



# CODE OF CONDUCT

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## 1. INTRODUCTION

HANZA Holding AB (publ) ("HANZA") is a global contract manufacturing group headquartered in Stockholm, Sweden. HANZA has strong manufacturing units for mechanics (sheet metal & machining) and electronics (PCBA & Cable harnesses) in several countries. HANZA additionally offer customers support like system assembly, box build and test, as well as sourcing and logistics services according to Customer demands for an efficient business set-up.

Read more on: [www.hanza.com](http://www.hanza.com)

HANZA recognises that its business has an impact on social and environmental issues, in particular people's working conditions, as well as the environment, both locally and globally.

HANZA also strongly believes that HANZA can increase business while being a good business partner to its suppliers and customers. This is a pre-condition for HANZA and its partner's future growth, a growth that will be achieved along with suppliers and customers that share the same vision and ambition as HANZA. This is the foundation and the reason why HANZA have adopted this code of conduct (the "Code of Conduct").

HANZA respects the laws and regulations in the countries in which HANZA operates and requires that its personnel and representatives, along with all other stakeholders, do the same. The Code of Conduct does not replace local legislation and if the Code of Conduct is in conflict with legislation,

the legislation prevails. However, if the Code of Conduct stipulates higher standards than legislation the Code of Conduct shall be followed.

This Code of Conduct applies to HANZA, its affiliates (the "Affiliate"), and to all staff and directors including staff and directors of any Affiliate. The Code of Conduct also applies to third parties such as agency workers, consultants, sub-contractors and others working on behalf of HANZA. The Affiliates may not implement their own code of conduct, but they may establish appendices to the Global Code of Conduct with stricter interpretation in specific areas. The provisions set forth in this Code of Conduct shall be the minimum standard. The term "Affiliate" means any legal entity that directly or indirectly controls, is controlled by, or is under the same control as HANZA, regardless of country of registration

## 2. NORMATIVE ELEMENTS AND THEIR INTERPRETATION

HANZA comply with applicable national and international law, prevailing industry standards and other requirements to which HANZA subscribes.

HANZA respects and abides by the ten principles of the UN Global Compact:

- *Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and*
- **Principle 2: make sure that they are not complicit in human rights abuses.**
- *Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- **Principle 4: the elimination of all forms of forced and compulsory labour;**
- *Principle 5: the effective abolition of child labour; and*
- **Principle 6: the elimination of discrimination in respect of employment and occupation.**
- *Principle 7: Businesses should support a precautionary approach to environmental challenges;*
- **Principle 8: undertake initiatives to promote greater environmental responsibility; and**
- *Principle 9: encourage the development and diffusion of environmentally friendly technologies.*
- **Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.**

HANZA also respects and abides by the principles of a number of international instruments like ILO-conventions, UN conventions, OECD guidelines and UN guidelines as specified in Appendix A to the Global Code of Conduct.

### 3. CHILD LABOUR

HANZA does not engage in or support the use of child labour. HANZA establishes, documents, maintains, and effectively communicates to employees, and other interested parties, policies and written procedures for remediation of children found to be working in HANZA or at any of HANZA's partners and provide adequate support to enable such children to attend and remain in school.

HANZA may employ young workers, but where such young workers are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young workers be engaged during time for school, and in no case shall young workers be required to work more than 8 hours a day and never at night.

HANZA will not expose children or young workers to any situations that are hazardous or unsafe to their physical and mental health and development. HANZA respects the definition of child for each country and under no circumstances can HANZA employ persons under the age of 15.

### 4. FORCED AND COMPULSORY LABOUR

HANZA do not engage in, or support, the use of forced or compulsory labour as defined in ILO Convention 29. Neither HANZA nor any entity supplying labour to HANZA shall withhold any part of any employee's salary, benefits, property, or

documents in order to force such employees to continue working for HANZA.

All personnel have the right to leave the premises of the workplace after work and are free to terminate their employment provided that they give reasonable notice, in line with local legislation in each respective country, to their employer.

Neither HANZA nor any entity supplying labour to HANZA shall engage in, or support, trafficking in human beings.

### 5. HEALTH AND SAFETY

HANZA will provide a safe and healthy workplace environment and will take effective steps to prevent potential accidents and injury to employees' 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 workplace environment. We strive for zero accidents and increased reporting of incidents in order to capture potential risks at an early stage. Continuous follow-up is made through KPI-reporting on accidents and incidents and precautions and countermeasures are initiated to minimize accidents and increase incidents reporting.

Accidents are always reported directly to the CEO, together with an accident description and corrective action. Reporting takes place monthly as an KPI in the event of minor accidents

and directly in the event of major accidents. Responsible for monthly KPI reporting is COO and responsible in the event of a major accident is the Global HR Manager.

HANZA appoints (senior) management representatives responsible for ensuring a safe and healthy workplace environment. HANZA will, on a regular basis, provide effective health and safety training together with documented instructions, including on-site instructions and, where needed, job-specific instructions. Responsibility and authority is delegated to relevant levels and includes relevant training in the area as well as means to act on risks and potential risks. Further, HANZA works with health and safety representatives and with safety rounds to detect, avoid, or respond to potential threats to the health and safety of its employees.

HANZA will provide appropriate, personal, protective equipment to personnel. In the event of a work-related injury, HANZA will provide first aid and assist the worker in obtaining follow-up medical treatment. HANZA assesses all risks to new and expectant mothers arising out of their work activity to ensure that all reasonable steps are taken to remove or reduce any risks to their health and safety.

HANZA provide access to clean toilet facilities, access to potable water and, where applicable, dressing rooms with showers and

sanitary facilities for food storage to all personnel. Further, HANZA will ensure that any dormitory facilities provided for personnel are clean, safe, meet the basic needs of the personnel.

For further information, please see the HANZA Work Environment Policy.

**6. FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING**

All personnel have the right to form, join, and organise trade unions of their choice and to bargain collectively on their behalf with HANZA. HANZA respects this right, and will effectively inform personnel that they are free to join an organisation of their choosing and that their doing so will not result in any negative consequences to them, or retaliation, from HANZA. Furthermore, HANZA will not in any way interfere with the establishment, functioning, or administration of such workers' organisations or collective bargaining.

HANZA will ensure that representatives of workers and any personnel engaged in organising workers are not subjected to discrimination, harassment, intimidation or retaliation for being members of a union or participating in union activities.

HANZA views workers' organizations and trade unions positively and strives to work closely with them, as both sides have the same goal; To create a good workplace, where employees can maintain their jobs and new ones can be created

through a competitively well-executed work.

**7. DISCRIMINATION, HARASSMENT & CORRUPTION**

HANZA has a clearly stated zero tolerance for all forms of bad behavior in the workplace, such as discrimination, harassment and corruption. HANZA will never subject personnel to pregnancy tests under any circumstances.

HANZA shall offer good working conditions and ensure equal treatment regardless of gender, age, descent, religion etc. This is part of onboarding in the company and is further described in our Diversity Policy.

HANZA will contribute to global environmental work by reducing consumption, emissions and through the company's business model.

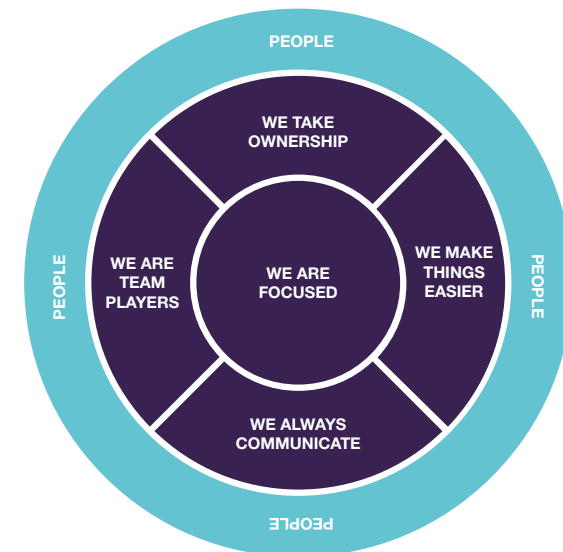
This approach is described in more detail in the following paragraphs.

**8. DISCIPLINARY PRACTICES**

HANZA will treat all personnel with dignity and respect and will not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed.

HANZA Values, identified in the organization and approved by Group Management and the Board of Directors, describe the culture we stand behind

with its values and the behaviours connected to this. Our Values consist of Focus - to ensure we can deliver what we have promised, Communication - the foundation for being able to implement our strategy and achieve our goals, being a Team player - we all work towards the same goal, Easier - we always look for ways to improve and simplify what we do and finally Ownership – through taking responsibility we can develop and grow.



## 9. WORKING HOURS

HANZA comply with applicable laws and industry standards regarding working hours and public holidays. The normal workweek, not including overtime, shall be defined by law but shall not exceed 48 hours.

Personnel is provided with at least one day off following every six consecutive days of working. Exceptions to this rule apply only where both of the following conditions exist:

- a) National law allows work time exceeding this limit; and
- b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.

As a main rule, overtime work is voluntary and shall not exceed 12 hours per week, or be requested on a regular basis. However, in cases where overtime work is needed in order to meet short-term business demands and HANZA is party to a collective bargaining agreement freely negotiated with worker organisations representing a significant portion of its workforce, HANZA may require such overtime work in accordance with such agreements.

## 10. ENVIRONMENT

HANZA works proactively to manage its environmental impacts and have adopted a number of principles in respect to its environmental work. Further information is provided in the HANZA

Environment Policy. A sustainable way of working and less impact on the environment is part of HANZA's vision and the organizational set-up with geographical clusters to reduce transportation. HANZA also focus on environmental standards and offer services in this area.

## 11. REMUNERATION

HANZA will respect the right of personnel to a living wage and ensure that wages paid for a normal workweek shall always meet at least legal or industry minimum standards and that it is sufficient to meet the basic needs of personnel and to provide some discretionary income.

HANZA will not make deductions from wages for disciplinary purposes. Exceptions to this rule apply only when both of the following conditions exist:

- a) Deductions from wages for disciplinary purposes are permitted by national law; and
- b) A freely negotiated collective bargaining agreement is in force.

HANZA will ensure that employee's wages and benefits composition are detailed clearly and regularly in writing for them for each pay period. HANZA will also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration payout terms are agreed in the employment contract with employer and employee and HANZA will comply to this.

All overtime shall be reimbursed at a premium rate as defined by national law. In countries where a premium rate for overtime is not regulated by law or a collective bargaining agreement, personnel shall be compensated for overtime at a premium rate equal to prevailing industry standards.

## 12. MANAGEMENT SYSTEMS

Being a Swedish Group we follow European legislation within the area. Top management shall define in writing, in employees own language, HANZA's policy for social accountability and labour conditions and display this policy. HANZA strive to inform the employees in a prominent, easily accessible place on HANZA's premises what policies they have and how they assess this. Management will follow-up on the outcome of their compliance to relevant policies and labour conditions.

- a) To comply with national and other applicable laws and other requirements to which HANZA subscribes, and to respect the international instruments and their interpretation;

b) To review its policies in the area regularly in order to continually improve, taking into consideration changes in legislation, in its own code of conduct requirements and any other HANZA requirements;

c) To see that its policies are effectively documented, implemented, maintained, communicated and made accessible in a comprehensible form to all personnel, including directors, executives, management, supervisors and staff, whether directly employed by, contracted with or otherwise representing HANZA;

d) To make its policies publicly available in an effective form and manner to interested parties, upon request. Internally they are accessible through our Intranet as well as the DMS.

### **12.1 Management Representative**

HANZA will appoint a senior management representative who, irrespective of other responsibilities, shall ensure that the requirements of HANZA's policy on social accountability and labour conditions are met. This responsibility is appointed to Global HR Manager on Group level and on local level it's delegated to the Cluster Presidents in co-operation with local functions.

### **12.2 Worker Representative**

HANZA recognizes that workplace dialogue is a key component of social accountability and ensure that all workers have the right to representation to facilitate communication with senior management in matters relating to the policy on social accountability and labour conditions. In unionised facilities, recognized trade union shall undertake such representation. Elsewhere, workers may elect a worker representative from among themselves for this purpose. In no circumstances, shall the worker representative for social accountability and labour conditions be seen as a substitute for trade union representation.

### **12.3 Management Review**

Top management shall periodically review the adequacy, suitability and continuing effectiveness of HANZA's policy, procedures, and performance results vis-à-vis the requirements of the policy on social accountability and labour conditions and other requirements to which HANZA subscribes. Where appropriate, system amendments and improvements shall be implemented. The worker representative shall participate in this review. This should be done in the management review on a yearly basis.

### **12.4 Planning and Implementation**

HANZA will ensure that the requirements of this policy are understood and implemented at all levels of the organisation. Methods shall include, but are not limited to:

- a) Clear definition of all parties' roles, responsibilities and authority;
- b) Training of new, reassigned and/or temporary personnel upon hiring;
- c) Periodic instruction, training and awareness programs for existing personnel;
- d) Continuous monitoring of activities and results to demonstrate the effectiveness of systems implemented to meet HANZA's policy and the requirements of this policy.

### **12.5 Addressing Concerns and Taking Corrective Action**

HANZA provides a confidential mean in their HANZA Hotline and the structure for governance and review for all personnel to report non-conformances with this standard to HANZA management and the worker representative. HANZA works actively to have an open and transparent culture. When there are non-conformities or breach of policies, procedures and rules this should be reported to the manager, the manager's manager, HR or anyone in Group Management (HLT). The "grandfather principle" has been established in order to always keep the ways to the next management level open. Should there be any concerns in using that direct line, you have the alternatives of HR and/or Group Management as well as our service HANZA Hotline on the web or the hotline@hanza.com mailbox.

HANZA will investigate, address and respond to the concerns of personnel and other interested parties with regard to conformance/non-conformance with HANZA's policies and/or the requirements of this standard. HANZA will refrain from disciplining, dismissing or otherwise discriminating against any personnel for providing information concerning observance of the standard. HANZA will identify the root cause, promptly implement corrective and preventive action and allocate adequate resources appropriate to the nature and severity of any identified

non-conformance with HANZA's policy and/or the standard. HANZA actively work with its culture to keep and maintain an open and transparent atmosphere where all employees feel confident to report non-conformances or suspected non-conformances according to the escalation steps (manager or manager's manager, HR or someone in Group management).

Reports can be done by sending an e-mail to hotline@hanza.com or anonymously by creating a ticket through our service "HANZA Hotline". Initial action can be taken by the receiver or, in case of support needed, can be escalated to the managers, manager or according to above. Global HR Manager should always be informed about the report and get feedback on what actions have been taken. Global HR Manager, will also decide, in cooperation with HANZA Leadership Team, on potential need for external support. Once a year Global HR Manager, will present no of reports globally, status of each report and actions taken to Group Management.

### **12.6 Outside Communication and Stakeholder Engagement**

HANZA will establish and maintain procedures to regularly communicate data, for example through the sustainability report, and other information regarding compliance with the requirements of this document to all interested parties, including, but not limited to, the results of management reviews and monitoring activities.

HANZA will demonstrate its willingness to participate in dialogues with all interested stakeholders, including, but not limited to: workers, trade unions, suppliers, subcontractors, sub-suppliers, buyers, non-governmental organisations, local, and national government officials, aimed at attaining sustainable compliance with this standard.

In the case of announced and unannounced audits of HANZA for the purpose of certifying its compliance with the requirements of this standard, HANZA will ensure access to its premises and to reasonable information required by the auditor.

### **12.7 Records**

HANZA will maintain appropriate records to demonstrate compliance to the requirements of this standard.

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## 13. BUSINESS ETHICS

### 13.1 General

All personnel and representatives of HANZA are expected to show honesty and integrity dealing with other employees, customers, suppliers, business partners, organisations, authorities and any other potential stakeholders.

### 13.2 Anti-Bribery

HANZA does not accept bribery. HANZA has zero tolerance towards bribery and request that our Personnel shall not offer, give or solicit gifts, favours, promise, payment, entertainment or other benefits of value to any individual with the intent to improperly influence a decision. Equally, no personnel shall accept a benefit if there is an intent to influence the decision-making and/or decision-maker. In alignment with this statement HANZA also keep a record of gifts that have been given to employees/HANZA companies and that have been accepted by HANZA Leadership Team after inquiry from the employee/HANZA Company. For further information, please see the HANZA Anti-Corruption Policy.

### 13.3. Competition and anti-trust law

HANZA does not engage in anti-competitive agreements, practices or combinations. HANZA support and strive to achieve fair competition. Personnel shall comply with all relevant competition legislation and regulations. Therefore, personnel shall abstain from entering into anti-competitive agreements or exchanging illegal pricing and/or marketing information with competitors.

### 13.4 Product safety

HANZA aims to ensure that products manufactured by HANZA shall exceed the customers' expectations. Hence, the products manufactured by HANZA shall at least meet the customers' expectations. In order to do so all products shall fulfil the requirements regarding product safety in accordance with, from time to time, applicable legislation and regulations. Compliance with product safety legislation and regulations shall be tested regularly.

## Appendix A

HANZA respects and abides by the principles of the following international instruments as listed in this Appendix A to the Global Code of Conduct:

- ILO Convention 1 (Hours of Work – Industry) and Recommendation 116 (Reduction of Hours of Work)
- ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour)
- ILO Convention 87 (Freedom of Association) ILO Convention 98 (Right to Organise and Collective Bargaining)
- ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination – Employment and Occupation)
- ILO Convention 102 (Social Security - Minimum Standards)
- ILO Convention 131 (Minimum Wage Fixing), ILO Convention 135 (Workers' Representatives), ILO Convention 138 and Recommendation 146 (Minimum Age)
- ILO Convention 155 and Recommendation 164 (Occupational Safety and Health)
- ILO Convention 159 (Vocational Rehabilitation and Employment - Disabled Persons)
- ILO Convention 169 (Indigenous and Tribal Peoples)
- ILO Convention 177 (Home Work)
- ILO Convention 182 (Worst Forms of Child Labour)
- ILO Convention 183 (Maternity Protection)
- ILO Code of Practice on HIV/AIDS and the World of Work Universal Declaration of Human Rights
- The International Covenant on Economic, Social and Cultural Rights
- The International Covenant on Civil and Political Rights
- The United Nations Convention on the Rights of the Child
- The United Nations Convention on the Elimination of All Forms of Discrimination Against Women
- The United Nations Convention on the Elimination of All Forms of Racial Discrimination
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights





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