



Desso

Supplier code
of conduct
2016

Introduction

Our mission and core values

Corporate Social Responsibility (CSR) is at the core of Desso's vision. As a leading, global carpets and sports pitches business we are focused on delivering the best products for our customers while meeting our obligations in regard to people and planet. Our vision is to produce environmentally responsible products that contribute to people's health and wellbeing in the built environment, based on the insight that we spend 90% of our time indoors.

Since 2008, Desso has followed Cradle to Cradle® principles, one of the three pillars in our innovation strategy along with creativity and functionality, which enables manufacturers to make goods that consist of healthy materials that are designed to be made again in a non-toxic closed loop. This goal underpins our commitment to help make the shift from the current 'take, make and waste' linear economy to the more regenerative circular economy, in which waste becomes material streams of value to be used again and again. On top of the environmental benefits, this system also offers new commercial opportunities. Recent research from the Ellen MacArthur Foundation and the management consultants, McKinsey & Co., estimated that industry could generate \$1 trillion every year in material cost savings by using circular methods¹.

Social Fairness is one of the five elements of the Cradle to Cradle® philosophy and requires us to maintain high ethical standards wherever we conduct business. We support the UN Global Compact, a set of principles that promote responsible corporate practices in the areas of the environment, labour, human rights and anti-corruption. We actively seek business relationships with suppliers who share our values and promote the application of these high standards among those with whom they do business.

Purpose

Desso's Supplier Code of Conduct defines the minimum standards that we ask our suppliers and their sub-tier suppliers ("the Supplier"), to respect and to adhere to when conducting business with Desso. This document forms part of the implementation of our CSR goals along with our commitment to delivering

on Cradle to Cradle® principles, the principles of the UN Global Compact, ISO 26000 and sustainability reporting according to GRI guidelines. It also covers the ten principles of the UN Global Compact, derived from: The Universal Declaration of Human Rights; The International Labour Organization's Declaration on Fundamental Principles and Rights at Work; The Rio Declaration on Environment and Development; and the United Nations Convention against Corruption. The Code is an extension of "The Desso Way – Our code of conduct" and the foundation of our Supply-Chain-Management approach.

Scope

The standards of the Code set forth expectations for the Supplier with whom Desso does business, including their parent, subsidiary or affiliate entities, as well as all others with whom they do business including all employees (including permanent, temporary, contract agency and migrant workers), upstream suppliers and other third-parties. It is the Supplier's responsibility to disseminate, educate and exercise diligence in verifying compliance of this Code to its employees, agents and sub tier suppliers.

Compliance

Desso expects the Supplier to adhere to all applicable laws and regulations and in particular for the ten principles of the UN Global Compact² relating to human rights, labour, the environment and anti-corruption and compliance with EU chemicals legislation REACH (in cases of importing into EU), and strive to comply with international and industry standards and best practices. In addition, Desso contacts The Supplier, where necessary, through its Supply Chain Management Program and reserves the right to verify compliance with the Supplier Code of Conduct through questionnaires and audits.

Continuous Improvement

Desso recognises that reaching the standards established in this Code is an ongoing process and encourages The Supplier to continuously improve their operations accordingly. We ask them to try to improve things when we think they are not reaching the required standards. Desso will only work with suppliers who reach the required standards.

Transparency within the supply-chain

Desso believes that it should work with The Supplier to continually improve transparency in their supply chain with respect to Health and Safety, Labour Standards, Environmental Practices and Ethical Business Practices as well as our Cradle to Cradle® requirements. Therefore Desso expects The Supplier to support Desso with relevant environmental supply chain and material health information. The Supplier must inform Desso immediately of any changes in previously supplied information including changes to products that may or may not conform to Desso Cradle to Cradle® and other standards. Presence of SVHC or SIN substances (see http://echa.europa.eu/chem_data/candidate_list_table_en.asp and Annex XIV Reach regulation EG nr 1907/2006) with a content of more than 0.1% by weight must be reported by The supplier to Desso immediately via reach@desso.com. Desso also expects The Supplier to provide access to its facilities on request for Desso's employees or representatives and to its customers. Certified or auditable management systems should be in place to manage all issues.

Application

All Desso suppliers must acknowledge and adhere to this Code. On accepting a Purchase Order, which refers to the Code, The Supplier commits to all its operations being subject to the provisions contained therein. This Code, or the demonstration of its compliance, does not create any third-party beneficiary rights for The Supplier. The standards of the Code are in addition to, and not in lieu of, provisions of any legal agreement or contract between The Supplier and Desso.

Reporting Violations

The Supplier shall report any suspected violations of regulations, laws and the Code. Violations should be reported to Desso's Sustainability department: **sustainability@desso.com** or can be reported confidentially to:

Sustainability Department

Taxandriaweg 15
5142 PA Waalwijk
The Netherlands

1) Towards the Circular Economy, Volumes 1-3 (Ellen MacArthur Foundation/McKinsey). <http://www.ellenmacarthurfoundation.org/business/reports>

2) <https://www.unglobalcompact.org/aboutthegc/TheTenprinciples/index.html>

The DESSO Supplier Code

1. LABOUR AND HUMAN RIGHTS

Desso supports the Universal Declaration of Human Rights and expects The Supplier to respect all human rights, including labour rights, throughout their business activities. As a minimum Desso expects the following:

Freedom of Association and Collective Bargaining

As legally permitted, The Supplier shall freely allow workers to associate with others, form, join (or refrain from joining) organisations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment. In the actions of formal representation, The Supplier shall ensure that workers have a mechanism to report grievances and that facilitates open communication between management and workers.

Forced Labour

The Supplier should not use or benefit from forced labour (set out in ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on the Abolition of Forced Labour). This relates to any type of forced labour through such means as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment. All work should be voluntary, and workers should be free to leave work or terminate their employment upon reasonable notice.

Prevention of Underage Labour

The Supplier may employ only workers who are at least 15 years of age or the applicable minimum legal age, whichever is higher. The Supplier may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138. Young workers must not be exposed to risks that can harm their physical, mental or emotional development.

Respect in the workplace

The code also upholds the right to equal opportunity with respect to issues such as colour, race, gender, age, ethnicity or religious beliefs, physical ability, national origin, sexual orientation, political affiliation, union membership, medical tests, or marital status, in line with ILO Convention No. 111 on Discrimination.

Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment must not be tolerated. The Supplier should respect the privacy rights of its employees whenever it gathers private information or implements employee monitoring practices. When The Supplier retains direct or contracted workers to provide security to safeguard its personnel and property, The Supplier will make sure that security personnel apply the same standards on fair and equal treatment.

Employment Practices

Relates to ensuring The Supplier only employ workers who are legally authorised to work in their facilities and are responsible for validating employees' eligibility to work through appropriate documentation. In the case of employment through third party labour agencies The Supplier should comply with Convention No. 181 of the International Labour Organization on Private Employment Agencies.

Working time and rest days

The Supplier must ensure that employees work in compliance with all applicable laws and mandatory industry standards in relation to regular working hours, and overtime hours, including breaks, rest periods, holidays, and maternity and paternity leaves. Where there is no related law in regard to a 60 hour week, employees should be allowed at least one day off after six consecutive days of work, and any overtime worked should be voluntary and compensated at premium rate.

Wages and benefits

The Supplier must compensate their employees to enable them to meet at least their basic needs and provide the opportunity to improve their skills and capabilities in order to raise their social and economic opportunities.

The Supplier must not apply disciplinary or any other forms of deductions from pay nor apply any forms of discrimination in employment and remuneration practices.

2. HEALTH AND SAFETY

Desso expects The Supplier to integrate sound health and safety management practices into its business.

Workplace Safety

The Supplier shall provide its employees with a safe and healthy working environment. As a minimum, clean drinking water, adequate lighting, temperature, ventilation, sanitation, and personal protective equipment must be provided together with equipped work stations. In addition, facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations.

Housing Conditions & Respect of Privacy

All dormitory buildings when provided shall be clean and safe and workers shall be able to enter and leave the dormitory buildings freely at any hour. There shall be clean toilet facilities, access to drinkable water, and sanitary food preparation and storage facilities. All dormitory facilities shall also provide workers with reasonable personal space, adequate heat and ventilation and clean shower and bathrooms.

Emergency measures and procedures

The Supplier should be ready for emergency situations. This includes worker notification and evacuation procedures, emergency training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, and adequate exit facilities.

The Supplier shall regularly train employees on emergency planning, responsiveness as well as medical care.

Product Quality and Safety

Equally, all products and services delivered by the Supplier should comply with quality and safety standards, set by the applicable law.

3. ENVIRONMENTAL RESPONSIBILITY

Desso is committed to protecting the environment, and environmental responsibility is at the core of how we operate. Suppliers should comply with all applicable legal environmental requirements and demonstrate continual improvement of its environmental performance.

Environmental Permits and Reporting

The Supplier shall make sure that it obtains, keeps current, and follows the reporting guidelines of all the required environmental permits and registrations to be at any time legally compliant.

Environmental Management System

The Supplier shall document and implement a relevant environmental management system (based on international standards such as ISO14001:2004), designed to identify, control and mitigate significant environmental impacts.

Hazardous Materials and Product Safety

The Supplier shall comply with material restrictions and product safety requirements set by applicable laws and regulations. Suppliers shall ensure that key employees are aware of and trained in product safety practices (see also Additional Standards section below for reference to Desso's Cradle to Cradle® requirements on Material Health, not applicable to all suppliers).

Resource Optimization, Pollution Prevention and Waste Reduction

The Supplier shall optimise its consumption of natural resources, including energy and water.

The Supplier shall implement and demonstrate sound measures to prevent pollution and reduce the generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, the Supplier shall characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.

4. BUSINESS ETHICS

Desso requires the Supplier to comply with all applicable ethical trade laws and regulations in the countries where materials are sourced, produced and incorporated into Desso products.

Anti-bribery

No supplier may offer, give, solicit, receive, or encourage any form of bribe, illegal rebate, or improper gratuity whether directly or indirectly. Commercial bribery is illegal and subject to criminal penalties in many countries. Personal funds or resources may not be used to do anything that is otherwise prohibited. All payments and receipts must be recorded accurately in books and records.

Grievance reporting and management

The Supplier shall have systems in place enabling anonymous grievances, reporting and management. A designated officer shall continuously monitor the grievance mechanism, keep records on the issues raised and take appropriate actions on a confidential manner.

Records

The Supplier shall maintain transparent and up to date books and records to demonstrate compliance with applicable materials, services, governmental and industry regulations. Traceable quality data should be available on request for a period of not less than 10 years

Intellectual property

The Supplier shall promote fair competition including a respect for intellectual and other property rights. In case of sub-contracting, sharing of confidential information should be made with the consent of Desso.

Conflict of Interest

The Supplier is expected to report to Desso any situation that may appear as a conflict of interest, and disclose to Desso if any Desso employee or professional under contract with Desso may have an interest of any kind in The Supplier's business or any kind of economic ties with the supplier.

Additional standards

In some cases, where applicable, Desso also asks a number of suppliers to declare relevant information on the chemical ingredients in their materials; this is to support Desso's Cradle to Cradle® objectives, ensuring its materials have a positive impact on human health and the environment.

Further information on the C2C Design Protocol available online at: http://www.c2ccertified.org/product_certification/criteria/material_health/v3_0
See also: <http://www.desso.com/c2c-corporate-responsibility/suppliers/>

Supplier's Acknowledgement

Note - Should a pattern of violation of these principles become known to Desso and not be corrected, we will discontinue the business relationship.

We, the undersigned hereby confirm that:

We have received and taken due note of the contents of the Desso's Supplier Code of Conduct 2015 - 2016, published by Desso.

We will respect and adhere to the Desso's Supplier Code of Conduct when conducting business with Desso.

Name of Company

Name and Title

Signature

Company Stamp/Seal

Company's Business Registration/Statutory ID/Code/Number

Date & Place

This document must be signed by an authorised representative of the Supplier & returned to Desso Purchasing, email: **SupplierEngagement@desso.com**

For more information:

[http://www.desso.com/c2c-corporate-responsibility/declaration-suppliers/Copyright and confidentiality](http://www.desso.com/c2c-corporate-responsibility/declaration-suppliers/Copyright%20and%20confidentiality)



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