

May 2024

Berner Group's Supplier Code of Conduct

Maintaining high business ethics and promoting sustainable development is the starting point for all activities in the Berner Group. We want to act correctly and responsibly, so that we can maintain the trust of all our stakeholders in us.

We also want to make sure that our suppliers and co-operative partners (herein after the "Supplier") act ethically and promote sustainable development in their own operations and supply chain. In the 15 principles of our Supplier Code of Conduct, we have defined the minimum requirements that our suppliers must comply with in their own operations and supply chain, in addition to all applicable legislation and applicable international standards. The Supplier needs to ensure that also their subcontractors and other parties in their supply chain comply with these principles and standards.

Berner is a member of the amfori Business Social Compliance Initiative (amfori BSCI), which aims to ensure and develop responsibility in global supply chains. This Supplier Code of Conduct is based on the ethical principles drawn up by amfori BSCI.

Compliance

The Supplier must comply with all applicable laws. Of particular significance are laws concerning the status of workers, occupational safety, equality, non-discrimination, privacy, bribery and corruption, competition, environmental protection, and product safety. The Supplier must ensure that its managers and workers have the appropriate information and knowledge of the Berner Group's Supplier Code of Conduct to comply with it in all respects.

Product Safety

The Supplier must ensure product safety of all products. The Supplier is required to ensure that all products and services meet legal requirements and are in compliance with applicable laws.

Human rights

The Supplier must respect and comply with all internationally recognized human rights and promote human rights in practice. The Supplier is required to establish processes and practices to ensure respect for human rights.

When national laws are not compatible with international human rights, the Supplier must comply with the applicable international regulation, for example the Global Compact, core ILO Conventions and the Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Bribery and anti-corruption

We do not tolerate any form of bribery, extortion, embezzlement, or corruption. This includes, but is not limited to, any promise of payment or payment of bribes and illegal payments to the authorities or other parties, or any advice or incitement to anyone to offer, give or accept them.

The Supplier should develop adequate internal controls or measures for detecting and preventing unethical behavior. The Supplier should promote awareness and compliance of the policies and measures against unethical business within the company through training and communication. Any form of money laundering, financing of terrorism and unlawful restrictive trade practices are strictly prohibited.

Discrimination

The Supplier must treat all workers equally with respect and dignity. We expect the supplier to not tolerate discrimination of any form including, but not limited to, discrimination based on gender, religion, age, ethical or social background, disability, ethnic and national origin, membership in unions, political affiliation or opinions, sexual orientation, disease, race, or any other condition that could give rise to discrimination. We do not tolerate any form of violence, inhumane or degrading treatment in the workplace, threats of violence and abuse, oppression, sexual harassment, or other form of harassment.

The Supplier shall provide a way for workers to report about issues on harassment and discrimination without the fear of negative consequences.

Labor rights

The Supplier is obliged to comply with national laws and to respect all internationally declared labor rights in compliance with the core ILO conventions and the principles of the Global Compact. When national laws are not compatible with international standards, the Supplier must comply with international regulations.

The Supplier is required to treat its workers fairly, equally and with respect. The Supplier must respect all workers' personal dignity and their health, safety, privacy, freedom of religion and conscience. The Supplier should provide decent, and when relevant, flexible working conditions as well as equal opportunities and treatment for workers throughout recruitment and employment.

All work of the workers should be based on documented employment relationships that does not cause social, economic, or other vulnerabilities for the workers. The Supplier's employment arrangements shall primarily be permanent employment unless there is a valid reason for temporary or part-time employment. The Supplier shall not use subcontracting in a way that undermines the right of workers. Supplier shall strive to inform its workers of all their rights, responsibilities, and employment terms in an understandable way before and during employment.

Working hours and wages

Working hours must comply with national legislation and applicable collective agreements. The Supplier must respect decent working hours and no worker may be required to work for more than 48 regular hours per week, subject to recognized exceptions specified by the ILO.

Overtime shall only be used exceptionally and on voluntary practice paid at a premium rate of minimum 125 % of the standard rate and shall not represent a significantly higher likelihood of occupational hazards. Overtime shall in no circumstance go over the limits defined under national legislation and the Supplier shall grant employees 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.

Wages, benefits, and overtime compensation must comply with national legislation and applicable collective agreements, whichever is higher. Any deduction from wages as a disciplinary measure is prohibited in all cases. In addition, wages should be paid out in a timely and regular manner and fully in legal tender.

The Supplier should respect the right of workers to receive a fair remuneration, which is enough to provide a decent living. The Suppliers shall strive to ensure that decisions regarding an employee such as remuneration and recruitment are based on merit such as skills, responsibility, experience, and education.

Health and work safety

The Supplier must comply with all national laws and all applicable international standards. When national laws are not compatible with international regulations, the Supplier must comply with international standards. The Supplier shall ensure that its workers have a safe and healthy working environment and access to proper occupational medical assistance.

The Supplier should actively work to assess, identify, mitigate and prevent accidents and all work-related injuries to the best of the Supplier's capability. Special attention should be paid to the protection of vulnerable persons, such as young workers, new or expecting mothers and persons with disabilities. The Supplier is encouraged to maintain records of all health and safety incidents occurred in its business facilities.

The Supplier must also actively find solutions to protect the health of its workers and provide appropriate personal protective equipment to all its workers free of charge. The Supplier shall train its workers on occupational health and safety regularly.

Freedom of association and collective bargaining

The Supplier shall respect the right of all workers to freely and voluntarily establish and join organizations of their own choice and bargain collectively in accordance with national laws and collective agreements. No worker shall be discriminated because of trade union membership.

If the Supplier operates in countries where democratic trade union activity is unlawful or not allowed, the Supplier should allow for workers to freely elect their own representatives, who can represent workers in dialogue with the employer. The representatives and recruiters shall not be prevented from interacting with workers at the workplace or elsewhere.

Forced labor

No form of bonded, indentured, trafficked, non-voluntary, servitude or forced labor (including state-imposed force labor), or labor with a fear of punishment is permitted. Workers must work at their own will for compensation and workers should be free to leave and change their employment when they wish.

The Suppliers shall follow international principles of responsible recruiting, including the Employer Pays Principle which is a commitment to ensure that the employer pays the costs of recruitment, when engaging and recruiting all workers directly or indirectly. Special attention should be paid to members of vulnerable groups such as temporary workers.

Child labor and special protection for young workers

Child labor is not permitted. Every child is to be protected from economic exploitation and from carrying out work that can be considered dangerous, having a negative effect on the child's education or harmful to the child's health or development.

The Supplier shall not employ directly or indirectly children below the minimum age of completion compulsory schooling as defined by law, which shall not be less than 15 years, or under 14 years of age in those countries specified in Article 2.4 of ILO Convention 138. The Supplier shall establish a robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the workers.

If child labor is detected in any of the facilities of the Supplier, Berner Group and the Supplier shall in cooperation determine the required action and all actions will be decided in the best interest of the child or children in question.

Individuals between the ages of 15-18 years should not be subject to working conditions that could be harmful to their health or development. In addition, working hours for young workers should not hinder their attendance at school or participation in other vocational training approved by competent authority. Neither should the working hours negatively affect young workers' possibility to benefit from other trainings or instruction programs.

The Supplier should actively identify, prevent, and mitigate harm to young workers. Special attention should be paid to young workers' access to grievance mechanisms and Occupational Health and Safety trainings and programs.

Environment

The Supplier shall comply with all national laws and standards or with international standards such as the OECD Guidelines for Multinational Enterprises where national legislation is weak. The Supplier shall also actively work towards reducing emissions and make more sustainable use of resources. The Supplier is encouraged to act in an environmentally friendly way, thus not causing a significant negative environmental impact in their operations and continuously cooperate with Berner Group in further reducing our environmental impact.

Communication

The Supplier is required to communicate openly and honestly with Berner Group and its workers. The Supplier is required to present truthful information with respect to its operations, working conditions, origin of products and all other required information.

Confidentiality

The Supplier must comply with the strictest rules of confidentiality regarding personnel, customers, business partners and trade secrets. Special attention must be paid to personal data in accordance with national laws and regulations.

Compliance and enforcement

Compliance and enforcement of this Supplier Code of Conduct by the Supplier is a matter of high importance for Berner Group. It is the Supplier's responsibility to ensure that this Supplier Code of Conduct is implemented and complied with in practice.

It is the duty of the Supplier to immediately report directly to Berner Group any issues or detected or suspected violations of this Supplier Code of Conduct or any applicable laws. The Supplier may also report detected or suspected violations anonymously by using the external WhistleB communication channel. The service is available at <https://report.whistleb.com/berner> in eight languages.

Berner Group reserves the right to conduct audits and other inspections to all the Supplier's locations and facilities by Berner Group workers or by third parties on the behalf of Berner Group to ensure that all parts and aspects of this Supplier Code of Conduct is being implemented and complied with. These inspections may be unannounced without prior notice. The Supplier shall give full access to the facilities and necessary documents requested by the inspectors within the limits needed for protecting trade secrets and in line with national legislation and EU GDPR. The Supplier shall allow on-site and off-site interviews with workers in full confidentiality.

In case the Supplier or a party in its supply chain fails to comply with the terms of this Supplier Code of Conduct, Berner Group reserves the right to require improvements by the Supplier in related matters. If improvements are not made within the determined time period, Berner Group has the right to terminate its contract and business with the supplier.

It is the duty of the Supplier to immediately report directly to Berner Group any issues or detected or suspected violations of this Supplier Code of Conduct or any applicable laws.

With its signature(s) below the Supplier commits to comply with this Supplier Code of Conduct.

Date: _____

Company: _____

Signature: _____

Print name and title: _____
