



Code of Conduct / CSR- Supplier





As HCS A/S engaging with various suppliers it is important for us to have a common set of ethical practices and standards. The Code of Conduct applies to all our suppliers and business partners. The Code of Conduct covers workers' rights, ethical and human rights, economic, social, compliance with legislation, the environmental and anti-corruption.

A supplier to HCS is expected to read, understand and do business in accordance with the following standards:

Child labour

A supplier to HCS ensures that:

- all employees are over 15 years of age.
- employees under 18 years of age do not perform hazardous work or work at night.
- all apprentices in the supplier's company are over 15 years of age and work as part of their education.

A supplier to HCS is aware of and respects the ban on child labour, as expressed in the Consolidating regulation on the working environment, Consolidating regulation no. 268 of 18 March 2005 and Executive Order no. 239 of 6 April 2005 on young people at work.

The Danish legislation is in accordance with EU Directive 94/33/EC of 22 June 1994 on the protection of young people at work, the UN Covenant on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention no. 138 of 26 June 1973 on minimum age, ILO Convention no. 182 of 17 June 1999 on the worst forms of child labour, and UNICEF's Convention on the Rights of the Child of 20 November 1989.

The Danish authorities check that the supplier's company complies with Danish legislation in this area. Supplier's employees who believe their rights are being violated, have access to the courts.



Differential treatment/discrimination

A supplier to HCS does not exercise discrimination due to sex, race, skin colour, religion or belief, political opinion, sexual orientation, national origin, social origin, ethnic origin, age or disability. Furthermore there is no discrimination in the company with regard to hiring, dismissal, transfer, promotion, determination of remuneration, determination of working conditions or further education. All decisions regarding hiring, promotion, dismissal, pay and other working conditions are based on relevant and objective criteria.

A supplier to HCS is aware of and respects the prohibition on discrimination, as expressed in the Consolidating Regulation on the Prohibition of Differential Treatment in the Labour Market, etc., Consolidating Regulation no. 1349 of 16 December 2008 and the Consolidating Regulation on the equal treatment of men and women with regard to employment and maternity leave etc., Consolidating Regulation no. 734 of 28 June 2006.

The Danish legislation is in accordance with EU Directive 2000/43/EC of 29 June 2000 on racial equality. EU Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation. EU Directive 2004/113/EC implementing the principle of equal treatment between men and women in the access to and supply of goods and services. EU Directive 2006/54/EC of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. The European Convention on Human Rights of 4 November 1950, the UN Convention on the Elimination of All Forms of Racial Discrimination of 21 December 1965, the UN Convention on the Elimination of All Forms of Discrimination against Women of 18 December 1979, ILO Convention no. 100 of 29 June 1951 on equal pay, ILO Convention no. 111 of 25 June 1958 on discrimination, and ILO Convention no. 169 of 27 June 1989 on indigenous peoples.

The Danish authorities check that the company complies with Danish legislation in this area. Employees who believe their rights are being violated, have access to the courts. Employees who believe they have suffered discrimination can also have their complaints dealt with by the Board of Equal Treatment.



Anti-corruption

HCS does not tolerate any form of bribery. It is unacceptable, unethical and strictly prohibited to offer or accept bribes, both directly and indirectly. Bribery means offering, giving or receiving anything of value (money or gifts) with the purpose for the giver of exercising improper influence on the recipient's decision or behaviour. Bribery typically involves "something for something", where both parties benefit, e.g. a supplier who offers money to a company's employee in order to receive orders from the company in question.

Bribes can be:

- a direct or indirect promise with an offer about or rights to something of value.
- an offer of or acceptance of money under the table (give or accept money, gifts or anything of value in exchange for favourable treatment), loans, payment, remuneration or other improper benefits.
- support and donations or votes in order to exert improper influence or achieve dependency.

Supplier's employees shall:

- be careful when they receive something from partners. This also applies when supplier's employees give something of value to cooperating partners.
- if a supplier's employee is unsure of whether there is a risk of receiving or giving bribes, this should be reported to a supervisor or HR department at the supplier.

Supplier's employees must not:

- use third parties, e.g. cooperating partners, to indirectly offer or accept bribes.
- accept or give bribes, money under the table or other improper payments, for whatever reason.
- accept or offer personal favours, such as free travel, excessive gifts or dinners, which could be perceived as an inducement to enter into or renew a business relationship.
- enter into agreements with any third party, which could damage HCS' reputation.

A supplier to HCS ensures that:

- none of the supplier's employees give or receive improper benefits from Danish or foreign public officials or employees in the private sector.

A supplier to HCS is aware of and respects the regulations on corruption, as expressed in the Penal Code, Consolidating regulation no. 1068 of 6 November 2008, §§ 122, 144, 290, 299.2 and 306. The Danish legislation is in accordance with the Council of Europe Convention on corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

The Danish authorities punish violations of the Danish rules on corruption by fine or imprisonment. This may also apply if the offence is committed abroad.

Bullying and harassment

Mutual respect and proper behaviour among and between staff at all levels is a prerequisite for a good and safe working environment. We consider bullying and harassment as unacceptable.

Bullying and harassment is not only significant for the person affected by it, but also for the whole workplace and for the general sense of well-being of the supplier's employees. Clear guidelines for how cases will be handled and who is responsible for follow-up, help to create the transparency that is so necessary in order to bring-bullying and harassment out into the open.





The policy must ensure that employees and management make active efforts to prevent and identify bullying and harassment, and that they have agreed guidelines for how to handle situations where bullying or harassment occurs despite preventive measures.

The objective is to constantly work to ensure an open and trusting relationship between managers and employees at the supplier with regard to bullying and harassment, so that any issues can be taken up for discussion at an early stage.

Definitions

"Bullying is when one or more people regularly and over an extended period, or repeatedly and harshly, subjects one or more persons to offensive acts, which the person in question perceives as hurtful or degrading. However, the offensive actions are only considered bullying when the people who are the targets, are unable to defend themselves effectively. Teasing that both parties regard as good-natured or isolated conflicts, do not constitute bullying."

"Sexual harassment is when one or more people regularly and over an extended period, or repeatedly and harshly, subjects one or more persons to unwanted acts of a sexual nature, which the person in question perceives as offensive.

Consequences

According to the Labour Environment Act, all supplier's employees shall abide by the rules that



apply to the work they shall perform. They must co-operate with regard to health and safety and contribute to ensuring that the working conditions within their work area are fully acceptable from a health and safety perspective. This means that each employee has a duty to abide by the rules of conduct at the workplace in order to prevent bullying and harassment. If a problem with bullying or sexual harassment is not resolved by a manager or by the HR department at the supplier, the initial sanctions against the bully will be the issuing of a warning. In case of a repetition, the offence could result in termination or possible expulsion.



Implementation Code of Conduct

HCS reserves the right to verify that supplier meet the standards of this Code of Conduct.





Sanctions for breach of this Code of Conduct

Any non-compliance with the Code of Conduct is taken very seriously. In case of serious or repeated breaches, HCS reserves the right, without liability, to terminate the business relationship with supplier with immediate effect.

Suppliers' confirmation

Please sign a copy of this Enclosure and send it back together with haulage contract.

Company: _____

Name: _____

Function: _____