

# HydX Code of Conduct for Suppliers

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## 1 Introduction

HydX is strongly committed to playing an active role in a sustainable global development where social responsibility, environmental and climate considerations go hand in hand with sound business development. HydX has a strong commitment to economic, environmental, and socially sustainable development. As a result of this commitment, HydX has built its Code of Conduct for Suppliers based on the principles of the United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) and the UN Guiding Principles. HydX expects all its businesses partners, including suppliers, to comply with the UN Global Compact principles in addition to the laws of the countries where its businesses are located.

As a strong Nordic company within its core businesses, HydX strongly believes that it is in the mutual interest of both HydX and its suppliers to meet the present and future requirements of markets and society. This includes demonstrating responsibility towards the people taking part in the manufacture and delivery of products and services.

In order to make its position clear to all suppliers, HydX has established the HydX Code of Conduct for Suppliers (the “Code”). The Code describes HydX corporate social responsibility requirements for suppliers. As a condition of doing business with HydX, we expect suppliers to comply with these requirements. It is HydX intention to maintain this Code in a spirit of constructive dialogue and in partnership with suppliers, for the mutual benefit of both parties.

In the Code, the term “HydX” refers to all HydX Group companies.

## 2 HydX general requirements of suppliers

### 2.1 Area of application

The Code applies to the supplier and all supplier Group companies (the “Supplier”). The Supplier shall inform all supplier Group companies of their obligations in relation to the Code and the Supplier is responsible to HydX for all supplier Group companies’ compliance with the Code.

### 2.2 General Responsibilities

The Supplier shall take all necessary actions to ensure the Supplier’s compliance with this Code, without undue delay. In addition to complying with the Code, the Supplier shall comply with applicable local laws.

The Supplier is solely responsible for the costs of complying with the Code.

If HydX finds or suspects incidents of non-compliance with the Code related to the Supplier and HydX informs the Supplier hereof, HydX expects the Supplier to investigate and correct issues of non-compliance as soon as possible and within an agreed timeframe. If the Supplier does not show willingness to correct these issues, HydX will consider terminating the business relationship

with the Supplier. Any such termination of any business relationship between HydX Group companies and the Supplier is considered a termination for cause and does not entitle the Supplier to any kind of compensation.

### **2.3 Site Audit**

If the Supplier uses sub-suppliers for its supplies to HydX and/or acts as a distributor or wholesaler to HydX, the Supplier shall use its best endeavours to ensure that its sub-suppliers comply with the Code.

HydX may conduct announced audits at the Supplier's sites, including the Supplier's manufacturing facilities, in order to verify that the Supplier is in compliance with the Code ("CoC audit"). CoC audits may be performed either by HydX employees or by a third-party auditor chosen by HydX.

In order to verify the Supplier's compliance with the Code, the Supplier shall be prepared to provide HydX access to relevant and reasonably requested information and documentation during an audit. All auditors carrying out CoC audits are bound to confidentiality by written agreements. All information and results obtained in connection with the CoC audits will be handled confidentially by HydX and will only be shared with the Supplier. HydX will only use such information for internal purposes.

### **3 Contact**

For general questions or comments on the Code, the Supplier may contact their procurement contact at HydX.

## **4 Supplier behaviour**

### **4.1 Child labour**

HydX respects children's right to development and education. Therefore, HydX does not accept the use of child labour as part of the Supplier's work force. This includes employing children under the age of 15, children younger than the legal minimum age, or children younger than the age of completing compulsory school.

Juveniles (children between the age of 15 and 18) are only allowed to be employed by the Supplier, provided that the work complies with local laws and the ILO Minimum Age Convention.

In general, all children under the age of 18:

- must not be employed in hazardous work\*
- must not work night shifts
- are entitled to more breaks than adults

\* Hazardous work is work which, by its nature or the circumstances, is likely to harm the health, safety or morals of children.

## **4.2 Discrimination**

HydX respects cultural differences and does not do business with a Supplier if the Supplier practices discrimination at work based on race, religion, gender, age, nationality, or sexual orientation. The Supplier's employees must not be exposed to any physical punishment, threats of violence or physical, sexual, psychological, or verbal harassment or maltreatment in the workplace or in work-related situations.

## **4.3 Forced labour**

HydX does not permit forced or involuntary labour, which includes slavery, human trafficking, or any other forms of involuntary work. HydX suppliers must not use or benefit from forced labour at the Supplier. This includes forced prison work, work on a forced contract, slavery and other forms of work which are done against one's will or choice. The Supplier or any entity supplying labour to the Supplier must not charge fees for recruiting personnel or withhold any part of any personnel's salary, benefits, property, or documents in order to force personnel to continue working for the company. All personnel shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment with reasonable notice.

HydX does not tolerate employment which confines the employee in debt bondage, for example, through fee-charging employment agencies.

## **4.4 Working environment**

HydX supports the fundamental human right to have sound working conditions. The Supplier must ensure a good and safe working environment which complies with all applicable rules and laws. As a minimum:

- Workers must not be exposed to dangerous work without being properly protected. Workers must be provided with and must use suitable personal protection equipment and be instructed in its proper use.
- Facilities must comply with applicable laws and rules about construction safety as well as fire protection – and fire alarms.
- Facilities must provide appropriate lighting and ventilation
- All dangerous materials must be stored in safe places and used in safe and controlled ways.
- All machinery must be properly maintained and shielded.
- Facilities for meals, resting and sleeping, must, if provided, be kept clean and safe.

## **4.5 Working Hours and Salary**

HydX recognises the need for a sound balance between working time and leisure time for all employees.

Unless the law provides otherwise, the maximum working time at the Supplier's sites is 48 hours per week plus a maximum 12 hours of overtime work. All workers shall be allowed to have at least one full day off within a period of seven days, unless the national law/rules provide otherwise. Salaries for work and overtime shall be in accordance with the applicable national law or applicable national rules. Deductions in salary due to company fines or penalties must never compromise minimum salary.

#### **4.6 The Right to Organize and Collective Bargaining**

The Supplier must not interfere with the worker's right to form and join unions or to bargain collectively. This means that the Supplier must recognise his employees' right to choose whether or not to associate with or establish any organisation, including labour organisations.

If trade unions are not allowed in the area of operation, or only state-authorized organisations are allowed, the Supplier shall facilitate alternative measures to allow employees to access management to discuss work-related matters.

#### **4.7 Right to privacy**

The Supplier shall respect his employees' right to privacy. Processing of personal data should always be in compliance with applicable laws. The Supplier shall at all times observe the basic personal data processing principles:

- The processing must be reasonable and proportional.
- The processing must be time-limited.
- The processed information must be correct and up to date.
- The processing must have a clear business purpose.
- The processing must be relevant to the business purpose.

#### **4.8 Environment**

Environmental considerations are an integral part of HydX business practices. The Supplier shall commit to reducing the environmental impact of its manufacturing process.

- **Pollution Prevention and Resource Reduction**

The Supplier shall avoid pollution and actively strive to reduce material consumption.

- **Chemicals and Hazardous Materials**

The Supplier shall ensure that all chemicals and hazardous materials are handled, stored and disposed of in an environmentally safe way and as required by law.

- **Air Emissions**

The Supplier shall ensure that air emissions (e.g. of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals and combustion by-products generated from operations) are to be characterized, monitored, controlled, and treated and discharged as required by law prior to discharge.

- **Wastewater and Solid Waste**

The Supplier shall ensure that wastewater and solid waste generated from operations, industrial processes and sanitation facilities are monitored, controlled, and treated, discharged or disposed of as required by law prior to discharge or disposal.

- **Recycling and Reuse of Materials and Products**

The Supplier shall contribute to the recycling and reuse of materials and products to the extent possible.

#### 4.9 Corruption

HydX does not accept bribery and corruption. Corruption and bribery are recognised as barriers to sustainable development and free trade. HydX does not accept these practices and therefore does not offer or accept any kind of undue payment or trade in influence in any of our business transactions. The Supplier shall act accordingly.

1. The Supplier must:

1.1 Not pay bribes - this also applies to third parties

1.2 Not make facilitation payments (payment to speed up processes), unless being threatened or coerced

1.3 Not offer or accept excessive gifts, hospitality or entertainment.

#### 5 Signature

I acknowledge that I have read and understand the HydX Code of Conduct for Suppliers and agree to comply with the requirements of the Code (fill in using block letters or company stamp):

Supplier's name: \_\_\_\_\_

Address: \_\_\_\_\_

Factory name: \_\_\_\_\_

Supplier

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Block letters