

SCANFIL

**Supplier
Code of
Conduct**



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INTRODUCTION

Scanfil is a member of UN Global Compact and expects Suppliers must support and respect the United Nations Global Compact principles. Scanfil and its Suppliers ensure that we are not involved in any complicity concerning human rights abuses.

Scanfil expects Suppliers to commit to respect ILO core labour standards: Freedom of Associations and right to Collective Bargaining; Elimination of Forced Labour; Effective Abolition of Child Labour; Elimination of discrimination in respect of employment and occupation.

LABOUR

Employment rights

Any form of forced, bonded or otherwise compulsory labour shall not be utilized nor permitted and employees shall be free to leave their employment after giving notice in accordance with national law or contract of employment. Employees shall not be required or encouraged to deposit money or identity papers with the employer which would restrict their freedom of movement outside of work hours.

Humane treatment

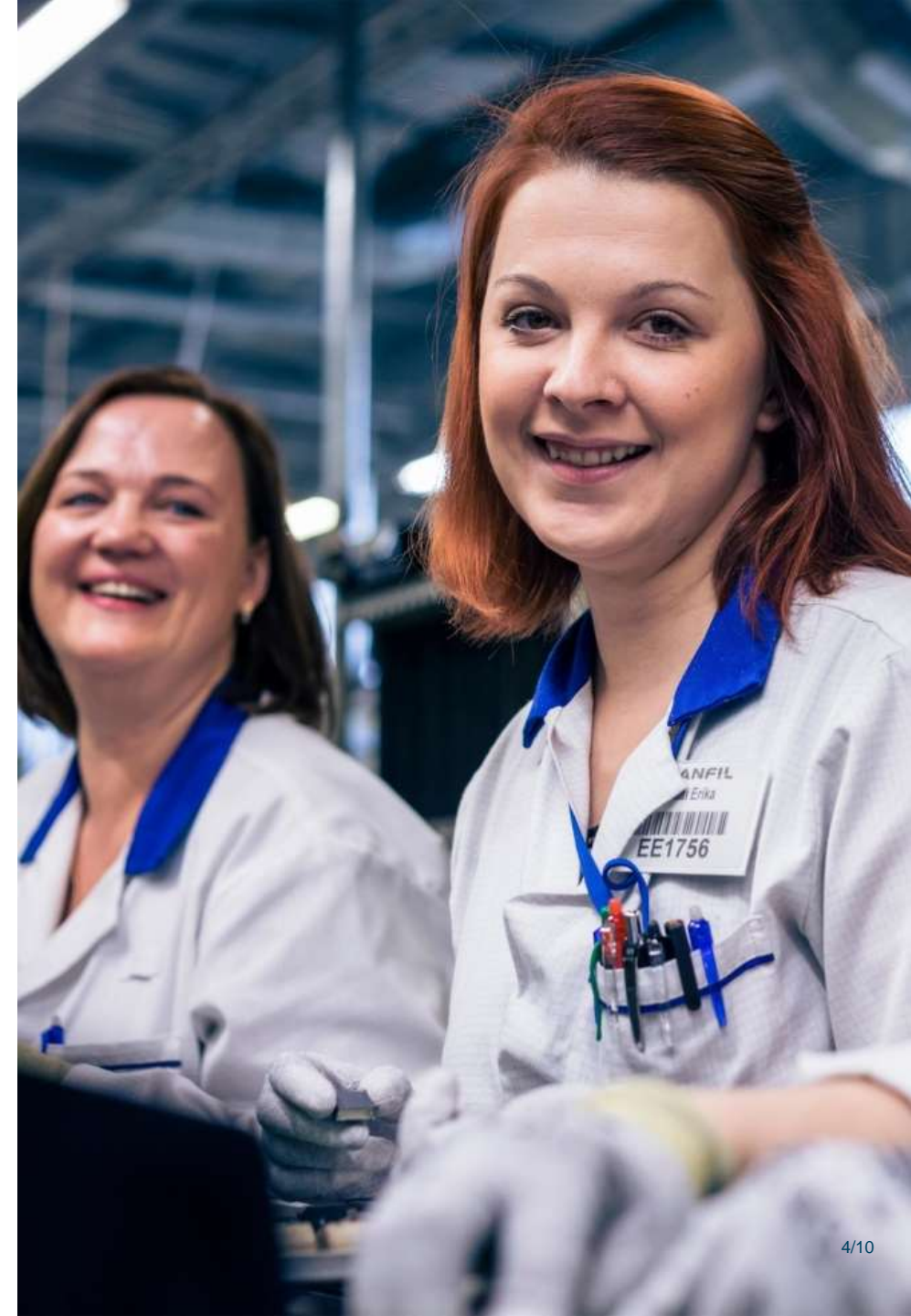
Employees shall be treated with respect and dignity. Physical or verbal abuse or corporal punishment is prohibited; neither shall any other unlawful harassment or threats be permissible. No kinds of discrimination based on such things as (but not limited to) race, colour, sex, sexual orientation, religion, political views, nationality, ethnic background, social origin and status, disability and union membership is allowed and shall not be practiced. The principle of equal work shall be applied, meaning equal pay for employees with the same qualifications, experience and performance.

Scanfil expects Suppliers to commit for advancing equality between women and men.

Suppliers must commit to neither tolerate nor contribute to threats, intimidation and attacks (both physical and legal) against human rights defenders in relation to its operations.

Employment of children

No person shall be employed who is below the minimum legal age for employment as set out in the ILO Convention No. 138 on minimum age, i.e. the age of completion of compulsory schooling, or not below 15 years. Children shall not be employed in any hazardous work or work conflicting with the personal development of the child. A child is a person under 18 years of age in accordance with Article 1 of the United Nations Convention of the Rights of the Child.



LABOUR

Fair Employment conditions

Working hours shall not be excessive and shall always comply with national laws. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. Employees shall be allowed at least one day off per seven-day workweek.

Pay and other terms shall be reasonable and fair and comply with national law or other applicable standard, whichever is higher; and/or according to local trade union's collective agreements. Employees shall understand their employment conditions and shall be presented with them in writing.

Suppliers are prohibited from imposing financial burdens on workers by withholding wages or expenses and requires the supplier, as employer, to pay all costs or charges involved in the recruitment process

Freedom of association

All employees shall be free, to the extent allowed by relevant laws, to form and to join trade unions or any such similar representative organizations and may bargain collectively. Correspondingly an employee shall always have the right not to join such an organization.





HEALTH AND SAFETY

The working conditions of the employees are decent, safe and hygienic. It is ensured that risk arising from work activities is controlled and aimed to eliminate via risk assessment. Safety hazards shall be minimized by safe work procedures, safety trainings, proper design and use of machines and tools. Personal protective gear shall be provided and maintained for employees.

Working and Living Conditions

Suppliers must provide workers with ready access to clean toilet facilities, potable water and sanitary food preparation, storage and eating facilities. Worker dormitories provided by Supplier or a third-party agent must be maintained clean and safe with reasonable living space.

Occupational illness & injury rates

Scanfil Suppliers must have in place a system to prevent, manage and report occupational illness and injury rates. Encourage organization to report, classify and record the cases, investigate them and implement a clear policy to work actively to eliminate the cases. Suppliers shall disclose, on request, related quantitative information.

Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

ENVIRONMENT

Pollution Prevention and Resource Reduction

Resources shall be used responsibly and carefully. Work shall be conducted to reduce any environmental burden associated with the business activities and the operational practices shall come to reflect this. Developments that lessen environmental and social effects of the business shall be supported.

Emissions, waste of all types are to be minimized or eliminated at the source or by practices such as use of pollution control equipment, modifying production, maintenance and facility processes.

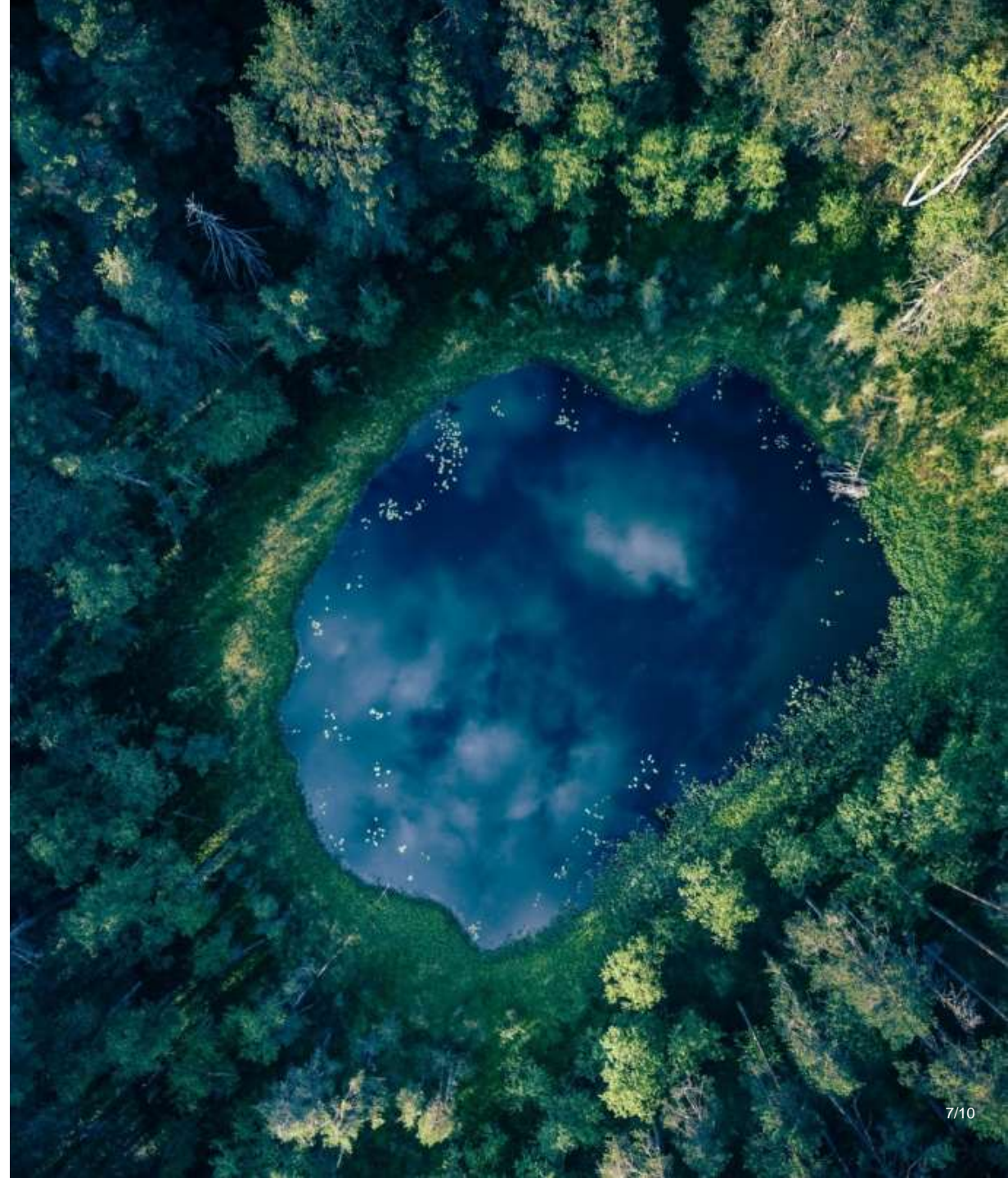
Hazardous Substances

Chemicals, waste, other materials posing a hazard to humans or the environment are to be identified, labelled and managed for ensuring a safe handling, movement, storage, use, recycling, re-use and disposal.

Energy Consumption and Greenhouse Gas Emissions

Energy consumption and greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Participants are to look for cost effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

Information regarding participant's environmental practices and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.





BUSINESS ETHICS

No Improper Advantage

No form of extortion or bribery, including improper offers for payments to or from employees, or organizations, shall be tolerated. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

Disclosure of information

All business dealings should be transparently performed and accurately reflected on the Participant's business books and records. Information regarding participant's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

Fair business

Standards of fair business, advertising, and competition are to be upheld.

Protection of identity

Programs that ensure the confidentiality and protection of Suppliers' employees whistleblowers are to be implemented and maintained, accompany by a process enabling to raise any concerns.

Confidential Information

Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

All business information is to be considered strictly confidential and suppliers are requested to sign a Scanfil Non-Disclosure Agreement.

BUSINESS ETHICS

Responsible Sourcing of Minerals

Participants shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

MANAGEMENT SYSTEMS

The supplier must adopt or establish a system to manage and ensure compliance with this Code as well as facilitate continuous improvement. The supplier must designate a company representative to ensure implementation and review of its management system. For the purpose of verifying compliance with the Code, the Supplier must maintain appropriate documents and records and be capable to demonstrate them in the event of an audit.

COMMUNICATION

Suppliers shall communicate clear and accurate information about policies, practices, expectations and performance to all appropriate employees, suppliers or sub-contractors engaged in their supply chain. Employees shall have means to report feedback on practices and conditions covered by this Code and foster continuous improvements. Suppliers must ensure that their supply chain participants comply with requirements of this Supplier Code of Conduct.



REFERENCES

The following standards were used in preparing this Code and may be useful sources of additional information. The following standards may or may not be endorsed by each Participant.

- Dodd-Frank Wall Street Reform and Consumer Protection Act <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>
- Eco Management & Audit System http://ec.europa.eu/environment/emas/index_en.htm Ethical Trading Initiative www.ethicaltrade.org/
- ILO Code of Practice in Safety and Health www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf
- ILO International Labor Standards www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm
- ISO 14001 www.iso.org
- National Fire Protection Association www.nfpa.org
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>
- OECD Guidelines for Multinational Enterprises <http://www.oecd.org/investment/mne/1903291.pdf>
- Universal Declaration of Human Rights <https://www.un.org/en/universal-declaration-human-rights/>
- United Nations Convention Against Corruption <https://www.unodc.org/unodc/en/treaties/CAC/>
- United Nations Convention on the Rights of the Child
<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>
- United Nations Convention on the Elimination of All Forms of Discrimination Against Women
<https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx>
- United Nations Global Compact www.unglobalcompact.org
- 100-I-0078 Scanfil Whistleblowing Guideline