



SOCIAL COMPLIANCE

Code of Conduct

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Code of Conduct			
From: QA	Valid from: 17/10/22	Rev.: 1	

CODE OF CONDUCT

Introduction

This Code of Conduct outlines the Code of Conduct throughout the organization of Remesco and we expect from our suppliers and their sub-suppliers to follow the same regarding human rights, business practices, employee relations, health and safety and other topics related to sustainable and responsible business practices based on internationally agreed standards such as the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Suppliers are expected to accept and follow this Code of Conduct. They are responsible for communicating these principles to their employees and sub-suppliers and ensure the compliance with them.

This Code of Conduct is based on following 5 guiding principles:

1. Compliance with all applicable laws and regulations

Suppliers shall conduct their business in accordance with all applicable (international) treaties, laws, operational regulations and restrictions. Where provisions are absent or unenforced, we expect the suppliers to act in the spirit of this Code.

The supplier actively pursues a policy of preventing violations of applicable rules and regulations. In case of any perceived or actual conflict the supplier is expected to notify Remesco.

Suppliers will communicate the principles set forth in this Supplier Code of Conduct to their supply chain and are expected to develop adequate documentation to demonstrate that they share the principles and values expressed in this Supplier Code of Conduct.

2. Business ethics

Business will be conducted with integrity, i.e. in a professional and independent manner, with honesty and fairness in all aspects of business. Remesco does not tolerate any acts of corruption, extortion, embezzlement, bribery or money laundering.

Suppliers will not offer or accept bribes or other unlawful incentives to/from their business partners. Suppliers are expected not to offer to Remesco employees gifts or any other kind of personal benefit resulting from the relationships with the suppliers.

Suppliers will conduct their business in line with fair competition and in accordance with all applicable anti-trust laws.

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3. Labour

3.1 Child labor and forced labor

Child labor is not tolerated in our supply chain. Suppliers must avoid any sort of child labor in their business operations consistent with the International Labor Organization's core labor standards. Further, we do not tolerate slavery, servitude and forced or compulsory labor and human trafficking in our supply chain.

3.2 Freedom of association and collective bargaining

Suppliers shall pursue an open and constructive dialogue with their employees and workers' representatives. In accordance with local laws, employees may associate freely, join labor unions, seek representation, join works councils and engage in collective bargaining. Suppliers will not disadvantage employees who act as workers' representatives.

3.3 Discrimination

The workplace shall be free of harsh and inhumane treatment, without any harassment, abuse, corporal punishment or mental or physical torture, or the threat of any such treatment.

3.4 Working hours and remuneration

Working hours for suppliers' employees will not exceed the maximum set by the applicable national law. Compensation paid to employees will comply with applicable national wage laws. The employees will be paid in a timely manner.

4. Health and safety

Employees shall be protected from any chemical, biological and physical hazards in the workplace as well as from risks associated with any infrastructures used by them.

Suppliers will mitigate health and safety risks in the workplace by providing appropriate controls and safe work procedures, appropriate personal protective equipment as well as establishing preventative maintenance and necessary technical protective measures.

5. Environment

Suppliers will have systems in place to ensure the safe handling, movement, storage, recycling, reuse and management of waste, air emissions and wastewater discharges in order to prevent or mitigate accidental spills and releases into the environment. They are also expected to use natural resources (e.g. water, sources of energy, raw materials) in an economical way.

Negative impacts on the environment and climate will be minimized or eliminated, e.g. by modification of production, maintenance and facility processes, material substitution, conservation, recycling and material reutilization. Suppliers will engage in the development and use of climate-friendly products and processes to reduce power consumption and greenhouse gas emissions.

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CSR-audits may be announced or unannounced and should be performed by third-party audit firms. The CSR-audit should cover at least the following steps:

- Reviewing documentation, e.g. timesheets and payroll
 - Verifying HR practices to confirm that the company is not employing underage workers
 - Reviewing time records, wage records, and other records to evaluate if the company adheres to local labour laws
- Touring the facility to observe health and safety conditions
- Conducting formal interviews with management and employees
- Discussing any violations and corrective actions with the management

Annex I is providing an overview of ethical audit formats and certifications and if supplier cannot provide CSR audit results by third party we shall request alternative and adequate documentation proving compliance with CSR requirements and *Remesco's Code of Conduct*. Further information concerning such other social compliance frameworks may be found in ANNEX II.

5.1 Supplier Evaluation Process & Certifications

Every supplier undergoes a standardized evaluation process and is required to comply with our Code of Conduct.

Minimum Requirements:

- ✓ ISO 13485 – Quality Management System
- ✓ ISO 14001 – Environmental Management System
- ✓ Evidence of compliance with Social Responsibility requirements

Optional:

- ✓ ISO 9001 – Quality Management System
- ✓ ISO 45001 – Occupational Health and Safety Management System
- ✓ ISO 14040 – Life Cycle Assessment
- ✓ SMETA Audit (Sedex)
- ✓ SA8000 Certification
- ✓ Business Social Compliance Initiative (BSCI)
- ✓ Fair Labor Association (FLA)
- ✓ EcoVadis

Supplier evaluations are conducted regularly, at least once per year. Where necessary, evaluations may be carried out at shorter intervals.

5.2 Our Evaluation of Suppliers

Base for evaluation of our suppliers is the *Suppliers Evaluation Form*, which is used in the annual evaluation of each of our suppliers and guides on the determination of supplier's compliance with *Remesco's Code of Conduct*, evaluation of the presented social compliance certification and/or other evidence of compliance.

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In our Quality Management System the *Supplier Evaluation Form* already is a crucial tool for evaluating our suppliers' performance on an annual basis. We review all our suppliers regarding product quality, price competitiveness, order processing, delivery service, customer service, claim management, etc. since a very long time. Additionally, we also perform on-site supplier audits reviewing the incoming goods inspections, the production line, the packaging department, the quality control and the technical documentation and we shall extend our evaluation by including the scope of ethics and social responsibility.

6. Action Plan and Time Schedule

No.	Action	Timeframe
STEP 1	Informing suppliers about <i>Remesco's Code of Conduct</i>	Ongoing Process
STEP 2	Remesco's suppliers confirm/sign our Code of Conduct, which will become an integral part of our supply contracts (either directly in the contract or as addendum to existing contracts).	Ongoing Process
STEP 3	Remesco's suppliers will provide a copy of their CSR-audits / certification. Alternatively, adequate documentation proving the conformance with Remesco's Code of Conduct may be accepted.	Ongoing Process
STEP 4	Evaluation of suppliers, based on Remesco's Code of Conduct and suppliers CSR-audits / certification and/or other evidence presented by the supplier.	When adding new supplier and on annual basis.