

## **SOCIAL COMPLIANCE POLICY - POLICY STATEMENT**

The Lano Group (named “Lano” hereafter) is a major supplier of flooring and artificial turf solutions for the Residential, Hospitality and Sports market.

The mission of Lano is to be a partner to our customers for creative carpet solutions.

We are committed towards:

- Working with dedication and innovation, with total focus on our customer.
- Integrity, honesty and sincerity by following ethical and moral standards.
- Promoting a work culture that provides individual growth, team spirit and creativity to overcome challenges and attain goals.
- Achieving growth along with our customers, staff and suppliers.

At Lano, we believe that our success is built on a foundation of personal and professional integrity. We understand the challenge of ensuring high social, ethical and environmental standards within our business and throughout our supply chain and are committed to working collaboratively with our suppliers to ensure that these standards are continually improving.

In order to achieve this, Lano has developed this Social Compliance policy. This Policy defines Lano’s minimum standards, along with the basic principles we expect from all our Suppliers and Contractors. We are committed to ensuring that the standards outlined in the policy are effectively implemented, measured and monitored throughout our global supply chain and we require the support of our suppliers to achieve this goal.

### **1.0 SCOPE**

Lano’s management define this policy as relevant to the organisation itself, its contractors, subcontractors, suppliers and other parties engaged through the supply chain.

## 2.0 GENERAL PROVISIONS

Business Partners (including but not limited to agents, vendors, manufacturers, factories, suppliers, and subcontractors) must comply fully with all legal requirements relevant to the conduct of their businesses. This policy communicates our values and expectations and emphasises the importance of responsible workplace policies and practices, which generally comply, at a minimum, with applicable occupational H&S, environmental and labour laws and regulations. The standards outlined below reflect the values we uphold in our own policies, and we expect our suppliers to follow these standards and requirements:

2.1 Employment is freely chosen: There is no forced, bonded, indentured or involuntary prison labour. Workers are not required to pay fees or lodge “deposits” or original identity papers with their employer and are free to leave their employer after reasonable notice.

2.2 Freedom of Association: The freedom of association and the right to collective bargaining is respected. The employer adopts an open attitude towards the activities of both trade unions and worker organisations. Workers’ representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

2.3 Working Conditions: A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Applicable occupational Health and Safety regulations will be adhered to, and a working environment which is safe and conducive to good health shall be provided. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers. Responsibility for health and safety shall be assigned to a senior management representative.

2.4 Child Labour: Lano does not engage in or support the use of child labour. Suppliers and Contractors must not recruit child labour. (“Child Labour” being defined under ILO Conventions as workers under the age of 15, or 14 in certain developing countries. No hazardous work may be carried out by anyone under the age of 18). Suppliers and Contractors must maintain formal documentation that verifies the age of each worker. Children and young persons under 18 shall not be employed at night or in hazardous conditions.

2.5 Fair wages are paid: Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Wages shall be paid directly to the workers, at the agreed intervals and in full. Overtime must be paid at an enhanced rate, at a minimum compliant with national legislation. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

2.6 Working Hours: Working hours comply with national laws and benchmark industry standards, whichever affords greater protection. Comply with applicable hour and benefits laws relative to the industry and/or local labour market.

2.7 No Discrimination is practised: Suppliers and Contractors must comply fully with local laws regarding equality of employment opportunities. There is no discrimination in hiring,

compensation, access to training, promotion, termination or retirement based on race, caste, nationality, origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

2.8 Regular Employment is provided: To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment. Migrant, contract, part-time and home-workers must receive the same rights, benefits and opportunities as other workers performing similar activities.

2.9 No Harsh or Inhumane Treatment is allowed: Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. All disciplinary actions must be recorded and be fair, proportionate and fully compliant with local laws. Suppliers and contractors will ensure access to confidential means of reporting inhumane treatment and workplace grievances.

2.10 Protect the Environment: Conduct business in compliance with all applicable environmental laws, rules and regulations. Waste is minimised and items recycled wherever this is practicable.

2.11 Business Integrity: Strive to provide a workplace free of bribery and corruption by complying with all applicable laws relating to bribery, money laundering and/or corruption as well as prohibiting the exchange of money or anything else of value to or from anyone, including government officials, to influence actions or obtain an improper advantage.

### **3.0 IMPLEMENTATION OF THE SOCIAL COMPLIANCE POLICY**

Lano is committed not only to comply with this Policy within its own business, but to working collaboratively with its Suppliers and Contractors to drive compliance throughout the supply chain. We will support our Suppliers and Contractors in achieving this objective and will abide by the following principles in order to drive this improvement in ethical performance.

Lano Commits to

Allocate the required resources in order to implement the Policy.

Work collaboratively with our suppliers, supporting them in the improvement of social, ethical and environmental standards where required and appropriate.

Full compliance with this Policy within our own business and to ensuring that all relevant employees are aware of the Social compliance Policy.

Acknowledge specific national, regional and cultural challenges that may affect compliance.

Recognise suppliers' own standards where they are comparable to our own.

Communicate this Policy to all suppliers and contractors.

Cease trading with suppliers demonstrating a persistent disregard for this Policy while giving appropriate consideration to the impact this may have on the supplier and community in which they operate.

Lano Requires its Suppliers to:

Comply with this Policy and all applicable laws in the countries in which they operate.

Where standards differ, the standard which offers the greater degree of protection to workers shall apply.

Allocate the relevant resource for full implementation of the Social compliance Policy.

Communicate the Policy to all employees, suppliers, sub-contractors, home workers and temporary and contract workers engaged in their supply chain. (Lano will recognise suppliers' own Policy and standards where they are comparable with our own).

Communicate openly and honestly with Lano and allow access to documentation and sites as required to determine performance against this Policy.

The conduct of our suppliers should not violate the basic rights of Lano. Our suppliers should not be engaged in The manufacture of arms; the sale of arms to governments which systematically violate the human rights of their citizens (or where there is internal armed conflict or major tensions; or where the sale of arms may jeopardise regional peace and security).

### **4.0 CONTINUOUS IMPROVEMENT**

The Company commits to periodically review this policy in order to continually improve, taking into consideration changes in legislation, and any other requirements to which the Company subscribes, and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.