

Human Rights: an introduction to the topic and to ASN's expectations

Supplier Booklet

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Introduction

Alcatel Submarine Network is a worldwide leader in submarine communication networks and this position has been achieved in large part due to the great network of business partners we have worked with over the years. It has also been achieved based on the core values we have sought to uphold through every stage of our work, such as behaving ethically and conducting business with integrity. However, doing good business with integrity is not something ASN can do alone, to uphold our values we need our suppliers to join us on this journey.

This is why we have created this booklet dedicated to human rights. This document will help our suppliers better understand this topic that is becoming more important for the business community every year. It will help suppliers know what to do to respect human rights and be aware of how ASN will be monitoring this issue in its supply chain. This booklet is an introduction to the topic and more information is available via the links in the appendix. It is relevant to all types of suppliers across our operations, no matter the goods or services being supplied, the size of the business or the location of its operations.

I. What are human rights and why does it matter to businesses

We have all heard the term “human rights” before. It can be a vague concept, often bringing up images of lawyers or of people in developing countries working in hazardous conditions or people impacted by devastating conflicts. It is a concept that most people would understand as being “universal”, something everyone should benefit from, and something that governments or judicial powers should be in charge of.

Whilst all those assumptions do indeed relate to the concept of human rights, human rights are much more concrete and connected to our daily business activities than we tend to think. Any company in the world, small or large, can have an impact on human rights, either within its own operations, in its supply chain or even in relation to its customers and the wider world depending on how its products are used. This is what the United Nations Guiding Principles on Business and Human Rights (UNGPs) enshrined in 2011 by **making a clear link between human rights and business activities** and by stating that “*Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved*” (Guiding principle 11).

Some examples of how businesses can impact human rights include:

- *Right to favourable working conditions - working hours*: some truck drivers employed by a logistics company regularly do more overtime than the legislation allows
- *Right to non-discrimination*: some female employees at head office are not paid the same as their male colleagues for doing the same work
- *Right to privacy*: a company illegally collects private information on its employees or on certain customers
- *Right to favourable working conditions - health & safety*: crews working on a ship are not provided with the appropriate protective equipment and are at risk of serious injuries

- *Right not to be subjected to forced labour:* some foreign workers hired temporarily though a local agency have their passports retained and cannot circulate freely or leave their job
- *Right to protection for children:* some children under the age of 15 years old are employed in a mine to extract some minerals. The human rights impact is exacerbated by the fact that the proceeds from the mine are used to fund a local conflict (“conflict minerals”).
- *Right to an adequate standard of living:* a project is altering an area on land or at sea that local populations depend on to feed themselves and find other important resources

The examples above demonstrate that human rights are very diverse and are directly relevant to business activities. Over the last decade, the pressure on businesses to respect those rights and address any issues associated with their work has increased significantly. For example:

- **Increasing customer expectations:** as all businesses are now held accountable for what is happening in their supply chains it is normal that they are turning to their suppliers to ensure that human rights are respected. ASN’s customers (oil and gas producers, big technology and telecommunications companies, etc.) are increasingly expecting us to demonstrate how we respect human rights in our value chains, meaning that we, in turn, need to engage our own suppliers to meet those expectations.
- **Increasing government legislations:** a growing number of countries have enacted legislations requiring companies to pay more attention to what is happening in their value chains (e.g. The Modern Slavery Act in the UK in 2015, Devoir de Vigilance law in France in 2017, Australian Modern Slavery Act in 2018, etc.). This movement is accelerating, and we can expect more legislation to come into force in the next few years.
- **Increasing investor expectations:** institutional investors, asset managers and banks now recognise that companies that proactively manage their human rights risks are also less likely to be impacted by reputational, litigation and operational issues. Investors more and more challenge the companies they invest in and it is expected that companies who perform better on Environmental, Social and Governance (ESG) criteria will have better access to capital in future.
- **Increasing benchmarking of company practices:** in the last few years benchmarks such as the ‘World Benchmarking Alliance’ and ‘Know The Chain’ have emerged, sometimes with the backing of important investors. They publicly assess and rank companies’ human rights practices, increasing the scrutiny of company practices and encouraging a “race to the top”.
- **Increasing scrutiny from media and civil society:** technological advances have allowed NGOs and civil society bodies to gather information much more comprehensively and much more quickly from all over the world. Growing numbers of reputation-damaging exposés into human rights issues in corporate supply chains (from child labour in Congolese mines to misuse of personal data by technology firms to modern slavery on seafood ships) have demonstrated that companies cannot afford to turn a blind eye to human rights.

However, for the companies that genuinely look to respect human rights, **the expectations above will turn into opportunities:**

- Relationships with investors can be strengthened and it can potentially lower the cost of capital
- The engagement with external stakeholders such as NGOs and local authorities can be used to better understand particular issues and build on-the-ground programmes
- Demonstrating your commitment will help solidify and expand your customer base

- You will meet growing employees' expectations to work for a more ethical business, thereby increasing staff retention and productivity

II. The commitments made by ASN regarding its operations and suppliers

ASN, through its parent company Nokia, has publicly committed to *“respect and support Human Rights based on the principles and values laid out in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and its related covenants), the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights (UNGPs).(...) These principles are reflected in our commitment to the principles of the UN Global Compact and in our participation in the Global Network Initiative”*.

Very concretely, this means that ASN has committed to upholding the following standards in its own operations and **expects its suppliers to do the same in their own operations and supply chain**:

- Workers should be free to choose their employment and leave it at any time and the use of coercion, recruitment fees or personal document retention is prohibited
- Children are not allowed to work
- Workers should have appropriate working hours and overtime
- Workers should benefit from regular employment and should not be submitted to multiple and consecutive short-term contracts, false apprenticeship or other schemes
- Workers should have appropriate wages
- Workers should be treated decently
- Workers should not be discriminated against based on race, color, age, sexual orientation, gender identity, religion, disability or any other protected characteristic
- Workers should be able to associate freely and bargain collectively with their employer
- Workers should enjoy safe and hygienic working conditions
- Environmental impacts such as pollution of any kind, greenhouse gas emissions, over-use of natural resources or any other negative environmental impact should be mitigated
- Communities located near business operations should not be impacted by the undue use of security forces nor should they have their rights to health and to an adequate standard of living impacted by those operations.
- Ethical business conduct such as avoiding bribery or protecting private information should always be observed

These standards are aligned with Nokia’s Supplier Requirements on Corporate Responsibility and with the Responsible Business Association (RBA) Code of Conduct referenced in all our contracts with our suppliers (see appendix).

III. How to implement a robust human rights approach

Respecting human rights and the standards mentioned above is not optional. Any business in any part of the world has a responsibility to do this well and the UNGPs and the subsequent frameworks (such as the OECD guidance, see appendix) have mapped out the practices businesses should have in place.

They are often bundled under the term “Human Rights Due Diligence (HRDD)” and they are now being implemented by thousands of businesses across the world. Those good practices comprise:

1. **Drafting a commitment** to respect all internationally recognised human rights, endorsed by the top management of the company and shared within the company and with your business partners.
2. **Appointing a senior manager** in charge of implementing the human rights approach, monitoring progress and reporting regularly to the top management.
3. **Understanding what the human rights risks and issues are**, both in your own operations and in your supply chain. A business without any human rights risks or issues in its value chain does not exist. Often businesses will not have full visibility of all business partners involved in their supply chain. Identifying risks and issues is an iterative process, whereby businesses can start identifying issues based on what they know and progressively extend this mapping over time. Continuous improvement is key.
4. **Addressing those risks and issues** starting with the ones which are the most serious for the people affected. Those risks and issues might have been identified by yourself through the process above or through a third party, for example an assessment conducted by one of your customers (e.g. onsite social audit) or an NGO report.
5. **Training and building capacity** of the people who are the most exposed to the risks you’ve identified within your company so that they know what to look out for and how they can help manage human rights risks and issues. Line Managers and Human Resources for your own employees and Procurement Managers for your supply chain are functions which are critical to identify and address human rights risks and issues.
6. **Providing workers with a channel** to raise problems if they have some. Those “speak-up mechanisms” or “grievance mechanisms” should be trusted by workers, making sure that they especially protect the confidentiality of the person raising a problem and do not lead to any form of retaliation. Businesses should be ready to act upon those grievances, not only from an operational point of view, but also for the worker, making sure a robust investigation procedure is carried out and an appropriate reparation or compensation is provided if required.
7. **Making the same request of your own suppliers**. Cascading these expectations down our supply chains is an important way to ensure that all the actors in the value chain work towards respecting human rights. This communication can happen before you work with new suppliers when you select them and during your business relationship with them.
8. **Communicating** your progress publicly and sharing issues with your customers.

Those practices form the backbone of a human rights’ due diligence approach. They are described in more detail in Nokia’s Supplier Requirements on Corporate Responsibility and in the RBA Code of Conduct (see appendix). It is important to remember that there is **no one size fits all** approach to human rights due diligence. How this looks will vary from one company to the next. Further, perfection

is not the objective. Human rights issues will likely never be completely eliminated from any business. Rather the focus is on **continuous improvement**. The important thing is that all businesses are committed to continuously trying to get a better understanding of the human rights issues associated with their activities and are working to prevent mitigate or remedy these as best they can.

IV. ASN's role in monitoring and supporting your human rights approach

Understanding how our suppliers are managing human rights risks is part of our duty and it helps ensure that we are all going in the same direction. The three ways we engage our suppliers on this topic are:

1. Supplier Declarations

At the start of our relationship with our suppliers we ask them to sign our Supplier Declaration and send it back to us. This Declaration refers to the same human rights standards as described in section II. This demonstrates that from the very start both ASN and its suppliers share the same commitment to respect human rights.

2. Desktop audits

A desktop audit is usually part of the preparation phase for our on-site audits (although sometimes it can also be done independently). We will request and review relevant documentation such as policies, guidance and other materials. Depending on the quality and the exhaustiveness of those documents we will get an idea of the maturity of the supplier's human rights approach (more details below in the FAQ section).

3. On-site audits

The on-site audits are the most extensive checks we conduct with our suppliers. During 1 to 5 days an ASN manager will visit the supplier's operations and assess the human rights risks that might be associated as well as the strength of any existing procedures and processes in place. It is an opportunity to discuss with our suppliers what actions could be implemented to strengthen the human rights approach and to build relationships.

Beyond those three types of engagement, **it is essential to us that we keep an open communication channel with our suppliers**. We are always open, at any time, to discuss with our suppliers the issues they may be facing and how ASN could support them.

V. Frequently Asked Questions

- ***What are the possible outcomes of ASN's interest in the human rights aspects of our company?***

Our engagement with suppliers through desktop or on-site audits helps ASN better understand your company's strengths and weaknesses regarding human rights. Should opportunities for improvement be identified, ASN will work with you to define an action plan that will help strengthen your human rights management practices. In this case, ASN will maintain regular communication with you and monitor the implementation of the action plan, adjusting it collaboratively as necessary.

We are conscious that implementing robust human rights management practices can take time. If risks or issues are identified, we will work with you on a case-by-case basis to make improvements. We would only consider terminating or pausing commercial relationships on the basis of a human rights risk/issue as a last resort, if we estimate that the supplier has no real commitment to improvement and/or when all our attempts to define an action plan collaboratively and implement it have failed.

In most cases we expect that our engagement with suppliers on human rights topics will result in a positive outcome, whereby our suppliers continuously strengthen their human practices and continue as long-term partners of ASN.

- ***What is the structure of a typical on-site audit?***

An on-site audit will typically last between 1 and 5 days, depending on the size of the site, the breadth of topics to cover and the number of interviews to conduct.

The core part of the audit will be the interviews with the management team and workers, so that the ASN Manager can have a first-hand understanding of the potential issues and the processes in place (see below). The types of interviews will vary, with a mix of one-to-one and small groups conversations. ASN will look to interview a diverse array of workers, making sure our audit covers the diversity of people employed at the site (male and female workers, permanent and temporary workers, domestic and foreign workers, etc.).

Aside from the interviews we will make sure that we organise an opening meeting at the start of the visit, a closing meeting at the end and a walk around the site so that we can better understand the characteristics of the site and the working environment.

- ***What are typical questions asked during an on-site audit?***

There are two types of interviews during an on-site audit, the management interviews and the worker interviews. The actual questions asked will depend on the specific situation but there are some typical overarching question areas we will cover:

Management interviews:

What are the existing processes at the site to identify, prevent and mitigate human rights issues? What challenges does the site face to implement those processes? What is the nature of the relationship between the management and workers? What are the human rights risks and issues that the management has identified already? Etc.

Worker interviews:

What experience do workers have of their working environment, their tasks, as well as relations to co-workers, supervisors and management? Are they facing any challenge in terms of pay, working hours, discrimination, etc.? Are they feeling free to speak up and share their problems with the management? Etc.

These interviews are not designed to “trick” our suppliers. Nor are they a tick-box exercise or as “scientific” as the interviews conducted during a quality audit. They are conversations, helping us to better understand the local situation in terms of human rights and engage our suppliers to strengthen their practices if necessary. Importantly, ASN’s on-site audits are always done in a spirit of openness and respect for our suppliers, their businesses and their workforce and we hope that our suppliers demonstrate the same openness during this engagement.

- **What kinds of documentation would ASN ask for in a desktop audit, or in advance of an on-site audit?**

The kinds of documentation we would request are:

- General documentation about the site, such as *the management organigram, a description of all staff on-site, the employee handbook, an example of employee contract*, etc.
- Policies, such as *the Human Rights policy, the whistleblowing policy, the supplier code of conduct, the complaints procedure*, etc.
- Other relevant documents, such as *the H&S incident log, notes from worker committees, some examples of training materials used*, etc.

- **How can I contact ASN if I have a question or an issue on a human rights topic?**

You are welcome to contact your usual point of contact within our procurement team or to send an email to simon.maidment@asn.com .

Appendix – Additional resources

- Introduction to Human Rights: <https://www.youtube.com/watch?v=nDgIVseTkuE>
- Introduction to Human Rights Due Diligence: <https://www.youtube.com/watch?v=BCoL6JVZHrA&t=127s>
- Nokia Human rights Policy: https://www.nokia.com/sites/default/files/2019-12/Human_rights_policy.pdf
- Nokia Code of Conduct: <https://www.nokia.com/about-us/investors/corporate-governance/code-of-conduct/>
- Information on Nokia’s responsible sourcing approach: <https://www.nokia.com/about-us/sustainability/conducting-our-business-with-integrity/responsible-sourcing/>
- Responsible Business Association Code of Conduct: <http://www.responsiblebusiness.org/code-of-conduct/>
- Link to the Interpretive Guide to the UNGPs: <https://www.ohchr.org/Documents/Issues/Business/RtRInterpretativeGuide.pdf>
- Link to the OECD Due Diligence Guidance for Responsible Business Conduct: <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>
- Largest database on business & human rights developments (issues, legislations development, etc.): <https://www.business-humanrights.org/>