



DOCUMENT TITLE:

CODE OF CONDUCT



DOCUMENT CLASSIFICATION:

OPEN

CUBILITY DOCUMENT NUMBER:

CMI027

PAGES:

11

CUBILITY PART NUMBER:

NA

CUBILITY DEVICE NUMBER:

NA

REVISION DATE:

2017-07-05

REVISION:

1

This document and all information and data disclosed herein or herewith are the property of Cubility AS. This should not be used, reproduced or disclosed in whole or in part by or to anyone without the written permission of Cubility AS.

ELECTRONICALLY SIGNED ACCORDING TO CUBILITY QA SYSTEM

CHANGE DESCRIPTION**REVISION CHANGE DESCRIPTION**

- | | |
|---|---|
| 1 | Cloned from QAP14661-3 as part of CMS implementation. Latest template Applied, content remains unchanged. |
|---|---|

TABLE OF CONTENTS:

1 INTRODUCTION	4
1.1 PURPOSE OF THE CODE OF CONDUCT	4
1.2 SCOPE OF APPLICATION	4
1.3 GENERAL PRINCIPLES	4
1.4 LEGAL COMPLIANCE.....	5
1.5 INTERNATIONAL STANDARDS	5
2 STANDARDS IN THE CODE OF CONDUCT	5
2.1 FORCED LABOUR	5
2.2 CHILD LABOUR AND YOUNG WORKERS	5
2.3 DISCRIMINATION	6
2.4 FREEDOM OF ASSOCIATION	6
2.5 WORKPLACE HEALTH AND SAFETY	6
2.6 CONDITIONS OF EMPLOYMENT AND WORK	7
2.7 SECURITY.....	7
2.8 LAND MANAGEMENT.....	7
2.9 ENVIRONMENT AND SAFETY ISSUES.....	8
2.10 COMPANY PRODUCTS	8
2.11 CORRUPTION AND BRIBERY	8
3 IMPLEMENTATION OF THE CODE OF CONDUCT	9
3.1 RECORDS AND DOCUMENTATION.....	9
3.2 DEFINITION OF ROLES AND RESPONSIBILITIES	9
3.3 TRAINING AND AWARENESS RAISING.....	9
3.4 COMPLAINTS PROCEDURES.....	10
3.5 RELATIONS TO SUB-SUPPLIERS.....	10
3.6 MONITORING.....	10
3.7 VERIFICATION	10
3.8 ENFORCEMENT, REMEDIATION AND CORRECTIVE ACTION.....	11
3.9 ZERO-TOLERANCE STANDARDS.....	11

1 INTRODUCTION

1.1 PURPOSE OF THE CODE OF CONDUCT

The purpose of this of this Code of Conduct is to ensure that the Supplier, as a supplier to Cubility operates in accordance with internationally recognized minimum standards on human rights, labour and the environment. Cubility adheres to the principles of the Code and expects the same of its suppliers.

Compliance to the terms of this Code of Conduct is a condition of any agreement or contract between Cubility and the supplier.

The aim of this Code is not to cease the business relationship between Cubility and the supplier, but to help suppliers improve social and environmental standards. Cubility is therefore willing to work with our suppliers to achieve compliance with the provisions of this Code.

However, we will not conduct business with a supplier if compliance with the terms of this Code is deemed impossible. Nor will we conduct business with a supplier engaged in violations of fundamental human rights (see zero-tolerance standards below). Cubility shall periodically review the adequacy and continuing effectiveness of this Code of Conduct.

1.2 SCOPE OF APPLICATION

The terms of this Code extend to all workers, regardless of their status or relationship with a supplier. This Code of Conduct therefore also applies to workers who are engaged informally, on short-term contracts, or on a part-time basis.

It shall be the responsibility of the supplier to ensure that its sub-suppliers do not violate standards of this Code of Conduct.

1.3 GENERAL PRINCIPLES

Any questions or disputes regarding the interpretations of the terms of this Code shall be resolved by Cubility. This code is not and should not be interpreted as a means to circumvent or undermine national laws or national labour inspectorates. Similarly, this Code is not and should not be interpreted as a substitute for free trade unions, nor should it be used as a substitute for collective bargaining.

This Code of Conduct establishes minimum standards and Cubility will not accept any attempt to use the terms as a means to lower existing standards or to prevent or discourage collective bargaining. When implementing this Code, the supplier shall take all necessary measures to ensure that they do not unintentionally leave workers and other beneficiaries in a worse position than before this Code was introduced.

1.4 LEGAL COMPLIANCE

In addition to meeting the terms of this Code, the supplier shall comply with all national laws and regulations, as well as other applicable standards (e.g. collective bargaining agreements or other Codes of Conduct).

Where there are differences between the terms of this Code and national laws or other applicable standards, the supplier shall adhere to the higher or more stringent requirements. Conflicts between the provisions of this Code and national laws or other applicable standards shall be evaluated by Cubility in cooperation with its supplier and relevant stakeholders in order to establish the most appropriate course of action that will help to foster respect for fundamental human rights, labour standards and the environment. If any conflicts are detected, the supplier must inform Cubility immediately.

1.5 INTERNATIONAL STANDARDS

This Code of Conduct is based on the general principles contained in the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), the International Covenant on Economic, Social and Cultural Rights, (1966), the Eight Fundamental ILO Conventions and other relevant international and labour standards.

2 STANDARDS IN THE CODE OF CONDUCT

2.1 FORCED LABOUR

- **Forced Labour and Freedom of Movement:** The supplier must not participate in, or benefit from, any form of forced labour included bonded labour, slavery, servitude, or human trafficking. Workers must have the freedom of movement during the course of their employment.
- **Retention of monetary and/or material goods:** The supplier must not withhold any part of any personnel's salary, benefits, property or documents (e.g. identity cards and travel documents) in order to force such personnel to continue working for them.
- **Disciplinary measures:** The supplier shall treat all personnel with dignity and respect. The supplier shall not engage in or tolerate the use of corporal punishment, mental or physical coercion and verbal abuse of personnel.

2.2 CHILD LABOUR AND YOUNG WORKERS

- **Minimum Age Requirements:** The supplier shall not engage in, or benefit from, the use of child labour. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by national laws in accordance with ILO developing-country exception).
- **Educational Remediation Programme:** If the supplier becomes aware that it is employing children of school age, it shall ensure that the children are enrolled in a remediation programme, rather than being summarily terminated from employment. The programme shall include access to education and financial support and shall be decided in consultation with the child and family or next of kind.
- **Light Work and Apprenticeship Programmes:** Where permitted by national laws, the supplier may employ children between 12 and 15 to perform a few hours of light work

per day. The work must be simple tasks of a limited nature and not interfere with the children's educational responsibilities. Apprenticeship programmes for children below the minimum age of employment must be remunerated and clearly aimed at training.

- Hazardous and Harmful Work: The supplier shall refrain from hiring young workers (below 18 years of age) to perform any type of work, which is likely to jeopardise their health, safety or morals.

2.3 DISCRIMINATION

Discrimination in Employment-related Decisions: The supplier shall not engage in or support discrimination on basis of race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics. Hiring, remuneration, benefits, training, advancement, discipline, termination, retirement or any other employment-related decisions shall be based on relevant and objective criteria.

2.4 FREEDOM OF ASSOCIATION

- The Right to Freedom of Association and Collective Bargaining: The supplier must not interfere with the workers' right to form and join unions or other associations of their own choosing, and to bargain collectively. Nor shall the supplier discourage membership of unions. Workers' representatives shall not be subject to discrimination and shall be given access to employees at the workplace. The supplier must recognize elected workers' representatives and bargain in good faith with them regarding all important concerns at the workplace.
- Alternative Measures in Case of State Prohibition on Unions: If trade unions are not allowed in the area of operation, or only state authorized organisations are allowed, then the supplier shall facilitate, and not prevent, alternative measures to allow employees to gather independently to discuss work-related matters and a forum to present work-related concerns to management.

2.5 WORKPLACE HEALTH AND SAFETY

- Health and Safety Standards: The supplier shall ensure that its workers are offered a safe and healthy working environment. This should include but not limited to protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.
- Training and Protective Gear: The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely.
- Sanitary Infrastructure: The supplier must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which conforms to the needs and numbers of its employees. Accommodation, if provided by the supplier, shall conform to the same requirements, including the general provisions on health and safety standards listed above.

2.6 CONDITIONS OF EMPLOYMENT AND WORK

- **Workplace Violence, including Assault, Harassment and Threats:** The supplier shall protect workers from acts of physical, verbal, sexual, or psychological harassment, abuse, or threats in the workplace, whether committed by managers or fellow workers including when determining and implementing disciplinary measures.
- **Remuneration:** The supplier shall comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. In any case, the supplier shall always provide a “living wage”, which enables workers to meet the basic needs of themselves and their dependents, as well as provide some discretionary income. Overtime shall be remunerated at a premium rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.
- **Established Working Relationship:** All workers shall be provided with a written, understandable, and legally binding labour contract. The supplier shall not rely on part-time, short-term or casual workers, trainees or false apprenticeships to pay lower wages and fewer benefits. Provisions for non-permanent and seasonal workers should be no less favorable than for permanent workers.
- **Leave:** The supplier shall grant employees paid holiday and sick leave each year, as well as parental leave to employees who must care for a newborn or newly adopted child. Women, who take maternity leave, must not face dismissal, and shall be able to return to work in their former employment at the same rate of pay and benefits.
- **Hours of Work. Rest Periods and Breaks:** The supplier shall ensure that the work-week is limited to 48 hours. Overtime shall be voluntary, infrequent, and must not exceed 12 hours per week. Employees are entitled to at least one day off per week, and shall be given reasonable breaks while working and sufficient rest periods between shifts.
- **Employee Privacy:** the supplier shall respect the privacy rights of its employees whenever it gathers or keeps private information or implements employee-monitoring practices.

2.7 SECURITY

- **Use of Company Security Forces:** The supplier shall prevent its security guards from violating the liberty and security of others. Security guards shall be trained to know when to intervene in security-related situations and how to use the minimal force necessary.
- **Relations to State Security Forces:** The supplier shall take all reasonable measures to avoid involvement and interactions with state security forces.

2.8 LAND MANAGEMENT

- **Purchase of Land:** Before purchasing land, the supplier shall seek the prior and informed consent of all legal and/or customary owners.
- **Relocation:** The supplier shall ensure that it does not participate in or benefit from improper forced relocations. The supplier shall also adequately compensate inhabitants in legitimate relocations.

2.9 ENVIRONMENT AND SAFETY ISSUES

- **Managing Environmental Aspects:** The supplier must strive to minimize the adverse environmental impacts of its activities, products and services through a proactive approach and responsible management of its environmental aspects (including, but not limited to):
 - Use of scarce natural resources, energy and water
 - Emissions to air and releases to water
 - Noise, odour and dust emissions
 - Potential and actual soil contamination
 - Waste management (hazardous and non-hazardous substances)
 - Product issues (design, packaging, transport, use and recycling/disposal)
- **Complying with Environmental Legislation:** The supplier shall maintain awareness of current environmental legislative requirements, which are relevant to the environmental impacts of its activities, products and services. Also, it must ensure legal compliance through training, awareness, operational control and monitoring.
- **Continuously Improving Environmental Performance:** The supplier shall demonstrate continuous improvements of the overall environmental performance related to significant environmental aspects.
- **Industrial Accidents and Health Emergencies:** The supplier shall establish and maintain emergency procedures to effectively prevent and address all health emergencies and industrial accidents that can affect the surrounding community or have an adverse impact on the environment.

2.10 COMPANY PRODUCTS

Products Liability: The supplier shall exercise due diligence when designing, manufacturing, and testing products. This is to protect against product defects which could harm the life, health or safety of people likely to be affected by the defective product, or have an adverse impact on the environment.

2.11 CORRUPTION AND BRIBERY

- **Bribing of Government Officials and Private Parties:** The supplier shall refrain from bribing, or using any other method, to unjustly influence public officials, the judiciary and/or private parties.
- **Agents, intermediaries and consultants:** The supplier's contracts with agents, intermediaries and consultants shall include a section on anti-corruption and that the contract holder must comply with all applicable laws and regulations.

3 IMPLEMENTATION OF THE CODE OF CONDUCT

3.1 RECORDS AND DOCUMENTATION

The supplier shall maintain appropriate records to demonstrate compliance with the terms of this Code of Conduct. Records shall be available to Cubility upon request at any time. Appropriate records include, but are not limited to:

- Names and ages of all workers
- Timesheets
- Payroll records including wage slips and overtime wage records
- Safety Data Sheets, accident records and relevant health and safety certificates and permits
- Environmental records including data from monitoring of significant environmental impacts and relevant permits
- Records of any significant instances of non-compliance encountered in relation to this Code, including a summary of the corrective actions taken to remedy the deficiencies

3.2 DEFINITION OF ROLES AND RESPONSIBILITIES

The supplier must assign responsibilities within its organization for the implementation of this Code of Conduct. As a minimum, the following representatives shall be designated:

- One or more management representatives with the responsibility and authority to ensure compliance with the terms of this Code
- A qualified health and safety officer at each facility responsible for planning, implementing and monitoring the supplier's health and safety policies and procedures
- A freely elected workers' representative responsible for facilitating dialogue and communication between the supplier and its employees on all matters pertaining to this Code. This function may be alternatively carried out by a freely elected trade union representative.

The supplier shall ensure that repeated offences and serious neglect by any of its personnel in relation to matters pertaining to this Code will result in appropriate disciplinary actions, which may include dismissal from employment.

3.3 TRAINING AND AWARENESS RAISING

The standards included in this Code of Conduct shall be communicated to all new employees, including managers and supervisors, immediately upon hiring. The supplier shall ensure that all employees are regularly informed about the standards included in this Code and the necessity of acting in accordance with them. In areas with high illiteracy rates, employees shall receive verbal instructions. This Code of Conduct shall also be transmitted to local unions or other worker representatives. It should always be accessible to all employees and in the local languages whenever appropriate.

3.4 COMPLAINTS PROCEDURES

The supplier shall establish mechanisms for hearing, processing, and settling complaints of employees. Workers must have the right to anonymously submit complaints regarding all workplace concerns, including complaints regarding the supplier's failure to comply with this Code of Conduct, without fear of punishment or adverse employment action.

The supplier shall properly investigate, address and settle all complaints in accordance with its pre-established complaint procedure. Anyone affected by the supplier's activities must have access to communicate concerns or submit complaints without discrimination or fear of reprisals. The supplier shall properly investigate, address and settle any complaints or concerns raised by local communities and workers.

3.5 RELATIONS TO SUB-SUPPLIERS

The supplier is responsible for ensuring that its respective sub-suppliers comply with the terms and standards of this Code of Conduct. This includes sub-suppliers classified as home-based workers or small farmers. As part of this obligation, the supplier shall:

- Require sub-suppliers to inform the supplier about other business entities in the supply chain taking part in the production of each order
- Screen and select sub-suppliers based on their ability to meet the standards and terms of this Code
- Make compliance to the terms and standards of this Code a condition of any agreement or contract that it enters into with sub-suppliers
- Undertake reasonable efforts to check that sub-suppliers operate in conformance with this Code

The zero-tolerance standards of Cubility outlined below are also applicable to sub-suppliers.

3.6 MONITORING

Cubility will monitor the operations of the supplier to assess and ensure its compliance with this Code of Conduct. Our monitoring programme consists of on-site inspections (or audits) and periodic self-evaluations by suppliers of their premises and those of their subcontractors.

The supplier shall at any time freely submit to announced and unannounced audits. The supplier is required to provide physical access to any auditor for Cubility or assigned by us. This obligation entails unhindered access to all facilities, records, and where provided by suppliers, housing, as well as employees for confidential interview. The frequency and intensity of supplier audits will depend on – and shall be appropriate to – the scale and intensity of suppliers' operations.

3.7 VERIFICATION

Cubility reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the terms of this Code of Conduct.

3.8 ENFORCEMENT, REMEDIATION AND CORRECTIVE ACTION

Where instances of non-compliance with the terms of this Code of Conduct are identified, the supplier shall promptly take corrective action to remedy the deficiencies, as well as take measures to prevent similar problems from recurring in the future.

The supplier shall make timely and reasonable amends to any employee, former employee, or community member whose rights have been violated. Remediation includes, but is not limited to, paying back all wages determined to have been unlawfully withheld or reinstating any employee assessed to have been unlawfully dismissed.

Where instances of non-compliance are detected as a result of audits, the supplier shall be given a fixed period of time to self-correct the deficiency. In event of failure to self-correct a problem, Cubility is willing to engage in a constructive dialogue with the supplier to develop and implement a corrective action plan, with appropriate time scale for implementation and improvements to be achieved.

Agreement to abide by the corrective action plan allows continuation of the business relationship, as long as Cubility finds that the supplier is implementing the plan in good faith. In event of repeated and serious breaches of the terms of this Code of Conduct, Cubility reserves the right to cease the business relationship with its supplier and possibly cancel any production or delivery in progress.

3.9 ZERO-TOLERANCE STANDARDS

Cubility will not conduct business with a supplier engaged in violations of fundamental human rights. The following practices are therefore considered unacceptable:

- The use of bonded and forced labour, including forced prison labour and human trafficking
- Child labour, including forced child labour, child prostitution, and other work which is likely to jeopardise the health, safety and morals of children
- Any harsh, inhumane or degrading treatment or punishment of employees
- The exposure of employees to life-threatening work environments, where they have not been informed of the dangers and where protective measures have not been undertaken
- Deliberately causing substantial pollution to air or water, or substantial soil contamination

If Cubility has reason to believe that such violations are being committed by a supplier, the business relationship will be terminated immediately. If we have reason to believe that a supplier was aware of the violation and willingly operated in violation of fundamental human rights, the supplier will be reported to the proper authorities.