

Supplier Code of Conduct

Introduction

Svenska Retursystem (SRS) has for the last 15 years been the invisible but crucial link between producers, wholesalers and stores in the Swedish grocery business. Every day we deliver nearly 500 000 reusable crates and pallets to the industry. Our pooling system is based on the principles for circular economy and sustainable growth is the heart of our daily business and operation. Within the company we all share the vision of a sustainable future.

Our Supplier Code of Conduct describes what SRS considers to be appropriate business conduct and hence the ethical and sustainable behaviour that SRS expects from its Suppliers when they provide service on behalf of or supply products to SRS. In addition, all Suppliers are expected to comply with all applicable local and international laws and regulations.

The Supplier Code of Conduct is based on the principles of the UN Global Compact's ten principles that are derived from the Universal Declaration of Human Rights, International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN convention against corruption.

The supplier Code of Conduct applies to all business partners of SRS. Suppliers and customers must ensure, to the greatest extent possible, that their own business partners and sub-contractors also comply with the requirements of this Supplier Code of Conduct.

If ever in doubt on how to act or how to comply, ask yourself the following questions:

- Is it consistent with the Code?
- Is it ethical?
- Is it lawful?
- Will it reflect well on my employer and Svenska Retursystem?
- Would I want to read about it in the newspaper?
- Would my family and friends approve of it?

If the answer is "no" to any of these questions, avoid doing it. If you are still in doubt, contact SRS. Keep asking questions until you are certain.

We strongly encourage all our Suppliers to take immediate action when faced with non-compliance with this code of conduct. SRS will under the terms of each Supplier cooperation encourage and support continuous improvements in cooperation with the Supplier and SRS. SRS reserves the right to conduct notified and non-notified supplier audits in order to verify compliance to this Code of Conduct.

Anna Elgh

CEO Svenska Retursystem AB

Social Sustainability

SRS fully supports the UN Framework and Guiding Principles on Business and Human Rights and expects the Supplier to respect all human rights, including labour rights, throughout its business activities.

Occupational health and safety (OHS)

SRS Suppliers must provide a safe and healthy working environment for their employees and comply with all applicable laws, rules and regulations in the countries where they carry out their business activities as well as having routines for update at legal changes.

The Supplier is required:

- to fulfil all applicable legal OHS requirements, to have a written OHS policy of its own, to demonstrate management's commitment to OHS, and to assign responsibility for OHS within its organization,
- to ensure that operational controls such as rules and procedures are in place and communicated to all employees,
- to have emergency preparedness and response procedures in place, to increase its employees' awareness of health and safety issues,
- to enhance safety culture through open communications, and to ensure that its staff have received appropriate OHS training.
- to measure and monitor its OHS performance and OHS hazards,
- to conduct continuous improvements, report and investigate all health and safety incidents, prevent injuries and illnesses including the use and abuse of alcohol, drugs etc.

Product Quality and Safety

All products and services delivered by the Supplier must meet the quality and safety standards required by applicable law. When conducting business with or on behalf of SRS, the Supplier must comply with the agreed quality requirements.

Freedom of Association and Collective Bargaining

The Supplier should grant its employees the right to associate freely, join trade unions and/or workers councils and engage in collective bargaining in accordance with all applicable laws and international conventions.

Child Labour

Suppliers shall only employ workers who meet the applicable minimum legal age requirement or are at least fifteen (15) years of age, whichever is greater. Suppliers must also comply with all other applicable child labour laws.

Equal Rights

The Supplier is expected to provide equal opportunities for their employees and shall not discriminate on the basis of race or gender, religious belief, marital status or sexual orientation or use forced labour.

Hours of work and wages

SRS Suppliers must pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. All employment conditions, including compensations, working hours, vacation time, leave periods and holidays must be consistent with applicable laws and regulations, especially mandatory industry standards.

Economic Sustainability

SRS expects its Suppliers to conduct business in an ethical and lawful manner and use the following specific rules to address anti-corruption, competition and conflict of interest issues.

Anti-corruption, bribes and gifts

SRS has a zero-tolerance towards bribery and our Suppliers are expected not to accept or offer bribes of any kind. Bribery means any offer or acceptance of a gift, loan, fee, remuneration or anything of value to or from another person or entity, private or public, as an incentive to influence or promote a certain act or omission which would not have been appropriate under normal conditions and in the absence of bribery.

When doing business with SRS this means among other things that:

- SRS Representatives shall always pay for their own travel and accommodation costs when visiting the Supplier, conferences, reference plants etc
- SRS Representatives shall not be offered any gifts, hospitality or expenses that could be considered unreasonable or inappropriate with regard to possible business transactions.

If team members have any doubts about giving or receiving a gift or benefit, they are to directly reject or directly consult their line manager.

Fair Competition

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

Conflict of Interest

The Supplier is expected to report to SRS any situation that may appear as a conflict of interest, and disclose to SRS if any SRS employee or professional under contract with SRS may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

Environmental Sustainability

SRS Vision is "A sustainable future". Together with our Partners and Suppliers, we work hard in order to constantly reduce our environmental foot print. We expect all Suppliers to comply with applicable legal environmental requirements and demonstrate continuous improvements of its environmental performance following the mind-set Reduce – Reuse – Recycle in all processes.

Environmental Management System

The Supplier shall have an environmental policy and a relevant environmental/ quality management system designed to identify, control and mitigate significant environmental impacts with timed targets.

The Supplier must also

- identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and disposal
- optimise its consumption of natural resources, including energy and water
- prevent pollution and minimize generation of solid waste, wastewater and air emissions

Resource Consumption, Pollution Prevention and Waste minimization

The Supplier shall optimize its consumption of natural resources, including energy and water. Supplier shall implement and demonstrate solutions to prevent pollution and minimize generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, supplier shall characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.

Product development

Minimization of environmental effects shall be a crucial impact in the process of product development i.e. materials shall be able to easily Reuse and/or Recycle.

Continuous Improvement

Suppliers are expected to continuously improve their sustainability performance by implementing appropriate measures.

Implementation and follow up

The Supplier is responsible to ensure that its employees and subcontractors are informed about this Supplier Code of Conduct, and that they meet the requirements.

At request the supplier shall be able to show relevant documents which proof the compliance of this code.

At significant changes in operations or at products, the supplier shall inform us without delay. The Supplier is required to immediately report any non-compliance with this CoC to Svenska Retursystem. The Supplier, sub-contractors and any of its employees may report their concerns confidentially to:

Anna Elgh
Svenska Retursystem AB
Box 6620
SE-113 84 Stockholm, Sweden.

See web page www.retursystem.se for more details.

Enforcement

If SRS finds that the Supplier is not meeting the requirements and expectations set out in this CoC, SRS will offer guidance specifying which issues need to be corrected or improved. The Supplier must then take corrective actions promptly as advised by SRS. SRS nevertheless reserves the right to cancel outstanding orders, suspend future orders or terminate the contract with the Suppliers in case of a material breach of this CoC.

Should the main contract between SRS and the Supplier, to which this CoC forms an Appendix, contain separate termination rules, it is nevertheless understood by both parties that breach of this CoC may be considered a material breach of contract, thus entitling SRS to terminate the contract.