



COOP DANMARK A/S'
SUPPLIER CODE
OF CONDUCT

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Introduction

Sustainable development according to Coop Danmark A/S and its subsidiaries (Coop Danmark hereafter) is combining long-term ethical responsibility with environmental, social and economic responsibility.

Coop Danmark is committed to diligently work to identify, prevent, minimise, and address human rights and environmental risk and impacts. Similarly, Coop Danmark's expects the supplier to act accordingly in their own operations and in their value chains.

This Code of Conduct reflects Coop Danmark's commitment to following international guidelines and principles:

- International Bill of Human Rights
- United Nation Conventions on the Rights of the Child
- United Nation Convention on the Elimination of All Forms of Discrimination against Women
- International Labour Organization (ILO) Conventions and Recommendations
- United Nations Global Compact
- United Nations Sustainable Development Goals
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises, and relevant OECD Due Diligence guidances
- Paris Climate Agreement
- United Nations Convention on Biological Diversity

Through this Code of Conduct, we adopt the principles for Human Rights and Labor Rights, Environment, and Business Integrity¹ presented on page 5-14 of this document, which shall serve as minimum standards for our business relationships.

Coop Danmark can only meet the above commitments and ensure responsible sourcing by working closely together with its suppliers. We require our suppliers to comply with this Code of Conduct and enforce its principles throughout their supply chain. In this way, our requirements will have a cascade effect, which can positively influence suppliers further down in the supply chain.

¹ The principles set out below are aligned with the principles of [the amfori BSCI Code of Conduct](#) and [the amfori BEPI Code of Conduct](#).

Code of Conduct Requirements

The following requirements apply to a supplier of Coop Danmark:

1. Ethical Procurement and Production

The supplier must ensure that the production of products as well as the procurement of raw materials and services comply with the ethical principles stated in this Code of Conduct.

The supplier must act diligently in assessing the impact of its business activities against the principles of this Code of Conduct. The supplier must identify the most significant risks for an adverse impact in its supply chain and act upon such risks in line with this Code of Conduct and its principles for developing a remediation plan.

2. Compliance in the Supply Chain

The supplier must ensure and implement that its suppliers and sub-suppliers comply with the ethical principles stated in this Code of Conduct or similar.

The supplier must gather and assess reliable information about its suppliers' and sub-suppliers' behaviour and keep the necessary documentary evidence concerning such behaviour.

All workers, incl. contract workers, day labourers, casual workers, and migrant workers, must be informed of and trained in ethical principles corresponding to this Code of Conduct.

Coop Danmark acknowledges that some supply chains and products are highly complex and can have low transparency. For such supply chains and products not to compromise the ethical principles, we expect that suppliers strive for continuous improvement and act responsibly in accordance with identified risks and adverse impacts.

3. Auditing

If a product undergoes processing² in a risk country³, the processing site must have a valid 3rd party audit or certificate according to one of the below-listed social standards. If no such audit exists, one should be arranged immediately upon commencement of the cooperation.

- Business Social Compliance Initiative (amfori BSCI)
- Sedex Members Ethical Trade Audit (SMETA), 4 pillar⁴ and annual audits⁵

² Coop Danmark defines processing as the production of main ingredients and other relevant risk raw materials in the final product.

³ Coop Danmark uses the [World Governance Indicators \(WGI\)](#) developed by the World Bank for its risk classification. A country's WGI average can be calculated manually based on the indicators. Countries with a WGI average rating between 0-60 or three or more individual indicators rated below 60 are classified as 'risk countries'. Coop Danmark will share the latest version of the country risk list with suppliers upon request.

⁴ For growers of fresh fruit and vegetables certified according to Global GAP, a SMETA 2 pillar audit can be accepted.

⁵ In certain cases, and after agreement with a member of the Coop Danmark, SMETA's validity can be extended to two years.

- SA8000
- Sustainability Initiative of South Africa (SIZA)
- Global G.A.P. Risk Assessment on Social Practice (Global G.A.P. GRASP)
- MPS-Socially Qualified (MPS-SQ)

Coop Danmark only accepts audits conducted by an accredited audit company.

Notwithstanding the above, Coop Danmark reserves the right to require that a supplier's processing site(s) and sub-suppliers' sites undergo a 3rd party social and/or environmental audit if serious reason for concern regarding the compliance with the Code of Conduct are raised. This applies for all suppliers and all products regardless of the location of the processing or primary production.

The supplier must cover all costs related to audits, memberships, and certification processes.

4. Documentation of Compliance and Inspection

The supplier must provide documentation for compliance with this Code of Conduct upon request by the Coop Danmark. This includes documentation for how the supplier acts to ensure compliance with the Code of Conduct and the audit requirement in (a) its own business, and (b) its supply chain, including primary production in accordance with the supplier's own risk assessment.

5. Continuous Improvement

If the supplier, or its supplier or sub-supplier, violates this Code of Conduct or fails to provide sufficient documentation for compliance with the Code of Conduct, Coop Danmark will require the supplier to develop and implement a plan to deliver and sustain improvements, including a timeframe for the improvement process.

We aim for joint solutions and continuous improvement of ethical conditions in our supply chains, however, severe violation or ongoing failure to improve conditions sufficiently will have consequences for future collaboration. If the supplier, or a party that the supplier is responsible for (e.g. a subcontractor), does not meet the requirements of the Code of Conduct and does not perform a plan for improvement within a reasonable time, we are entitled to terminate the agreement with the supplier with immediate effect.

6. Mitigation of climate change

Coop Danmark's goal is to mitigate climate change by observing the reduction pathway of 1.5°C degrees defined in the Paris Agreement and in the Science Based Targets initiative. This can only be achieved through collaboration with our suppliers.

Suppliers are expected to measure the greenhouse gas emissions of their operations and to set and follow an action plan to reduce those emissions. Furthermore, suppliers

are encouraged to set their own climate targets that are compatible with the goal of limiting global warming to 1.5°C.

7. Compliance with sanctions regimes

For the duration of the supplier's trading arrangement with Coop Danmark, the supplier shall ensure due and continued compliance with any economic, trade and financial sanctions laws, regulations, embargoes, or restrictive measures enacted or administered by authorities in the EU (including its individual member states), United States, United Kingdom, and Norway as well as by the United Nations (UN).

Furthermore, the supplier undertakes to conduct its business in compliance with anti-corruption laws applicable in any in country in which the supplier purchases, manufactures, or sells goods.

The supplier undertakes not to engage in any activity that would violate any of the above laws or principles, and the supplier confirms that the supplier is not and has never been sanctioned under any of the above sanction regimes.

The obligations imposed on the supplier and the undertakings and confirmations provided by the supplier in this section shall apply similarly to anyone acting for or on behalf of the supplier, including its directors, affiliates, sub-suppliers and equity shareholders, whether direct or indirect.

Failure to comply with these requirements by the supplier or by any of the before mentioned legal or actual persons shall constitute material breach of the trading arrangements on the part of the supplier.

8. No sourcing from occupied territories or undetermined settlements

Food and non-food products and ingredients grown, manufactured, or packed in occupied areas (designated as occupied territory by the United Nations e.g. Occupied Palestine Territories, the Moroccan-occupied areas in West Sahara) are not accepted.

Code of Conduct Principles

The supplier, its suppliers, and their sub-suppliers, must follow their respective national laws. When a relevant national law and one of the Code of Conduct principles as defined in this document address the same issue, the more stringent of the two applies.

The principles set out below are aligned with the principles of the amfori BSCI Code of Conduct and amfori BEPI Code of Conduct.

HUMAN RIGHTS AND LABOUR RIGHTS

1. Social Management System and Cascade Effect

The supplier shall commit to:

- Adopt and publicly communicate a written human rights policy statement, in line with the complexity and size of operations, approved at the most senior level.
- Implement a process- and risk-based due diligence management system in their business practices in line with the UNGPs and adjusted to the business model of the company. The expectations set in this Code of Conduct should be embedded in the system.
- Actively communicate their endorsement of the principles of this Code of Conduct through all the functions in their company, as well as to their business partners and relevant stakeholders.
- Train and incentivise all relevant departments and individuals in a manner that allows them to integrate the principles of responsible and gender-responsive business and purchasing practices in the company culture and cascade it to their business partners.
- Require their business partners to cascade the information to the relevant business partners and stakeholders in the supply chain.
- Require and follow-up with their business partners to work towards full observance of the principles of this Code of Conduct within the sphere of their influence, including intermediaries that are involved in the worker recruitment process, such as brokers, recruiters, and recruitment agencies.
- Include all workers in their due diligence, especially the vulnerable parts in their supply chain such as home-based workers, smallholders, as well as temporary and migrant workers; identify the challenges at these levels, and partner with all relevant stakeholders for improvements.
- Have the strategy, processes, and sufficient resources in place to meet the responsibilities related to the principles of this Code of Conduct and ensure that there is continuous improvement in its implementation.
- Exercise responsible and gender-responsive purchasing practices and avoid putting their business partners in a position that prevents them from adhering to the principles of this Code of Conduct.

2. Workers Involvement and Protection

The supplier shall commit to:

- Establish responsible and gender-responsive management practices that involve all workers and their representatives in sound information exchange on the due diligence process.
- Define long-term goals to protect workers in line with the aspirations of the principles of this Code of Conduct.
- Take specific steps, such as trainings, to make workers aware of their rights and responsibilities, with special attention to vulnerable persons. When relevant, intermediaries such as brokers, recruiters, and recruitment agencies should play an active role in achieving these steps.
- Build sufficient competence among the managers, workers, and worker representatives within their company, as well as in the supply chain, to embed the principles of this Code of Conduct in their company culture and promote continuous education and training at each level of work.
- Establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted and maintain accurate records. The operational-level grievance mechanism must be in line with UNGP Article 31. Where relevant (e.g. when a migrant worker population is present), the operational-level grievance mechanism should be accessible in relevant local languages and should allow to address and remedy the issues effectively across jurisdictions through partnerships and coordination.

3. The rights of Freedom of Association and Collective Bargaining

The supplier shall commit to:

- Respect the right of workers to form and join trade unions – or to refrain from doing so – and bargain collectively, in a free and democratic way, without distinction whatsoever and irrespective of gender,
- Ensure meaningful representation of all workers, without distinction whatsoever and irrespective of gender,
- Not discriminate against workers because of trade union membership,
- Not prevent workers' representatives and recruiters from having access to workers in the workplace or from interacting with them,
- Respect this principle by allowing workers to freely elect their own representatives with whom the company can enter dialogue about workplace issues, when operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed.

4. No Discrimination, Violence or Harassment

The supplier shall commit to:

- Treat all workers with respect and dignity.
- Ensure that workers are not subject to any form of violence, harassment, and inhumane or degrading treatment in the workplace, as well as threats of violence and abuse, including corporal punishment, verbal, physical, sexual, economic, or psychological abuse, mental or physical coercion, or other forms of harassment or intimidation.
- Understand the possible grounds for discrimination in their specific context, and not discriminate or exclude persons based on sex, gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases, or any other condition that could give rise to discrimination.
- Establish disciplinary procedures in writing and explain them verbally to workers in terms and language which they understand. The disciplinary measures must be in line with national legislation.
- Provide gender-sensitive and equal opportunities and treatment throughout recruitment and employment.
- Verify that workers are not harassed, disciplined, or retaliated upon for reporting issues on any of the grounds listed above.

5. Fair Remuneration

The supplier shall commit to:

- Comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. The wages shall refer to standard working hours.
- Pay wages in a regular, timely and stable manner, and fully in legal tender. Partial payment in the form of allowance "in kind" is only accepted in line with ILO specifications.
- Assess the pay gap accurately and work progressively towards the payment of a living wage that is sufficient to afford a decent standard of living for the workers and their families.
- Reflect the skills, responsibility, seniority, and education of workers in their level of wages.
- Where a pay rate for production, quota, or piece work, is established, allow workers to earn at least a wage which respectively meets or exceeds applicable legal minimum wages, industry standards, or collective bargaining agreements (where applicable) within standard working hours.

- Ensure that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualification.
- Implement deductions only under the conditions and to the extent allowed by law or fixed by collective agreement.
- Provide the workers with the social benefits that are legally granted, such as without negative impact on their pay, level of seniority, position, or promotion prospects.

6. Decent Working Hours

The supplier shall commit to:

- Ensure that workers are not required to work more than 48 standard hours per week, without prejudice to the specific expectations set out hereunder. Exceptions specified by the ILO are recognized.
- Interpret applicable national legislation, industry benchmark standards or collective agreements within the international framework set out by the ILO, and promote working hour practices that enable a healthy work-life balance for the workers,
- Only exceed the limit of hours described above in line with exceptional cases defined by the ILO, in which case overtime is permitted.
- Use overtime as an exceptional and voluntary practice, paid at a premium rate of minimum 125% of the standard rate. Overtime shall not represent a significantly higher likelihood of occupational hazards, and in no circumstance go the limits defined under national legislation.
- Grant their workers the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

7. Occupational Health and Safety

The supplier shall commit to:

- Respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.
- Comply with national occupational health and safety legislation, or with international standards where national legislation is weak or poorly enforced.
- Ensure that there are systems in place to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers.

- Train all departments and individuals on occupational health and safety regularly throughout all stages of employment and provide information on potential occupational health and safety risks to workers and public, including affected communities.
- Take effective measures to prevent workers from having accidents, injuries, or illnesses, arising from, associated with, or occurring during work. These measures aim at minimizing, so far as is reasonable, the causes of hazards inherent within the workplace.
- Seek improving workers' protection in case of accident, including through compulsory insurance schemes.
- Maintain records of all health and safety incidents in the workplace and all other facilities that are provided or mandated.
- Take all appropriate measures, and obtain all relevant licenses and documentation required by national legislation, to see to the stability and safety of the equipment and buildings they use, as well as to protect against and prepare for any foreseeable emergency. This includes residential facilities for workers when these are provided or mandated by the employer or a recruitment partner.
- Establish relevant committees, such as an Occupational Health and Safety Committee, to ensure active co-operation between management and workers, and/or their representatives for the development and effective implementation of systems that ensure a safe and healthy work environment. These committees aim to represent the diversity of the workers.
- Provide awareness to workers and respect their right and responsibility to exit the premises and/or stop working without seeking permission in dangerous situations and uncontrolled hazards.
- Provide adequate occupational medical assistance and related facilities and provide equal access to all workers for these services. Health services (including insurance) should serve the distinctive concerns and needs of all genders and ages.
- Provide access to safe and clean drinking water, and eating and resting areas free of charge, and where applicable, provide access to cooking and food storage areas.
- Provide an adequate number of safe, separate toilets with adequate level of privacy for all genders, and paper towels and washbasins with hand soap in all work areas.
- Ensure that when residential facilities are provided or mandated, they are clean and safe, and they meet all the basic needs of the workers.
- Provide effective and tailored Personal Protective Equipment (PPE) to all workers free of charge, taking the needs of different worker categories, such as pregnant and nursing women, into consideration.
- Compensate the damages incurred to the workers on the occasion that historical or actual failure of adherence to principles is identified.

8. No Child Labour

The supplier shall commit to:

- Not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.
- Protect children from any form of exploitation.
- Establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.
- Take special care and identify measures in a proactive manner in case of the dismissal and removal of children, to ensure the protection of affected children.

9. Special Protection for Young Workers

The supplier shall commit to:

- Ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development, without prejudice to the specific expectations set out in this principle.
- Remove young workers from any hazardous work or source of hazard immediately when such cases are identified and redefine their scope of work without any loss of income.
- Ensure that (a) the kind of work is not likely to be harmful to young workers' health or development; (b) their working hours allow their attendance in school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programmes.
- Set the necessary mechanisms to prevent, identify and mitigate harm to young workers, with special attention to the provision and access of young workers to effective operational grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes specific to the needs of young workers.

10. No Precarious Employment

The supplier shall commit to:

- Ensure that, their recruitment process and employment relationships do not cause insecurity and social or economic vulnerability for their workers.
- Ensure that work is performed based on a recognised and documented employment relationship, established in compliance with relevant national legislations, custom or practice, and international labour standards, whichever provides greater protection.

- Before entering employment, provide workers with understandable information in their own language and ensure that they are aware about their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment in their own language.
- Aim at providing decent, and where relevant, flexible working conditions that also support workers, irrespective of gender, in their roles as parents or caregivers, including migrant and seasonal workers whose children may be left in their hometowns.
- Not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship or training schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, (c) labour-only contracting, and d) contract substitution.
- Not use subcontracting in a way that undermines the rights of workers.

11. No Bonded Labour and Harsh or Inhumane Treatment

The supplier shall commit to:

- Not engage in, or through business partners, be complicit to, any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour, including state-imposed forced labour.
- Adhere to international principles of responsible recruitment, including the Employer Pays Principle, and require the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly, especially members of vulnerable groups such as temporary and migrant workers. As a minimum, this includes:
 - No recruitment fees and costs are charged to workers
 - Clear and transparent employment contracts
 - Workers' freedom from deception and coercion
 - Freedom of movement and no retention of identity documents
 - Access to free, comprehensive, and accurate information
 - Freedom to terminate contract, change employer, and safely return
 - Access to free dispute resolution and effective remedies
- Progressively compensate the damages incurred to the workers within a reasonable timeframe, and within the framework of the same international principles, if historical or actual failure of adherence to principles is identified.

12. Marginalized Populations

The supplier shall commit to:

- Not contribute to and destroy the resource and income base for marginalized population groups, for example by claiming large areas of land or other natural resources on which these populations depend on through the production and extraction of raw materials for production.

ENVIRONMENT

13. Environmental Management System

The supplier shall commit to:

- Implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system.
- Comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced.
- Identify the environmental impacts of their operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.
- Assessing environmental management practices of business partners so they can identify, assess, monitor, and control adverse impact(s) on the environment and humans.
- Reviewing business partners' processes to ensure legal compliance and prevent major environmental incidents.

14. Energy & Climate

The supplier shall commit to:

- Establishing and implementing effective management practices and encouraging business partners to do the same to identify, quantify and reduce the greenhouse gas emissions resulting from their energy use.
- Ensuring in own operations and those of business partners there is an expectation to use international good practice and standards to manage energy use.
- Ensuring there are effective energy management practices in own operations and those of business partners.

15. Emissions to Air

The supplier shall commit to:

- Ensuring in own operations and in those of business partners' effective management practices to identify, monitor, and control emissions to air and their impact on the environment and humans.

- Specifically ensuring that own operations and those of business partners, emissions of Ozone-depleting, or other hazardous substances are strictly managed.

16. Water & Effluents

The supplier shall commit to:

- Reviewing water and effluents management practices in own operations and business partners to identify, monitor, and ensure effective controls are in place to avoid adverse impact(s) on the environment and humans.
- Encouraging own operations and business partners to adopt measures that promote efficiency in water consumption and water reuse where possible.
- Encouraging own operations and business partners to adopt measures that reduce or eliminate adverse impacts of effluents by reducing their quantity and/or their content of hazardous substances.

17. Waste

The supplier shall commit to:

- Reviewing waste management practices used in own operations and by business partners to identify, monitor, and ensure effective control of waste-related impact(s) on the environment.
- Monitoring waste generation and encouraging management practices that divert waste from disposal (reuse, recycling and/or other recovery operations).
- Encouraging own operations and business partners to adopt measures that reduce or eliminate adverse impacts of wastes, for example through improved processes.

18. Biodiversity

The supplier shall commit to:

- Reviewing management practices used in own operations and by business partners to identify, monitor, and control adverse impacts on biodiversity.
- Encouraging own operations and business partners to adopt, where possible, measures that create positive impacts for biodiversity.

19. Chemicals

The supplier shall commit to:

- Reviewing chemicals management practices used in own operations and by business partners to identify, monitor, and ensure effective control of chemical-related impact(s) to people and/or the environment.

- Encouraging own operations and business partners to use alternative substances that are less hazardous to people and/or the environment.

20. Nuisances

The supplier shall commit to:

- Reviewing management practices used by own operations and business partners to identify, monitor, and control the impacts of noise and other potential nuisances, such as light pollution, - dust or traffic on the environment and local community, and where necessary, implementing corrective actions or remediation activities.

BUSINESS INTEGRITY

21. Ethical Business Behaviour

The supplier shall commit to:

- Not take part in any act of corruption, extortion, or embezzlement, nor in any form of bribery including - but not limited to - the promising, offering, giving, or accepting of any improper monetary or other incentive.
- Develop and adopt adequate internal controls, programmes, or measures for preventing and detecting corruption, extortion, embezzlement, or any form of bribery, developed based on a company-specific risk assessment.
- Keep accurate information regarding their activities, structure, and performance, and disclose these in accordance with applicable regulations and industry benchmark practices to enhance transparency of their activities.
- Not falsify or participate in falsifying any information or in any act of misrepresentation in the supply chain.
- Provide awareness to the workers about the policies, controls, programmes, and measures against unethical behaviour, and promote compliance within the company through trainings and communication.
- Collect, use, and otherwise process personal information (including that from workers, business partners, customers, and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.