



OPTI GROUP 

Supplier Code of Conduct
April 2024

High standards of sustainability and business ethics

OptiGroup's most important assets are its reputation and customer confidence. OptiGroup companies are committed to high standards of sustainability and business ethics, and we expect all our suppliers to adhere to similar standards. This Supplier Code of Conduct defines the basic minimum requirements that apply to all suppliers to OptiGroup companies throughout the relationship with us.

Purpose

The purpose of the OptiGroup Supplier Code of Conduct (hereinafter referred to as the "Supplier Code of Conduct") is to define the minimum sustainability requirements that apply to all suppliers to OptiGroup companies (hereafter jointly referred to as "OptiGroup"), in the areas of:

- Legal compliance
- Human rights, including forced labour and child labour
- Working conditions, including working time and adequate wages
- Health and safety
- Equal treatment and opportunities
- Resource efficiency and waste management
- Greenhouse gas emissions
- Pollution
- Water management
- Biodiversity and ecosystems
- Business ethics
- Corruption and bribery

Our Supplier Code of Conduct summarises the fundamental ethical attitudes and integrity standards shared across all companies within OptiGroup. The Supplier Code of Conduct is guided by international established frameworks such as UN Guiding principles for business and human rights, ILO Declaration on Fundamental Principles and Right at work and OECD Guidelines for multinational enterprises. It outlines our key ethical principles and requirements on issues that can have a significant business, legal and reputational consequences if handled improperly. Our commitment to responsible business conduct can only be met if our suppliers and business partners act in the same manner. This Supplier Code of Conduct has therefore been developed to clearly communicate our requirements to our suppliers and suppliers are expected to meet these minimum requirements throughout the relationship with OptiGroup.

When selecting new suppliers, emphasis will be given to social, environmental and integrity standards.

Scope - Who must follow the Supplier Code of Conduct?

The Supplier Code of Conduct applies to all of OptiGroup's suppliers who have a contractual obligation to comply with it. This includes suppliers' employees at all levels, board members, hired personnel, consultants and others who act on behalf of or represent the supplier.

OptiGroup further expects its suppliers to ensure that equivalent standards are complied with and respected within their own sphere of influence, in particular by their own suppliers.

Our general requirements

- Supplier shall comply with all the requirements of this Supplier Code of Conduct.
- Supplier shall ensure that all requirements of this Supplier Code of Conduct are cascaded to and complied with within its own operations and by its direct suppliers.
- Supplier shall operate honestly and be transparent with facts and data. Environmental data related to production, product and transport shall be available upon request.
- Supplier shall have a senior executive in place who is responsible for compliance with the areas covered by this Supplier Code of Conduct.
- Supplier shall be proactive in appropriately addressing any risk of violation of the requirements, whether in their facilities or in their supply chains.
- Supplier shall implement and make available appropriate grievance channels and remediation mechanisms available to all employees and third parties in order for them to raise concerns or complaints, without fear of retaliation.
- Supplier shall establish and maintain adequate management systems to oversee all elements of this Supplier Code of Conduct, in proportion to the size, complexity and risk environment of the Supplier's business.

Legal compliance

Suppliers shall operate in full compliance with all applicable laws, rules and regulations in their country of origin and in the countries where they operate and that are relevant to the content of this Supplier Code of Conduct.

Suppliers are expected to act in accordance with relevant international conventions and guidelines set by international organisations, including by the United Nations and the Organisation for Economic Co-operation and Development (OECD).

Where differences exist between applicable laws, regulations and this Supplier Code of Conduct or requirements of the contract, suppliers shall follow the strictest requirements. Furthermore, suppliers must not engage in activities, even if legal, that could harm the reputation of OptiGroup.

Human rights

Suppliers shall respect all internationally recognised human rights such as UN Universal Declaration of Human Rights and treat all people with dignity. The supplier shall not be associated with trafficking in human beings, forced labour or compulsory labour and child labour.

Forced labour and modern slavery

The supplier shall under no circumstances use, or in any other way benefit from, forced labour in line with the ILO Convention 29 on Forced Labour and the ILO Convention 105 on Abolition of Forced Labour. This entails that the Supplier shall not use physical punishment, confinement or threats of violence as a disciplinary measure, or retain employees' identification, passports, work permits or deposits as a condition of employment.

Child labour

Suppliers must adhere to UN Convention on the Rights of the Child article 32, ILO Conventions 79, 138 and 182, and ILO Recommendation 146. Policies and procedures for remediation of child labour shall be established, documented, and communicated to personnel and other interested parties.

If work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals, including nightwork, the minimum age for workers shall **be the higher of 18 and** the national minimum age for employment, or the age of completion of compulsory education.

The types of employment or work to which the aforementioned requirement applies shall be determined by national laws or regulations or by the competent authority. The supplier should review the requirements of the national legislation and consult with experts to determine the type of employment and the corresponding minimum working age.

In case if national legislation, standards or requirements do not consider the work performed as likely to jeopardise the health, safety or morals, the minimum age for workers could be 16 on condition that the health, safety and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity. Adequate support shall be provided to enable such children to attend and complete compulsory education.

There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.

Adequate housing

Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water. Security of tenure, affordability, habitability, accessibility, appropriate location and cultural adequacy shall be ensured.

Privacy

Suppliers shall respect the privacy of its employees. Privacy refers to the protection of personal information and individual rights of employees, including their personal data, online activities and physical movements.

Marginalised populations

Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalised populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

Working conditions

Health and safety

Suppliers must adhere to ILO Convention 155 and 187 on Occupational Safety and Health and ILO Recommendation 164 on Health Protection and Medical Care.

Suppliers shall provide a healthy and safe working environment. This includes, at a minimum, to provide potable drinking water and adequate lighting, temperature, ventilation, sanitation, and personal protective equipment for workers. Suppliers shall ensure that fire alarms, firefighting equipment and emergency exits are in place and maintained. Fire and evacuation drills must be carried out regularly. Workers shall receive regular health and safety training, and such training shall be repeated for new or reassigned workers.

The company observing this Code shall assign responsibility for health and safety to a senior management representative.

Hazardous substances

Supplier shall identify potentially hazardous substances in chemical products and articles used in its production and ensure that they are handled, transported, stored, recycled and disposed of safely. Safety information shall be available to educate, train, and protect employees from hazardous materials and employees shall have access to adequate personal protective equipment.

Hazardous chemicals and other substances shall be carefully managed and adequate actions taken to prevent accidents.

Working time and work-life balance

Supplier must adhere to ILO Conventions 1 on Hours of Work and 14 on Weekly Rest.

Suppliers shall always respect and comply with applicable laws, collective bargain agreements, and benchmark industry standards, and not more than prevailing international standards.

Working hours should not on a regular basis be more than 48 hours per week. Overtime shall be limited and voluntary, and workers shall always receive overtime pay for all hours worked over and above the normal working hours, minimum in accordance with relevant legislation. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

Workers shall be provided with at least one day off for every 7-day period.

Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all of the following are met:

- This is allowed by national law
- This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce
- Appropriate safeguards are taken to protect the workers' health and safety and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Adequate wages and benefits

Supplier must adhere to ILO Convention 131 on Minimum Wage.

The supplier's employees must be provided with wages and benefits that, at a minimum, comply with national laws and collective bargain agreements, whichever is higher. Wages must be paid regularly and directly to the employees at agreed time. Wages should always be enough to meet basic needs, including some discretionary income.

Supplier shall prior to employment provide its employees with information about their employment terms and conditions, including benefits, in a format and language they can easily understand, formalised in a contract of employment. All workers are entitled to a timely wage statement. Deduction from wages is permitted only if and to the extent prescribed by applicable law, regulations or collective bargaining agreements. Deductions from wages as a disciplinary measure shall not be permitted without the express permission of the worker concerned.

Secure employment

Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided using short-term contracting, sub-contractors or other labour relationships. The duration and content of apprenticeship programs shall be clearly defined prior to the assignment and beginning of apprenticeship period. Suppliers shall provide job security, benefits, and opportunities for career development to its employees.

Freedom of association, collective bargaining and social dialogue

Supplier must adhere to the ILO Conventions 87, 98, 135 and 154 on the freedom of association and the right to organise and is expected to recognise and respect the rights of employees to form and join trade unions, the right to social dialogue as well as the right to collective bargaining. The employer cannot interfere with, obstruct, the formation of unions or collective bargaining.

Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

Where the right to freedom of association and/or collective bargaining is restricted under law, the supplier facilitates, and does not hinder, the development of alternative forms of independent and free employees association and bargaining.

Equal treatment and opportunities

Suppliers shall not discriminate when hiring or in any other employment practices in line with the ILO Convention No. 100 on Equal Remuneration, the ILO Convention No. 111 on Discrimination and the UN Convention on Discrimination Against Women. This includes, for example employment, promotion, benefits and access

to training on the grounds of diversity such as race, ethnic background, gender, disability, sexual orientation, age, religion, political opinion, maternity, social origin, union membership or political affiliation or similar characteristics. Suppliers shall ensure gender equality and equal pay for work of equal value at the workplace.

Measures against violence and harassment in the workplace shall be implemented. Suppliers must treat their employees with dignity and respect and shall not tolerate any physical, psychological, sexual or verbal harassment including harsh or inhuman treatment, coercion, detention or unwanted sexual advances.

Suppliers shall provide a workplace which is accessible to persons with disabilities in order to ensure employment and inclusion of persons with disabilities.

Training and skills development

Suppliers should provide training and skills development for workers. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms.

Environmental practises

Suppliers must comply with all applicable legal environmental requirements and strive for continuous improvement of their environmental performance. Relevant discharge permits shall be obtained.

Measure 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, minimising impact on biodiversity as well as minimising greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or degraded.

Supplier should conduct annual environmental risk assessments any place its facilities are present to exclude unaccounted risks of environmental pollution and degradation. Based on risk assessments, supplier should take measures to minimise risks where possible.

The supplier is expected to continuously improve its environmental performance in the value chain by means of operational control and monitoring and by focus on awareness and training. Supplier shall seek continual improvement of environmental performance on the basis of sound science and technical and economic feasibility.

Resource efficiency and waste management

Supplier shall monitor, track and document its consumption of natural resources such as water and raw materials, wastewater, and solid waste generated by its operations, as well as sources of energy in order to be able to identify aspects that supplier can control and can influence fostering opportunities for improvement and minimised consumption. Consumption shall be monitored, tracked and documented on both the site and corporate level and provided to OptiGroup upon request.

Supplier shall monitor, track and document the composition of their packaging material which becomes waste at OptiGroup in order to facilitate steps towards circular economy, e.g. utilising non-complex materials and/or materials for which there are locally established recycling markets available.

Greenhouse gas emissions and pollution

Supplier shall, latest by the end of 2025, monitor, track and document its greenhouse gas emission, pollution to air, water and soil from its production, facilities and transports as well as its use of microplastics in its production and packaging of products. This in order to be able to identify aspects that supplier can control and influence fostering opportunities for improvement and minimised emission. All output shall be monitored, tracked and documented on both the site and corporate level and be provided to OptiGroup upon request.

Water management

Suppliers shall monitor, track and document its water withdrawals, water consumption and water discharges. Suppliers with production located in water stressed areas shall implement sufficient measures to ensure local communities are not impacted by water scarcity, identify aspects that the supplier can control and influence while fostering opportunities for improvement and minimised impact. All output shall be monitored, tracked and documented on both the site and corporate level and be provided to OptiGroup upon request.

Biodiversity

Supplier shall monitor, track and document its impact on biodiversity. This including its impact drivers of biodiversity loss, its direct exploitation impacting biodiversity as well as dependencies on ecosystem services in order to be able to identify aspects that supplier can control and influence fostering opportunities for improvement and minimised impact. All output shall be monitored, tracked and documented on both the site and corporate level and be provided to OptiGroup upon request.

Business ethics

Fair competition

Suppliers shall apply high commercial ethical standards and compete within the framework of competition rules in the markets where they operate. Price-fixing, market sharing and similar anti-competitive practices are prohibited, and suppliers must comply with applicable legislation regarding procurement, competition, taxes and social security charges.

Sanctions

Suppliers shall comply with applicable export controls and economic or trade sanctions.

Corruption and bribery

The highest standard of integrity is expected in all business interactions, and suppliers shall act in accordance with the UN Convention on Corruption and not engage in any form of corrupt practices including bribery, conflicts of interest, fraud, embezzlement, unlawful kickbacks, extortion and nepotism/cronyism. This means that the supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain a business or other advantage from a third party, whether public or private.

The supplier shall refrain from offering gifts and entertainment to OptiGroup's purchasers, agents or other employees in an attempt to influence business decisions.

Conflict of interest

In our suppliers' business dealings with us, we expect our suppliers to take decisions based on objective criteria only. Supplier shall do business in an open and transparent way in order to demonstrate that they are an honest and reliable partner. Further, supplier shall conduct business in a manner that avoids situations where private, financial or other external interests conflict with the job responsibilities of the employee. Board members and employees of supplier must behave impartially in all business dealings and not give other individuals, companies or organisations improper advantages. Any situation where an OptiGroup employee or professional under contract with the OptiGroup may have a personal interest of any kind in the supplier's business or any kind of economic ties with the supplier, must immediately be reported to your business contact or OptiGroup head office.

Intellectual property

Suppliers must respect intellectual property rights, including patents, trademarks, copyrights and process designs, and safeguards OptiGroup companies confidential and proprietary information. Any transfer or sharing of technology or know-how must be done in a manner that protects intellectual property rights.

Money laundering

At OptiGroup we expect our suppliers to comply with all applicable laws and regulations governing the prevention of money laundering.

Suppliers shall not accept, support or facilitate money laundering and are strictly forbidden to knowingly engage in transactions that facilitate money laundering or otherwise result in unlawful diversion of assets.

Data

Whenever a supplier is entrusted with personal information about individuals, supplier shall safeguard it and take appropriate steps to protect it from misuse. All applicable data privacy laws as well as the contractual terms with OptiGroup shall be observed when collecting, storing, using, processing, or sharing personal information about individuals.

Confidentiality and accuracy of records

Suppliers shall keep confidential and not misuse any information about OptiGroup of a confidential nature, as may be further specified in the contract between OptiGroup and the supplier.

Suppliers are committed to transparency, verifiability and accuracy in their dealings, while respecting their confidentiality obligations. All accounting information must be correct, registered, and recorded in accordance with laws and regulations.



Compliance and consequences

Sustainability and business ethics performance as outlined by this Supplier Code of Conduct is a key indicator in the OptiGroup supplier qualification and assessment process, and accepting it is a prerequisite for doing business with us.

OptiGroup verifies compliance with the requirements of this Supplier Code of Conduct by means of a self-assessment questionnaire and reserves the right to conduct an on-site audit at any time, either through employees of the OptiGroup or through an independent third party appointed by the OptiGroup.

Lack of cooperation, failure to address violations of the requirements of this Supplier Code of Conduct and/or non-timely implementation of necessary corrective action plans may result in a reduction in business and, ultimately, an end to the business relationship with the OptiGroup. OptiGroup shall retain the right to terminate the contract if the supplier violates the Supplier Code of Conduct and do not remedy at no additional cost to OptiGroup companies.

Any questions regarding the interpretation of this Supplier Code of Conduct can be raised to your business contact at respective OptiGroup company.

Suppliers shall have an internal mechanism for reporting and handling concerns or breaches of the Supplier Code of Conduct, shall without delay inform OptiGroup of any concerns or potential breaches and shall provide full cooperation in relation to OptiGroup's' investigation of the matter. Suppliers shall not use any retaliatory measures against anyone for raising or helping to address a genuine business integrity concern. All reports will be treated as confidential information. Where anonymity is elected, OptiGroup will safeguard the identity of the reporter.

Compliance declaration

All business relations between OptiGroup companies and their suppliers must be based on honesty, trust and cooperation. By signing the Code of Conduct for suppliers, the supplier commits to working proactively to meet these requirements within its own operations and supply chain.

We, the undersigned hereby confirm:

- That we have received and taken due note of the OptiGroup Supplier Code of Conduct and commit ourselves to fully comply with its principles and requirements.
- That we agree that OptiGroup or a third party appointed by OptiGroup may carry out inspections/audits to verify our compliance with the Code.
- That we effectively communicate the contents of the Supplier Code of Conduct to our employees, agents, subcontractors, suppliers and sub-suppliers with whom we work with in the delivery of goods and services to OptiGroup.
- That we without delay inform OptiGroup of any concerns or potential violations of the OptiGroup Supplier Code of Conduct.

Name:

Function:

Company name:

Company address:

Place, date:

Signature:

About OptiGroup

OptiGroup is a leading European distribution Group offering customised supply solutions to B2B customers. OptiGroup companies specialise in providing customers, primarily within cleaning & facility management, hotel & restaurant, health & medical care, manufacturing industry and the graphical sector, with products and supply solutions that streamline operations and promote a more successful business.

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