

The Coop Group's Supplier Code of Conduct

The Coop Group¹ is committed to working with human rights, as defined in the UN Guiding Principles on Business and Human Rights (UNGPs). We diligently work to identify, prevent, minimise, and address human rights risk and impacts. Similarly, the Coop Group expects the supplier to diligently identify, prevent, mitigate, and address environmental risks and impacts in their own operations and in their value chains.

This Code of Conduct reflects the Coop Group's commitment to respect the International Bill of Human Rights. Our commitment is further expressed through our work with the United Nations Conventions on the Rights of the Child, the International Labour Organization (ILO) Conventions and Recommendations, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Sustainable Development Goals. Through this Code of Conduct, we adopt the principles and methodology promoted by the Business Social Compliance Initiative (amfori BSCI²) presented on page 3-8 of this document.

The Coop Group 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 the ethical 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.

Code of Conduct Requirements

The following requirements apply to a supplier of the Coop Group:

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 values and 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 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.

Contract workers, day laborers, casual workers, and migrant workers must be informed of and trained in ethical principles corresponding to this Code of Conduct.

The Coop Group 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.

¹The Coop Group consists of Kooperativa Förbundet, ekonomisk förening ("KF"), Coop amba, Coop Norge SA, and Suomen Osuuskauppojen Keskuskunta ("SOK") and their respective subsidiaries, affiliated co-operative societies, franchisees, and other partners, including Coop Trading A/S.

² amfori BSCI reference [document](#)

3. Auditing

If a product undergoes processing³ in, or in the case of fresh fruit and vegetables, is grown in a BSCI defined risk country⁴, the processing or primary production site must have a valid amfori BSCI audit or one of the other below-listed third-party standards. If no such audit exists, one should be arranged immediately upon commencement of the cooperation.

- Business Social Compliance Initiative (amfori BSCI)
- Social Accountability International (SAI) Member companies (SA8000)
- Global G.A.P. Risk Assessment on Social Practice (Global G.A.P. GRASP)
- Initiative for Compliance and Sustainability (ICS)
- MPS-Socially Qualified (MPS-SQ) on farm level
- Sustainability Initiative of South Africa (SIZA)
- Sedex Members Ethical Trade Audit (SMETA), 4 pillar and annual audits⁵
 - Exclusively for fresh fruit and vegetables, SMETA 2 pillar can be accepted
- Rainforest Alliance, UTZ and Fairtrade (by FLOCERT) on farm level

The Coop Group only accepts audits conducted by an accredited audit company.

Notwithstanding the above, the Coop Group reserves the right to require that a supplier's processing site(s) undergo a BSCI audit if media, NGOs, or other sources raise serious reason for concern regarding the conditions in the specific product sector in the area of the processing sites.

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 Group. 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.

The supplier must allow the Coop Group or those authorised by a Coop Group member access to its facilities and to all relevant records for inspection and verification.

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, the Coop Group 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 is likely to have consequences for future collaboration.

The supplier, and 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.

³ The Coop Group defines processing as the production of main ingredients and components in the final product.

⁴ The Coop Group adheres to the Countries' Risk Classification by amfori BSCI, which provides a general risk assessment of countries.

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

6. Compliance with sanctions regimes

For the duration of the supplier's trading arrangement with the Coop Group, 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 aforementioned legal or actual persons shall constitute material breach of the trading arrangements on the part of the supplier.

Code of Conduct Principles

By signing this Code of Conduct, the supplier agrees to commit to respecting the human rights as listed in the International Bill of Human Rights. Further, the supplier undertakes to comply with the principles of the amfori BSCI Code of Conduct and its appendices as in force from time to time. In its operations and supply chain, the supplier undertakes to comply with and promote the following:

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 amfori BSCI Code of Conduct through all the functions in their company, as well as to their business partners and relevant stakeholders,
- Train and incentivize 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 amfori BSCI 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 amfori and other relevant stakeholders for improvements,
- Have the strategy, processes, and sufficient resources in place to meet the responsibilities related to the amfori BSCI 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 amfori BSCI 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 amfori BSCI 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, in order to embed the amfori BSCI 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 into 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 cooperation 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 on the basis of 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. Protection of the Environment

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.

13. 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 through the production and extraction of raw materials for production.

14. 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 on the basis of 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.

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