calculating wages shall be formalized and known to all workers. Wages shall be paid in cash or by cheque or bank transfer. All other forms of payment shall only be permitted in special cases as provided for under national laws. Wages shall be paid in regular and reasonable intervals.

(\*) These principles are set out in the ILO fundamental Conventions, No. 138, Minimum Age, 1973 and No. 182, Worst Forms of Child Labour, 1999 and in the UN Convention on the Rights of the Child.

(\*\*) This principle is set out in the ILO fundamental conventions, No. 29, Forced Labour, 1930 and No. 105, Abolition of Forced Labour, 1957.

(\*\*\*) These principles are set out in ILO Conventions No. 95, Protection of Wages, 1949 and No. 94, Labour Clauses (Public Contracts), 1949 and in a number of Conventions addressing working time (see: <http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/working-time/langen/index.htm>).

### **Freedom of expression and freedom of association (\*)**

Serac expects its suppliers to recognize the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively.

### **Discrimination (\*\*)**

Suppliers shall not discriminate against any worker on the basis of race, skin color, age, gender, sexual orientation, marital status, ethnicity, disability, religion, political affiliation, union membership, etc. in hiring or employment practices, including access to training and continuing education, promotion, and remuneration.

### **Health & Safety (\*\*\*)**

Serac provides a safe workplace to its employees. Serac expects that the occupational health and safety of employees is a priority for the supplier throughout all significant aspects of its activities. As a minimum, the supplier must comply with all applicable health and safety laws, regulations and standards. The supplier shall take appropriate action, such as policies, standards, procedures, contingency measures and management systems, in order to prevent occupational illnesses and work-related accidents and to provide a safe and healthy workplace to its employees.

Serac encourages suppliers to:

- Communicate to its management, employees and contractors its commitment to improving health and safety, and to provide training on such commitment;
- Systematically evaluate its health and safety performance through appropriate audits and report progress.

(\*) These principles are set out in the ILO fundamental Conventions, No. 87, Freedom of Association and Protection of the Right to Organise, 1948 and No. 98, Right to Organise and Collective Bargaining, 1949.

(\*\*) These principles are set out in the ILO fundamental Conventions, No. 100, Equal Remuneration, 1951 and No. 111, Discrimination (Employment and Occupation), 1958 .

(\*\*\*) These principles are set out in the [ILO Conventions, Recommendations and Codes of Practice](#)

## **C. Ethic Conduct**

Serac promotes integrity and ethics in all aspects of its activities. Serac expects the supplier to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion. Furthermore, the supplier must never make or approve an illegal payment to anyone under any circumstances.

### **Anti-corruption**

Suppliers shall commit to fight all forms of corruption, including blackmail and bribery.

Suppliers are prohibited from offering Serac Group employees money in any amount, gifts, loans, discounts, or valuables. Gifts and invitations that fall within the scope of normal business hospitality, custom, and courtesy are excluded from this prohibition.

### **Ensuring compliance**

Suppliers shall have all necessary internal procedures and processes in place to sufficiently ensure compliance with all of the above principles.

### **Auditing**

Suppliers shall permit Serac to audit compliance with these principles or to have an independent third party that is approved by both parties audit compliance and to take appropriate action in the event of noncompliance.

### **Conflict of interest**

The supplier must disclose any actual or potential conflict of interest, and discuss it with Serac's management. Any activity that is approved, despite the actual or apparent conflict, must be documented.

## **D. Environment**

Serac expects its suppliers to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

### **Compliance with laws and regulations**

Suppliers shall comply with the laws and regulations of the countries in which they operate. Suppliers shall obtain and keep current all required certificates, registrations and/or permits for operating their sites and meet the requirements of such certificates, registrations and permits.

### **Chemical and Hazardous Materials**

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

### **Wastewater and emissions**

Suppliers shall monitor, control, and treat wastewater generated from operations before discharge. Suppliers shall monitor, control, and treat air emissions of hazardous substances before discharge into the atmosphere.

### **Solid waste**

Suppliers shall recycle or reuse solid waste wherever possible. Suppliers shall ensure that all solid waste generated at all sites is managed under a secure, reliable waste management system that covers handling, movement, storage, recycling, etc.

Suppliers shall endeavor to eliminate or reduce pollution caused by their activities in order to conserve natural resources.

### **Pollution prevention**

Suppliers shall ensure that all substances that pose a threat to the environment are properly identified, labeled, and stored in order to ensure proper handling and disposal in the event of leaks or accidental spills. Suppliers shall ensure that they have an organisation in place that is prepared and has the necessary means available to deal with accidents entailing a risk of land or water pollution.

### **Resource management**

Suppliers shall endeavor to reduce their consumption of energy, water, and non-renewable resources.

### **Climate change**

Suppliers shall measure their emissions of greenhouse gases and voluntarily commit to reducing them.

**We, the undersigned hereby confirm that:**

- We have received and taken due note of the contents of the Serac Ethical Supplier Code, published by Serac,
- We are aware of all relevant laws and regulations of the countries in which our company operates,
- We will report to Serac any case of violation of the Code,
- We will comply with the Serac Ethical Supplier Code requirements based on a development oriented approach and without amendment or abrogation.
- We will inform all of our employees/subcontractors of the content of the Serac Ethical Supplier Code, and that we will ensure that they also comply with the provisions incorporated therein.

We hereby authorise Serac or any organizations acting on the behalf of Serac to carry out audits at our premises to verify compliance with the Serac Ethical Supplier Code.

NAME OF THE COMPANY:

Name and title:

Signature:

Company stamp / seal:

Date and place:

This document must be signed by an authorized representative of the  
Supplier & returned to Serac.

