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1 INTRODUCTION

EKE Responsible and Sustainable Procuring instruction aims at setting up the values and principles that EKE strives to implement in their supply chains.

EKE Responsible and Sustainable Procuring instruction refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain which are acknowledged by the Finnish Laws and Authorities.

Obeying domestic laws is the first obligation of EKE-Electronics. In countries where domestic laws and regulations are in conflict with, or set a different standard of protection than EKE Guidelines the possibility to seek ways to abide by the principles that provide the highest protection to the workers and environment shall be investigated.

EKE expects all their business partners to observe EKE Responsible and Sustainable Procuring instruction. Furthermore, any business partners that are monitored against the principles below are to show evidence that they take (a) all necessary

measures to ensure their own observance of the EKE Responsible and Sustainable Procuring instruction and (b) reasonable measures to ensure that all of their business partners involved in the production process(es) observe EKE Responsible and Sustainable Procuring instruction.

1.1 SUPPORTING PROCEDURES AND INSTRUCTIONS

- ✚ 16062.doc EKE-Electronics Equality Plan
- ✚ 01702.doc EKE-Electronics Company Health care Policy
- ✚ 06896.doc EKE-Electronics New Employee Induction Training process
- ✚ 09814.ppt EKE-Electronics Remuneration Policy
- ✚ 17677.doc EKE-Electronics Workplace Harrassment Prevention Policy
- ✚ 20085.doc EKE-Electronics Employee Training and Personal Development Plan
- ✚ 11835.pdf EKE-Electronics Occupational Health Care Plan
- ✚ 02567.doc EKE-Electronics Work Safety Instructions
- ✚ 12126.doc EKE-Electronics Safety instructions for the electricity work
- ✚ 11070.ppt EKE-Electronics Human Resource- process description

2 THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Business partners shall: (a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership and (c) respect workers' right to bargain collectively.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, business partners shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

3 NO DISCRIMINATION

Business partners shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

4 FAIR REMUNERATION

Business partners observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

Business partners shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages shall reflect the skills and education of workers and shall refer to regular working hours. Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

5 DECENT WORKING HOURS

Business partners observe this principle when they ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, EKE recognizes the exceptions specified by the ILO. Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO. In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, Business Partners shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

6 OCCUPATIONAL HEALTH AND SAFETY

Business partners observe this principle when they respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

Business partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced.

The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.

Business partners shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace. Business partners will seek to improve workers' protection in case of accident, including through compulsory insurance schemes.

Business partners shall take all appropriate measures within their sphere of influence to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers when these are provided by the employer as well as to protect against any foreseeable emergency. Business partners shall respect the workers' right to exit the premises from imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities. Business partners shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

7 NO CHILD LABOUR

Business partners observe this principle when they do not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.

Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. This principle aims to protect children from any form of exploitation. Special care is to be taken on the occasion of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, business partners should identify in a proactive manner, measures

to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family.

8 SPECIAL PROTECTION FOR YOUNG WORKERS

Business partners observe this principle when they ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, business partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs. Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

9 NO PRECARIOUS EMPLOYMENT

Business partners observe this principle when, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognized and documented employment relationship, established in compliance with national legislation, custom or practice and international labor standards, whichever provides greater protection.

Before entering into employment, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' home towns.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labor-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

10 NO BONDED LABOUR

Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. Business partners will risk allegations of complicity if they benefit from the use of such forms of labor by their business partners.

Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly. Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Business partners shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

11 PROTECTION OF THE ENVIRONMENT

Business partners observe this principle when they take the necessary measures to avoid environmental degradation, without prejudice to the specific expectations set out in this chapter.

Business partners should assess significant environmental impact of operations, and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimize adverse effects on the community, natural resources and the overall environment.

12 ETHICAL BUSINESS BEHAVIOUR

Business partners observe this principle when, and without prejudice to the goals and expectations set out in this chapter, they are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery including but not limited to the promising, offering, giving or accepting of any improper monetary or other incentive.

Business partners are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices.

Business partners should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain. Furthermore, they should collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

13 CONTROL

Business Partners and Supplier are being audited regularly and this Policy is part of the audit every time. Findings will be reported to company management using Audit report and follow-up of the findings is performed using EKE FRACAS/DRACAS- system JIRA.

Appendix 3

Agreed Diversity Training Plan

Please refer to the document appended at Appendix 2 of this Schedule 17 Part A titled "Responsible and Sustainable Procuring Policy".

Appendix 4

Agreed Supplier Diversity Plan

Please refer to the document appended at Appendix 2 of this Schedule 17 Part A titled "Responsible and Sustainable Procuring Policy".

Appendix 5

Agreed Local Community Communications Plan

Please refer to the document appended at Appendix 2 of this Schedule 17 Part A titled "Responsible and Sustainable Procuring Policy".

PART B: ETHICAL SOURCING

1. The Purchaser is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably. In the course of complying with this Agreement, the Manufacturer shall comply with and shall procure that its Subcontractors (as applicable) comply with those principles of the ethical trading initiative base code (the "**ETI Base Code**") as are detailed in Appendix A to this Schedule 17 Part B, or an equivalent code of conduct (the "**Ethical Sourcing Principles**") in relation to the provision of the Goods and/or Services under this Agreement.
2. As soon as practicable following the Commencement Date the Manufacturer shall be registered with an ethical supplier database, such as the supplier ethical data exchange ("**SEDEX**"). The Manufacturer agrees that for the duration of this Agreement, it shall permit and enable the Purchaser to have access to the information relating to the Manufacturer that subsists in such ethical supplier database.
3. During the course of this Agreement, if the Purchaser has reasonable cause to believe that the Manufacturer is not complying with any of the Ethical Sourcing Principles, then the Purchaser shall notify the Manufacturer and the Parties shall agree an action plan in writing with appropriate timeframes for compliance by the Manufacturer (the "**Action Plan**") by no later than 60 Working Days from the date of the Purchaser notifying the Manufacturer that remedial action is required or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the Action Plan shall be borne by the Manufacturer.
4. Following the agreement of the Action Plan, the Purchaser reserves the right to conduct, or require to be conducted, one or more audits, (either itself or via a third-party auditor approved by the Purchaser) in relation to compliance by the Manufacturer with the Action Plan.
5. For the avoidance of doubt, the right of audit contained in paragraph 4 of this Schedule 17 Part B shall include without limitation the right of the Purchaser (or an approved auditor by the Purchaser) acting reasonably to undertake physical inspections of relevant sites/factories, to conduct interviews with relevant personnel and to inspect relevant documents. The Manufacturer shall co-operate and shall procure that its Subcontractors (as applicable) co-operate with the Purchaser in relation to all aspects of any audit.

Appendix A: The ETI Base Code**1.1 EMPLOYMENT IS FREELY CHOSEN**

- 1.1.1 There is no forced, bonded or involuntary prison labour.
- 1.1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

1.2 FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED.

- 1.2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 1.2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 1.2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 1.2.4 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.

1.3 WORKING CONDITIONS ARE SAFE AND HYGIENIC

- 1.3.1 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.
- 1.3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 1.3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 1.3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 1.3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

1.4 CHILD LABOUR SHALL NOT BE USED

- 1.4.1 There shall be no new recruitment of child labour.
- 1.4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

- 1.4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 1.4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.
- 1.5 LIVING WAGES ARE PAID**
- 1.5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 1.5.2 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.
- 1.5.3 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.
- 1.6 WORKING HOURS ARE NOT EXCESSIVE**
- 1.6.1 Working hours comply with at least UK national laws and benchmark industry standards, whichever affords greater protection.
- 1.6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven (7) day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.
- 1.7 NO DISCRIMINATION IS PRACTISED**
- 1.7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- 1.8 REGULAR EMPLOYMENT IS PROVIDED**
- 1.8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 1.8.2 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, sub-contracting, 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.
- 1.9 NO HARSH OR INHUMANE TREATMENT IS ALLOWED**

- 1.9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Note on the Provisions of this Code

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this base code address the same subject, to apply that provision which affords the greater protection.

Appendix B: Definitions**Child**

Any person less than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention No. 11, the lower will apply.

Young person

Any worker over the age of a child as defined above and under the age of 18.

Child labour

Any work by a child or young person younger than the age(s) specified in the above definitions, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.

PART C: SUSTAINABLE TIMBER

1. DEFINITIONS

1.1 "Legal Timber"

Means Timber in respect of which the organisation that felled the trees and/or provided the timber from which the wood supplied under the Agreement derived:

- (A) had legal rights to use the forest;
- (B) holds a register of all local and national laws and codes of practice relevant to forest operations; and
- (C) complied with all relevant local and national laws and codes of practice including environmental, labour and health and safety laws and paid all relevant royalties and taxes.

1.2 "Recycled Timber" and "Reclaimed Timber"

Means recovered wood that has been reclaimed or re-used and that has been in previous use and is no longer used for the purpose for which the trees from which it derives were originally felled. The terms 'recycled' and 'reclaimed' are interchangeable and include, but are not limited to the following categories: pre-consumer recycled wood and wood fibre or industrial by-products but excluding sawmill co-products (sawmill co-products are deemed to fall within the category of Virgin Timber), post-consumer recycled wood and wood fibre and drift wood. Recycled or Reclaimed Timber must be capable of being evidenced as such to the Purchaser's satisfaction in order to satisfy this definition.

1.3 Not Used.

1.4 "Sustainable Timber"

Means Timber, which in order to meet the Purchaser's criteria for sustainable timber, must be:

- (A) Recycled Timber; or
- (B) Sustainably Sourced Timber; or
- (C) a combination of (A) and (B).

1.5 "Sustainably Sourced Timber"

Means Timber sourced from organisational, production and process methods that minimise harm to ecosystems, sustain forest productivity, ensure that both forest ecosystem health and vitality, and maintain forest biodiversity. In order to satisfy this definition, Timber must be accredited to meet the Forest Stewardship Council ("FSC"), Programme for the Endorsement of Forest Certification ("PEFC"), or an equivalent. Where it is not practicable to use FSC or PEFC accredited Timber, the Purchaser will accept Timber accredited through other schemes approved by the Central Point of Expertise on Timber ("CPET"), as listed below:

- (A) Canadian Standards Association ("CSA");
- (B) Sustainable Forestry Initiative ("SFI"),