

Supplier Code of Conduct

INTRODUCTION

The surrounding world is making increasing demands on companies to act in a responsible way in relation to society, the environment and employees. As a global company, Gram Equipment has a Code of Conduct (CoC) to support our values, integrity and way of doing business. Our CoC is fundamental to our strategic business understanding and the way we do business. The CoC is a set of ethical and moral rules which we expect our employees and cooperation partners to follow at all times. Working all over the world, we face dilemmas and challenges every day, and the CoC will support partners during their daily activities in making informed decisions.

We firmly believe that we should behave towards the world around us, which includes society in general, beyond the requirements and regulation. Our employees are educated and trained in applying with the CoC. The CoC applies in all countries in which we do business. In cases where national law are stricter, national law takes precedent.

The purpose of this CoC is to make sure that Gram Equipment 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. We build our business on cooperation, innovation and empowerment.

Customer satisfaction is our main focus when designing and manufacturing our ice cream equipment – ice cream the way you like it!

Gram Equipment respects the culture, customs and traditions of the countries in which our suppliers work.

Gram Equipment endorses the guidelines and recommendation of the World Trade Organization (WTO) and will; therefore, other things being equal prefer suppliers from member countries.

GENERAL REQUIREMENTS

Gram Equipment recognizes the UN Global Compact and its Ten Principles as well as the core labour convention of the International Labour Organization (ILO) as reflected in the Declaration on the Fundamental Principles of Right at Work (1998). These international standards form the basis of the CoC, and we expect our suppliers to share our commitments to these standards.

All suppliers must as a minimum comply with local laws and regulations in their countries of operation. Should any of the specific provisions of this CoC legally conflict with national or local laws, the applicable laws should always prevail; in these cases Gram Equipment 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.

Gram Equipment requires our suppliers to communicate and use this CoC in cooperation with their own suppliers for materials, components and services delivered to Gram Equipment.

Gram Equipment offers assistance to the suppliers with advice in the process of implementing this CoC as appropriate. We will enter into a constructive dialogue with the suppliers to improve the overall conditions.

HUMAN RIGHTS AND LABOUR RIGHTS

In respect of human and labour rights the specific requirements of this CoC are based on the eight core conventions defined in the ILO Declaration on the Fundamental Principles of Right to Work.

We expect our suppliers to adhere to UN Global Compact and maintain high standards in taking care of their employees and the environment in which they work.

Gram Equipment respects the fact that not only Governments can ensure that Human Rights are upheld. Therefore Gram Equipment recognises our responsibility in respecting and acknowledging that remediation must be provided if Gram Equipment business leads to violation of Human Rights. Gram Equipment expects its suppliers to respect UN Global Compact and its Ten Principles, as well as recognising that remediation must be provide if there are breaches to the Ten Principles.

WORKING HOURS AND ADEQUATE REST

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 organised labour union exists working hours should be defined through the collective bargaining process.

The supplier must give the employees at least a collected 24 hours period of rest every 7 days in accordance with ILO.

Working hours must not exceed more than 48 hours a week, including overtime. 48 hours of work a week must not be exceeded for more than 4 consecutive months. Working hours should always be within the legal limit according to national laws and regulations. There must be compensation for overtime work which should follow national laws and regulations.

Employees are entitled to refuse overtime without incrimination.

Employees are entitled to at least the statutory legal minimum wage, or the standard benchmark rate in the industry, whichever is higher, and should always be enough to meet basic needs – living wages set by law.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Employees must have freedom of association and the right to collective bargaining consistent with applicable law. Employees must have the right to join or not to join a union.

Managers, supervisors and guards must be trained in respecting employees to associate freely.

CHILD LABOUR/YOUNG WORKERS

Gram Equipment believes that all children have the right to a childhood and an education. Supplier 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 week provided it is not likely to neither be harmful to their physical or mental health and development nor prejudice their attendance at school.

Young workers under the age of 18 years must not be employed in hazardous work or do nightshifts.

Should a child below the age of 15 be found at one of Gram Equipments suppliers we expect the supplier to take full responsibility and not fire the child but ensure that the child will go to school and a monthly compensation will be provided to the family.

DISCRIMINATION AND HARASSMENT

Gram Equipment will not conduct business with suppliers who discriminate against employees or applicants on the basis of their caste, national origin, ethnicity, religion, age, disability, gender, material status, sexual orientation, union membership, political affiliation, health, pregnancy or any other form of discrimination.

Gram Equipment does not accept bullying or the punishment of employees. Gram Equipment will not accept the use of physical, psychological, verbal or sexual harassment towards any of the supplier's employees or any employee of Gram Equipment.

FORCED LABOR

Gram Equipment will not conduct business with suppliers who use forced or involuntary labour. This includes forced prison workers, workers on a forced contract, slavery and workers forced to work against their free will or choice.

PRISON LABOR

Gram Equipment does not use prison labour.

If Gram Equipments suppliers choose to use voluntary prison labour, the labourer must be treated as an equal and must not be discriminated against. The labourer must be paid; at a minimum living wages and have the same rights regarding working hours as a regular employee.

HEALTH AND SAFETY

All suppliers to Gram Equipment must provide a clean, safe and healthy working environment for all employees.

The supplier must comply with all applicable national laws and regulations. At a minimum:

- Workers must not be exposed to dangerous work without being properly protected
- Workers are instructed in the use of Personal Protective Equipment and usage must be enforced
- Facility management should support the formation of a workers' Health and Safety committee
- Facilities must ensure that there are adequate fire alarms and extinguishers and clear instructions on evacuation and the use of fire equipment and that they are in compliance with laws and regulations
- Facilities must provide appropriate light and ventilation
- Hazardous materials must be stored correctly and in a safe and maintained space and used by trained personnel only
- Machinery must be shielded and properly maintained
- Facilities for meals, resting and sleeping must be kept clean and safe, if these are provided

Prevention of injuries

A thorough risk assessment must be conducted so as to ensure that employees do not work in a dangerous environment. Are any high risk areas found and unable to be eliminated the supplier must supply personal protection equipment and risk areas must be clearly signed.

There must at all times be sufficient employees trained in first aid and first aid equipment for them to use.

ENVIRONMENT

Gram Equipment encourages its suppliers to think environmental friendly and recycle as much as possible. Implementation of policy and procedure on environmental friendly initiatives are expected so as to prevent the occurrence of harm to environment, natural resources and local communities.

Gram Equipment respects the rights of forest dwellers, indigenous people, small holders, squatters, minority groups and pastoralists and will not accept land grabbing or ruining of local biodiversity.

There must at all times be a Land Contract Transparency disclosure to ensure that there is free, prior and informed consent if any right holders or communities are affected by the workings of Gram Equipment or its partners.

If there are any grievances from rights holders or communities, they must at all times be allowed to contact Gram Equipment partners or Gram Equipment itself.

All local and national laws and regulations must be ratified. Gram Equipment expects the supplier to make an environmental management plan that should help minimize the effects on the environment from business activities.

WATER

Gram Equipment recognises the need to take of the world's water supplies, therefore, Gram Equipment expects its supplier to consider their water usage and have an action plan for the reduction of water and recycling of the same. All water must be disposed of according to law and regulations.

WASTE

Gram Equipment requires that its suppliers have a waste management plan. The supplier should sort their waste so as to better be able to recycle or dispose of the waste in a non-harmful way to the environment.

ENERGY/GREENHOUSE GAS

Suppliers should work to reduce energy consumption and greenhouse gas footprint. Suppliers should make a plan for the reduction and local laws should be adhered.

ETHICS

Gram Equipment expects its suppliers to always conduct themselves in an ethical and morally correct way. This includes the treatment of own employees, Gram Equipment employees, sub-suppliers to Gram Equipment and the local population.

CORRUPTION AND BRIBERY

Gram Equipment does not accept bribery or attempts of bribery, corruption, extortion or embezzlement. Should a supplier be found to be using or accepting bribery, corruption, extortion or embezzlement the partnership between Gram Equipment and the supplier will be reconsidered and may be terminated. This includes the promising, offering, giving or accepting of any improper monetary benefits or other incentives.

Suppliers must train their employees in what corruption, bribery, extortion and embezzlement are and how to prevent it.

GRIEVANCE AND DISCIPLINE

Gram Equipment invites its suppliers to contact them if they find any cases of policy breaches or misconduct that may concern Gram Equipment or any of its employees.

Please, send an email to grievance@gram-equipment.com which will ensure that the complaint is handled with the utmost respect. Gram Equipment reserves the right to contact the suppliers' management or HR department if any problems are found with the supplier or any of its employees.

Gram Equipment does not accept the use of physical or psychological punishment or threats of physical or psychological punishment.

MONITORING

Gram Equipment reserves the right to monitor suppliers and their facilities to ensure compliance with this CoC.

Gram Equipment also reserves the right to monitor, as appropriate, our suppliers' sub-contractors to assess their compliance with this CoC.

Gram Equipment 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 Gram Equipment reserves the right to terminate the relationship.

RESPONSIBILITY

Executives and senior management are held accountable for all aspects of implementation, communication, evaluation and enforcement of this code of conduct.

Conventions respected in this Code of Conduct:

- UN Guiding Principles on Business and Human Rights, 2011
- International Labour Convention, revised version 2014

Company:

Name :

Title:

Date:

Signature

Contact information

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