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## Code of Conduct for Suppliers

Electronics

### 1 Introduction

Hansel Ltd is the state central purchasing body in Finland. Hansel and its customers support corporate social responsibility and sustainable development. In relation to this, we work to ensure that procured goods and services are manufactured under sustainable and socially responsible conditions.

According to the United Nations Guiding Principles on Business and Human Rights<sup>1</sup> and the OECD Guidelines for Multinational Enterprises<sup>2</sup>, business enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

- respect human rights, which means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved; and
- within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur; and
- seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.

Our contractors (referred in this document as "Supplier") must commit to this Code of Conduct and ensure that all of the minimum requirements set forth in this document are met within their own operations and in their supply chain. The agreement between Hansel and the Supplier is referred as "Contract" or "Main Contract".

The requirements which are especially set to the supply chain are emphasized in this Code of Conduct by referring to the "Employer". "Employer" means also the Supplier, when it acts as an employer. The terms "worker" and "employee" are used as synonyms in this document.

All actions and co-operation with Hansel and its customers shall take place through dialogue, and they shall be open and transparent.

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<sup>1</sup> [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

<sup>2</sup> <http://mneguidelines.oecd.org/guidelines/>

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## 2 Requirements

Goods and services that are supplied to Hansel and its customers should be produced under conditions that are in accordance with:

- The United Nations Universal Declaration of Human Rights (1948)
- International Covenant on Civil and Political Rights (UN 1966)
- International Covenant on Economic, Social and Cultural Rights (ICESCR, UN 1966)
  
- The Eight Fundamental Conventions of the International Labour Organisation (ILO):
  - no. 29: Forced Labour Convention (1930)
  - no. 87: Freedom of Association and Protection of the Right to Organise Convention (1948)
  - no. 98: Right to Organise and Collective Bargaining Convention (1949)
  - no. 100: Equal Remuneration Convention (1951)
  - no. 105: Abolition of Forced Labour Convention (1957)
  - no. 111: Discrimination (Employment and Occupation) Convention (1958)
  - no. 138: Minimum Age Convention (1973)
  - no. 182: Worst Forms of Child Labour Convention (1999)
  
- The United Nations Convention on the Rights of the Child, Article 32 (1989)
- The United Nations Convention against Corruption (2003)
- The labour protection, labour terms and working conditions legislation in force in the country of production of goods and services, including legislation on minimum wages, and the social welfare protection regulations
  
- Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention);
- Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention);
- Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.
- The environmental protection legislation that is in force in the country of production of the goods and services.

### A. Obeying local legislation

The Supplier must comply with the local legislation that is in force in the country of production of the goods and services. Should the requirements in this document exceed the aforementioned obligations arising from the legislation of the production country, the Supplier shall comply with the requirements set forth in this document.

### B. Respecting human rights

*The conventions behind this section: the UN Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights. See also UN Guiding Principles.*

The Supplier has a responsibility to respect and support human rights both within its own operations and in its supply chain.

The Supplier shall ensure that it does not participate, directly or indirectly, in infringing human rights. The Supplier does not allow causing adverse human rights

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impacts, or benefitting from it, even when it's done by a company belonging to the Supplier's supply chain.

The supplier shall have routines in place to perceive possible infringements of human rights through its operations, and to address and mitigate such infringements, also in the supply chain.

## **C. Obligations related to employment terms and working conditions**

### **i. Child labour is prohibited**

*The conventions behind this section: ILO no. 138 and 182, UN Convention on the Rights of the Child, Article 32*

Child labour is prohibited. For the purposes of this document, the term "child" shall apply to all persons who are

- under the age of 15, or younger than the minimum age of employment, if this age exceeds 15 years, and
- younger than the age of completion of compulsory schooling.

Children under the age of 18 may work only in tasks, which by their nature or the circumstances in which these tasks are carried out, are not likely to jeopardise the health, safety or morals of the child. Children under the age of 18 may not work night shifts or overtime.

If child labour is detected, the Supplier shall act based upon the best interests of the child and find suitable solutions in consultation with the Employer, the child and the family of the child, and with other necessary persons.

### **ii. Forced labour is prohibited**

*The conventions behind this section: ILO no. 29 and 105*

Forced labour is prohibited. Forced labour refers to labour or services exacted under the menace of any penalty and for which the said person has not offered himself voluntarily. Forced labour can be identified by using forced labour indicators defined by ILO<sup>3</sup>.

Forced labour, including slave labour, bonded labour or involuntary prison labour shall not take place. All labour shall be voluntary, and the employee shall always have the right to terminate employment following a reasonable term of notice.

A written employment agreement shall be made with the employee, in a language that the employee understands.

Employers and recruitment agencies may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. The documents shall be returned to the employees without any delay.

Workers shall not be required to pay employers' or agencies' fees or other related fees for their employment or recruitment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

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<sup>3</sup> ILO, Indicators of Forced Labour, [http://www.ilo.org/global/topics/forced-labour/publications/WCMS\\_203832/lang--en/index.htm](http://www.ilo.org/global/topics/forced-labour/publications/WCMS_203832/lang--en/index.htm)

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**iii. Discrimination and harassment is prohibited**

*The conventions behind this section: ILO no. 100 and 111*

Discrimination on the basis of race, colour, sex, marital status, pregnancy, religion, social or ethnic origin, nationality, physical ability, age, political opinion, union membership or sexual orientation as well as all other discrimination may not take place.

Discrimination refers to any distinction, exclusion or preference, which is not based on the merits or qualities of a particular job, but involves differential treatment based upon biased grounds. The groups under systematic discrimination shall be supported with affirmative action.

Harassment of the employees is prohibited. Harassment refers to instances when employees are subject to harsh or inhuman treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment.

The Supplier shall support diversity and equal opportunities in employment.

**iv. Freedom of association and collective bargaining**

*The conventions behind this section: ILO no. 87 and 98*

The Supplier respects the workers' rights to organize, to join organisations in which they themselves choose to participate, or refrain from such activities, as well as their right to collective bargaining.

The Employer respects, within the local legislation, the right and freedom of all workers to form and join trade unions and collective bargaining. Freedom of association and collective bargaining refers to formalised and/or non-formalised forms of cooperation in order to support and defend collectively employees' interests at the workplace and in the relationship between employers and employees. The Employer must inform the employees of this right. In countries where freedom of association is restricted, the Employer shall support actions aiming to enable instances where employees may meet management in order to discuss wage and labour conditions without the risk of negative sanctions.

**v. Wages and hours of work**

Wages shall be paid directly to the employee within the agreed upon timeframe and in full. Deductions from wages as a disciplinary measure shall not be permitted.

The Employer shall, under no circumstances, support the payment of less than the national or locally stipulated minimum wage in that industry sector, or the minimum wage stipulated in the respective collective agreement, whichever is higher. For each pay period, workers shall be provided with a written wage statement that includes sufficient information to verify accurate compensation for work performed.

Overtime work shall be voluntary. The employees shall be paid overtime compensation in accordance with the local legislation, industry practice or respective collective agreement, whichever is higher. Overtime compensation shall be clearly specified in wage statements.

Workers shall be allowed at least one day off every seven days. Workweeks are not to exceed 60 hours per week nor the maximum set by local law, including overtime. The limit of total hours of work may be exceeded only in case of accident, actual or

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threatened, or in case of "force majeure", or in case of urgent maintenance or repair work, but only so far as may be necessary to avoid serious interference with the ordinary working of the Employer.

Leave, including vacation, holidays, sick leave and parental leave shall be compensated in accordance with national legislation.

#### **vi. Safe and Hygienic Working Environment**

The working environment shall be safe to the employees and hygienic. This means that the employee at the working place is guaranteed to be free from conditions which can constitute a hazard for his/her physical and/or psychological health, or, that the Employer ensures, that the employee is duly protected from these conditions. The Employer's responsibility is to protect the employees also from health risks arising from non-physical risks. These risks can include, for example, risks related to burnout or work-related stress.

The Employer prevents, monitors and reports on near-miss cases, the occurrence of work-related injury, health disadvantages and illnesses. The employees are encouraged to report near-miss cases, injuries, health disadvantages and illnesses as well as possible risk factors. Risks to exposure to potential safety hazards and harmful conditions are identified and controlled, and preventive measures are taken. The Employer identifies possible emergency situations and prepares necessary emergency plans and guidance, that aim to minimize their impact to workers and production. After identifying a risk of exposure to harmful agents and hazards, the Employer shall, without delay, implement corrective actions. The tools and machines used for working must have appropriate physical guards, barriers and safety mechanisms. There must be fire alarms or a fire detection and warning system in the working area.

Emergency exits shall be clearly marked and may not be locked or blocked. Evacuation exercises and the testing of fire alarms shall be conducted on a regular basis.

Employees shall receive training and information on the correct working procedures, potential risks that the work can entail, including fire safety, hazardous operations and first aid, as well as training and information on how to prevent these risks. The employer shall provide the workers appropriate protective equipment.

The Employer shall provide the employees with relevant occupational health care. The Employer shall ensure that the workers are provided with ready access to appropriate toilet facilities and areas for spending their breaks, potable water and possibilities to food preparation and storage of personal items.

#### **D. Environmental protection**

In the supply and manufacturing of products and services, the procedures must comply with the conventions mentioned above in section "Requirements": the Vienna Convention and the Montreal Protocol, the Basel Convention, the Stockholm POPs Convention and the PIC Convention, as well as the local and national environmental legislation.

The Supplier shall ensure that the products and services that it sells, are produced in an environmentally responsible way. The Supplier shall monitor and measure its actions and the environmental impact of its supply chain, seeking to continually improve its environmental performance and minimise the use of resources and the production of waste. The supplier shall aim towards employing a life-cycle perspective concerning the assessment of environmental impact from products and services and shall place environmental requirements also on its supply chain.

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## E. Minerals from Conflict-Affected and High-Risk Areas

*See OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas<sup>4</sup>*

Conflict minerals are gold, tantalum, tin and tungsten, extracted in a conflict-affected and high-risk areas.

The Supplier has a policy for preventing harmful effects related to minerals from conflict-affected and high-risk areas. The policy complies with the OECD Guidance or equivalent. The Supplier demands and monitors the use of the policy in its supply chain. The Supplier seeks to minimise the use of conflict minerals.

The Supplier strives to that the enterprises in its supply chain, and the Supplier itself, will purchase the conflict minerals used in manufacturing the products covered by the Main Contract, only from responsible smelters. Responsible smelters can be identified by using lists provided by third parties, such as:

<http://www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/>.

## F. UN Convention against Corruption

*See UN Convention against corruption*

The supplier shall not directly or indirectly offer undue payment or other forms of compensation to any person or organisation with the aim of obtaining or maintaining business operations, or achieving unjust benefit in its operations.

The supplier shall not directly or indirectly request or accept any form of undue payment or other forms of compensation from a third party, which can affect the objectivity of business decisions.

## 3 Other terms

### Compliance

Transparency in the supply chain is required to guarantee compliance with this Code of Conduct. Supplier and/or its parent company will publish annually a sustainability report. In order to assess compliance, Hansel will monitor the compliance with this Code of Conduct during the Contract period. For this purpose, Hansel can request the Supplier to present documents and clarifications, take corrective actions and report on their implementation. Hansel can conduct reviews as well as on-site and off-site audits on the Supplier and/or its subcontractors in accordance with the Main Contract.

Suppliers shall take relevant contractual measures in order for the content of this Code of Conduct to be implemented in their own operations, as well as in the supply chain.

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<sup>4</sup> <http://www.oecd.org/corporate/mne/mining.htm>

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**Reporting Violations**

Violations of the Code of Conduct can be reported in one of the following ways:

E-mail:  
compliance@hansel.fi

Post:  
Chief Financial Officer  
Hansel Ltd  
P.O. Box 1386  
FIN-00101 Helsinki  
Finland, Europe