

# Skamol Code of Conduct 2009

## 1. Objectives

The purpose of this Code of Conduct is to ensure that suppliers to SKAMOL operate in accordance with internationally recognised minimum standards on human rights, labour and environment. SKAMOL adheres to the principles of this code and expects the same of its suppliers.

Observance of the code will be an enforceable and enforced part of any agreement or contract between SKAMOL and our suppliers. The aim of the code is not to terminate business, but to help suppliers improve social and environmental standards. SKAMOL is, therefore, willing to work with suppliers to achieve compliance with the provisions of this code. However, we will not conduct business with a supplier if compliance with the requirements of the code is deemed impossible. Nor will we conduct business with a supplier engaged in violations of fundamental human rights (see zero-tolerance standards below).

SKAMOL shall periodically review the adequacy and continuing effectiveness of this Code of Conduct.

### **Scope of Application**

This code applies to all SKAMOL's suppliers. The provisions of the code extend to all workers, regardless of their status or relationship with a supplier. Therefore, the code also applies to workers, who are engaged informally, on short-term contracts, or on a part-time basis.

It shall be the responsibility of suppliers to ensure that their sub-suppliers do not violate the standards of this code.

## 2. Ethics and Legal Compliance

### **General Principles**

Any questions or disputes regarding the interpretation of the provisions of this code shall be resolved by SKAMOL. The 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. The code establishes minimum standards, and SKAMOL will not accept any attempt to use the requirements as a means to lower existing standards or to prevent or discourage collective bargaining. When implementing the code, suppliers shall take all necessary measures to ensure that they do not unintentionally leave workers and other beneficiaries in a worse position than before the code was introduced.

### **Legal Compliance**

In addition to meeting the provisions of this code, suppliers 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 provisions of this code and national laws or other applicable standards, suppliers 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 SKAMOL in cooperation with the 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 SKAMOL immediately.

## 3. 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 Fundamental ILO Conventions and other relevant international human rights and labour standards. Each provision of the code makes explicit reference to the underlying international human rights or labour standards. These references can be found in Annex 1.

## **Forced Labour**

### **a. Forced Labour and Freedom of Movement**

The supplier must not participate in, or benefit from, any form of forced labour, including bonded labour, forced prison labour, slavery, servitude, or human trafficking. Workers must have the freedom to move during the course of their employment.

### **b. Retention of Identity Cards and Travel Documents**

The supplier shall refrain from retaining the identity cards, travel documents, and other important personal papers of its employees.

## **No Child Labour**

The supplier must not employ workers under the age of 15 (children); minimum age is lowered to 14 years for countries operating under the ILO Convention 138 developing-country exception.

The supplier must set up a remediation programme for any child found to be working.

## **Non-discrimination in Employment-related Decisions**

The supplier shall not engage in or support discrimination on the 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.

## **Freedom of Association**

### **a. The Right to Freedom of Association and Collective Bargaining**

The supplier must not interfere with the workers' rights 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 recognise elected workers' representatives and bargain in good faith with them regarding all important workplace concerns.

### **b. Alternative Measures in Case of State Prohibition on Unions**

If trade unions are not allowed in the area of operation, or only state authorised organisations are allowed, 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.

## **Workplace Health and Safety**

### **a. Health and Safety Standards:**

The supplier shall ensure that its workers are offered a safe and healthy working environment, including, but not limited to, protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.

### **b. Training and Protective Gear:**

The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely.

### **c. Sanitary Infrastructure:**

The supplier must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which conforms to the needs of its employees and is adequate to its numbers. Accommodation, if provided by the supplier, shall conform to the same requirements, including the general provisions on health and safety listed above.



## **4. Implementation**

### **1. Records and Documentation**

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

- Names and ages of all workers.
- Health and safety records, including material safety data sheets, accident records and relevant certificates and permits.
- Environmental records, including data from the 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.

### **2. Definition of Roles and Responsibilities**

The supplier must assign responsibilities within its organisation for the implementation of this code. As a minimum the following representatives shall be designated:

- One or more management representatives with the responsibility and authority to ensure compliance with the provisions 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 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. Training and Awareness-Raising**

The standards included in this code shall be communicated to all employees, including managers and supervisors, immediately upon hiring. The supplier shall ensure that all employees are regularly informed about the standards included in the code and the necessity of acting in accordance with them. In areas with high illiteracy rates, employees shall receive verbal instructions. The code shall always be accessible to all employees and in the local languages whenever appropriate.

## **5. 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, without fear of punishment or adverse employment action. The supplier shall properly investigate, address and settle all complaints in accordance with its pre-established complaints 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.

## **6. Monitoring**

SKAMOL will monitor the operations of our suppliers to assess and ensure their compliance with this code. Our monitoring programme consists of on-site inspections (or audits) and periodic self-evaluations by suppliers of their premises and those of their sub-contractors. The supplier shall submit at any time to announced as well as unannounced audits. The supplier is required to provide physical access to any auditor from SKAMOL or other auditor assigned by SKAMOL. This obligation entails unhindered access to all facilities, records, and where provided by suppliers, housing, as well as employees for confidential interviews. The frequency and intensity of supplier audits will depend on - and shall be appropriate to - the scale and intensity of their operations.

## 7. Verification

SKAMOL reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this code.

## 8. Enforcement, Remediation and Corrective Action

Where instances of non-compliance with the requirements of this code are identified, the supplier shall promptly take corrective actions to remedy the deficiencies as well as taking 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 found to have been unlawfully withheld or reinstating any employee found 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 the event of failure to self-correct a problem, SKAMOL is willing to engage in a constructive dialogue with the supplier to develop and implement a corrective action plan, with appropriate time scales for implementation and improvements to be achieved. Agreement to abide by the corrective action plan allows continuation of the business relationship, as long as SKAMOL finds that the supplier is implementing the plan in good faith. In the event of repeated and serious breaches of the requirements of the code, SKAMOL reserves the right to terminate the business relationship with a supplier and possibly cancel any production or delivery in progress.

## 9. Zero-tolerance Standards

SKAMOL will not conduct business with a supplier engaged in violations of fundamental human rights. Therefore, the following practices are considered unacceptable:

- The use of bonded and forced labour, including forced prison labour and human trafficking.
- Worst forms of 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.
- Any complicity in violations of international humanitarian law and other crimes against the human person as defined by international law, including war crimes, crimes against humanity, genocide, torture, forced disappearances, hostage taking and extrajudicial, summary or arbitrary executions.

If SKAMOL 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 the supplier was aware of the violation and willingly operated in violation of fundamental human rights, the supplier may be reported to the proper authorities.



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Per Rahbech  
CFO

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## Anex 1, references

### **Forced labour**

ILO Forced Labour Convention C29, 1930.  
ILO Abolition of Forced Labour Convention C105, 1957.  
European Union Convention for the Protection of Human Rights and Fundamental Freedoms, 1950.

### **Child Labour**

ILO Child Labour Convention C138.  
Unicef definition of Child Labour.

### **Non-discrimination in Employment-related Decisions**

ILO Non Discrimination Convention C100.  
ILO Non Discrimination Convention C100.  
European Union Convention for the Protection of Human Rights and Fundamental Freedoms.

### **Freedom of Association**

ILO Freedom of Association and Protection of the Right to Organise Convention, C87, 1948.  
ILO Right to Organise and Collective Bargaining Convention, C98, 1949.  
UN Convention on Economic, Social and Cultural Rights.

### **Workplace Health and Safety**

As minimum: National standards and Industry regulation.