

Appendix 1: Supplier Code of Conduct

This appendix belongs to the contract clauses on due diligence for sustainable supply chains. The commitments apply to all operations connected to what is purchased.

1. Human rights

All internationally recognized human rights, as expressed in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, shall be respected.

2. Workers' rights

2.1 Freedom of association and the right to collective bargaining are respected

- a) Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- b) The employer adopts an open attitude towards the activities of trade unions and their organisational operations.
- c) Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- d) Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

2.2 Employment is freely chosen

- a) There is no forced labour, bonded labour or involuntary prison labour.
- b) Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

2.3 Child labour shall not be used

- a) There shall be no new recruitment of child labour. Child labour is any kind of activity or work which is harmful to the intellectual, physical, social and moral development of persons under 18 and undermines their education, preventing them from going to school, constraining them to abandon schooling too soon or requiring them to work and study at the same time.
- b) The employer develops or participates in and contributes to policies and programmes which provide for the transition of any child found to be performing child labour, to enable him or her to attend and remain in education until he or she is no longer a child.
- c) A worker under 18 may nonetheless have the right to work if he or she meets the age requirements for the type of work in question:
 - For general work, the minimum age is 15.

- For non-hazardous work, the minimum age may be temporarily set at 14 in countries whose school-leaving age is lower than 15.
- d) Persons under 18 shall not be employed at night or in hazardous conditions.

2.4 No discrimination is practiced and no harsh or inhumane treatment is allowed

- a) There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- b) Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

2.5 Working conditions are safe and hygienic

- a) A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- b) Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- c) Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- d) Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- e) Responsibility for health and safety shall be assigned to a senior management representative.

2.6 Living wages are promoted

- a) Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- b) All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- c) Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

2.7 Working hours are not excessive

- a) Working hours must comply with national laws, collective agreements, and the provisions of b to f below, whichever affords the greater protection for workers.
- b) Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- c) All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as

a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

- d) The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause e below.
- e) Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
 - this is allowed by national law;
 - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety; and
 - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
- f) Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

2.8 Regular employment is provided

- a) To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.
- b) Obligations to workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3. The environment

3.1 Climate and environmental impact

- a) National environmental legislation is complied with.
- b) Climate measures that contribute to achieving national and international climate goals are promoted.
- c) The use of virgin raw materials is reduced through continuous optimization of raw material use, increased recycling and reuse of raw materials, minimization of waste and through offers and solutions in line with a circular economy.
- d) No raw materials from species listed in CITES or as critically endangered, endangered or vulnerable on the IUCN Red List of Threatened Species are used.
- e) Chemical use is controlled or evaluated. Where applicable, substitution and/or implementation of alternative processes is carried out to reduce health and environmental hazards and improve resource efficiency.
- f) Waste is stored, handled, transported and disposed of in a manner that protects the health of workers, people in surrounding communities and the environment.
- g) Strategies for efficient water use are promoted where applicable.
- h) Emissions that pose a danger to health and the environment are reduced or eliminated.

3.2 Environmental rights

- a) All peoples have the right to self-determination and to freely dispose of their natural wealth and natural resources. A people must in no case be deprived of its means of subsistence.
- b) Illegal eviction or taking over of land, forest or water must not occur.
- c) The rights of indigenous peoples to lands, territories and natural resources that they have traditionally owned, occupied or otherwise used or acquired are respected, including the right to free, prior and informed consent.
- d) The right to a safe, clean, healthy and sustainable environment is respected. This right is an integral part of the full enjoyment of the right to life, health, food, water and sanitation.

4. Business ethics

4.1 Corruption, anti-competitive behaviour and taxation

- a) There is no involvement in bribery, embezzlement, trading in influence, abuse of functions, illicit enrichment, laundering of proceeds of crime, concealment or obstruction of justice.
- b) No agreements are entered into with the aim of distorting competition or abusing a dominant position.
- c) Tax arrangements are refrained from where it is uncertain whether the arrangement is within the framework of the law. The same applies to tax planning that exploits deficiencies in tax rules to artificially shift profits to countries with low or no tax.
- d) Workers receive regular and recorded business ethics training, and such training shall be repeated for new or reassigned workers.

Severe deviations

Forced labour, child labour, working conditions that pose a danger to life, serious environmental harm, grand corruption and attacks on environmental and human rights defenders are severe deviations.

Serious environmental harm is defined as damage caused by polluting activities that have a severe adverse impact on people, water areas or ground water, species and habitat.

Grand corruption is defined as involvement in bribery, embezzlement, trading in influence, abuse of functions, illicit enrichment, laundering of proceeds of crime, concealment or obstruction of justice:

- a) as part of a scheme that involves a high-level public official, and
- b) that results in or is intended to result in:
 - a gross misappropriation of public funds or resources, or
 - grave or systematic violations of the human rights of a substantial part of the population or of a vulnerable group.