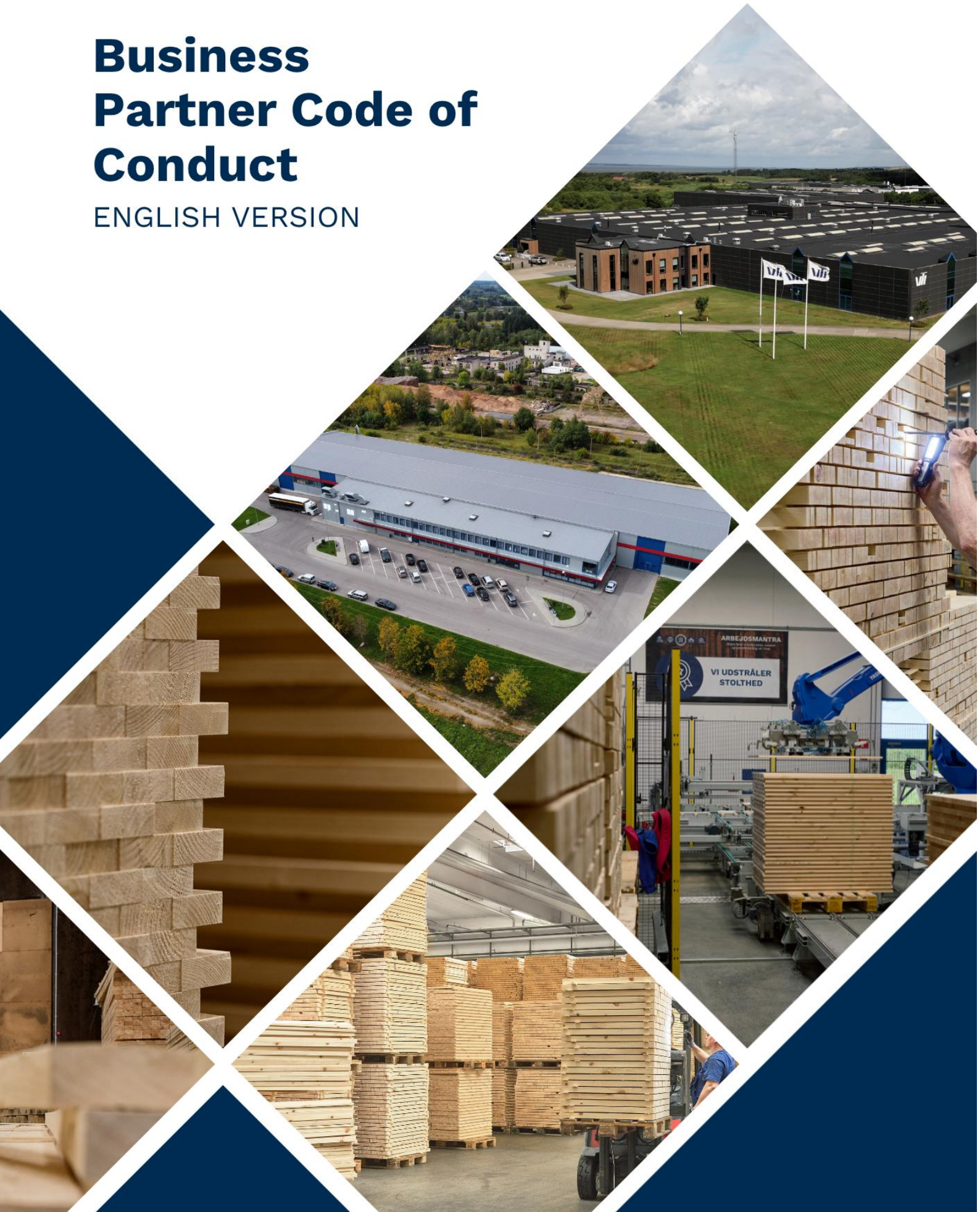
Business Partner Code of Conduct

ENGLISH VERSION



PURPOSE AND COMMITMENT

There is more to VTI than “simply” the production of top-quality glulam. VTI is the story of a proud, locally deployed company with an international outlook and unshakable values. We are committed to establishing long-lasting, solid and valuable relationships, and to acting as a knowledge centre where our partners can draw on our experience and qualified advice.

We adhere to five “work mantras” that we use to bring our vision, mission and core story to life:

- **We build up valuable relationships.**
  We say what we mean and we keep our promises. This naturally applies both internally and – especially – with regard to our customers and business partners.
- **We act professionally in everything we do.**
  We strive to act professionally towards each other, as well as towards our customers and business partners.
- **We radiate pride.**
  We pride ourselves on knowing our stuff. Our pride is built on the dedication, professionalism and self-esteem we showcase in our everyday work.
- **We demonstrate agility.**
  All our employees are problem-solvers. We are skilled at strengthening our organisation with the requisite competences to guarantee the agility the market demands both now and in the future.
- **We cultivate diversity.**
  We’re geeky and dedicated to our respective fields. The diverse competences of our employees mix and merge to become a great asset to VTI, where there is plenty of room for diversity, trust and development.

At VTI, we are committed to conducting our business responsibly, ethically, and with respect for internationally recognised human rights and labour rights.
We believe that responsible business conduct, long-term relationships, and respect for people go hand in hand. As a manufacturing company with close relationships with customers, suppliers, and business partners, we recognise our responsibility to conduct business with integrity, decency, and accountability.

Our guiding principles
VTI's work and definition of human rights are based on and in accordance with the following international standards and conventions:

- The United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles on Business and Human Rights)
- The United Nations Global Compact Principles
- The ILO Fundamental Conventions on Labour Rights
- The International Bill of Human Rights

Moreover, given that we are FSC certified, the FSC ILO requirements are likewise intertwined with these principles.

This CoC for Suppliers summarises the minimum requirements stipulated by VTI, but irrespective of the specific contents of this document we expect Suppliers to

- exercise sound judgement and seek guidance when in doubt
- comply with all applicable national and international laws and regulations
- comply with this CoC
- implement policies, procedures, etc. to ensure compliance with this CoC.

WHO IS COVERED BY THIS CODE OF CONDUCT?

This Code applies to VTI's Suppliers, be they enterprises (and their employees) or individuals who work for or with VTI in Vinderup or Rezêkne as subcontractors, or who supply goods or services to VTI.

THE SUPPLIER'S OBLIGATIONS

VTI requests that Suppliers sign this CoC and return it to VTI within four weeks of receipt. VTI likewise requests that Suppliers notify VTI if there are any conditions they believe they do not fulfil at the time of signature. If this is the case, VTI will subsequently work with the individual Supplier to set a timeframe for a process whereby the Supplier is given the opportunity to rectify the situation.

In the event of continued non-compliance with this CoC, VTI will require the Supplier to remedy the situation and may terminate the working relationship if the Supplier is unable to do so.

We refer to the following pages regarding our code of conduct for:

- Climate & Environment
- Social Responsibility
- Responsible Leadership

Name of Business Partner: _____

Date of approval: _____

Signature: _____

OUR CODE FOR CLIMATE AND ENVIRONMENT

Theme	Requirements and expectations on Suppliers
CLIMATE AND THE ENVIRONMENT	We expect our Suppliers to identify and deal with the environmental impact(s) of their operations. They are obliged to minimise greenhouse gas emissions and to promote environmental responsibility, efficient waste management and the appropriate use of natural resources. Initiatives are to be launched to reduce negative environmental and climate impacts in the supply chain. Local, regional and global environmental aspects must be taken into account. Steps are to be taken to protect the immediate area around production facilities against depletion or degradation from pollution. National and international environmental and climate legislation is to be respected. Relevant emission licences shall be obtained where required. Hazardous chemicals and other substances shall be carefully managed.
BIODIVERSITY	We expect our Suppliers to be committed to promoting biodiversity. They can do so, for example, by preserving or providing space for trees, plants, etc. and by reducing waste. They can also do so by establishing whether buildings and furniture are ecological, natural, durable and recyclable.
CLEAN WATER	We expect our Suppliers to be committed to promoting access to clean water by reducing pollution of groundwater and waterways. This may involve avoiding the use of pesticides and fertilisers that are not 100% degradable in soil.

OUR CODE OF SOCIAL RESPONSIBILITY

Theme	Requirements and expectations on Suppliers
DISCRIMINATION	Our Suppliers are to take a zero-tolerance approach to discrimination in all its forms, i.e. discrimination on the basis of race, ethnicity, colour, age, gender, sexual orientation, political opinion, national origin, religion, disability, or any other characteristic not related to the qualifications of the person concerned, nor to the requirements of the job.
WORKING CONDITIONS	Suppliers are to set working hours, wages (including minimum wage) and overtime pay in accordance with the laws and regulations of the country/countries in which they operate. As a minimum, wages and other remuneration for a normal working week should be in accordance with national minimum regulations – or industry standards, if higher – and should cover basic needs as far as possible. Payroll and salary conditions, including payment of wages, are to be agreed in writing, and the agreement must be comprehensible to the employee. It is not permitted to apply deductions from pay as a disciplinary measure. (ILO Convention No. 131) Working hours are to be in accordance with national legislation or with industry standards if these are more favourable to the worker. It is recommended that working hours not exceed 48 hours per week (eight hours per day). Employees are to be granted at least one day off for every seven days. Overtime is to be limited. It is recommended that overtime work not exceed 12 hours per week. Workers are always to be paid for overtime – as a minimum in accordance with applicable legislation. (ILO Conventions No. 1 and 14) Suppliers is to abolish all forms of forced and compulsory labour. The employment relationship is to be voluntary and based on mutual consent, without the threat of sanctions. There is to be no evidence of practices that indicate forced or compulsory labour, including but not limited to the following: physical or sexual violence, debt bondage, withholding of wages – including payment of employment fees or payment of a deposit to start work – restriction of mobility/movement, withholding of passports and ID documents, threats to report workers to authorities.

	Suppliers are to ensure the absence of discrimination in conditions of employment and labour. Employment and hiring practices are to be non-discriminatory. Suppliers to employees in accordance with international conventions, national legislation and other labour law guidelines are not to be circumvented through the use of short-term engagements (such as the use of short-term contracts, casual workers and day labourers), subcontractors or other forms of labour relations. All employees are entitled to a written employment contract in a language they understand. Apprenticeships are to be clearly formulated in terms of duration and content.
RIGHT TO ORGANISE	Suppliers are to respect the freedom of association and the right to genuine collective bargaining. Workers are to have the opportunity to form or join workers' organisations of their choice. Suppliers respect the complete freedom of workers' organisations to draw up statutes and regulations. Suppliers respect the right of workers to engage in lawful activities such as forming, joining, assisting or abstaining from forming, joining or assisting a workers' organisation and does not discriminate against or penalise workers for exercising this right. Suppliers negotiate with legally established workers' organisations and/or their duly selected representatives, and makes every effort to reach a collective agreement in good faith. Collective bargaining agreements entered into are to be implemented.
INCLUSION	Suppliers are to establish and maintain a working environment that is free from abusive, violent and threatening behaviour, sexual harassment, bullying and other forms of degrading behaviour.
CHILD LABOUR	Suppliers must not employ persons under the age of 15 or below the minimum age specified in national or local laws or regulations; the higher age will apply. The exception presented below does apply however: In countries whose national laws or regulations authorise the employment of persons between 13 and 15 years of age for light work, such employment must not interfere with the child's schooling, nor be harmful to the child's health or development. In particular, if the child is

	subject to statutory education, his/her working hours must not be during school hours and must be within normal working hours during the day. Policies, procedures and action plans are to be established to assist children who are found to be working in conditions that violate ILO Conventions No. 138 and 182. Action plans are to be documented and communicated to relevant staff and other stakeholders. Appropriate financial and other support is to be provided to safeguard the child's opportunity for education at school age. (ILO Conventions No. 138 and 182, ILO Recommendation No. 79 and 146) No person under the age of 18 may be employed to perform dangerous or heavy labour. However, instruction within the framework of approved national laws and regulations is permitted. Suppliers shall prohibit the worst forms of child labour.
SLAVERY	Suppliers must not participate in or support human trafficking or modern slavery, including forced labour and debt bondage.
HUMAN RIGHTS	Suppliers are to ensure a working environment that respects internationally declared human rights. Suppliers are to seek to minimise and deal appropriately with incidents and accidents in the workplace, and to make all necessary safety and protective equipment available. A zero-tolerance policy is to apply to physical abuse or punishment, as well as to threats of physical abuse. The same applies to sexual or other harassment, verbal abuse and other forms of intimidation. (ILO Convention No. 190 against violence and harassment at work) A safe and healthy working environment must be assured, taking into account the existing knowledge of the industry and its specific hazards. Appropriate measures are to be taken to prevent and avoid accidents or damage to health arising from, or related to, conditions at the workplace. Workers are to receive documented safety and health training on an ongoing basis. Training is to be repeated for newly hired employees. Access to clean sanitation and clean drinking water must be assured. Where appropriate, the employer is also to ensure access to safe food storage. If the employer offers accommodation for workers, said accommodation is to be clean, safe and adequately ventilated; it is also to feature access to clean sanitary facilities, as well as access to clean drinking water. (ILO Convention No. 155 and ILO Recommendation No. 164)

OUR CODE FOR RESPONSIBLE LEADERSHIP

Theme	Requirements and expectations on Suppliers
UNFAIR COMPETITION	Suppliers shall refrain from any form of unfair competition pursuant to the applicable competition laws, both alone and jointly with other companies or individuals that have any relationship with us.
CORRUPTION AND BRIBERY	Suppliers shall not offer or accept bribes, nor shall they be involved in any form of corruption or bribery when working for or with us.
FINANCIAL CRIME	Suppliers shall not enter into arrangements that give rise to our direct or indirect involvement in financial crime, including money laundering, terrorism, tax evasion and the like.
SANCTIONS AND PENALTIES	Suppliers shall comply with all applicable laws and regulations regarding economic sanctions and export regulations.