



# Alfen

## Supplier Code of Conduct

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# Preamble

Alfen is committed to shaping its activities and operations within a framework of proper standards and values, while fully complying with all applicable laws and regulations. Observing these matters is not only essential for maintaining the positive reputation of Alfen and its employees, it also represents the standards and values that are important to Alfen itself.

The Alfen core values are summarized as **SPARK**:

## **Sustainable:**

- We build to last
- We maximize our impact for the long run...
- ...while minimizing our footprint

## **Partner:**

- Teamwork is our way of working
- We treat our clients as partners...
- ...and embrace open communication

## **Adaptive:**

- Our way of working is agile
- We adapt ourselves to new markets and working methods
- We always keep an open mind...
- ...and have a can-do mentality

## **Reliable:**

- We take ownership for our actions
- We are a reliable partner
- We work with the highest safety standards
- We have a heritage of 80 years and are here to stay

## **Knowledge:**

- We always remain curious for new developments
- We want to develop and deliver the best products and solutions
- We constantly improve and innovate



This Supplier Code of Conduct hereinafter referred to as: 'Code of Conduct' applies to all companies, individuals or any other business partners who provide their products or services to Alfen, hereinafter referred to as: 'Supplier(s)'.

Like the company culture within Alfen, the spirit of this Code of Conduct is professional, reliable, down-to-earth and accountable. This Code of Conduct ensures that the aforementioned core values and Alfen's company culture are, and continue to be, recognizable and uniform for all those involved with Alfen.

It is of course impossible to describe exactly how Suppliers must act and behave in every unique situation. First and foremost, this is the responsibility of the Supplier. This Code of Conduct aims to provide an important instruction and guideline for every Supplier to meet the requirements for behavior and behavioral standards. Each Supplier is therefore required to carefully read this Code of Conduct and to comply with it at all times or at least inform Alfen as soon as possible in case of non compliance.

This Code of Conduct is created pursuant to all legal requirements, while also taking international treaties into account. Based on these parameters, this Code of Conduct provides for a minimum standard and a framework in which Alfen wants to operate. The Alfen board trusts that all Suppliers providing their services and supplying their products will fully comply with this Code of Conduct.

When Supplier can submit a certificate and/or policy statement regarding corporate social responsibility and sustainability or its own Code of Conduct, this is highly appreciated and can be an advantage in Supplier selection or rating.



# Acting with integrity

## What does Alfen expect from its Supplier?

### Complying with laws and regulations

Supplier is expected to observe and comply with all relevant laws and regulations of the legal system in the country where they operate and to where they sell their products and offer their services. All Suppliers are expected to refrain from doing anything of which they know or should know that it would conflict with the law, regulations or company policies. In the unlikely event that one or more provisions in this Code of Conduct would conflict with the locally applicable laws, then the law always prevails. Violations of this Code of Conduct or any laws are not only utterly unacceptable, but may also expose Alfen to the risks of financial losses or unfavorable publicity. Apart from any measures imposed by law due to such violations, Alfen will impose appropriate disciplinary measures on Suppliers who violate laws, this Code of Conduct or other measures and/or policies applicable within Alfen.

### No Irregularities

Alfen maintains a policy in which all irregularities and cases of fraud, embezzlement, forgery and/or theft are investigated and reported and in which the perpetrators, if deemed appropriate, will face both criminal charges and termination of cooperation. Irregularities are defined as behavior considered improper. This includes, but is not limited to, non-sanctioned appropriation or embezzlement of company properties or other matters belonging to Alfen, its personnel, customers or third parties, but also falsification and intentional misrepresentation of information, or intentionally submitting incorrect invoices and expense claims. If a reasonable suspicion arises that an irregularity is taking or has taken place, Alfen may contract an external research firm.

### Mutual respect, honesty and integrity

Alfen respects everyone's privacy and personal rights. Alfen cooperates with and employs people of various ethnical backgrounds, cultures, religions, ages, abilities, races, sexual orientations, worldviews and genders. Alfen does not condone any discriminatory behavior within its organization and in the cooperation with business partners based on any of the aforementioned characteristics, nor does Alfen condone any intimidation and/or insulting behavior in a sexual or any other way. Alfen expects its Suppliers to act accordingly.

Undesirable Supplier behavior, which includes discrimination, insults, (sexual) intimidation, aggression, threats, racism, harassment and similar acts, whether verbally, physically, digitally, personally or by any other means, is not tolerated. Supplier shall fully observe all anti-discrimination provisions of supranational and national laws and regulations.

Supplier shall maintain the following principles with regards to cooperation and behavior towards external partners:

- Decisions about individuals with whom Supplier cooperates (employees, Suppliers and customers) are exclusively made based on appropriate considerations;
- Supplier is reliable and integer and is aware of its responsibilities;
- Supplier does not make any promises that cannot be honored;
- Supplier expects its employees to act reliably and with integrity. This includes being open, clear, and transparent.

All behavior and acts of Suppliers must be aimed at the interests of Alfen and its customers. The aspects in which this must be demonstrated are customer-focus, helpfulness, collegiality, respect and decency and the will and ability to cooperate with one another.

### **Careful and professional**

In addition to integrity, carefulness is another important aspect in proper decision-making. This is achieved by taking all relevant stakes into consideration and by correctly using the authorizations granted.

Professionalism shall also mean that Supplier performs its work correctly, complies with the relevant processes and acts with integrity. Supplier is expected to be able to make correct and responsible decisions, also in situations for which the exact rules are not defined or unclear.

### **Loyalty**

Supplier is expected to be loyal for all matters relating to Alfen. However, if any assignment given contradicts the interest of Supplier or the interest of the general public, is inefficient, morally objectionable or even criminal, then the Supplier is expected to possess the ability to make a professional consideration.

### **Quality and Safety**

Alfen expects its Supplier to carry out all its tasks and activities on a high-quality level every single day ("best in class"), while strictly complying with all laws and regulations in the fields of quality, safety and health. Supplier must therefore strictly comply with all their safety instructions, work processes and/or methods and implemented rules striving for high quality products and services. Alfen might carry out strict compliance audits to verify compliance.

### **Child labour and/or hard work**

Supplier declares that any of its activities will not be performed by child and/or hard labour. Supplier shall observe all supranational and national laws and regulations that apply to child labour (in particular ILO Conventions 138 and 182) and takes adequate action to comply with these Conventions. Supplier shall observe the United Nations' Universal Declaration of Human Rights and the international working conditions and circumstances as formulated by the International Labour Organisation (ILO).



# Integrity within Suppliers organization

## Responsibility toward employees

Supplier's employees are hired, evaluated and treated based on objective criteria and observations (such as knowledge, proficiency, skills, competences, expertise, track record, performance and behavior). Supplier cares for the wellbeing of its employees and will respect the personal development of its employees and support it whenever possible. Supplier shall always protect its employees who share their worries honestly and sincerely.

## Investigations

Notifications about possible misconduct are taken seriously by Supplier. Supplier shall investigate such notifications both confidentially and carefully and if deemed necessary, take appropriate corrective measures. Supplier shall protect its employees from discharge, demotion or any other discrimination arising from a disclosure of misconduct of Supplier, its subcontractors or employees in any judicial or administrative proceeding relating to waste, fraud or abuse.

## Operational and financial reports and documents of Supplier

Supplier is responsible for ensuring the accuracy of all operational and financial reports and documents.

Rules that apply with regards to the creation of operational and financial reports and documents include, but are not limited to:

- Do not falsify any document/signature/names mentioned;
- Do not falsify or mask the title of a transaction;
- Verify that all reports and documents submitted to authorities are complete, correct, on-time and comprehensible;
- Estimates and commissions are to be substantiated by applicable documentation and must be based on a correct evaluation;
- All requirements with regards to accounting, annual statements and balances and fiscal matters are to be complied with correctly;
- Never facilitate tax evasion or avoidance or the undermining of local currency exchange rate laws.

While preparing information, Supplier must always strive for accuracy, although human errors can be made. Only conscious attempts to depict false information or falsify information in any other way are regarded as a violation of this Code of Conduct.



# Company properties or objects made available

## Usage or consumption of time, equipment or other company properties

Under no circumstance Supplier shall use properties or objects to search for or send information that could initiate discrimination, harassment, violence or criminal activities and usage may never relate to any illegal activities. In this regard, the locally applying laws must be taken into account. Examples of company properties include, but are not limited to:

- Company funds;
- Company products;
- Company equipment (including equipment made available by third parties);
- Hardware and software;
- Mobile devices;
- Copy machines / scanners;
- Proprietary company information / databases;
- Company brand names;
- Production materials and machines and;
- Inventions and other company secrets.

## Proprietary / confidential information

Proprietary / confidential information must always be kept secret and is not to be shared with third parties or individuals. Information is also not to be shared with colleagues if this is not required for them to carry out their work correctly. Supplier will treat the information made known to him with the utmost care. Proprietary / confidential information is defined as information announced by Alfen or which is not made generally accessible by the public.

Examples of proprietary / confidential information include, but are not limited to:

- Information about employees and other individuals working for or on behalf of Alfen;
- Inventions and other company secrets;
- Contracts;
- Strategic and operational reports/plans;
- Quality reports;
- Information with regards to relations, customers and orders;
- Launching of new products/activities;
- Technical specifications;
- Price policy / cost engineering;
- Tender information;
- Financial information.



Supplier is at all times bound to protect proprietary / confidential information belonging to Alfen. Supplier is bound to return to Alfen all software, data carriers, documents, correspondence or copies thereof belonging to Alfen (or its customers, Suppliers, partners or subcontractors) at the first request to do so or, in the absence of such a request, upon the expiry of the contract or agreement, regardless of the reason for this request or expiry.

### **Data protection and security**

The quality of Supplier's information and data security measures aimed at preventing unauthorized access to it are subject to high standards. Some jurisdictions maintain strict laws and regulation with regards to collecting and using personal information, including information about others. Supplier shall comply with these laws to the extent that they are applicable with regards to the privacy of others.

### **Intellectual property**

All rights with regards to intellectual property that originate based on the work of Alfen, are the exclusive property of Alfen, regardless of whether this intellectual property is created as part of the tasks of the Supplier.

Supplier acknowledges and agrees that any and all background knowledge of Alfen shall at all times be and remain the exclusive and absolute property of Alfen. The right of the Supplier to use such background knowledge of Alfen shall in all cases be limited to the production of its product or services.

Supplier is required to maintain strict confidentiality regarding all intellectual property owned by Alfen.



# Integrity in working with business relations and third parties

## Working with customers and Suppliers

Alfen fundamentally values its relations with customers and Suppliers. Customers and Suppliers must always be treated both honest and fair.

Alfen expects its Suppliers to share the same values and to comply with all applicable laws. Furthermore, Alfen expects Suppliers to act compliant with the following principles that are also applied by Alfen:

- Preventing corruption;
- Respecting fundamental human rights;
- Complying with applicable laws;
- Complying with all the applicable laws, rules and regulations concerning the environment in the legal system in which business is conducted;
- Taking responsibility for the health and safety of employees;
- Complying with the laws concerning the prohibition of child labour.

## Working with competitors. Honest competition and antitrust laws

Honest competition is a fundamental foundation of the free market system and ensures that industries can develop and blossom freely, resulting in countless benefits to society. Alfen entirely embraces this system. This is why Alfen requires complete compliance with applicable antitrust and competition laws, including laws prohibiting unfair trade practices and trade limitations (hereinafter jointly referred to as: antitrust laws) and so should act Supplier.

Supplier shall comply with all applicable antitrust laws, regardless of whether they originate from supranational, national or local authorities. All agreements with competitors or third parties containing provisions that might have a negative impact on free competition are to be inspected and approved by a legal expert in order to ensure that all antitrust laws are complied with.

## Competition laws

Supplier competes honestly and complies with competition laws.

### **Anti-corruption**

Supplier shall not, directly or indirectly, offer, promise, pledge or permit money or other valuable goods to government officials in order to influence official actions or to be granted improper benefits. The same applies to commercial counterparties within private companies for business translations in return for improper benefits. Supplier shall not make political contributions (donations to politicians, political parties or organizations) however may make financial or physical donations for purposes such as education and science, art and culture and social and humanitarian projects.

### **Money-laundering**

Money-laundering is a procedure in which the nature and origin of funds involved with criminal activities (such as terrorism, narcotics trade or bribery) is concealed. One of the ways in which this takes place is by integrating criminal money into the trade balance so that it seems legitimate or so that the true origin or owner can no longer be identified.

Supplier does not cooperate in any form of money-laundering and strives to exclusively operate with reliable customers, Suppliers and business associated that operate fully legally and whose funds and money flow and originate from legal sources.

### **Trade control**

Supplier complies with the applicable laws and regulations in the field of customs and export-inspections in the countries where operations take place. Export inspections mostly apply to transferring goods, services, hardware, software or technology. Suppliers shall strictly comply with the laws regarding export inspections. Violations of these laws and regulations may lead to substantial penalties, including fines and governmental revoking of simplified import and export procedures.

### **Trade restrictions and boycotts**

In the international markets, Supplier shall be bound by the laws of various countries, but also by laws and regulation as defined by (inter)national authorities. Supplier complies with all prohibitions and requirements of the applicable international trade laws and regulations. Supplier complies with, if and when applicable, all generally accepted boycott laws in the countries where the company operates. Supplier also complies with all generally accepted trade restrictions in these countries.



# Possible conflicts of interest

## Gifts, meals and entertainment

Alfen's employees may not accept any gifts, meals, entertainment or any other favor from Suppliers if this would impede their ability to take professional decisions in the best interest of Alfen.

Gifts, meals and entertainments received from Suppliers must have a professional value for Alfen and must be reasonable and fitting in the context of the relevant circumstances. Alfen's employees may only accept gifts with a symbolic value as a token of appreciation of a professional relation or occasional meals and entertainment from Suppliers if the event is attended by the Supplier himself. Regular dinners in a professional setting or attending a local event are generally accepted.

As set out in the Alfen Code of Conduct for its employees, the most important Alfen rules with regards to gifts, meals and entertainment to its employees are:

- Do not accept gifts in the form of cash money, or its equivalent such as gift vouchers;
- Do not ask for gifts and/or favorable conditions (for personal ends) from a customer or Supplier;
- Do not accept excessive gifts. Examples of acceptable gifts include promotion material, a bottle of wine or a small gift basket during the holiday season;
- Do not accept gifts from a Supplier in return for doing something or promising to do something;
- Do not accept or negotiate favorable conditions for services or deliveries for personal ends;
- Gifts or discounts offered to a large group of employees as part of an agreement between Alfen and Supplier may be accepted and used as determined by the Supplier;
- Gifts with a symbolic value as a token of appreciation of a professional relation may be accepted;
- Do not ask a Supplier to provide for meals or entertainment;
- Do not accept meals or entertainment from Supplier in return for doing something, or promising to do something;
- You may accept occasional meals and entertainment from Suppliers if the event is attended by the Supplier himself. Regular dinners in a professional setting or attending a local event are generally acceptable.



# Health, Safety & Environment

## Protecting the environment

Protecting the environment and conservation of natural resources are of the highest priority to Alfen. Through the leadership of the management and commitment of its employees, Alfen aims to perform its activities in such a way that they are safe for the environment and that environmental performance is continuously improved. Alfen complies with environmental legislation and sets high requirements in this respect. Right from the product development stage, environmentally-friendly designs, technical safety and protection of health are regarded as important aims.

Supplier strives to carry out its activities in such a way that they are safe for the environment and that the environmental performance is continuously improved. Supplier shall fully comply with all relevant environmental laws.

## Safe work conditions

Quality, safety, and protecting the health of all those involved are Supplier's primary objectives. Protecting the health and safety of its employees is one of the top priorities and responsibilities of Supplier. Responsibility means that the most optimal measures must be taken to prevent incidents. Supplier also requires this from its employees: each employee must proactively and strictly comply with all safety regulations, wear personal protective equipment if necessary, prevent undesired or unsafe situations and address colleagues about this whenever the need arises.



# Implementation and compliance audits

This Code of Conduct describes general rules. More specific behavioral rules may be defined in documents such as supply contracts or regulations or agreements with Suppliers. Should any discrepancy exist between these general rules and more specific rules, then the latter prevails. This Code of Conduct applies generally and worldwide. Within various jurisdictions, various specific regulations may apply.

Compliance with legal requirements and this Code of Conduct may be regularly audited, in accordance with the applicable national procedures and legal requirements.

This Code of Conduct is created in order to facilitate correct behavior and consistency in the behavior of Supplier.

## Disciplinary measures

Alfen will take appropriate (disciplinary) measures for each violation of this Code of Conduct. In such a process, Alfen will act carefully and thoroughly and observe founding principles. Alfen reserves the right to recover all damages from Supplier.

## Ratification

Almere, the Netherlands, October 2017

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