



## HOFF'S CODE OF CONDUCT FOR SUPPLIERS

### HOFF SA supports the 10 principles of the UN Global Compact

and asks that our suppliers do the same in the manner this is explained and defined in this “Code of conduct for suppliers”

The principles cover the areas of human rights, labour law, the environment and combating corruption

These guidelines describe the minimum standards that are required from all of HOFF's suppliers. HOFF expects suppliers to communicate the requirements to their own suppliers in those areas where they have an opportunity to make an impact. It is further expected that suppliers always strive to apply the best possible work methods to achieve the aforementioned principles. It is of course assumed that the suppliers comply with all statutes and regulations in those countries in which they operate. HOFF expects compliance with the code of conduct for suppliers, but realizes that it is more of a dynamic than static process to approach the UN's principles. We therefore request that the suppliers constantly work on continuous improvement in the area. In order to be in a position to refer to and provide information on its work and improvements towards these principles, the supplier is expected to have established the necessary procedures, tools and control systems.

HOFF, or one of HOFF's recommended third parties, may conduct inspections or audits at suppliers to assess how far the supplier has proceeded in work on complying with the principles.

#### HUMAN RIGHTS

The principles on human rights in the UN's "Global Compact" originate from the Universal Declaration of Human Rights (UDHR) of 1948.

##### **Principle 1: Support and respect for the protection of internationally proclaimed human rights.**

HOFF's suppliers have an obligation to uphold human rights both in the workplace and in other areas in which they have influence and may impact this. Suppliers who have operations outside of their home countries may have the opportunity to promote and elevate the standards in countries where support for and compliance with human rights-related issues is unsatisfactory.

##### **Principle 2: Refusal to participate in or ignore breaches of human rights**

HOFF expects that the company's suppliers ensure that they in no way are complicit in or contribute to breaches of human rights. By complicity we mean so-called “*direct complicity*”, which occurs if a company intentionally assists a country/business associate to breach human rights, “*beneficial complicity*”, which entails that the company benefits from breaches of human rights by other parties, and “*silent complicity*”, which entails failing to question systematic or ongoing breaches of human rights in its relation with the involved business associates or authorities. HOFF expects that the company's suppliers guarantee a workplace where production and all work takes place in accordance with the ILO's guidelines for working environment (ILO-OSH-200)

#### LABOUR LAW

The principles on labour law in the UN's Global Compact arise from the ILO's declaration on basic principles and rights in working life of 1998.

##### **Principle 3: Support for freedom of association and recognition of the right to collective bargaining**

HOFF expects that the company's suppliers recognize and respect the employees' right to form unions and negotiate collectively, in accordance with legislation in the country in which they are employed, and in accordance with the ILO convention's rules pertaining to freedom of association and protection of the right to form unions.

(C 87, 1948), and the principles for the right to form unions and the right to collective bargaining (C.98-1949).

##### **Principle 4: Contribute to eliminate forced and compulsory labour**

HOFF expects that the company's suppliers prohibit all forms of forced labour, slave labour or other involuntary labour. All work must be voluntary and the employees must be entitled to terminate the working relationship with reasonable notice. As a minimum, suppliers must comply with all statutes and regulations related to wages and work hours, including those concerning minimum wages, overtime wages, piece pay rates and other forms of compensation, and statutory benefits in compliance with the ILO convention with regard to forced or mandatory work (C.29-1930) and concerning the elimination of forced labour (C.105-1957).

##### **Principle 5: Contribute to abolish child labour**

HOFF expects that the company's suppliers combat all forms of child labour in compliance with the UN's Convention on the Rights of the Child, the ILO's convention on minimum age for employment. (C.138-1973) or the ILO's convention on the ban against and immediate measures to abolish the worst forms of child labour (C. 182-1999). HOFF also expects that the company's suppliers protect all young employees from performing work that can be harmful or that hinders the child's education. HOFF also expects that the company's suppliers follow regulated plans for apprenticeships.

##### **Principle 6: No discrimination in respect of employment or occupation**

Suppliers must not exercise any form of discrimination in their recruitment and employment processes due to race, colour, religion, gender, sexual orientation, age, physical ability/ health condition, political opinion, nationality, social or ethnic origin, trade union membership or marital status. Everyone must be treated with respect and have a workplace that is free of harassment.

## ENVIR ONME NT

The principles concerning the environment in the UN's Global Compact are based on the Rio Declaration and Agenda 21.

### **Principle 7: Support for a precautionary approach to environmental challenges**

HOFF expects that the company's suppliers operate their businesses in a responsible manner with regard to environmental impacts and handle environmental risk in such a manner as to avoid harm to the environment, further that the suppliers take precautions to ensure that catastrophic environmental harm does not occur.

The key environmental challenges the suppliers are expected to confront are:

- The reduction of biological diversity and long-term harm to ecosystems
- all forms of pollution and climate-related consequences
- all harm to ecosystems
- earth degradation
- the effects of the use of and disposal of chemicals
- waste management
- overconsumption of non-renewable resources.

### **Principle 8: Initiatives that demonstrate environmental responsibility**

HOFF expects that the company's suppliers choose environmentally friendly products and work processes, and that they conduct their environmental work in a targeted, structured and systematic manner, that they avoid wasting of all forms, and that they monitor developments.

HOFF further expects that the suppliers comply with all statutes and regulations and implement all orders issued by government authorities.

**Principle 9: Encourage the dissemination of environmentally friendly technologies** HOFF expects the company's suppliers to select modern, efficient and environmentally friendly technology and that they in all research and development activities strive for sustainable development of society. HOFF also expects the company's suppliers to aim to increase the use of technology that reduces emissions of greenhouse gases and other emissions to air, soil or water from their own production.

## BRIBERY AND CORRUPTION

The principle on bribery and corruption in the UN's Global Compact is based on the UN's Convention Against Corruption.

### **Principle 10: Promote and implement measures to combat all forms of corruption, including blackmail and bribery**

Suppliers must build up and maintain a high ethical standard, first and foremost in compliance with this document "Code of conduct for suppliers," maintain good business practices and comply with all statutes and regulations that apply to the enterprise.

It is not always sufficient to solely comply with statutes and regulations to maintain a high ethical standard.

Suppliers are expected to avoid conflicts of interest that may harm their credibility, both in relation to HOFF and other external partners. An example of such a conflict of interest may be if the supplier is a member of an association whose core values are in contradiction with HOFF's core values.

Suppliers must not provide or accept any benefits that may be construed as rewards to retain or receive new orders, or to influence HOFF's decision-making processes, or in other ways contribute to unfair advantages being awarded to or accepted by any party.

HOFF does not accept that monies, trips, gifts or other benefits are offered or given in order to attain business-related advantages. HOFF's employees will not accept gifts beyond symbolic value, and they must never be of such scope or frequency that they may give rise to doubts concerning the integrity and independence of the recipient.

On special occasions, in which HOFF's intention is to develop business relations, reasonable hospitality may be provided and accepted.

The scope of such attention must however not develop such that it impacts decision-making processes or gives grounds to believe that it does. The frequency and scope of attention should reasonably reflect the scope of business.

## FOR REFERENCE

Global Compact [www.unglobalcompact.org](http://www.unglobalcompact.org) The UN's Universal Declaration of Human Rights of 1948 [www.unhchr.ch/udhr](http://www.unhchr.ch/udhr) The International Labour Organization [www.ilo.org](http://www.ilo.org)  
The Rio Declaration, Agenda 21  
[www.unep.org](http://www.unep.org)  
The UN Convention Against Corruption  
[www.unodc.org](http://www.unodc.org)