

# Helland Baltic – Code of Conduct

*Helland Baltic are located in Haapsalu, Estonia and was integrated into Helland Group in 2014. Helland Baltic produce all furniture for Helland Møbler AS. The company do also take on production for other external furniture customers. Helland Baltic are a fully integrated wooden furniture manufacturer.*

**Helland Baltic** works continuously to develop ethical guidelines, which the company undertakes to follow. We want to influence positive behavior and culture for the company and the supply chain.

Helland Baltic aims to be a reliable company for all our partners. We depend on this trust, and we are committed to operate responsible, ethical, and legal. The company has always been aware of its social responsibility and the work to promote good working and environmental conditions within the company. The company also wants an open, transparent, and good relationship with all partners. Helland Baltic want to conduct business activities in an honest, ethical, respectful, and professional manner, and will follow and comply with the ethical guidelines that are founded in the ILO convention and relevant laws and regulations.

**Our principles** are based on;

- All our suppliers and subcontractors must deliver goods and services that have been produced in accordance with the ILO Convention.
- Suppliers must be able to document that the guidelines are complied with. This can be done through signed agreements, self-declarations, revision of the supplier, or submitted certificate of ISO Standards.
- If breaches of ethical guidelines are discovered, a mitigation plan must be prepared within reasonable time. Termination of the cooperation contract may occur if the supplier does not show a willingness to rectify the situation

**Compliance and documentation.** Everyone in Helland Baltic must familiarize themselves with the Ethical guidelines and comply with them.

Suppliers must sign or submit other documentation that they comply with the ethical guidelines in accordance with the ILO Convention and its country's laws and regulations in this area. (Doc. Code of Conduct for Suppliers)

Annual revision of the Code of Conduct is done through the internal audit program ISO 14001.

**Ethical guidelines;**

## 1. **Forced & slave labor**

(ILO Convention Nos. 29 and 105) *Forced labor is all work performed under threats, punishment, psychological pressure, and involuntariness*

- a. There shall be no form of forced labor and modern slave labor with any of the partners.
- b. No employee shall be required to provide a deposit or identity document to the employer.
- c. All workers must have employment agreements that are in accordance with the country's legislation and collective agreements. Employees must be able to terminate their employment within a reasonable period of notice.

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## 2. Trade union organization

(ILO conventions 87, 98, 135 and 154)

- a. All employees must, without exception, be able to join trade unions, and to be able to negotiate collectively.
- b. The employer shall not interfere in, hinder, or oppose trade union or collective bargaining.
- c. Representatives of the trade union shall not be discriminated against or prevented from carrying out their work in the trade union.
- d. If these rights are limited by law, the employer shall facilitate, and in no case prevent, parallel mechanisms for free and independent organization and negotiations.

## 3. Child labor

(UN Convention on the Rights of the Child, ILO Convention Nos. 79, 138, 182 and ILO Recommendations No. 146)

- a. The minimum age for workers shall not be less than 15 years and in line with:
  - i. National minimum age for employment, or;
  - ii. Minimum age for compulsory school, with maximum age as applicable. If the local minimum age is set at 14 years in line with the exception in ILO Convention 138, this can be accepted.
- b. Recruitment of child workers in violation of the above minimum age shall not take place. Children under the age of 18 must

not perform work that is detrimental to their health, safety, or morals, including night work.

- c. Action plans shall be established for the phasing out of child labor that are in violation of ILO Conventions 138 and 182. The action plans shall be documented and communicated to relevant personnel and other stakeholders. Arrangements shall be made for support schemes where children are given the opportunity for education until the child is no longer of compulsory school age.

## 4. Discrimination

(ILO Conventions Nos. 100 and 111 and the UN Convention on the Elimination of All Forms of Discrimination against Women)

- a. There shall be no discrimination in working life based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation.
- b. Protection shall be established against sexually intrusive, threatening, abusive or exploitative behavior and against discrimination or termination on unreasonable grounds, e.g. marriage, pregnancy, parenthood, or status as HIV-infected.
- c. Workers with the same experience and qualifications shall receive equal pay for equal work.

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## 5. Brutal treatment

- a. Physical abuse or punishment, or the threat of physical abuse shall be prohibited. The same applies to sexual or other abuse, and various forms of humiliation.

- b. Wage conditions and payment of wages must be agreed in writing before work begins. The agreement must be understandable to the worker.
- c. Deductions from salary as a disciplinary action shall not be permitted.

## 6. Health, safety, and environment

(ILO Convention No. 155 and Recommendation No. 164)

- a. Workers must have a safe and healthy working environment. Necessary measures must be implemented to prevent and minimize accidents and damage to health because of, or related to, conditions in the workplace.
- b. Workers must have regular and documented training in health and safety.
- c. Workers shall have access to clean sanitary facilities and clean drinking water. If relevant, the employer must also ensure access to facilities for health safe storage of food.
- d. If the employer provides accommodation, this must be clean, safe, and adequately ventilated and with access to clean sanitary facilities and clean drinking water.

## 8. Working hours

(ILO Convention Nos. 1 and 14)

- a. Working hours shall be in accordance with national laws or industry standards and shall not exceed working hours in accordance with applicable international conventions. Normal working hours per week shall not normally exceed 48 hours.
- b. Workers shall have at least one day off per seven days.
- c. Overtime must be limited and voluntary. The recommended maximum overtime is 12 hours per week, i.e. total working time of 60 hours per week. Exceptions from this can be accepted if it is regulated by a collective agreement or national law.
- d. Workers must always have overtime pay, at working hours above normal working hours (see section 8.1 above), at least in accordance with applicable laws.

## 7. Salary

(ILO Convention No. 131)

- a. Wages for workers must be at least in line with national minimum wage regulations or industry standards, whichever is higher. Salary must always be sufficient to cover basic needs, including some savings.

## 9. Regular employment

- a. Obligations to the workers, in accordance with international conventions and / or national laws and regulations on regular employment shall not be circumvented through the use of short-term commitments (such as the use of contract

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workers, freelancers and day workers), subcontractors or other employment relationships.

- b. All workers are entitled to an employment contract in a language they understand.
- c. Apprenticeship programs must be clearly defined in terms of duration and content.

## 10. Resource use and impact on the local environment

- a. There shall be no form of environmental crime or exploitation of resources in the local environment.
- b. The local environment at the production site shall not be damaged by pollution. Harmful chemicals and other substances must be managed in a responsible manner.
- c. In the event of a conflict with local communities over the use of land or other natural resources, the parties shall through negotiations ensure respect for individual and collective rights to areas and resources based on custom / practice, even if the rights have not been formalized.
- d. Production, and the extraction of raw materials for production, shall not contribute to destroying the resource and income base for marginalized population groups, for example by seizing large areas of land or other natural resources on which these population groups depend.

## 11. Corruption

(Reference to Helland Møbler's anti-corruption policy)

- a. All forms of bribery are unacceptable, such as the use of alternative channels to secure illegitimate private or work-related benefits to customers, agents, contractors, suppliers, or their employees as well as government officials / women.

The development of ethical guidelines should be an inclusive and ongoing process. It is assumed that each individual partner further develops and strengthens the ethical competence and awareness at all levels. Our goal is to positively influence the work for human rights, labor rights, protection of the environment, both in our own company and towards all partners of the company.