



Code of Conduct

INTRODUCTION

Axfood is aware of its corporate social responsibility and the objective is to combine sound business operations with social and environmental responsibility. Based on this commitment, we have set up the Axfood Code of Conduct to make our position clear for all stakeholders such as suppliers, staff and other relevant partners. Our overall goal is to encourage respect for Human & Labour Rights as well as environmental protection both within the company and with our external partners.

Our Code of Conduct contains internationally recognised requirements on human rights, labour rights, as well as environmental ones. Companies supplying Axfood with products or services shall comply with the Axfood Code of Conduct. Axfood also expects all suppliers to ensure that their own suppliers of both goods and services are in compliance with our Code of Conduct.

In some cases, political or cultural circumstances may make it difficult to comply with certain standards or to obtain the identities of or contact with all subcontractors. In such cases, Axfood will be open to discuss an alternative approach.

LEGAL REQUIREMENTS

1 Legal Requirements

- 1.1 As a general rule, the supplier and the subcontractor must follow their respective national laws. Should the provisions of national law and the requirement of our Code of Conduct differ, the highest standard shall apply.

CONDITIONS AT THE WORKPLACE

2 Forced Labour / Slave Labour

ILO Conventions Nos. 29 and 105

- 2.1 No form of forced labour, slave labour or involuntary labour shall take place.
- 2.2 Employees shall not be required to pay a deposit or surrender their identity papers to an employer, and they shall be free to terminate a work contract after a reasonable period of notice.

3 Freedom of Association and Collective Bargaining

ILO Conventions Nos. 87, 98, 135 and 154

- 3.1 Employees shall without exception have the right to join or establish trade unions by their own choice and to bargain collectively.
- 3.2 The employer shall not discriminate against trade union representatives or prevent them from doing trade union work.
- 3.3 If such rights are limited by law, the employer shall facilitate, and in no way hinder, parallel mechanisms for free and independent association and bargaining.

4 Child Labour

UN Convention on the Rights of the Child

ILO Conventions Nos. 79, 138, 182

ILO Recommendations No. 146

- 4.1 Children under the age of 18 shall not engage in labour that is hazardous to their health or safety, including night work.
- 4.2 Children under the age of 15 (14 or 16 in certain countries) shall not engage in labour that may be detrimental to their education.
- 4.3 Recruitment of labour in contravention of the above conventions is unacceptable. If child labour already takes place, efforts shall be made to phase it out as quickly as possible. At the same time, the children concerned shall be given the possibility of earning a livelihood and acquiring an education until they are no longer of compulsory school age.

5 Discrimination

ILO Conventions Nos. 100 and 111

UN Convention on Discrimination Against Women

- 5.1 There shall be no discrimination in working life based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation.
- 5.2 Measures shall be established to protect employees 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.
- 5.3 All workers with the same experience and qualifications shall receive equal pay for equal work.

6 Harsh or Inhumane Treatment

- 6.1 Physical abuse punishment or the threat of it shall be prohibited. The same applies to sexual abuse and any form of humiliation.

7 Occupational Health and Safety

ILO Convention No. 155

ILO Recommendation No. 164

- 7.1 The working environment shall be safe and conducive to good health taking in account the existing knowledge of the industry and its related hazards.
A clear set of regulations and procedures must be established and followed regarding occupational health and safety, fire protection and emergency preparedness. A management representative responsible for the health and safety of all personnel shall be appointed. Systems to detect, avoid or respond to potential threats to health and safety of all personnel shall be established.
- 7.2 Employees shall receive regular and documented health and safety training. These trainings shall also include seasonal employed workers.
- 7.3 Employees shall have access to clean sanitary facilities and clean drinking water. If necessary, the employer shall also ensure access to facilities for safe food storage.
- 7.4 If the employer provides accommodation, it shall be clean, safe, adequately ventilated, and have access to clean sanitary facilities and clean drinking water. Fire safety and emergency evacuation plans in dormitories shall be of the same standard as in the working environment.

8 Wages

ILO Convention No. 131

- 8.1 Employees' wages shall at least be in accordance with national provisions concerning minimum wages or industrial standards, and shall always be sufficient to cover basic needs.
- 8.2 Wages as well as the method of how and when wages are to be paid shall be agreed in writing before work begins. The contract shall be comprehensible to the employee.
- 8.3 It is prohibited to use wage deductions as a disciplinary measure.

9 Working Hours

ILO Convention No. 1 and 14

- 9.1 Working hours shall be in accordance with national legislation or industrial standards and shall not exceed the working hours laid down in current international conventions. It is recommended that working hours do not exceed 48 hours per week (8 hours per day).
- 9.2 Employees shall have at least one free day per week.
- 9.3 Overtime shall be voluntary and is recommended to be limited to maximum 12 hours per week.
- 9.4 Employees shall always receive overtime pay in accordance with current legislation.

10 Regular Employment

- 10.1 Obligations to employees in accordance with international conventions and/or national legislation and regulations concerning regular employment shall not be avoided by using short-term contracts (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.
- 10.2 All employees are entitled to an employment contract written in a language they understand.
- 10.3 The duration and content of apprenticeship programmes shall be clearly defined.

CONDITIONS OUTSIDE THE WORKPLACE

11 Use of Resources and Impact on the Local Community

- 11.1 No form of environmental criminal activity or ruthless exploitation of resources shall take place in the local environment.
- 11.2 The local environment at the production site shall not be excessively exploited or degraded

- by pollution. Hazardous chemicals and other harmful substances shall be carefully managed.
- 11.3 In cases of conflict with local communities concerning the use of land or other natural resources, the parties shall through negotiation ensure respect for individual and collective rights to land and other resources based on common custom or tradition, including in cases where such rights have not been formally registered.
 - 11.4 Production and the extraction of raw materials for manufacturing shall not contribute to the destruction of the resource and income base for marginalised population groups, for example by laying claim to large land areas or other natural resources upon which such population groups depend.

ENVIRONMENT AND ANIMAL WELFARE

12 National and International Environmental Legislation and Regulations

- 12.1 Production shall not conflict with national or international environmental legislation and regulations.
- 12.2 Procedures and standards for waste management; for handling and disposal of chemicals and other dangerous materials; and for emissions and effluent treatment shall be established and must meet or exceed minimum legal requirements.
- 12.3 Environmental aspects should be taken into consideration throughout the entire value chain and shall not be limited to the company's own operations. Local, regional and global environmental issues shall be taken into account.

13 Animal Welfare

- 13.1 Animal welfare shall be taken into consideration throughout the value chain in the manufacturing of products stemming from animals.

BRIBERY AND CORRUPTION

14 Bribery and Corruption

- 14.1 The supplier shall establish and follow an anti-bribery / anti-corruption policy in all of their business activities.

MANAGEMENT SYSTEMS

15 Management Systems

- 15.1 The supplier shall define and implement a policy for social accountability, which shall be communicated and accessible to all personnel.
- 15.2 Top management shall define and implement a management system to ensure that the requirements of this Code of Conduct can be met.
- 15.3 Management is responsible for the correct implementation and continuous improvement by taking corrective measures and periodical review of the Code of Conduct, as well as the communication of the requirements of the Code of Conduct to all employees.
- 15.4 The company shall investigate, address and respond to concerns of employees with regards to compliance of the company's policy and/or the requirements of this Code of Conduct. The company shall refrain from disciplining, dismissing or discriminating against any employee for providing information concerning adherence of this Code of Conduct.

COMPLIANCE

16 Trust and Cooperation

- 16.1 Axfood expects all suppliers to respect this Code of Conduct and to actively do their utmost to attain our standards.
- 16.2 We believe in cooperation and are willing to work together with our suppliers to identify realistic solutions for every individual case. While we are prepared to take into account cultural differences and other factors that may vary between countries, we will never compromise with regards to basic requirements regarding safety and human rights.

17 Inspections

- 17.1 Axfood reserves the right to conduct unannounced visits at any time to any of the factories/suppliers that produce goods/services for us. We also reserve the right to appoint independent third parties (for example Non-Governmental Organisations or consultant firms) to conduct inspections to ensure compliance with our Code of Conduct.

18 Lack of Compliance

- 18.1 Should we find that a supplier fails to comply with the requirements of our Code of Conduct, we will discontinue the business relationship unless improvements are implemented within an agreed period of time. If we record repeated infractions against the Code of Conduct, we will immediately discontinue collaboration with the supplier.