



REMA 1000

SUPPLIER CODE OF CONDUCT

Supplier Code of Conduct

I. INTRODUCTION

At REMA 1000/Reitan Distribution (hereafter REMA 1000), we promote responsible and sustainable supply chains that care for people, the environment, and local societies. We follow the UN Guiding Principles on Business and Human Rights that set expectations of states and companies about how to prevent and address negative impacts on human rights by businesses. We want all workers in our supply chains to have decent working conditions. Furthermore, the environment and surrounding communities should be protected and cared for during the production of the goods we sell in our stores. This is part of our pledge to deliver “discount with attitude” and is a key element of our work promoting the UN Sustainable Development Goals.

At REMA 1000, we believe that the best way to deliver a responsible supply chain is by collaborating closely with our business partners and suppliers. We have therefore developed this Supplier Code of Conduct (SCoC) to clarify our position on ethical trade.

The SCoC states several requirements that cover basic human rights, workers’ rights, the environment, and anti-corruption. We have furthermore developed our Supplier Code of Conduct Guideline, where we describe our work process, audit principles and approach to working with suppliers and business partners on ethical trade.

REMA 1000 expects that our suppliers comply with all 15 key requirements stated in this SCoC. Suppliers should furthermore communicate them to their own suppliers, and actively work to ensure that these are implemented. Consequently, this SCoC state the ethical requirements for the entire supply chain.

REMA 1000 is a member of the Ethical Trading Initiative (IEH) in both Denmark and Norway. IEH is a member organisation for organisations and private and public entities and is a driving force and resource centre for ethical trading. REMA 1000 reports to IEH on the progress of our work with ethical trade. This report is available to the public.

II. WHAT WE DEMAND FROM OURSELVES

REMA 1000 continuously evaluates and, when required, improves our own policies and purchasing practices in order to support our suppliers’ and sub suppliers’ compliance with this SCoC. REMA 1000 will inform the suppliers of any such updates or amendments to the SCoC and provide our supplier and business partners with reasonable prior notice if new requirements arise. We believe that a constructive and open dialog is crucial in our supply chain work.

Neither REMA 1000 nor any of its employees shall ever offer or accept illegal or unlawful monetary gifts or other forms of remuneration to secure business-related or private benefit, or benefit for customers, agents, or suppliers.

REMA 1000 and REMA 1000’s suppliers shall avoid partners that operate in countries subject to international boycott by the United Nations and/or Norwegian and Danish authorities.

For a full description of our responsible supply chain procedures, please consult the document REMA 1000’s *Supplier Code of Conduct Guideline*.



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III. PROCEDURES FOR FOLLOW UP ON THE STATED REQUIREMENTS IN THIS SUPPLIER CODE OF CONDUCT

Upon request, REMA 1000 expects the supplier and its sub supplier to document their work with the ethical requirements defined in this SCoC. This can be done through conversation, site visits or through written documentation. If REMA 1000 wishes to map out all sub-suppliers, the supplier is required to hand out all relevant contact information.

When this SCoC has been communicated to a specific supplier, it shall be regarded as a contract document and an integral part of any contract entered into between the relevant REMA 1000 entity and the supplier.

In the event of a breach of the SCoC, REMA 1000 and the supplier will jointly prepare a plan for remedying the breach. The supplier shall do its utmost to implement corrective actions within agreed timeframe and inform REMA 1000 about any such actions.

If it is established that (i) a supplier is unwilling or unable to carry out corrective actions which REMA 1000 finds necessary in order to comply with this SCoC, or (ii) the supplier or any of its sub-suppliers has committed a substantial breach or repeated breaches of the requirements in this SCoC, REMA 1000 is entitled to terminate the business relationship and any contract(s) with the supplier.

Such termination shall be effective from the time stated in a written termination notice from REMA 1000. This provision is without prejudice to any additional rights and obligations REMA 1000 or the supplier may have pursuant to other contract documents. For a full description of our responsible supply chain procedures, please consult the document REMA 1000's Supplier Code of Conduct Guideline.

IV. REQUIREMENTS FOR THE SUPPLY CHAIN FOR ALL REMA 1000 SUPPLIERS

REMA 1000's Supplier Code of Conduct is founded on key United Nations and International Labour Organisation conventions and documents, and describes minimum requirements, not maximum requirements. National laws shall be respected. Where provisions of law and this SCoC address the same subject, the highest standard applies.

1. **Forced and Compulsory Labour**
(ILO Conventions Nos. 29 and 105)
 - 1.1 There shall be no forced, bonded or involuntary labour nor prison labour. Workers shall be free to leave the workplace premises at the end of the day.
 - 1.2 Workers shall not be required to lodge deposits or identity papers with the suppliers' company (their employer) and shall be free to leave their employer after reasonable notice.
2. **Freedom of Association and the Right to Collective Bargaining**
(ILO Conventions Nos. 87, 98, 135 and 154)
 - 2.1 Workers without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The supplier shall not interfere with, obstruct, the formation of unions or collective bargaining.
 - 2.2 Workers representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.
 - 2.3 Where the right to freedom of association and/or collective bargaining is restricted by law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free.

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3. Child Labour

(UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)

- 3.1 The minimum age for workers shall not be less than 15 and comply with (i) the national minimum age for employment, or; (ii) the age of completion of compulsory education, whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 3.2 There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.3 No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- 3.4 Policies and procedures for remediation of child labour prohibited by ILO conventions no. 138 and 182 shall be established, documented, and communicated to personnel and other interested parties. Adequate support shall be provided to enable such children to attend and complete compulsory education. All such cases must be brought to the attention of REMA 1000 for discussion.
- 3.5 The supplier shall have a certified copy of an official document which shows the worker's date of birth. In countries where this is not possible, the supplier shall implement an appropriate method for evaluating the age of its workers.

4. Discrimination

(ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination against Women)

- 4.1 There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination, or retirement based on ethnic background, nationality, language, religion, caste, age, disability, gender, marital status, sexual orientation, union membership or social or political affiliation or other opinion.
 - 4.2 Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g., marriage, pregnancy, parenthood, or HIV status.
- ## 5. Harsh or Inhumane Treatment
- (UN International Covenant on Civil and Political Rights art. 7)*
- 5.1 Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

6. Health and Safety

(ILO Convention No. 155 and ILO Recommendation No. 164)

- 6.1 The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents, fires 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.
- 6.2 Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers. Recurring training should be provided to workers in hazardous areas.
- 6.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 6.4 Accommodation, where provided, shall be clean, safe, and adequately ventilated, and shall have access to clean toilet facilities and potable water.

7. Wages

(ILO Convention No. 131)

- 7.1 Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.
- 7.2 All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.
- 7.3 Deductions from wages as a disciplinary measure shall not be permitted.

8. Working Hours

(ILO Convention Nos. 1 and 14)

- 8.1 Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular basis exceed 48 hours.
- 8.2 Workers shall be provided with at least one day off for every seven (7) day period.
- 8.3 Overtime shall be voluntary and limited. Recommended maximum overtime is 12 hours per week, i.e., that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.
- 8.4 Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

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9. Regular Employment

(ILO Conventions Nos. 95, 158, 175, 177 and 181)

- 9.1 Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short-term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.
- 9.2 All workers are entitled to a contract of employment in a language they understand, outlining their wage conditions and method of payment, before entering into employment.
- 9.3 The duration and content of apprenticeship programmes shall be clearly defined.

10. Marginalised Populations and Indigenous Peoples

(Articles 1 and 2 of the UN Convention on Civil and Political Rights and the UN Declaration on the Rights of Indigenous Peoples)

- 10.1 Production and the use of natural resources shall not contribute to destruction of the resources and income base of marginalised and indigenous populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent. REMA 1000's suppliers must engage and consult with potentially affected local communities, including indigenous peoples, and avoid causing or contributing to a negative impact on their human rights.

This may include impacts on culture, the environment, natural resources, land, infrastructure, or other factors that are important for the fulfilment of human rights for local communities – including their health and livelihoods.

11. Environment

- 11.1 Measures to minimise adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimising pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimising greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or degraded.

- 11.2 National and international environmental legislation and regulations shall be respected, and relevant discharge permits obtained.

12. Corruption

- 12.1 The supplier shall comply with applicable laws concerning bribery, corruption, fraud, and any other prohibited business practices. The supplier shall not offer, promise, or give any improper benefit, favour or incentive to any public official, international organisation or other third party.

- 12.2 The supplier shall not, directly or indirectly, offer gifts to REMA 1000 employees or persons representing REMA 1000 or anyone closely related to these, unless the gift is of insignificant value. Hospitality, such as social events, meals or entertainment may be offered if there is a legitimate business purpose involved, and the cost is kept within reasonable limits. Travel expenses for the individual representing REMA 1000 shall be paid by REMA 1000. Hospitality, expenses, or gifts shall not be offered or received in situations of contract bidding, negotiations or awards.

- 12.3 The supplier shall under no circumstance cause or be part of any breach of general or special competition regulations or laws, such as illegal pricing cooperation or illegal market sharing.

13. Animal welfare

- 13.1 For products based on animals, due consideration for the animals' welfare shall be ensured through the whole value chain. As a minimum, the supplier shall comply with local legislation.

14. Management Systems of Suppliers

The management system is central for the implementation of the SCoC. REMA 1000 emphasises the importance of suppliers having systems that support such implementation. The expectations in this regard are summarised in the following measures:

- The supplier should make a centrally placed employee responsible for the implementation of the SCoC in the supplier's business.
- The supplier must make the SCoC known in all relevant parts of its organisation.
- The supplier shall file enough material to document the compliance of the SCoC, and be able to present reasonable information on REMA 1000's request. An investigator appointed by REMA 1000 shall, if REMA 1000 requests so, be given access to archives and other documentation to verify such compliance.
- The supplier shall obtain REMA 1000's consent prior to outsourcing production or parts of production to a sub supplier/contractor, if this has not been agreed upon in advance.
- When the supplier engages sub suppliers for the delivery of products to REMA 1000, each product and their ingredients must be traceable through each part of the production and distribution chain, including the final production place. On REMA 1000's request, the supplier shall inform REMA 1000 about all the relevant sub suppliers and production places, and present relevant contact information.

15. Competition Law

- 15.1 The supplier shall under no circumstance cause or be part of any breach of general or special competition regulations or laws, such as illegal pricing cooperation or illegal market sharing.

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V. GRIEVANCE MECHANISM AND REMEDY

REMA 1000 has implemented an anonymous grievance mechanism for all stakeholders to report concerns, complaints, as well as criticism and breaches of this and other social responsibility-related policies. The grievance mechanism follows the efficiency criteria of the UN Guiding Principles on Business and Human Rights. Our complaints mechanism is available on our website: rema1000.dk/information/whistleblowerordning-english.

REMA 1000 undertakes to engage with the complaining party and to remedy through adequate procedures and compensation in cases where we have caused or contributed to violations of the requirements we set in this Supplier Code of Conduct – including requirements for respect for human rights, protection and promotion of rights that protect workers, communities, indigenous peoples, activists, whistle-blowers, spokespersons, and marginalised populations including women.



REMA 1000
Discount with an attitude!