

Compliance and Code of Conduct **for the Polyurethane and Foamed Plastics Industry**

1.) Introduction

The Specialist Association Foamed Plastics and Polyurethanes (FSK) is a specialist association for the chemical industry with over 150 member companies throughout the entire value chain of the polyurethane and foamed plastics industry, from raw material producers to processors to OEMs. As producers and employers, our members are aware of their social responsibility and thus adhere to the specialist association's common Code of Conduct.

In Germany the polyurethane and foamed plastics industry comprises about 1100 companies with approx. 126,000 employees. Together these companies process approximately 1.75 million tons of polyurethane, and foams made of polyethylene, polypropylene, rubber, melamine resin, etc. and achieve a turnover of about € 9 billion per year. The companies in our association produce a wide variety of very different products and semi-finished products, especially in the sectors construction (e.g. insulation), vehicles, furniture, mattresses, medical apparatus industry, shoes, refrigeration / air conditioning technology, packaging, and countless other technical applications (e.g. adhesives, paints, filters, rolls, or sealants).

The self-commitment at hand expresses the aspiration of our member companies to contribute to promoting fair and sustainable standards, in the companies, when dealing with competitors, in terms of environmental protection, industry organization and communication. We as an association are convinced that utmost product and service quality, along with corresponding process quality, must go hand in hand and that consumers and clients can expect this. Thus being, this Code of Conduct forms the basis for a continuous improvement of company performance.

The principles defined in the Code are directly applicable in all locations and business units. In addition, the companies communicate the implementation of these, or similar principles, along the supply chains.

2.) Corporate culture and work environment

Moral integrity, justice and the law

The signatory companies will comply with universal human rights as well as prevailing laws and statutes, and demand the same from their suppliers. They will orient their activities towards universally held ethical values and principles, in particular integrity, honesty, respect of human dignity, openness and non-discrimination of religion, ideology, gender, and ethnicity.

International Law

The international activities of the signatory companies require the examination of a variety of rules governing foreign trade, taxation and customs laws. These rules will be respected and all measures will be taken to implement these laws.

Privacy Policy

The signatory companies maintain a safe handling of the personal data of their employees, business partners and customers. Personal data will only be collected if permitted by law or by consent of the person concerned.

Corporate Citizenship

The principle of recognition is an integral part of the corporate and management culture of the member companies in the specialist association. They stand for fair and respectful dealing with each other.

In addition, the social commitment of employees, e.g. in volunteer fire departments or clubs is promoted. The companies demonstrate civic involvement with positive contributions to society.

Promotion and training of employees

Training young people is an important social task. The introduction of young people into the profession and individual further development is therefore strongly supported. Further training also has a very high priority in the signatory companies. The personal and professional development of employees is therefore encouraged.

This automatically strengthens the sustainability of the companies.

Forced labor

Any form of forced labor, including forced labor in prisons and debt bondage is not acceptable.

Child labor

Child labor and any form of exploitation of children and adolescents are not tolerated. Corresponding laws are observed.

Harassment

Employees are seen as individuals. They will not be subjected to any corporal punishment or other physical, sexual, psychological or verbal harassment or acts of abuse.

Compensation

Compensation, including wages, overtime and benefits must be equal to or exceed levels stipulated by applicable laws and regulations or collective agreements, which are already in force. Compensation for full-time employment must be sufficient to meet the employee's fundamental needs. Wages shall be paid in a practical way, and pay slips must be provided in a suitable manner.

Working hours

Unless national regulations stipulate a lower maximum number of working hours, and except in exceptional business circumstances, employees will not be required on a regular basis to work a standard working week in excess of 48 hours per week or total weekly working hours in excess of 60 hours (including overtime). Employees are to be given the equivalent of at least one day off in every 7-day period.

Non-Discrimination

With respect to all employment decisions, including but not limited to hiring and promotion, compensation, benefits, training, redundancies and terminations, all employees will be treated strictly in accordance with their abilities and qualifications.

Health and Safety at Work

Occupational health and safety regulations are strictly adhered to in order to prevent accidents and bodily injuries. The health of employees is a valuable asset and very important goal. All necessary health and safety measures will be taken.

Freedom of assembly and collective bargaining

The signatory companies recognize and respect the statutory right of employees to freedom of assembly, representation by unions and collective bargaining.

3.) Competition law

Fair competition

The signatory companies commit themselves without restriction to the principles of the social market economy and fair competition. Corporate goals are pursued solely on merit and in accordance with applicable competition rules. This is also expected from competitors and business partners.

Business relationships

Business relationships are initiated or maintained according to objective criteria, e.g. according to quality, technological standard and reliability of the business partner. Commercial decisions, advisory services or recommendations of employees will not be influenced by private interests or induced by material benefits.

Anti-corruption

The signatory companies reject corruption and bribery in accordance with the relevant UN Convention (from 2005). At the same time, in an appropriate manner, transparency, acting with integrity and responsible leadership is encouraged in companies.

Every employee is obligated to perform his/her duties and functions only by fair means and within the context of what is legally permissible.

Antitrust and competition regulations

The signatory companies commit themselves to fair competition. Competition protective laws, in particular antitrust and other competition regulating laws will be observed. Impermissible agreements to fix prices or other conditions, production programs, sales territories or customers, as well as an abuse of market power are contrary to the principles of the companies. It is hereby irrelevant whether this pertains to an agreement or to informal talks - even outside official events.

Handling of confidential information and the property of others

The protection of confidential information, knowledge or trade secrets is matter of course in dealing with business partners and companies in the supply chain. Disclosure of certain information may take place only after rigorous review. The intellectual and material property of others is respected and is expected as well from other companies.

4.) Environment, innovation and law

Innovation, Progress

The member companies of the association are in permanent competition for the best products and services. The products are developed in an environmentally friendly, state of the art manner, in the interest of innovations and in correspondence with the needs of customers.

Environmental Protection & Environmental Law

Environmental protection issues are extremely important to the specialist association and its members. To conserve soil, water and air, the signatory companies strictly adhere to environmental laws. Employees are encouraged to strictly implement relevant rules. This method not only observes national regulations that apply to the specified site, but also higher-level regulations, e.g. of international climate protection in-

cluded.

Handling of chemicals

In addition, the signatory companies are aware of their responsibility when handling chemicals. They, at all times, comply with the current legislation regarding chemicals regulation. All regulations for the safe handling of chemicals in plant operations are observed and staff is trained and protected accordingly.

Labeling of products

The requirements to the products of the industry are high. All standards and policies are complied with. The products are labeled, thus allowing a safe handling by purchasers and consumers.

Product Safety and Product Stewardship

The products are designed and manufactured under strict application of quality management systems. The products are monitored on the market and examined in regards to all safety issues. If necessary, responsible authorities will be informed and all necessary measures to protect customers will be immediately taken.

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Recycling and recovery

In accordance with the high technical demands and the responsibility for the environmental protection, the entire life cycle of products is taken into account. Means and resources are used efficiently, thoughts on eco-design are considered in product development and, whenever possible, recycled materials are used in production.

5.) Industry organization and communication

Communication

The signatory companies are obliged to communicate Code affiliated requirements to

all their employees and suppliers. Particularly vulnerable groups (e.g. children and adolescents) will receive special attention.

Transparency and consumer dialogue

The right of consumers for important product and process information, needed for a qualified purchase decision, shall be recognized. Corresponding information is defined and made available to the public, in case of complaints these will be dealt with effectively.

Industry organization

As a member of industry associations or chambers and corporations under public law, the signatory company and its representatives adhere to the Code of Conduct and comply with competition law.