



CONSTRUCTION EQUIPMENT GROUP

SUSTAINABILITY The CEG Way

Supplier Code of Conduct

October 2022

1 Scope

This document presents Construction Equipment Group's (CEG) guidelines and requirements for a sustainable, responsible and fair supply chain. Any supplier to the Group shall refer to and comply with this Supplier Code of Conduct (SCoC). The sustainability policy and this SCoC is available at <https://cegroup.no/sustainability>.

Continuous improvement

As a supplier to CEG we expect that there is a continuous improvement approach regarding but limited to the topics raised in this SCoC.

2 Human rights

CEG is committed to respecting internationally recognized human rights principles throughout our global operations.

Respect for people

The supplier shall respect all general personal and human rights. Violence, intimidation, mobbing, sexual harassment, or abuse are prohibited.

Ban on discrimination

We expect suppliers to select employees and sub-suppliers based on their qualifications for the work to be performed, without regard to race, religion, national origin, colour, gender, gender identity, sexual orientation, age and/or physical or mental disability. The supplier to CEG shall obey laws that prohibit discrimination wherever they do business.

Ban on child labour, forced labour, modern slavery, human trafficking

Any kind of forced labour, modern slavery, and human trafficking is prohibited. All employees contribute their labour or services to a company on a voluntary basis. CEG does not tolerate any child labour nor any form of exploitation of children and adolescents.

Right of freedom of association and assembly

Workers shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.

Health and Safety

We expect suppliers to put safety first with an aspirational goal to prevent injuries, occupational illnesses and safety incidents. Our suppliers should promote the health and safety of everyone on their property with policies and practical programs. Our commitment to safe practices extends throughout our value chain – from suppliers to end users. We expect suppliers to provide CEG with products and services that ensure safe and reliable use.

Working hours and remuneration

We require that the supplier follow local legislation of working hours. All employees must be paid at least the statutory minimum wage required by local law. If no statutory minimum wage is in place in a particular country, wages must be sufficient for the employees and their families to make a living.

3 Environment

Suppliers are required to comply with applicable environmental laws, regulations and standards limiting and preventing environmental impact must be adhered to. We also expect our suppliers to employ business processes that enable waste prevention, improve quality and promote the efficient use of resources.

CEG encourages the supplier to implement performance indicators and track energy use, water consumption, waste and emissions. The supplier is also encouraged to be certified according to local or national bodies and to be compliant with or certified to ISO14001.

Energy

CEG encourages the suppliers to have policies in place and implement energy saving measures and sourcing energy from renewable sources, such as water, wind and sun to reduce its greenhouse gas footprint.

Emissions

We require that our suppliers fulfil local legislation regarding emissions to air, land and have a continuous improvement perspective to reduce emissions.

Water

We expect that our suppliers have policies and procedures in place to reduce water consumption in water scarce regions and use water resources efficiently.

Waste and hazardous substances

CEG and its suppliers shall strive to minimize waste across the value chain and that it is referred to the waste hierarchy of Prevention, Reuse, Recycle, Recover, Disposal. For example, where waste cannot be avoided, we expect suppliers to focus first on reusing materials, second on proper recycling methods, and last on proper disposal.

Raw materials and responsible sourcing

The supplier must use natural resources economically and considerately, keeping the consumption of resources as low as possible.

Sourcing of raw materials must not contribute to human rights abuses, financing of armed groups or breach embargoes and international law.

4 Ethical behaviour

Fair competition, anti-corruption and bribery

CEG does not tolerate any form of corruption or bribery. We expect suppliers to observe antitrust and competition laws where they do business. Suppliers shall not engage in activities that create a conflict of interest between CEG and the Supplier. CEG expects to be informed promptly of any potential, actual and perceived conflicts of interest.

Suppliers shall have a sound judgment when extending business courtesies to ensure that any exchange of gifts, favours, or entertainment is proportionate in relation to the business between the parties. CEG and its suppliers must not offer or accept money or goods, in any form, to promote, obligate or favour the conclusion of business to its advantage in violation of the laws in force. Courtesy gifts are allowed when they are of modest value and do not lead to being intended as a search tool for favours or privileges, in violation of current laws.

Ban on money laundering and financing from illegal sources

The supplier must obtain their financial resources from legitimate sources. The supplier must not directly or indirectly support terrorism or organized crime, including bribery, human trafficking, drug trafficking, arms trading, etc.

Compliance with export control and trade laws

We expect suppliers to follow applicable international trade laws, including import and export controls regulations, and compliance with sanctions and anti-boycott laws. The supplier has a responsibility to ensure they comply with these trade laws and regulations in any country where they operate and do business.

5 Communication and consequences

The supplier shall communicate CEG's SCoC and measures for its implementation to all relevant stakeholders, including e.g., all employees and upstream suppliers, and take suitable measures to comply with its regulations.

Documents and compliance checks

All documents and papers shall be duly prepared, properly stored, and protected against unauthorized access, modification, and destruction. Any papers, documentation, approvals, reports, etc. must be correct, trustworthy, and transparent. These documents must be provided to CEG upon request. The supplier shall inform CEG about any issues that do not conform to CEG's SCoC without being requested to do so. CEG reserves the right to perform both announced and unannounced audits to verify compliance with the SCoC and the Supplier shall grant entry and access to relevant areas and relevant documents.

6 REPORTING AND CONTACT

If you become aware of a circumstance or action that violates or appears to violate this Supplier Code of Conduct, please refer to the contact details below.

Contact

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