

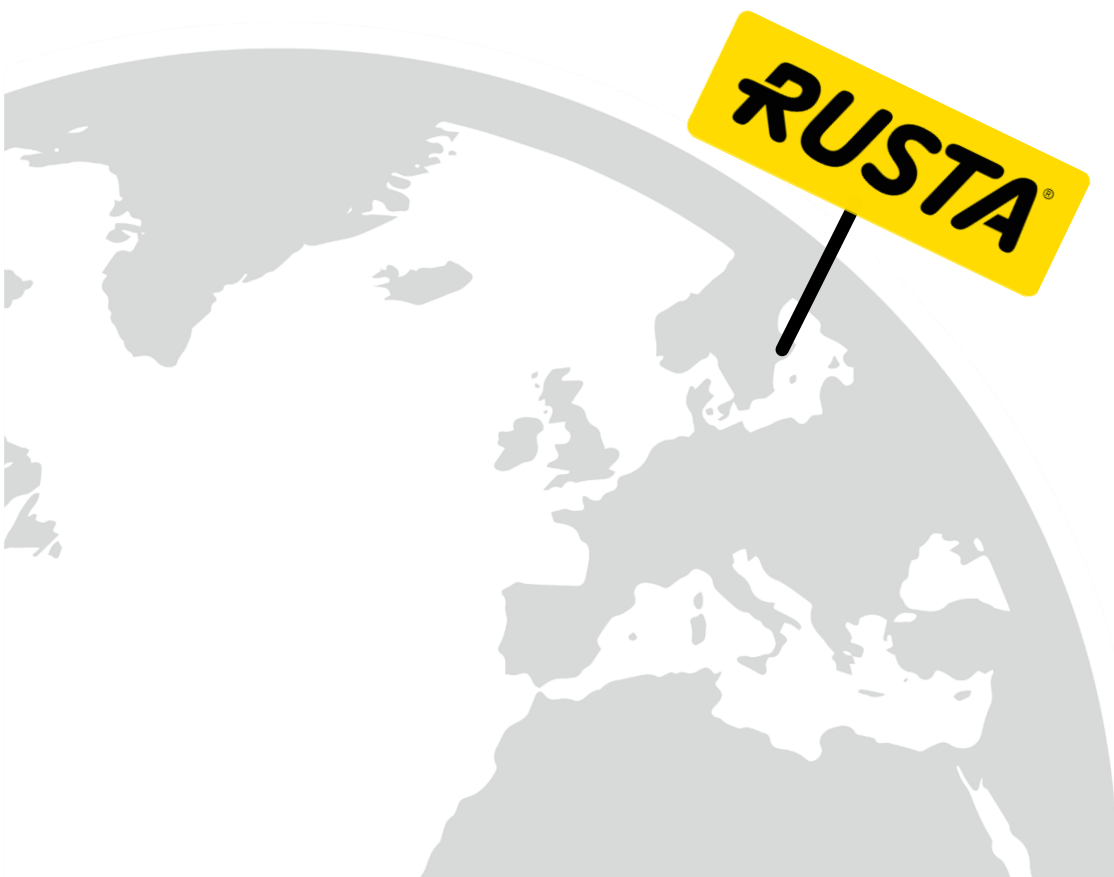
Owner: CEO
Approved by: The Board
Date of approval: 2024-03-12

Rusta Supplier Manual
Code of Conduct

Rusta

Code of Conduct

External



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1. Introduction

Rusta believe in a close co-operation with our Suppliers/partners/factories and in taking an environmental and social responsibility through the whole supply chain. All of Rusta’s business partners need to comply with our Code of Conduct (CoC). This is a pre-condition in order to fulfil our vision and a sustainable growth of our common business.

Our vision is to make Rusta the leading and **most trusted** low-price retailer in Europe. Our customer promise is to make it easy to renew and refill at home. Always at surprisingly low prices. At Rusta we believe that to act sustainably is a natural part of doing business.

Our activities affect people’s lives and the environment both locally and globally. For this reason, we have a great responsibility to do everything possible to reduce our negative impact on the environment and at the same time contribute to the well-being of people who in any way are affected by our activities and our business. Rusta has incorporated the sustainable development goals of the United Nations (UN) and are members of the UN Global Compact.

Rusta’s Code of Conduct follows internationally agreed standards including the Universal Declaration of Human rights (UDHR). We have added requirements on Business ethics, Protection of the environment, Animal protection and Equal opportunities and rights.

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Additionally, through our membership with UN Global Compact we fully support, and actively work with, the ten principles within the areas of human rights, labour, environment, and anti-corruption.

This Code of Conduct applies, without any exception, to all Suppliers, partners, agents and their factories (hereinafter referred to as the "Supplier") as well as subcontractors of both goods and services that do business with the Rusta Group, including Rusta AB, Rusta Retail AS, Rusta Finland OY and Rusta Retail GmbH.

We encourage our Suppliers co-workers to contact Rusta on this link <https://report.whistleb.com/rusta>

Reporting channel

We want to do the right thing. Anonymously alert on irregularities through our external reporting channel from WhistleB Whistleblowing Centre.



Scan the QR code or go directly to <https://report.whistleb.com/en/rusta>

Or by scanning this QR code:

If they observe any deviations towards this Rusta Code of Conduct. All information submitted will be handled confidentially.

2. Legal demands

Suppliers and all their subcontractors are required to respect, implement and comply with all the requirements of this Code of Conduct and the principles which underpin them:

1. I) The European Union (EU) Taxonomy Regulation

Fundamental international labour standards as defined by the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its Follow-up:

- C87, Freedom of Association and Protection of the Right to Organise Convention, 1948
- C98, Right to Organise and Collective Bargaining Convention, 1949
- C29, Forced Labour Convention, 1930 (and its 2014 Protocol)
- C105, Abolition of Forced Labour Convention, 1957
- C138, Minimum Age Convention, 1973
- C182, Worst Forms of Child Labour Convention, 1999
- C100, Equal Remuneration Convention, 1951
- C111, Discrimination (Employment and Occupation) Convention, 1958
- C155, Occupational Safety & Health Convention, 1981 (moved up)
- C187, Promotional Framework for Occupational Safety and Health Convention, 2006

II) Other applicable international labour standards, such as:

- The ILO call for Decent Work
 - C1, Hours of Work (Industry) Convention, 1919
 - C14, Weekly Rest (Industry) Convention, 1921
 - C95, Protection of Wages Convention, 1949
 - C131, Minimum Wage Fixing Convention, 1970
 - C135, Workers' Representatives Convention, 1971
 - C161, Occupational Health Services Convention, 1985
 - R85, Protection of Wages Recommendation, 1949
 - R116, Reduction of Hours of Work Recommendation, 1962
 - R135, Minimum Wage Fixing Recommendation, 1970
 - R164, Occupational Safety and Health Recommendation, 1981
 - R184, Home Work Recommendation, 1996
 - R190, Worst Forms of Child Labour Convention Recommendation, 1999
- [\(Conventions and Recommendations \(ilo.org\)\)](#)

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III) Applicable national and/or local legislation.

IV) OECD Due Diligence Guidance for Responsible Business Conduct, 2018

In all instances, the international labour standard, national and/or local legislation which affords the highest level of protection shall apply.

3. Rusta Code of Conduct Basics

To have the chance to become a Supplier to Rusta the following eight requirements shall be fulfilled at all times:

- Critical health and safety hazards shall be prevented
- No child labour
- Voluntary labour only
- Critical environmental hazards shall be prevented
- Good business ethics shall be practiced
- All employees have an employment contract
- Wage equal to or exceeding the legal minimum level
- Access to fresh drinking water and toilets

These eight Basics are non-negotiable. The first step is that the potential Supplier performs a self-evaluation in accordance with Rusta's CoC evaluations form. Additionally, when these eight basic requirements are fulfilled, Rusta and the supplier focus our common improvements on health & safety, compensation and working hours. Below follows more information regarding the eight CoC Basics.

4. Occupational health and safety

Suppliers shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.

Suppliers shall take adequate steps to prevent accidents and injuries to health arising out of, associated with, or occurring during work by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Appropriate and effective Personal Protective Equipment (PPE) shall be provided free of charge as needed to all workers. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities shall receive special protection.

Suppliers shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. Suppliers are also obliged to follow the guidelines and recommendations from local authorities. This means that the necessary pre-cautions shall be implemented and maintained to secure the health and safety of all co-workers.

Suppliers shall provide access to adequate medical assistance and facilities to the work performed.

Suppliers shall provide all workers at the workplace with access to clean toilet facilities (preferably separate by gender) and drinkable water and if applicable, sanitary facilities for food preparation and storage.

Suppliers shall ensure that residential facilities for workers, where provided, are clean and safe.

Suppliers shall assign the responsibility for health and safety to a senior management representative.

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Suppliers shall provide risk based regular and recorded health and safety training to workers and management and such training shall be repeated for all new or reassigned workers and management.

Suppliers shall provide adequate safeguards against fire and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.

Suppliers shall undertake sufficient training of workers and management in waste management, handling and disposal of chemicals and other dangerous materials.

5. No child labour

Suppliers shall comply with:

- I) The national minimum age for employment
- II) Or the age of completion of compulsory education
- III) Or any otherwise specified exceptions

Suppliers shall not employ any person under the age of 15, whichever of these is higher. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.

Suppliers shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the Supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first according to United Nations Convention on the Rights of the child.

5.1 Young workers

Suppliers shall not employ young workers under 18 years of age at night, or in conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

Where young workers are employed, Suppliers shall ensure that:

- I) The kind of work is not likely to be harmful to their health or development.
- II) Their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

6. No forced or bonded labour

All work shall be conducted on a voluntary basis and not under threat of any penalty or sanctions. The use of forced or compulsory labour in all its forms, including prison labour when not in accordance with Convention 29, is prohibited. Suppliers shall not require workers to make deposits/financial guarantees and shall not retain identity documents (such as passports, identity cards, etc.) nor withhold wages outside a legal contractual agreement.

Bonded labour is prohibited. Suppliers shall not use any form of forced or bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines or other means. Indentured labour is prohibited. Suppliers shall respect the right of workers to terminate their employment after reasonable notice. Suppliers shall respect the right of workers to leave the workplace after their shift.

Suppliers shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly. Suppliers shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse. All disciplinary procedures shall be established in writing and are to be explained verbally to workers in clear and understandable terms.

7. Protection of the environment

To meet the needs of present and future generations we need to act responsibly and secure a prosperous planet by preventing harm to the environment and use natural resources wisely. We expect our Suppliers and their Subcontractors to follow all relevant environmental legislations in the countries where they operate. We continuously evaluate the impacts, risks and opportunities, on the environment and on the society where we operate. We regularly carry out a materiality analysis together with the

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input from our stakeholders. This materiality analysis identifies our material aspects to focus on to further develop our business. It is clear that our products (raw materials, production and packaging) have the biggest effect on the environment.

The first step to eliminate or minimize the effects are to use more recycled or renewable materials.

The second step is to measure the environmental impact of our business such as energy, water consumption, waste, wastewater and emissions to air at Suppliers' buildings and processes.

The third step is to use renewable energy sources and reduce consumption of energy, water, and natural resources.

Rusta will not accept products or products that contains parts, from any flora or fauna that are listed as "Near threatened" or higher extinction risk, in the International Union for Conservation of Nature's (IUCN) red list of threatened species which can be found at: <http://www.iucnredlist.org/>

8. Business ethics

Rusta has a zero-tolerance approach to bribery and corruption in all its forms. We are committed to act professionally, fairly and with a high level of personal integrity in all our relationships and business dealings wherever we operate.

What is considered bribery is determined by national laws and regulations. Rusta is proud members of UN Global Compact who promotes Transparency International's Business Principles for Countering Bribery and define bribery in the following way: "Bribery: An offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business."

We take our legal responsibility very seriously and are committed to enforce effective systems to counter bribery to uphold all laws relevant, in all the countries we operate.

This means that suppliers shall not:

- Tolerate, permit or engage in bribery, corruption or unethical practices
- Offer money, gifts or entertainment to Rusta associates
- Enter transactions with Rusta associates that creates or may create a conflict-of-interest

It is specifically understood by both parties that in case the above agreed rules are violated, Rusta reserves the right to cancel all outstanding orders, deliveries and terminate all contracts between Rusta and the supplier without further notice.

9. Clear terms of employment

Work and working duties shall be based on a recognized employment relationship established in compliance with national legislation, practice and international labour standards, whichever affords the greater protection.

Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.

Suppliers shall provide all workers with written and understandable information about their employment conditions, including wages, working hours, terms of payment, before they enter employment and about details of their wages for the pay period concerned each time that they are paid.

Supplier shall aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially regarding migrant and seasonal workers whose children may be left in the migrants' hometowns.

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10. Fair living wages and benefits

Suppliers shall compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs for a decent living of employees and their families as well as provide some discretionary income for workers.

Suppliers shall not make any deductions from wages which are unauthorized or not provided for by national law. Suppliers shall not make any deduction from wages as a disciplinary measure.

Suppliers shall always compensate all workers for all overtime at a premium rate, as required by law and where applicable, by contractual agreement. The Supplier shall provide all legally required benefits, including paid leave to all workers. Wages are to be paid in a timely manner, regularly and fully in legal tender.

11. The rights of freedom of association and collective bargaining

Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorization from Suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities. Where the right to freedom of association and collective bargaining is restricted or prohibited under law, Suppliers shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards.

Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards. Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions.

12. Inclusion

Suppliers shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations, including unions, political affiliation, sexual orientation, or any other personal characteristics. Suppliers shall not engage in or tolerate bullying, harassment or abuse of any kind and they shall treat all workers with respect and dignity.

13. Equal opportunities and rights

Suppliers shall strive for gender equality and have a policy in place for protecting all employee's health and rights at the workplace. All employees shall be made aware of this policy in the beginning of their employment. Suppliers shall also facilitate separate spaces for employees to freely express opinions and concerns regarding their work environment to a corporate representative without the risk of adverse actions.

All employees regardless of gender shall be offered equal opportunities of training, promotion and influence at the workplace. Suppliers shall also assess if any unreasonable gender pay gaps are present at the company and take actions to eliminate them. Returning from maternity or paternity leave, Suppliers shall provide employees an equivalent position and equal pay comparable to the position they had before their leave.

14. Decent working hours

Suppliers shall set working hours that comply with national laws or benchmark industry standards or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers.

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Suppliers shall respect that working hours in a week do not exceed 60 hours, including overtime.

Overtime shall be voluntary and shall not be requested on a regular basis.
 Suppliers shall respect all workers' right to breaks during work shifts and to at least 24 consecutive hours of rest following six consecutive days worked as well as public and annual holidays.

Suppliers shall keep correct and complete attendance lists and payroll which documents working hours and salary payments for each employee. These records shall also include piece-rate payment and temporary workers.

15. Animal protection

Animals used in Rusta products shall be treated with respect, dignity and the five freedom recommendations on animal welfare set out by the World Organization by Animal Health (OIE) shall be followed as guidelines during their raising, transportation, and handling. The guiding principles which inform the OIE's work on the welfare of terrestrial animals include the 'Five Freedoms'. Developed in 1965, and widely recognized, the five freedoms describe society's expectations for the conditions animals should experience when under human control, namely:

- Freedom from hunger, malnutrition and thirst
- Freedom from fear and distress
- Freedom from heat stress or physical discomfort
- Freedom from pain, injury and disease
- Freedom to express normal patterns of behaviour

([Animal Welfare - OIE - World Organisation for Animal Health](#)).

All animal's origin shall be fully traceable.

- Rusta only accept down and feathers from slaughtered birds bred for meat production
- Rusta only accept products made of leather from cow, buffalo, sheep, goat or pig that have been bred for meat production (apart from clipped wool from sheep)
- Rusta do not accept feathers, down or fur picked from living animals
- Rusta do not sell any animal skin or part thereof with hair or fur fibers attached thereto, either in its raw or processed state or the pelt of any animal killed for the animal's fur. Animals includes, but is not limited to mink, fox, rabbit, karakul lamb and raccoon dog

"Fur" shall not include:

- 1) Such skins as are, or are to be, converted into leather or which in processing have, or shall have, the hair, fleece or fur fiber completely removed
- 2) Materials clipped, shorn or combed from animals, fleece, sheepskin, shearing
- 3) Leather or hair attached to skin that is typically used as leather e.g. cowhide with hair attached

15.1 Animal testing

Suppliers shall fully comply with all applicable laws and regulations regarding animal testing. Rusta does not accept any kind of animal testing done on the final product. In addition to applicable regulations concerning animal testing, Rusta requires all ingredients not to be tested on animals when alternative test methods exist.

16. Evaluations

All our Suppliers are obliged to inform us in writing of where each order is being produced. At Rusta, we have our own CoC evaluation teams, guarding that our Code of Conduct is being complied with. We reserve the right to at any time visit and evaluate the factories, producing our goods, unannounced.

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17. Good CoC performance equals better business

Good performance or continuous improvements on Rusta CoC social rating equals more orders. While poor performance or no improvements over time equals less or no orders. Please see details in the table below, column “Business impact CoC rating”:

Code of Con-duct rating	Business Impact: CoC rating	Business impact: improvement result	follow up
High Points: ≥39	No impact. New businesses are encouraged.		Self-control by the factory and random checks by Rusta
Good Points: 30 - 38	No impact		Within two (2) years
Average Points: 21 - 29	Placed orders can be shipped. New orders on existing items can be placed.	New item can be placed when three (3) improvements every six months are made.	Within six (6) months
Poor Points: ≤20	Current factory: Placed orders can be shipped. No new orders can be placed. New factory: First order can be placed.	No new business/item. New orders on existing items can be placed when three (3) improvements every six months are made.	Within six (6) months
Unacceptable Fail Rusta Basic	Current factory: No orders can be shipped. Potential factory: No start.	No orders can be placed.	

18. Monitoring of compliance

If a Supplier or their subcontractors does not comply with the demands set up in our Code of Conduct, we will demand improvements to take place within an agreed period. If the Supplier or their subcontractors continuously violate the Code of Conduct or if the violations are serious, we will put an end to the collaboration. As stated in the Supply Agreement, Rusta may terminate this Agreement with three (3) months’ notice in writing, if in the reasonable opinion of Rusta, the results of the quality and risk management evaluation of the Supplier’s (or any approved sub-suppliers’) production facilities, such evaluation to be made by Rusta prior to commencement of commercial supplies are not satisfactory.

19. Supervisory organization

Rusta requires all its suppliers to follow the Code of Conduct. To ensure that the CoC is complied with, Rusta Quality and sustainability department will:

- Ensure continuous communication and education of the CoC
- Maintain an appropriate compliance system
- Require suppliers to sign the Code of Conduct before engaging in a partnership/business relation with Rusta

The Code of Conduct is revised as necessary, taking the changing legal and business environment into consideration. At least on an annual basis, the Code is reviewed by the CEO and approved by the Rusta Board.

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CODE OF CONDUCT

Mr/Ms _____ as (Position) _____

whom Represents (which Company) _____

to sign this Code of Conduct.

We understand and accept all the terms and conditions of the Rusta Code of Conduct.

If Rusta Code of Conduct has not been fully carried out, we have the obligation to inform Rusta and Rusta have the right to take actions.

By signing this document, we accept all the terms and conditions of the Rusta Code of Conduct.

Date and place: _____

Signature: _____

Rusta responsible (name and signature): _____

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