



# Fazer Group's Supplier Code of Conduct

## Background

### Our goal

Fazer Group ("Fazer" or "we" or "our") is in strategic transformation path into a modern, sustainable food company. Fazer acknowledges having an impact on people and the environment, locally as well as globally. Therefore, until 2030 Fazer Group's four sustainability core goals are 1) 50% less emissions, 2) 50% less food waste, 3) 100% sustainably sourced and 4) more plant-based.

We act in a sustainable way throughout the entire value chain and respond to consumers' expectations of responsibly produced goods and services. Therefore, we have set certain requirements on all our suppliers ("Supplier" or "Suppliers") through this Supplier Code of Conduct.

This Supplier Code of Conduct ("Code") is based on The Universal Declaration of Human Rights (UN 1948), Worst Forms of Child Labour Convention (ILO 1999, No. 182), Minimum Age Convention (ILO 1973, No. 138), Fundamental Principles and Rights at Work (ILO 1998), Occupational Safety and Health Convention (ILO Convention 155) and the Ten Principles of the UN Global Compact Framework (UN 2000).

### Scope and compliance

All our Suppliers are expected to adhere to this Code that forms part of any agreement between us and the Supplier. In addition, this Code applies to all Supplier's employees and subcontractors. The Supplier shall be responsible for ensuring that its employees and subcontractors follow the standards laid down in this Code.

The Supplier shall actively improve its human rights, environment and occupational health and safety activities as well as ethical business conduct. The Supplier will abide by all applicable international and national laws, directives and regulations and this Code. In the event of any inconsistency, the Supplier shall follow the more stringent requirement.



## **1. Human rights and labour**

### **1.1. Fair treatment and non-discrimination**

The Supplier shall treat all employees in a fair and equal manner in accordance with internationally proclaimed human rights. The Supplier shall respect all its employees' personal dignity, privacy and personal rights. The Supplier may not accept any discrimination, individuation, harassment or offence at work.

The Supplier is encouraged to follow the UN Guiding Principles on Businesses and Human Rights (UNGP's) and have the relevant policies, processes and procedures in place as described in the guiding principles.

The Supplier is expected to inform Fazer about any severe human rights impacts that it may cause, contribute or be directly linked to.

### **1.2. Child labour and forced labour**

The Supplier shall not accept, use or benefit from child labour as prohibited by International Labour Organisation (ILO) and/or applicable law.

The Supplier shall not use forced, prison or involuntary labour.

### **1.3. Freedom of association and collective bargaining**

The Supplier shall respect freedom of association and employees' right to collective bargaining.

### **1.4. Working hours and wages**

The Supplier shall enter into employment contracts with all employees and shall follow applicable legislation, regulations and collective agreements (where applicable) regarding working hours and wages. All employees are entitled to their own copy of the employment contract, which must be written in a language the employee understands.

Employees shall have the right to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as social benefits legally granted to the employee. The level of wages shall, as a minimum, comply with wages mandated by government's minimum



wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages shall always be sufficient to cover living expenses and provide some disposable income.

The Supplier shall ensure that employees are not required to work more than 48 regular hours per week. Overtime shall be voluntary and is meant to be exceptional and shall not represent a significantly higher likelihood of occupational hazards.

Supplier shall grant its employees with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions stipulated in collective agreements or in applicable legislation apply.

## **2. Environment**

### **2.1. Management**

The Supplier shall have an Environmental Management System (ISO 14000, EMAS or other corresponding system) or otherwise fulfil as a minimum the domestic and/or EU environmental regulations and legislation and permits obtained.

The Supplier shall evaluate and continuously improve its environmental impact e.g. to biodiversity and climate change and strives to reduce negative environmental impact.

The Supplier shall optimise the usage of raw materials and shall take into consideration material and resource efficiency aspects.

The Supplier shall increase environmental awareness among its stakeholders and especially arrange environmental training for its own personnel.

### **2.2. Chemicals and waste**

The Supplier shall secure that all chemicals are stored, handled, used, transported, labelled and disposed of in a safe and responsible way. The Supplier shall ensure that employees handling chemicals have the right competence and, if needed, arrange training.

The Supplier has site specific procedures and plans how to prevent and respond to all environmental emergency situations (spills, leakages and



releases/emissions and other risk) that have a potential to impact the environment.

The Supplier shall have a procedure for appropriate disposal of waste in accordance with domestic and/or EU waste legislation. The supplier shall pay attention to preventing and minimising the waste and loss of raw materials according the EU waste management principles (reduce, reuse, recycle, energy recovery or disposal/landfill).

The Supplier shall ensure that the employees handling waste maintain desired routines and have the right competence, and if necessary, arrange training.

### **2.3. Energy and water**

The Supplier observes and aims to reduce energy and water consumption. The Supplier shall have waste water management procedure in place meaning waste water is properly treated on site or discharged to an authorised external waste water treatment facility.

## **3. Occupational health and safety**

### **3.1. Management**

The Supplier is required to have an Occupational, Health and Safety (OHS) management system or otherwise fulfil at least the domestic and/or EU regulations and legislation regarding occupational health and safety.

The Supplier shall secure that its employees have a safe working environment. The Supplier needs to have a documented process to manage work related illnesses.

### **3.2. Accidents, communication and training**

The Supplier shall:

- minimise the risk of accidents, injury and exposure to health risks in the workplace;
- identify hazards and unsafe behaviours and deliver necessary improvements through an effective health and safety management system;
- ensure workers have the skills, knowledge and resources necessary to maintain a safe and healthy working environment, enabling them to raise safety concerns;



- provide details to its employees on the effects of potentially harmful substances and the measures to be taken to protect employees' health and safety in their use;
- provide necessary personal protective equipment and ensure employees are trained in their use;
- investigate work-related accidents, keep records of incidents, stating their cause and taking remedial measures to prevent similar accidents;
- provide measures to deal with emergencies and accidents, including first-aid arrangements;
- ensure there is a fire prevention plan including all first aid-equipment;
- provide necessary accident insurances for employees according to local rules and regulations;
- allow workers to remove themselves from potentially unsafe or unhealthy work situations, not subjecting them to adverse consequences as a result and not requiring them to return to work as long as the condition(s) continues.

## **4. Business ethics**

### **4.1. Anti-bribery**

The Supplier shall comply with any reasonable ethics, anti-bribery and anti-corruption policies Fazer may issue and notify from time to time and the Supplier shall have and maintain in place its own policies and procedures to ensure compliance with anti-bribery regulations.

The Supplier shall ensure that its employees or third parties acting on its behalf do not offer, promise, give or accept any bribes, or make or accept improper payments or anything of value to secure any improper advantage or otherwise improperly influence the outcome of its business dealings.

### **4.2. Gifts and entertainment**

The Supplier shall refrain from offering lavish gifts and extravagant entertainment or hospitality to any employees of Fazer in an attempt to influence their business decisions. The Supplier shall ensure that any and all gifts and entertainment offered to Fazer employees are transparent and have a justifiable business rationale.

### **4.3. Fair competition**

The Supplier shall compete fairly and in compliance with all applicable competition and anti-trust laws and regulations.



#### **4.4. Protection of intellectual property rights and confidential information**

The Supplier respects its role as the custodian of Fazer's information and respects the confidential nature of business information. Intellectual property rights shall be respected and dealt with in a manner that does not endanger the rights of Fazer or its customers or other business partners.

#### **4.5. Conflicts of interest**

The Supplier is expected to avoid situations which conflict or could be perceived as conflicting business interests. The Supplier shall not utilize its position or information received from Fazer to gain unfair or personal benefit.

### **5. Monitoring and documentation**

#### **5.1. Documentation and general management**

The Supplier shall ensure and monitor that the requirements in this Code can be met.

The Supplier is expected to maintain transparent and reliable documentation and records at all time.

#### **5.2. Follow-up and audits**

Fazer will follow up the risks and compliance of the Code among its Suppliers.

Fazer, or a third party appointed by the Fazer, shall have the right to perform audit on the Supplier's premises including (without limitation) auditing the Supplier's facilities, management system, instructions and documents related to the Suppliers' performance towards Fazer under this Code. Fazer shall have the right to commence the audit without prior notice. The Supplier shall at its own expense assist in the audit and provide Fazer with the required documentation.



Fazer performs a pre-audit of the Supplier through a digital system questionnaire and Supplier shall respond to the questionnaire before the audit.

The Supplier shall conduct internal audits periodically and the audits need to be documented to show the transparency and reliability of the Supplier's activities.

### **5.3. Grievance mechanisms**

The Supplier shall investigate, address and respond to concerns of employees with regard to compliance of the Supplier's policies and/or the requirements of this Code.

The Supplier shall establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Such a grievance mechanism aims at ensuring the rights to effective remedy of employees at the workplace, or other affected individuals of the local community.

### **5.4. Violation of the Code**

In the event of violation of this Code, the Supplier must present a corrective action plan approved by Fazer, which must be implemented and documented within a specific time frame.

Fazer has established a grievance mechanism for its employees and external parties for reporting suspicions on unethical business conduct, potential and actual adverse human rights impacts via Fazer's whistleblowing service, where employees and external parties are encouraged to report their concerns. Reports can be submitted anonymously and without reprisal or retaliatory actions where provided in good faith.

By: \_\_\_\_\_

Name:

Title:

Company:

Place and date:



Document name: FG Supplier Code of Conduct

Document owner: FG, Head of Procurement

Document updated: -

Original document approved: FG Procurement Management Team, FG  
Legal, Head of Sustainability, EVP, FG Communications and Branding

Related documents: Fazer Human Rights Policy