

EUROPEAN RENTAL ASSOCIATION SUSTAINABLE SUPPLIER PROPOSED CODE OF CONDUCT

DESCRIPTION OF REQUIREMENTS AND ASPIRATIONS

Section 1 - Corporate

1.1 Leadership, strategy and stakeholder engagement

Requirement:

The supplier shall have a senior executive in place who is responsible for compliance with the areas covered by this Supplier Code of Conduct.

Responsibility for health and safety must be assigned to a senior management representative. The supplier should have a publicly stated sustainability policy which covers as a minimum the company's strategy and goals as regards:

- Workers' rights
- Health and Safety
- How they are working to address the topic of climate change
- The impact that the company's operations and products and services have on the environment.

Aspiration:

The supplier should:

- Undertake a materiality analysis to identify the key issues amongst their stakeholder group and use this analysis to inform and develop their sustainability strategy and action plans
- Actively measure and publicly report sustainability performance, particularly in the areas of carbon and other greenhouse gas emissions, health and safety performance and supply chain engagement on the topic of sustainability
- Monitor their impact on the environment, (for example measurement of your carbon footprint) publicly report it and show continuous improvement in this area;
- Set challenging targets to improve performance against your sustainability measures, report on progress; and should:
 - publish a sustainability report annually, covering the above points.
 - engage its supply chain on the topics contained in this code of conduct.

1.2 Management systems

Requirement:

The supplier shall establish and maintain adequate management systems to oversee all elements of this Supplier Code of Conduct, in proportion to the size, complexity and risk environment of the

Supplier's business. It shall contain a policy commitment from the Suppliers' management as well as provide for effective due-diligence and risk assessment, assign responsibility to relevant personnel, and include monitoring and reporting mechanisms related to all areas of this Supplier Code of Conduct. Such management system shall be continuously reviewed, monitored and improved, preferably under 3rd party certification.

Aspiration:

- The supplier will have in place formal accreditation which has been third party certified in the following areas:
 - Environmental management (ISO 14001 or equivalent)
 - Occupational health and safety (ISO 45001 or equivalent)
- The supplier has nominated staff responsible for sustainability activities
- The supplier will have formal education, awareness, guidance and processes for ensuring compliance with sustainability policies
- Records will be kept of staff training, education and awareness activities.

1.3 Business integrity including anti-corruption and bribery (ACB)

Requirement:

The supplier shall at all times uphold the highest level of integrity in all business interactions and disclose details of its corporate structure when requested its customers.

- **Conflicts of Interest.** Supplier shall do business in an open and transparent way in order to demonstrate that they are an honest and reliable partner. Further, Supplier shall conduct business in a manner that avoids situations where private, financial or other external interests' conflict with the job responsibilities of the Employee. Any situation where a customer employee or professional under contract with a customer may have a personal interest of any kind in the Supplier's business or any kind of economic ties with the Supplier, must immediately be reported to the customer through ordinary reporting channels.
- **Fair trade** - Supplier shall respect and comply with all applicable fair trade, competition and anti-trust laws and regulations and shall not have any anti-competitive discussions or enter into any anti-competitive agreements, including illegal price-fixing, market sharing, customer allocation or other illegal restrictive practices, at any level of the production or distribution chain.
- **Anti-Corruption.** Supplier shall not engage in, endorse nor tolerate any form of bribery or corruption, directly or indirectly. Supplier shall not offer nor accept any form of improper benefit to or from a third party, private or public, with the purpose of obtaining or retaining business or any form of preferential treatment. Such benefits may comprise not only cash but also job opportunities, favours, travel, facilitation payments, promises to pay debts or unlawful gifts and entertainment. Supplier shall respect and comply with all applicable fair trade, competition and anti-trust laws and regulations and shall not have any anti-competitive discussions or enter into any anti-competitive agreements, including illegal price-fixing, market sharing, customer allocation or other illegal restrictive practices, at any level of the production or distribution chain.
- **Confidentiality and Intellectual Property Rights.** Supplier shall respect customer confidential information and intellectual property rights by safeguarding against misuse, mishandling,

counterfeit, theft, fraud or improper disclosure in accordance with applicable law and the contractual terms with its customer.

Aspiration:

- Supplier is encouraged to implement an information management strategy, including a policy which ensures proper levels and thresholds as well as records for proper business integrity. Moreover, the supplier should implement a whistle-blower process where its Employees can anonymously raise any concerns of misconduct.
- Supplier is encouraged to implement an effective anti-corruption compliance program, covering a process for conducting due diligence prior to entering relationships with business partners in order to investigate and evaluate the integrity, quality, suitability and credibility of all potential business partners.
- Supplier should consider implementing the ISO 37001 anti-bribery management system.

1.4 Data privacy

Requirement:

- Whenever a Supplier is entrusted with personal information about individuals, the supplier shall safeguard it and take appropriate steps to protect it from misuse. All applicable data privacy laws as well as the contractual terms with its customers shall be observed when collecting, storing, using, processing or sharing personal information about individuals.

Aspiration:

- The supplier is encouraged to implement a risk evaluation process in order to identify threats to privacy, and to act upon any threats or risks identified.

Section 2 – Operations

2.1 Resource efficiency and energy consumption

Requirement:

The supplier is encouraged to use and consume natural resources and sources of energy in an optimised and efficient way, with particular focus on implementing conservation and recycling practices in Supplier's production and maintenance processes.

A Supplier located in an area affected by water scarcity and/or water stress is encouraged to economize and to secure existing and future access to water sources, and to seek opportunities for responsible treatment of water and wastewater discharges.

Supplier is encouraged to implement a comprehensive energy and water measurement and reduction strategy and management program while increasing the use of renewable energy and recycled water.

Aspiration:

The supplier shall monitor, track and document its consumption of natural resources such as water and raw materials, as well as sources of energy in order to be able to identify aspects that Supplier can control and can influence, fostering opportunities for improvement and minimized consumption. Consumption shall be monitored, tracked and documented at both the site and corporate level and provided to customers upon request.

Best practice in resource efficiency and energy consumption will be evidenced by the presence of:

- A material efficiency strategy and programme
- Recycled material usage
- Energy efficiency strategy and evidence of implementation
- Water efficiency strategy and evidence of implementation (if in water stressed area)
- Evidence of resources being allocated to resource efficiency programmes, KPIs in place, targets set and evidence of reporting of progress against these KPIs

2.2 Emissions and waste management

Requirement:

The supplier shall monitor, track and document its emissions to air, water and soil from its facilities and transports (which it is directly responsible for) as well as the wastewater and solid waste generated by its operations in order to be able to identify aspects that the supplier can control and influence, fostering opportunities for improvement and minimized emission. All output shall be monitored, tracked and documented on both the site and corporate level and be provided to customers upon request.

Aspiration:

Supplier is encouraged to routinely control, minimize and to the extent possible, eliminate greenhouse gas emissions and discharges or pollutants at the source or by other adequate measures. Supplier is also encouraged to control and treat wastewater and solid waste generated from the operations, industrial process and sanitation facilities of the Supplier prior to discharge or disposal. Moreover, Supplier is encouraged to implement a waste management strategy that targets, in order of priority: (1) prevention, (2) reduction, (3) reuse, (4) recycling, (5) energy recovery, (6) incineration without energy recovery, and (7) landfill/disposal of waste in a safe and environmentally responsible manner.

Supplier shall monitor, track and document the composition of their packaging material which becomes waste at the customer site in order to facilitate steps towards circular economy, e.g. utilizing non-complex materials and/or materials for which there are locally established recycling markets available.

Supplier is encouraged to design all packaging material in a way that facilitates a circular economy approach.

We encourage you, as a supplier, to deliver against the following goals which we have set as aspirations rather than mandatory requirements:

- ISO14001 accreditation
- Scope 1,2 and 3 greenhouse gas emission reporting
- Setting formal KPIs relating to environment and waste reduction – targets relating to:
 - Emissions to air
 - Releases to water
 - Waste volume reduction, particularly hazardous waste
 - % reduction of manufacturing waste, emissions during manufacture (Zero waste target)
 - % reduction in packaging / transit packaging / reuse of transit containers

2.3 Hazardous substances

Requirement:

Supplier shall identify potentially hazardous substances in chemical products and articles used in its production and ensure that they are handled, transported, stored, recycled and disposed of safely. Safety information shall be available to educate, train, and protect Employees from hazardous materials and Employees shall have access to adequate personal protective equipment.

Aspiration:

- Supplier is encouraged to substitute hazardous substances with those less hazardous.
- Supplier is encouraged to achieve ISO14001 accreditation

2.4 Health and Safety

Requirement:

Supplier shall ensure that its Employees' potential exposure to safety hazards including both physical hazards or other risks and hazards which may pose a psychological risk or affect mental health, are identified, assessed and controlled through proper design and/or preventative maintenance and safe work procedures. Where hazards cannot be adequately controlled by these means, employees shall be provided with appropriate personal protective equipment including access to first-aid supplies or relevant services to mitigate risk in areas such as mental health or workplace ergonomics. Safety information shall be made available to everyone in order to educate, train, and protect the Employees from safety hazards and health risks.

Supplier shall have adequate emergency preparedness procedures in place in order to identify and assess potential emergency situations. Emergency plans, fire safety and response procedures shall be implemented, including Employee notification and evacuation procedures, Employee training and evacuation drills. Fire safety procedures shall, where available, be periodically reviewed and approved by local authorities.

Employees shall have ready access to clean drinking water, hygienic toilet facilities, hygienic food preparation, storage and eating facilities, adequate ventilation, light and temperature levels, and acceptable (as defined by local regulations / legislation) levels of noise and dust pollution (as applicable).

Responsibility for health and safety must be assigned to a senior management representative.

Workers must receive appropriate, regular and recorded health and safety training.

If the supplier provides accommodation, it must be clean and safe and provide reasonable living space.

Aspiration:

We encourage you, as a supplier, to deliver against the following goals which we have set as aspirations rather than mandatory requirements:

- Supplier is encouraged to work pro-actively with a long-term health and safety strategy, which includes aspects on age, disability, gender and religion
- Undertake hazard identification, risk assessment, control and elimination
- Incident reporting, investigation and management
- Recording of work accident rates
- Health and Safety training and testing taken place over last 6 months
- The above points can be covered if the supplier establishes and maintains a management system or programme that encourages continual improvement in health and safety and will integrate the following principles of occupational safety and health into its management system, Such management system should be continuously reviewed, monitored and improved, preferably under 3RD party certification.
- ISO 45001 (replacing ISO 18001) is such an internationally recognised standard

Section 3 - Human Resources

3.1 Child labour

Requirement:

- We do not tolerate child labour, and Supplier shall prevent all forms of child labour. The minimum working age is the age of completion of compulsory school, but never less than 15 years.
- Young Employees within the age of 15 – 18 years shall not be exposed to work that is likely to harm their physical or mental health, safety or morals.
- The supplier must have robust age verification checks in place to ensure this policy is upheld.
- Supplier is required to have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent child labour throughout its supply chain
- If children are found working directly or indirectly for the supplier, the supplier must make sure there is a remediation plan in place that puts the best interests of the child first, and that allows the child to access appropriate education until no longer a child.

Aspiration:

- Supplier is encouraged to engage constructively with relevant stakeholders such as children's rights experts, non-governmental organisations and industry associations in order to build awareness and proactively work towards preventing child labour and respect children's rights.

3.2 Non-discrimination, diversity and fair treatment

Requirement:

- The supplier must treat all workers with dignity and respect. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, mental or physical coercion and verbal abuse or other forms of intimidation is prohibited.
- All disciplinary measures must be recorded in writing and be available for inspection by the customer on request.
- Supplier shall treat everyone with dignity and respect and provide equal employment opportunities and conditions based on the individual's ability to do the job, regardless of Employee or job applicant characteristics including, but not limited to:
 - gender, gender identity or expression
 - age
 - nationality, race, ethnicity, skin colour or cultural background
 - religion or belief
 - disability, genetics, or health information including mental health issues, pregnancy or long-term conditions
 - sexual orientation
 - union affiliation
- The supplier must not require workers or potential workers to undergo medical tests which could be used in a discriminatory way
- Supplier shall not tolerate humiliating or physical punishment or allow any employee to be subject to verbal, psychological, physical or sexual harassment or abuse.

Aspiration:

- Supplier is encouraged to actively promote diversity and inclusion and provide equitable benefits and working conditions accommodating all categories of human diversity.
- Supplier is encouraged to engage constructively with relevant stakeholders such as non-governmental organisations and industry associations in order to build awareness and proactively work towards identifying root causes of discrimination if it is a widespread societal issue.

3.3 Human rights / Modern slavery

Requirement:

We do not tolerate any forms of modern slavery or forced labour, including but not limited to forced, bonded or compulsory labour and human trafficking. In meeting this requirement, we require the following from suppliers:

- The supplier shall ensure that all work is voluntary. The supplier shall not traffick any people, nor use any form of slave, forced, trafficked, bonded (including debt bondage) or indentured labour or involuntary prison labour. Trafficking includes transporting, harbouring, recruiting, transferring or receiving people by means of threat, force, coercion, abduction or fraud for labour or services.
- The supplier shall not require workers to lodge "deposits" or their identity papers. Workers must be free to leave their employment after reasonable notice.

- Workers must not be charged any fee or cost to obtain their employment, whether by the supplier or the supplier's recruitment agent. If any such fees are found to have been paid by workers, those fees must be repaid to the worker.
- The supplier must provide all workers a written employment agreement in their native language that contains clear terms and conditions of employment. This must be provided before the worker leaves his or her country of origin and starts employment.
- There must be no unreasonable restrictions on workers' freedom of movement in any company-provided facilities or upon entering or exiting company-provided facilities.
- Suppliers are required to have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent modern slavery and forced labour throughout its supply chain.

Aspiration:

- Suppliers are encouraged to engage constructively with relevant stakeholders such as recruitment agencies, non-governmental organisations and industry associations in order to build awareness and proactively work towards preventing modern slavery and forced labour.

3.4 Working conditions – wages, social security, working hours

Requirement:

- The supplier shall always respect and comply with applicable laws and collective bargaining agreements, if applicable, on working and resting hours, including overtime working hours, as well as annual, sick and parental leave and any other applicable leave regulations.
- Working hours must not exceed the maximum set by local law. Each employee's working week should in any case not exceed the ILO convention on hours of work and not exceed 48 hours (excluding overtime) or 60 hours (including overtime), except in an emergency or unusual situation. Workers must be allowed at least one day off every seven days.
- Overtime must be voluntary and shall always be compensated at a premium to the employee's standard hourly rate.
- The supplier must pay workers a fair and reasonable wage and benefits and at a minimum these must comply with local laws. Workers must be paid in a timely manner. The supplier must be transparent about the basis on which wages and benefits are paid.
- The supplier shall provide its Employees with information about their employment terms and conditions, including benefits, in a format and language they can easily understand, such as a written employment contract and a timely wage statement.
- Deduction from wages is permitted only if and to the extent prescribed by applicable law, regulations or collective bargaining agreements.
- The supplier must not deduct from wages as a disciplinary measure.

Aspiration:

- Suppliers are encouraged to maintain reasonable working hour schedules for its Employees in order to prevent quality and safety incidents and to minimize strains on Employees' physical and mental health.
- Suppliers are encouraged to comply with ILO standards on working hours and leave.

3.5 Union agreements/ workforce representation

Requirement:

- All Employees shall have the right to lawfully form, join or not join labour unions, bargain collectively, seek representation and join worker's councils in accordance with local law and international conventions. Employees shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, intimidation or retaliation.
- Where local law sets restrictions on the right to freedom of association and collective bargaining, Supplier shall allow alternative forms of worker representation, association and bargaining.

Aspiration:

- Suppliers are encouraged to engage in active social dialogue with its Employees on the basis of motivation, recognition and reward in order to stimulate workplace engagement.
- Suppliers are encouraged to engage constructively with relevant stakeholders such as non-governmental organisations, industry associations and worker representatives for sustained relations between employers and workers within the industry sectors or areas of operation
- Suppliers are encouraged to implement management-worker communication channels – Channels which are independent, anonymous and acted upon
- Suppliers shall implement and make available appropriate grievance channels and remediation mechanisms available to all Employees and third parties in order for them to raise concerns or complaints, but also recommendations and improvement ideas concerning the Supplier's operations, without fear of retaliation.

Section 4 - Supply Chain

4.1 Supply chain engagement

Requirement:

As a minimum, suppliers should follow a similar approach to this code of conduct and require suppliers to rate themselves against a code of conduct and commit to following minimum standards of operation and performance. The requirement is that a supplier following this code of conduct, commits to obtaining a commitment from its highest risk, highest spend suppliers against a self-assessment questionnaire / code of conduct which addresses the following areas:

- Business integrity, including Anti-Corruption and Bribery
- Resource efficiency and energy consumption
- Emissions and waste management
- Hazardous substances
- Health and Safety
- Child Labour
- Non-discrimination, diversity and fair treatment
- Human rights / Modern Slavery

- Working conditions – wages, social security, working hours
- Union agreements / workforce representation
- Supply chain engagement
- Conflict minerals
- Management of regional and global requirements and regulations

Aspiration:

Suppliers are encouraged to go beyond the minimum requirement of its key suppliers signing up to a code of conduct which covers the areas outlined above, and look to:

- Set a target for the % of the supply base signing up to a code of conduct
- Undertake a risk analysis of its supply chain and identify key supply chain risks based on categories being supplied, regional analysis (where is the product, material or service being supplied from) and product end use. This risk analysis then being used to prioritise its supply chain assessment activities – code of conduct requirement, online or remote risk assessment, face to face or third-party audit
- Set a target to audit a % of the high-risk supplies identified via the risk analysis (outlined above)

4.2 Conflict Minerals

Requirement:

The supplier shall exercise adequate due diligence following the OECD Due Diligence Guidelines with respect to sourcing, extraction and handling of conflict minerals and to make a reliable determination of the origin and source of such minerals. The supplier shall have a policy and process in place to ensure that any of these minerals contained in the products manufactured by the supplier do not directly or indirectly finance or benefit armed groups that are perpetrators of human rights abuses or in any other way directly or indirectly contribute to human rights violations. It is a requirement of suppliers to ensure that all smelters and refiners in its supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to customers.

Aspiration:

Supplier is encouraged to exercise adequate due diligence for any materials and minerals contained in the products delivered by the Supplier, that directly or indirectly contributes to human rights and/or environmental violations.

Section 5 – Product

5.1 Management of regional and global requirements and regulations

Requirement:

Suppliers should be able to demonstrate that they have a formal product development process that takes into account different regional and global regulatory requirements and meets relevant local product regulation and has achieved required certification, for example CE marking, and meets emission requirements, in areas such as:

- Carbon emissions
- Dust
- Noise
- NOx
- Particulates
- Product Usage in areas which may impact users / operators health and safety e.g. user safety instructions, and usage impact such as noise, vibration etc.
- Product component and material compliance in areas such as:
 - WEEE
 - RoHS compliance
 - EU REACH
- Product health and safety requirements

Aspiration:

Suppliers should be able to demonstrate that their product development process anticipates forthcoming legislation and that the performance of their product is in advance of anticipated requirements.

5.2 Packaging, design, use, recycling (for products which use packaging)

Requirement:

The supplier should have a formal process to work with the customer for delivering sustainable packaging and eliminating single use plastics and other non-recyclable material from the supply chain.

Aspiration:

The supplier should be able to demonstrate expertise in, and practical examples of where they have:

- Right size all packaging / reduce packaging
- Maximum use of recycled materials
- Eliminate/ minimize over-packaging
- Focus on reducing / eliminating / recycling Secondary/ Transit Packaging
- Provision of take-back program for packaging, especially transit / intermediate packaging.

5.3 Sustainability impact of products and services

Requirement:

The supplier should provide data on the in-use sustainability impact of the products and services that they supply to ERA members.

Data should be supplied in sustainability impact areas such as:

- Carbon emissions
- Dust
- Noise
- NOx
- Particulates

Aspiration:

The supplier should:

- Provide tools such as online calculators which enable the end user to calculate the in-use impact of product and services
- Build in use measurement and reporting of sustainability impact into products such that users can measure and report the sustainability impact of their use of products and services
- Provide a product / service Life Cycle Analysis (LCA)
- Have a process to use LCA to drive product development and reduce the environmental impact of products and services
- Provide data on the % of recycled material in the item
- Provide data on the % of material in item that can be recycled at end of life / % of product that is recyclable

5.4 In use product and service health and safety promotion

Requirement:

The supplier should provide data, training and user engagement which promotes the safe use of products and services by operators.

Aspiration:

The supplier should:

- Provide tools and solutions that engage operators at point and time of use to promote the safe use of products and services
- Tools and solutions which facilitate risk assessment and eliminate or reduce in use health and safety risks
- Provide analysis of impact of improved health and safety performance on user productivity