

# Supplier Code of Conduct



Version October 2024

## 1. Introduction

At ABENA, we are dedicated to upholding social responsibility throughout our supply chain and continuously improving our ethical, social, and environmental performance. We hold our suppliers to the same high standards.

To ensure these standards are met throughout the entire Supply Chain, ABENA has established the following Code of Conduct:

To become a supplier for ABENA, and its affiliates, it's imperative to comply with applicable national laws and regulations, industry minimum standards, ILO and UN Conventions, and other relevant requirements, including the prevention of bonded labor and discrimination. We also expect suppliers to continuously minimizing environmental impact possible to influence, ensure worker safety, provide fair and timely remuneration, and conduct business with integrity.

We acknowledge the diverse legal and cultural environments in which our suppliers operate, and we recognize that interpreting and implementing these requirements can be challenging. Therefore, we strongly encourage open dialogue and engagement with ABENA if any compliance issues arise.

Suppliers are required to inform up-stream suppliers about ABENA's Code of Conduct. Upon request, suppliers must disclose all sub-suppliers (tier two and three) involved in the generation of products for ABENA. We expect suppliers to emphasize, encourage and collaborate with their own suppliers and subcontractors to strive to meet the principles outlined in this Code of Conduct.

This Code of Conduct is based on and refers to the following international standards and guidelines (not in prioritized order):

- United Nations (UN) Universal Declaration of Human Rights
- International Labour Organization (ILO) Conventions and Recommendations
- UN Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- UN Children's Rights and Business Principles
- Gender Dimensions of the UN Guiding Principles on Business and Human Rights
- OECD Sectoral Guidance Documents

By endorsing this Code of Conduct, the signatories commit to the following:

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<b>Updated by:</b>	VEVO	<b>Doc. no. and name:</b>	Appendix 5b – Supplier Code of Conduct	

- Continuous Improvement: Integrate the Code of Conduct into management systems and company culture for ongoing improvement of due diligence within their organization and supply chains.
- Code Observance: Comply with national legislation as a fundamental obligation. In cases where national legislation differs from the standards of this Code of Conduct, the signatories shall adhere to the principles that provide the highest protection for workers and the environment, without contradicting local legal frameworks.
- Protection of Vulnerable Persons: Protect and empower vulnerable individuals and groups, recognizing that vulnerability can be context-specific.
- Transparency: Maintain transparency with ABENA, stakeholders, and governments regarding impacts and incidents.

## 2. Principles

### Social Management System

The signatories commit to:

- Develop and publicly communicate a written human rights policy statement, approved at the most senior level, tailored to the complexity and size of operations.
- Establish a process- and risk-based due diligence management system aligned with the UNGPs and adjusted to the company's business model. The expectations set in this Code of Conduct should be embedded in this system.
- Actively communicate their endorsement of the Code of Conduct throughout all company functions, and to business partners and relevant stakeholders.
- Provide training and incentives to all relevant departments and individuals to integrate responsible and gender-responsive business and purchasing practices into company culture, cascading these principles to business partners.
- Require business partners to disseminate the Code of Conduct to relevant partners and stakeholders in the supply chain.
- Follow up with business partners to ensure they work towards full compliance with the Code of Conduct, including intermediaries involved in worker recruitment such as brokers, recruiters, and recruitment agencies.
- Ensure due diligence includes all workers, particularly vulnerable groups in the supply chain such as home-based workers, smallholders, and temporary and migrant workers.

- Have the necessary strategies, processes, and resources to meet the responsibilities related to this Code of Conduct and ensure continuous improvement in its implementation.
- Exercise responsible and gender-responsive purchasing practices, avoiding actions that prevent business partners from adhering to the Code of Conduct.
- Documentation, filing and Achieving

## Workers' Involvement and Protection

The signatories commit to:

- Establish responsible and gender-responsive management practices involving all workers and their representatives in effective information exchange on the due diligence process.
- Define long-term goals to protect workers, aligning with the aspirations of the Code of Conduct.
- Implement specific steps, such as training, to make workers aware of their rights and responsibilities, with special attention to vulnerable persons. Intermediaries like brokers, recruiters, and recruitment agencies should actively participate in these steps.
- Develop sufficient competence among managers, workers, and worker representatives within the company and the supply chain to embed the Code of Conduct in company culture, promoting continuous education and training at all levels.
- Establish or participate in effective operational-level grievance mechanisms for individuals and communities potentially impacted, maintaining accurate records. These mechanisms must comply with UNGP Article 31, be accessible in relevant local languages, and effectively address and remedy issues across jurisdictions through partnerships and coordination.

## Freedom of Association and Collective Bargaining

The signatories commit to:

- Respect workers' right to form and join trade unions, or to refrain from doing so, and to bargain collectively in a free and democratic way, regardless of gender or other distinctions.
- Ensure meaningful representation of all workers without any discrimination based on gender or other factors.
- Avoid discriminating against workers because of their trade union membership.
- Allow workers' representatives and recruiters access to the workplace to interact with workers.
- Allow workers to freely elect their own representatives for dialogue on workplace issues, even in countries where trade union activity is restricted or prohibited.

## No Discrimination, Violence, or Harassment

The signatories commit to:

- Treat all workers with respect and dignity.
- Ensure that workers are not subjected to any form of violence, harassment, or inhumane treatment, including threats, abuse, corporal punishment, or other forms of intimidation.
- Prevent discrimination based on sex, gender, age, religion, race, caste, social background, disability, nationality, union membership, political opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases, or any other discriminatory condition.
- Establish and clearly communicate written disciplinary procedures to workers in understandable terms and language, ensuring they comply with national legislation.
- Provide equal opportunities and treatment throughout recruitment and employment, regardless of gender.
- Ensure workers are not harassed, disciplined, or retaliated against for reporting issues related to discrimination or harassment.

## Fair Remuneration

The signatories commit to:

- Meet or exceed the minimum wage laws or industry standards, whichever is higher, and ensure wages are for standard working hours.
- Pay wages regularly, on time, and fully in legal tender, with in-kind allowances only as per ILO specifications.
- Ensure wages reflect workers' skills, responsibilities, seniority, and education.
- Set piece rates so workers can earn at least the legal minimum wage or industry standards within standard working hours.
- Ensure all workers, including migrant and local, receive equal pay for equal work and qualifications.
- Implement wage deductions only as allowed by law or collective agreements.
- Offer legally mandated social benefits without negatively impacting workers' pay, seniority, position, or promotion prospects.

## Decent Working Hours

The signatories commit to:

- Ensure workers do not work more than 48 standard hours per week, recognizing exceptions specified by the ILO.

- Align working hour practices with national legislation, industry standards, or collective agreements to promote a healthy work-life balance.
- Limit overtime to exceptional, voluntary situations, paying a minimum of 125% of the standard rate, and ensuring it doesn't increase occupational hazards.
- Grant workers daily rest breaks and at least one day off every seven days, unless exceptions apply.

## Occupational Health and Safety

The signatories commit to:

- Respect workers' and local communities' right to healthy working and living conditions, with special protection for vulnerable persons such as young workers, expectant mothers, and those with disabilities.
- Follow national occupational health and safety laws or international standards if national laws are inadequate.
- Implement systems to assess, identify, prevent, and mitigate health and safety risks.
- Provide ongoing health and safety training for all employees and inform them about potential risks.
- Take effective measures to prevent work-related accidents, injuries, or illnesses, aiming to minimize workplace hazards.
- Ensure worker protection through compulsory insurance schemes and maintain accurate health and safety records.
- Ensure equipment and building safety, obtain necessary licenses, and prepare for emergencies, including for residential facilities provided by the employer.
- Establish committees to foster cooperation between management and workers on safety issues.
- Allow workers to stop working without permission in dangerous situations and provide occupational medical assistance.
- Provide safe drinking water, eating and resting areas, and adequate sanitary facilities.
- Ensure residential facilities, when provided, are clean, safe, and meet workers' basic needs.
- Supply tailored Personal Protective Equipment (PPE) free of charge, considering different worker categories such as pregnant and nursing women.
- Compensate workers for any damages due to non-compliance with health and safety principles.

## No Child Labour

The signatories commit to:

- Not employ children below the minimum age for compulsory schooling (not less than 15 years), except as allowed by ILO exceptions.
- Shield children from exploitation.
- Implement robust, respectful age-verification mechanisms during recruitment.
- Proactively protect children if they are found to be employed by ensuring their safe dismissal and removal.

## Special Protection for Young Workers

The signatories commit to:

- Prevent young workers from working at night and protect them from harmful working conditions.
- Immediately remove young workers from hazardous work without loss of income and redefine their scope of work.
- Ensure young workers' tasks do not harm their health or development, and allow time for education and training.
- Set mechanisms to prevent, identify, and mitigate harm to young workers, ensuring they have access to grievance mechanisms and safety training.

## No Precarious Employment

The signatories commit to:

- Ensure recruitment and employment practices do not cause insecurity or vulnerability.
- Provide recognized and documented employment relationships in compliance with national laws and international standards.
- Inform workers about their rights, responsibilities, and employment conditions in their own language before employment.
- Offer decent and flexible working conditions to support workers in their roles as parents or caregivers, including migrant and seasonal workers.
- Avoid employment arrangements that do not serve their genuine purpose, such as fake apprenticeships or seasonal work used to undermine protections.
- Avoid subcontracting practices that undermine workers' rights.

## No Bonded, Forced Labour or Human Trafficking

The signatories commit to:

- Avoid any form of servitude, forced, bonded, indentured, trafficked, or involuntary labour, including state-imposed forced labour.
- Adhere to responsible recruitment principles, including the Employer Pays Principle, ensuring no recruitment fees are charged to workers, and provide clear contracts and freedom from deception and coercion.
- Compensate workers for damages if there is a failure to adhere to responsible recruitment principles.

## Environmental Protection

The signatories commit to:

- Implement a risk-based environmental due diligence management system tailored to the business model.
- Follow national environmental legislation or international standards if national laws are weak.
- Identify and mitigate environmental impacts, taking measures to protect communities, natural resources, and the overall environment.

## Ethical Business Behavior

The signatories commit to:

- Refrain from corruption, extortion, embezzlement, or bribery, including offering or accepting improper incentives.
- Develop internal controls to prevent and detect corruption based on a company-specific risk assessment.
- Avoid falsifying information or participating in misrepresentation within the supply chain.
- Educate workers on policies against unethical behavior and promote compliance through training and communication.
- Collect and process personal information with care, complying with privacy and information security laws



### 3. Terms of Implementation

The signatories commit to:

- Implement the values and principles outlined in this document throughout their business relationships, in collaboration with relevant stakeholders.
- During a business relationship, conduct responsible business practices and support business partners in continuous improvement, and conduct frequent audits on tier II as needed.
- Ensure a responsible transition for the business partner at the end of the business relationship.

### 4. Information Management

The signatories commit to:

- Complete a self-assessment every other year, providing up-to-date and accurate information. Information provided must be in compliance with Regulation (EU) 2016/679 (General Data Protection Regulation, EU GDPR).
- That the information gathered through the self-assessment may be shared by ABENA with relevant third parties.
- ABENA reserves the right to require further documentation if concerns arise regarding signatories' compliance with the Code of Conduct. Signatories agree to fully cooperate and be completely transparent during this process.

### 5. Supply Chain Due diligence

The signatories commit to:

- Monitor compliance with the Code of Conduct both internally and by their upstream partners involved in the production process, following a continuous improvement approach.
- Assess and monitor suppliers to ensure adherence to laws, regulations, and ethical standards.
- Conduct comprehensive risk assessments and evaluate suppliers based on ethical business conduct, human rights, environmental impact, and labor practices.
- Implement a due diligence process to evaluate suppliers based on ABENA's Code of Conduct criteria, including ethical business conduct, human rights, environmental impact, and labor practices.
- Regularly monitor supplier performance, promptly addressing non-compliance through improvement plans, audits, or termination if necessary.

- Provide ABENA with relevant information upon request to demonstrate adherence to due diligence requirements.

Date \_\_\_\_\_

Name of company \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Signature

Company Stamp/Seal