

# Entrepreneurial Due Diligence in the Supply Chain

## bofrost\* supplier CODE OF CONDUCT

As an international family business and European market leader in direct distribution of ice cream and frozen food specialities, we at bofrost\* are aware of the important responsibility we have between manufacturers/suppliers and our bofrost\* customers. bofrost\* is therefore committed to social, ethical and environmental corporate governance and, in particular, to respecting human rights. This guiding principle has always shaped our entrepreneurial thinking and actions and we also expect our suppliers to follow it.

This **Supplier Code of Conduct** ("CoC") therefore serves as the basis for implementing this guiding principle.

The CoC sets out the minimum requirements for all of our national and international bofrost\* manufacturing partners, suppliers and service companies ("**Partner/s**").

The CoC is based on national laws, such as the German Supply Chain Due Diligence Act (*LkSG*), as well as on international conventions and principles, such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the core labour standards of the International Labour Organization (ILO).

The CoC is a fundamental component of the contract and is binding for the cooperation between the Partners and bofrost\*. It forms the basis for all deliveries to and services for bofrost\*.



The Partner undertakes to comply with the principles and requirements of the CoC and to endeavour to place an obligation on its upstream suppliers/subcontractors to comply with the principles and requirements set out in this CoC.

## Preamble

The Partner will ensure compliance with human rights and, in doing so, respect and comply with social, ethical and environmental standards as well as the respective state legal systems.

### I. Social standards

#### 1 No forced labour

Forced labour will not be tolerated. Products resulting from compulsory or forced labour will be rejected by bofrost\*. A job must be taken up voluntarily. This also includes work by prisoners.

*ILO Conventions 29 and 105 apply.*

#### 2 Freedom of association - collective bargaining

Every employee has the right to form an employee representation body or to join an employee representation body (trade union). The possibility of collective bargaining agreements between employers or employers' organisations and employee organisations is to be encouraged. Employee representatives must not be subject to discrimination.

*ILO Convention 87 and 98 apply.*

#### 3 No discrimination

Any form of discrimination against employees must be avoided and actively prevented.

Employees must not be subject to discrimination on grounds of their gender, race, ethnic or social origin, religious or political beliefs or opinions.

This includes equal pay for equal work for men and women.

*ILO Conventions 100 and 111 apply.*

#### 4 No child labour

Child labour will not be accepted. The minimum age for employees depends on local legislation. The minimum age is at least 15 years.

Exceptions are permitted for vocational training purposes. The vocational training must not be harmful to health and development and school attendance must not be prejudiced.

*ILO Conventions 138 and 182 apply.*



## **5 Payment of adequate wages**

Wages must be sufficient to cover the basic needs of employees and their dependents, taking account of local circumstances.

In addition, a portion of the income must still be freely available after living expenses have been deducted.

*ILO Convention 131 applies.*

## **6 Occupational safety and health and working environment**

Health protection and occupational safety must be complied with within the framework of the respective national conditions and customs. Employees must be afforded adequate protection. Safety and accident prevention measures are to be encouraged. The risk of accidents and occupational illnesses must be reduced to a minimum.

*ILO Convention 155 applies.*

## **7 Conservation of natural resources**

The conservation of natural resources must be observed and maintained. Neither land nor forests nor waters, the use of which secures the livelihood of persons, may be unlawfully cleared or taken away. Harmful soil changes, water and air pollution, noise emissions as well as excessive water consumption must be refrained from if this harms the health of persons, significantly impairs the natural resources for the production of food or prevents access by persons to safe drinking water or sanitary facilities.

## **II. Ethical standards**

### **1 Fair conduct in competition**

Fair competition must be respected. The applicable competition laws and other laws regulating competition apply as mandatory. It must be ensured that no prohibited restrictive agreements on prices or terms of sale, market/customer or territory sharing are entered into with competitors, customers and upstream suppliers, subcontractors.

### **2 Anti-corruption and combatting money laundering**

Corrupt behaviour must not be engaged in and such behaviour will not be tolerated.

The applicable statutory anti-corruption requirements must be complied with. These include the prohibition of promising, offering or granting a financial or other advantage for the purpose of unfair preferential treatment in competition. When dealing with public officials, the stricter statutory requirements applicable to such public officials must be observed.

Furthermore, the statutory duties to combat money laundering must be respected and there must be no participation in transactions that serve to conceal or integrate assets acquired through criminal acts or illegally.



### **3 Trade and business secrets, confidentiality**

Trade and business secrets of bofrost\* and of bofrost\* customers must be protected and treated confidentially. The Partner may only make use of these within the scope of the use permitted.

### **4 Data protection and data security**

The collection, storage, processing, transfer and disclosure of personal information must comply with data protection and information security laws and government regulations.

With regard to the technical and organisational protection of data, in particular with regard to protection against unauthorised access and loss, an appropriate standard must be maintained which takes account of the state of the art in technology and the respective risk.

## **III. Environmental standards**

bofrost\* and the Partner are sustainably committed to the goal of environmental protection for current and future generations.

The applicable national and international laws, regulations and standards for limiting and avoiding environmental pollution must be complied with. Appropriate measures must be taken to avoid, mitigate and remedy negative impacts on surrounding communities, natural resources, the climate and the environment in general.

The prohibitions on the export of hazardous and other waste (as defined in the Basel Convention of 22 March 1989, as amended) must be observed. In particular, chemicals or other materials that pose a hazard if released into the environment must be identified and handled in a manner that ensures safety during handling, transport, storage, use, recycling or reuse and disposal. The prohibitions of the Minimata Convention of 10 October 2013 and the Stockholm Convention of 23 May 2001, as amended, apply in this respect.

## **IV. Implementation**

### **1 Measures**

Appropriate measures must be taken in the Partner's own business area to ensure compliance with this CoC. These include, among other things, appropriate training measures for its employees and the introduction and maintenance of adequate monitoring and plausibility checks.

If the Partner's production sites are located in a risk country identified by amfori BSCI<sup>1</sup>, compliance with the principles, standards and regulations set out in this CoC at these sites must be proven by means of an audit by an internationally recognised certification company. This especially applies prior to commencement of the business relationship with bofrost\* and compliance must also be maintained continuously and without interruption at all times during the term of the contract and proof of this provided to bofrost\* upon request.

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<sup>1</sup> Amfori BSCI Countries Risk Classification, available at [www.amfori.org](http://www.amfori.org).



The Partner must address the principles, standards and regulations contained in this CoC appropriately, also with regard to its own suppliers (i.e. through its direct and indirect upstream suppliers within the meaning of the German Supply Chain Due Diligence Act (*LkSG*)) and endeavour to subject its upstream suppliers to contractual obligations to this effect. It can also implement further rules.

The Partner is also required to inform us without undue delay if its procurement and purchasing practices should have a negative impact on human rights and environmental concerns with regard to products manufactured for bofrost\*.

The Partner undertakes to conduct risk management appropriate to the business activity in relation to implementation of the CoC by identifying, analysing and prioritising the human rights and environmental impacts of its business activities and those of its upstream suppliers.

The Partner must provide the necessary personnel capacities and develop and implement management systems, processes and guidelines in order to establish the requirements described in this CoC and to monitor on an ongoing basis whether they are being met. This also includes conducting training courses to educate employees on the content of this CoC accordingly.

The Partner must be able to prove the origin of all of its raw materials used back to their source. bofrost\* may at any time require the Partner to provide a complete and up-to-date overview of its supply chain (Supply Chain Mapping) back to the source in order to make it easier for bofrost\* to assess the implementation of this CoC with regard to the upstream supply chain.

## **2. Notification of breaches**

The Partner must report any breach of the CoC. This does not affect its further-reaching notification obligations under the following sections of the CoC. The notification must be made with due regard for the legitimate interests of the Partner (or its upstream supplier, where applicable), the rights of employees, data protection and the protection of trade secrets.

Breaches must be reported via [www.bofrost-meldekanal.de](http://www.bofrost-meldekanal.de).

## **3 Rights of information and audit**

bofrost\* will regularly verify compliance with the principles, standards and regulations set out in this CoC through surveys and audits.

The Partner is aware that bofrost\* has a duty to carry out risk analyses in accordance with section 5 German Supply Chain Due Diligence Act (*LkSG*). At the request of bofrost\*, the Partner must provide without undue delay all information required by bofrost\* in order to carry out the risk analysis with regard to the Partner's company (also repeatedly, insofar as repetition is required pursuant to section 5 (4) German Supply Chain Due Diligence Act (*LkSG*)).

The Partner also agrees that bofrost\* may itself carry out – or have carried out by third parties commissioned by it – audits at the Partner's premises during normal business hours after giving reasonable advance notice. Audits take place once a year or any time the risk assessment for compliance by the Partner with the principles, standards and regulations set out in sections I – IV



changes. The Partner is entitled to take reasonable measures to protect its trade and business secrets and to protect personal data.

#### **4 Violations and remedial measures**

Should bofrost\* identify a risk in relation to the Partner's company or one of its upstream suppliers within the scope of a risk analysis in accordance with section 5 German Supply Chain Due Diligence Act (*LkSG*) or should the Partner itself identify such a risk and/or should the Partner violate the principles, standards and regulations of this CoC, the Partner must report the respective circumstance to bofrost\* without undue delay and, in consultation with bofrost\*, take appropriate remedial or improvement measures within a reasonable period of time. bofrost\* is entitled to suspend the business relationship with the Partner in full or in part during the period during which the Partner is implementing the remedial and improvement measures.

In the event that the Partner refuses to take appropriate remedial or improvement measures or the remedial or improvement measures taken do not remedy the situation after expiry of a reasonable period, bofrost\* will be entitled to terminate the business relationship without notice for good cause and to terminate all contracts with the Partner without notice for good cause.

Termination for other reasons (in particular termination without notice in the case of particularly serious violations) remains unaffected as do any claims for compensation by bofrost\*.

#### **5 Establishment of complaint mechanisms**

The Partner must establish appropriate mechanisms in its own business area for employees to draw attention to violations of human rights-related or environmental obligations. The Partner must work towards ensuring that its direct and indirect upstream suppliers also establish complaint mechanisms that meet the above requirements.

## **V. Declaration of consent**

By signing this CoC, the Partner declares that it undertakes to recognise and comply with this CoC within the scope of its business relationship with bofrost\*.

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Signature of authorised representative of Partner and stamp

