



# Supplier Principles



# The ofi Supplier Principles

At ofi, upholding high standards of behavior and conducting business in an ethical, socially responsible, and environmentally sustainable manner is integral to our continued success.

We stay true to our principles, respect people and the planet by doing things the right way, not the easy way.

ofi Group Limited including its subsidiaries worldwide ("ofi") expects its suppliers and contractors to meet the ofi Supplier Principles ("OSP") when conducting business with us, which are in line with the ofi Code of Conduct and our core policies including:

- Anti-Bribery and Corruption Policy
- Anti-Fraud Policy
- Anti-Tax Evasion Policy
- Fair Employment Policy
- Living Landscape Policy
- Animal Welfare Policy

The OSP are the overarching principles which we expect all suppliers of products and services to ofi directly or indirectly (together "Suppliers") to comply with. Suppliers of agricultural raw materials to ofi are also expected to understand and comply with the ofi Agri Supplier Code, which supplements the OSP. ofi reserves the right to audit our suppliers to ensure compliance with the OSP.



The OSP are anchored in internationally recognized standards. We endorse the UN Guiding Principles on Business and Human Rights and are embedding them throughout our operations. We base our Human and Labor Rights commitment on the

- ILO's Declaration on Fundamental Principles and Rights at Work, and
- Conventions of the International Labor Organization (ILO), and
- The International Bill of Human Rights consisting of the Universal Declaration of Human Rights,

The OSP are at the heart of how we do business, and how we expect our contractors and suppliers to do business. Employees, workers or contractors of ofi or its suppliers who observe, or suspect, non-compliance with these principles should alert ofi, and are encouraged to use the whistleblowing [Speak Out system](#) described at the end of this document.

The following Principles set out our expectations of all Suppliers. We reserve the right to take appropriate action where we become aware of any failure to observe these Principles.



## Legal Compliance

Suppliers shall

- comply with all **ofi** Supplier Principles and applicable laws and regulations that govern their business activities and operations including but not limited to those relating to labor, social security, environment, international trade, financial crime, sanctions, export controls, antitrust/competition, and data protection.
- ensure their own Suppliers of products or services are aware of, and comply with, the OSP.

## Ethical business practices

Suppliers shall

- be open, honest, and accurate in their dealings with **ofi**.
- not engage in unethical business practices, including:
  - Bribery and corruption - Suppliers must prohibit all forms of bribery, money laundering, fraud, corruption, extortion, or embezzlement.
  - Tax evasion - Suppliers shall comply with all applicable tax laws and shall be open, honest and accurate in their dealings with tax authorities. Suppliers shall not facilitate the evasion of tax by other parties.
- declare any conflict of interest in any business dealings with us and will actively seek to avoid such conflicts.

Any business entertainment or hospitality with **ofi** must be reasonable and proportionate in nature and not intended to influence in any way our business decisions.

Any person, acting on behalf of **ofi**, should implement controls, similar to those set out in [ofi's Anti Bribery and Corruption Policy](#), relating to the giving and receiving of entertainment and hospitality.

## Data Protection, Record-keeping and transparency

- All business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records.

- We reserve the right to ask Suppliers to segregate materials and provide chain of custody documents, in order to assess compliance in our upstream supply chain until the point where **ofi** takes ownership/possession of the goods being supplied.
- Suppliers shall respect the privacy and personal data of all individuals, including employees and customers, in line with applicable regulations.

## Child labor

- Suppliers shall strictly respect the following minimum ages for work, or the minimum ages defined by the local law, whichever are higher:
- Individuals below 18 years old may not perform hazardous work,
- Children below 15 years old, OR of compulsory school age, whichever is higher, must not
- be employed.

## Forced labor

Suppliers shall

- ensure that no involuntary work is undertaken to supply goods or services to **ofi**. Involuntary labor includes any employment of any persons by means of threat, force, coercion (whether physical or mental), abduction, fraud or any other form of exploitative control over that person.
- not use or benefit from the use of any form of forced or coerced labor, such as slave labor, labor bonded by a debt or trafficked individuals, and nor shall they use the labor of prisoners or indentured labor.
- not employ coercive practices, including withholding of wages, IDs (including for longer than necessary for administrative purposes), threats of any kind, violence or restricting of freedoms. All workers must be free to terminate their employment at any time subject to applicable local laws.
- Not impose threats, fines, or obligations on workers to carry out overtime work.

## Respect and non-discrimination

- Suppliers shall make sure that no person is discriminated against based on their race, color, gender, gender identity, religion, age, disability, nationality, ethnic origin, social status, political views, family obligations or membership in associations or any other personal status.
- Suppliers shall make sure that non-discrimination applies to all employment practices, including hiring, compensation, advancement, discipline, and termination.
- No person shall be subject to violence or physical, sexual, verbal, or psychological harassment.
- Every person's
  - privacy shall be protected from interference.
  - rights to practice their culture and religion shall be respected.
- Disciplinary measures shall be fair and never involve humiliating practices, violence or withholding or deduction of wages. Workers shall be informed of relevant disciplinary measures at their workplace.
- Suppliers shall strive to make reasonable adjustments to working conditions, hours and facilities to accommodate the diverse needs of individuals.

## Working hours

Suppliers shall respect the following limits to working hours or the legal maximum working hours prescribed by local laws, whichever is lower:

- a working day shall not exceed 12 hours and regular work week shall not exceed 48 hours
- regular breaks during the day shall be provided,
- workers shall be allowed at least 24 consecutive hours of rest in every seven-day period,
- all overtime work shall be consensual, compensated at a higher rate, not requested on a regular basis and implemented within the limits permitted by applicable local laws,
- other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours or the limits set out in applicable local laws and collective agreements, whichever is lower.

## Terms of employment

Suppliers shall ensure that;

- terms of employment are compliant with applicable laws and are fair, fully understood and freely agreed to by the workers and adhered to by the employer. This includes an obligation on Suppliers to ensure that worker contracts are drafted in a language that is understood by the worker in question.
- that they pay all legally mandated wages and benefits.
- no employees shall be required to pay for their employment. This includes any payment made to the Supplier, any recruitment fee, or other similar payment obligations.

## Wages and benefits

- Suppliers shall recognize workers' rights to fair pay and shall pay their employees at least the legal minimum wage plus any benefits required by applicable local law, or the appropriate industry wage, whichever is higher.
- Wages and overtime compensation shall be paid in full, on time and at least monthly.
- Suppliers shall strive to provide compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income.

## Health and safety

Suppliers shall

- ensure that work is performed in a safe way that poses no risk to life using appropriate tools and practices and that adequate safety trainings and personal protective equipment are provided to all workers at no cost to them.
- shall have necessary measures in place to prevent accidents and to manage health and safety incidents and ensure worker's access to emergency medical services.
- ensure that working and living conditions are safe and provide adequate light, ventilation, temperature, roof, and access to water and sanitation.

## Freedom of association and right to collective bargaining

- Suppliers shall recognize and respect the right of employees to form, join, or to refrain from joining, representative associations of their choice, and to bargain collectively with their employer on work-related topics. Agreements reached from collective bargaining shall be enforceable.



## Local communities and land rights

Suppliers shall to the extent it is applicable

- respect the customary, legal land tenure and access rights of indigenous people and local communities to natural resources.
- maintain open dialogue with local communities regarding the potential impacts of Suppliers' operations and strive to minimize those impacts.
- obtain the free, prior and informed consent of local communities in relation to any project or development that may affect their legal or traditional ownership, or customary use, of their land or territories and other resources.
- not participate in, or benefit from, forced evictions and shall ensure that displaced communities receive adequate, mutually agreed compensation.

## Grievance mechanisms

- Suppliers shall establish a process to receive, review and investigate complaints coming from employees, local communities and affected stakeholders, and take corrective actions as appropriate.
- Employees, local communities and affected stakeholders shall be aware of the process and of their right to express concerns and complaints without threat of reprisal or intimidation.

## Forests and ecosystem conservation

- Suppliers shall not source products resulting from the destruction of important natural habitats, including:
  - legally protected areas,
  - areas of high conservation value, that are recognized locally, nationally, or internationally,
  - important natural ecosystems including forests and peatlands, which have high carbon stocks.

## Biodiversity

- Suppliers and employees to the extent it is applicable shall preserve nationally protected species, and rare, threatened, and endangered species, as defined by the IUCN Red List of Threatened Species. Suppliers and employees will adopt suitable practices to protect these species, their habitats, and important sites affected by their operations.

## Animal Welfare

Suppliers involved in animal-rearing, or using working animals, shall ensure humane treatment of animals and, at a minimum, provide them with regular and adequate food and water, necessary rest, shelter, medical treatment, sufficient living space in the company of their own kind, and spare them from mental suffering and distress.

## Safe and responsible use of chemicals

- Suppliers shall ensure safe storage, handling, application, and disposal of chemicals. Banned chemicals shall not be used.
- Suppliers shall strive to reduce the amounts of chemicals used.

## Environmental Protection

- To the fullest extent possible Suppliers shall avoid contamination or pollution of air, land surface water and groundwater sources.
- Waste water shall undergo appropriate treatment to minimize the load of contaminants.
- In water-stressed areas, Suppliers shall adopt suitable practices to use water sources efficiently.
- Suppliers shall minimize their consumption of natural resources/conduct their businesses in a sustainable manner.

## Waste management

Suppliers shall

- ensure that waste collection, storage and disposal are properly organized and that hazardous waste is treated and disposed of in a safe way.
- strive to reduce, compact, reuse and recycle waste as much as possible.

## Energy efficiency

Suppliers shall

- strive to use fuel and electricity efficiently, and to use renewable energy sources.
- monitor energy use in production and processing.





## Reporting on breaches

- Any failure to comply with this framework of which the Supplier is aware should be reported to **ofi** as soon as possible. Failure to do so will be a breach of these Principles.
- We strongly support a culture of Speaking Out for **ofi**'s Suppliers and their workers without fear of retaliation against those who report actual or suspected breaches.
- **ofi**'s Suppliers and their employees, workers or contractors may report actual or suspected breaches of this OSP to **ofi** using their **ofi** business contact or the [Speak Out!](#) hotline: where reports can be submitted confidentially and anonymously.
- **ofi** may investigate any concern raised and discuss findings with the Supplier. The Supplier shall assist with any such investigation and provide access to any information reasonably requested.
- If remediation is required, the Supplier will devise and inform **ofi** of their corrective action to resolve the breach effectively and promptly.