

## **Martin & Servera's Code of Conduct for suppliers**

### **INTRODUCTION**

Martin & Servera AB with subsidiaries Martin & Servera Restauranghandel, Martin & Servera Logistik, Martin & Servera Restaurangbutiker, Diskteknik, Galatea with subsidiaries (Domaine Wines Sweden AB, Sundance Wines AB, KGA Logistik AB, Still Sparkling Solutions AB, Brygghuset i Sigtuna AB), Grönsakshallen Sorunda, Fiskhallen Sorunda and Fällmans Kött (named below as Martin & Servera), is the leading wholesaler and specialist for the catering industry in Sweden.

Martin & Servera is aware of its corporate social responsibility and the objective is to combine sound business operations with social and environmental responsibility. The basis for corporate responsibility for human rights is laid down by United Nations through the policy framework "Protect, Respect and Remedy", and the accompanied "Guiding Principles on Business and Human Rights". This implicates that Martin & Servera takes responsibility for knowing of the prevailing risks of violating human rights through-out the entire supply chain, and then for mitigating and remedying these risks with adequate actions. Martin & Servera is guided by the same principles concerning environmental responsibility in the supply chains. We shall know of the environmental risks, and minimise and remedy these risks.

Based on this commitment, we have set up the Martin & Servera Code of Conduct to make our position clear for all stakeholders such as suppliers, and other relevant partners. Martin & Servera's Code of Conduct is harmonized with BSCI's (Business Social Compliance Initiative) Code of Conduct and is based on the United Nations' Universal Declaration of Human Rights, the United Nations' Conventions on the Rights of the Child and on Discrimination Against Women, the International Labour Organisation's Convention on Human Rights and Labour Rights, United Nations' Global Compact, OECD's Guiding Principles for Multi-National Companies, and other relevant internationally acclaimed agreements including international environmental legislation. The contents of this document include in full the BSCI Code of Conduct version 1/2014.

Companies supplying Martin & Servera with products or services shall comply with the requirements of the Code of Conduct. Martin & Servera also expects all suppliers to ensure that their own suppliers of both goods and services are in compliance with our Code of Conduct.

All of Martin & Servera's suppliers, middle men as well as direct producers, shall obey the Code of Conduct, and are expected to be able to prove that they have done all in their own power to full-fill the requirements, as well as that of their suppliers in turn. Suppliers are obliged to know of where in the supply-chains risks of non-compliances to the Code of Conduct are prevalent, and be able to denote how these risks are mitigated and remedied. In regions where great poverty or other challenges in respecting human rights exist, we expect that suppliers and sub-suppliers work for continuous improvement in collaboration with local authorities, non-governmental organizations, Martin & Servera and other buying stakeholders.

Suppliers are further expected to regularly investigate the root causes to negative effects on human rights. Martin & Servera, in turn, will manage risk assessments and establish procedures for detecting and minimising negative effects on the environment and human rights through-out the entire supply chain.

A key to improved working conditions is dialogue between employees and employers, as well as effective management systems. Functioning collective bargaining and internal

systems for maintaining good working conditions can never be replaced by controls in the form of social audits. Martin & Servera will therefore, in line with BCSI's requirements, work for encouraging dialogues between employees and employers, and follow-up our suppliers on establishing and maintaining internal management systems for the systematic work with environmental responsibility, working environment and working conditions.

Within Martin & Servera we are convinced that we and our suppliers together can contribute to better working conditions and environmental responsibility. We will readily collaborate with our suppliers in this work. In return we expect honesty, openness and commitment from our suppliers and producers.

All the requirements below shall also be applicable to seasonal personnel, migrant workers, and personnel employed through middle men.

## **LEGAL REQUIREMENTS**

### **1. Legal Requirements**

1.1 As a general rule, suppliers to Martin & Servera must comply with all applicable national laws, industry minimum standards, and ILO and United Nations conventions. Should the provisions of national law and the requirement of this Code of Conduct differ, the highest standard shall apply.

## **CONDITIONS AT THE WORKPLACE**

### **2. Forced Labour/Slave Labour**

*ILO Conventions No. 29 and 105*

Forced labour implies that employees are obliged to work under some kind of physical, mental or economical constraint. Companies can also become complicit in forced labour if they gain from the fact that a business partner takes advantage of forced labour. Migrant workers or employment through middle men implies greater risks for forced labour and call for special attention.

2.1 No form of forced labour, slave labour or involuntary labour shall take place. This requirement pertains to all employees, irrespective of employment condition.

2.2 Employees shall not be required to pay a deposit or surrender their identity papers to an employer, and they shall be free to terminate a work contract after a reasonable period of notice.

2.3 Personnel shall have the right to leave the workplace premises after completing the standard workday.

### **3. Freedom of Association and Collective Bargaining**

*ILO Conventions No. 87, 98, 135 and 154*

3.1 Employees shall without exception have the right to join or establish trade unions by their own choice and to bargain collectively.

3.2 The supplier shall not discriminate against trade union representatives or prevent them from doing trade union work, or limiting their access to their members in the workplace.

3.3 If such rights are limited by law, the supplier shall facilitate, and in no way hinder, parallel mechanisms for free and independent association and bargaining.

## **4. Child Labour**

*UN Convention on the Rights of the Child*

*ILO Conventions No.79, 138, 182*

*ILO Recommendation No. 146*

*UNICEF's Children's Rights and Business Principles*

4.1 Children under the age of 18 shall not engage in labour that is hazardous to their health, safety, or morals. This includes night work.

4.2 Children under the age of 15 (14 or 16 in certain countries) shall not engage in labour that may be detrimental to their health, obstruct local compulsory education defined by law or restrict their rights to play and free-time.

4.3 Recruitment of labour in contravention of the above conventions is unacceptable. Suppliers shall establish procedures for age verification of employees. If child labour already takes place, actions shall be taken immediately. Child labor shall be terminated immediately, and an action plan in line with the recommendations of UNICEF and Save the Child with focus on what is best for the individual child, shall be established. The child in question shall be given the possibility to attend school as long as she or he is covered by compulsory schooling as defined by law. When appropriate, suppliers shall pursue the possibility to provide decent work for adult household members of the affected children's family.

4.4 Young workers between 15 and 18 have the right to special protection, for instance they may not work during night time or reside in hazardous work places. Their work may not impair possibilities of education, and their right to grievance mechanisms shall be given extra attention.

## **5. Discrimination**

*ILO Conventions No. 100, 111, 143, 158, 159, 169, 183*

*UN Convention on Discrimination Against Women*

5.1 The supplier shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on nationality, race, caste, ethnic and national origin, religion, age, disability, gender, marital status, family responsibilities, social background, sexual orientation, trade union membership or political affiliation.

5.2 Measures shall be established to protect employees from sexually intrusive, threatening, insulting or exploitative behavior, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

5.3 All employees with the same experience and qualifications shall receive equal pay for equal work. Wages shall reflect level of education and skills.

## **6. Personal Integrity**

6.1 Mental or physical abuse, corporal punishment or the threat of it shall be prohibited. The same applies to sexual abuse and any form of humiliation.

6.2 All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

6.3 The gathering and maintaining of information from sub-suppliers, customers and employees shall be done using precautionary procedures in order to prevent unauthorized disclosure or damage. Personal information shall always be managed with respect for personal integrity.

6.4 The working environment shall offer satisfactory personal integrity. The solutions can vary but examples can include lockers for personal belongings and separated hygiene facilities for men and women. In addition to the above, a private area utilizable only for the individual is applicable for dormitories.

## **7. Occupational Health and Safety**

*ILO Convention No. 155, 184*

*ILO Recommendation No. 164*

7.1 The working environment shall be safe and conducive to good health taking in account the existing knowledge of the industry and its related hazards.

7.2 A clear set of regulations and procedures must be established and followed regarding occupational health and safety, fire protection and emergency preparedness. A management representative responsible for the health and safety of all employees shall be appointed. Systems to detect, avoid or respond to potential threats to health and safety of all employees shall be established.

7.3 The work with occupational health and safety shall be done in collaboration between management and employee representatives, in order to reach a long-term safe and healthy work place.

7.4 All employees shall receive regular and recorded health and safety training. Such training must be repeated for new and reassigned employees.

7.5 Employees shall have access to clean sanitary facilities and clean drinking water. If necessary, the supplier shall also ensure access to facilities for safe food storage.

7.6 Special protection and a safe working environment shall be in place for vulnerable individuals, such as young or pregnant workers.

7.7 If needed, effective personal protective equipment shall be provided all employees free of charge.

7.8 The supplier shall register and document all accidents and injuries that affect the work force. In the event of an accident or injury, the supplier shall ensure the best possible protection of the employees, including provision of mandatory insurance programmes. All employees shall have the right to leave the work place without asking for permission in the event of immediate danger. The above shall also apply to seasonal workers, workers employed through middle men, and migrant workers.

7.9 The supplier shall ensure that adequate medical assistance is available at the work place, such as first aid, personnel trained in first-aid, or access to a nurse or doctor.

7.10 If the supplier provides accommodation, it shall be clean, safe, adequately ventilated, and have access to clean sanitary facilities and clean drinking water. Fire safety and emergency evacuation plans in dormitories shall be of the same standard as in the working environment.

## 8. Compensation

*ILO Convention No. 26, 95, 131*

8.1 Workers shall have the right to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted. Level of wages shall, as minimum, comply with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages shall always be sufficient to cover living expenses and provide some disposable income.

8.2 Overtime shall be compensated at a premium rate according to national law, or not less than 1,25 times the regular rate, whichever is higher.

8.3 Wages, as well as the method of how and when wages are to be paid, shall be agreed in writing before work begins. The contract shall be comprehensible to the employee.

8.4 Wages shall be paid in a timely manner, regularly, and in a legal currency. The level of wages shall reflect the skills and education of workers and shall refer to regular working hours.

8.5 It is unacceptable to use wage deductions as a disciplinary measure. Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

## 9. Working Hours

*ILO Convention No. 1 and 14*

*ILO Recommendation No. 116*

9.1 Suppliers shall ensure that workers are not required to work more than 48 regular hours per week. Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

9.2 Exceptions to the above limit of working hours per week are only allowed if these are in line with the exceptions specified by the ILO. In cases of exceptional pressure of work, the maximum of additional hours in each instance shall be fixed only after consultation with the organizations of employers and workers concerned.

9.3 Overtime shall be voluntary and is meant to be exceptional and shall not represent a significantly higher likelihood of occupational hazards.

9.4 Employees shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply. Public holidays shall be in accordance with national legislation or industrial standards.

## 10. Regular Employment

10.1 Obligations to employees in accordance with international conventions and/or national legislation and regulations concerning regular employment shall not be avoided by using short-term contracts (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

10.2 All employees are entitled to their own copy of the employment contract, which must be written in a language they understand.

10.3 The duration and content of apprenticeship programs shall be clearly defined.

10.4 The supplier shall take into special consideration employees who have children, especially seasonal and migrant workers with children located distantly, so that these workers can combine work with parenthood.

## CONDITIONS OUTSIDE THE WORKPLACE

### **11. Use of Resources and Impact on the Local Community**

11.1 The supplier shall assess its significant impacts on the environment and local community and take necessary actions to minimize its negative effects on natural resources, the local community and the environment.

11.2 No form of environmental criminal activity or ruthless exploitation of resources shall take place in the local environment.

11.3 The local environment at the production site shall not be excessively exploited or degraded by pollution. Hazardous chemicals and other harmful substances shall be carefully managed.

11.4 In cases of conflict with local communities concerning the use of land or other natural resources, the parties shall through negotiation ensure respect for individual and collective rights to land and other resources based on common custom or tradition, including in cases where such rights have not been formally registered.

11.5 Production and the extraction of raw materials for manufacturing shall not contribute to the destruction of the resource and income base for marginalized population groups, for example by laying claim to large land areas or other natural resources upon which such population groups depend.

### **12. National and International Environmental Legislation and Regulations**

12.1 National and International Environmental Legislation and Regulations

Production shall not conflict with national or international environmental legislation and regulations. The requirements of the global treaty CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) shall be respected.

12.2 Necessary emission and discharge permits shall be obtained where required. Procedures and standards for waste management; for handling and disposal of chemicals and other dangerous materials; and for emissions and effluent treatment shall be established and must meet or exceed minimum legal requirements.

12.3 Environmental aspects shall be taken into consideration throughout the production and distribution chain, from the production of raw materials to the sale of end-user products, and shall not be limited to the supplier's own operations and sub-suppliers. As far as possible, local, regional and global environmental issues shall be taken into account.

### **13. Animal Welfare**

13.1 Animal welfare shall be accommodated through-out the supply chain in the manufacturing of products of animal origin. The animals shall be handled at least in accordance with the current national animal welfare legislation.

13.2 The animals shall be healthy and be provided good care and a proper animal housing environment. Medical treatment shall be provided in case of illness, and with a restrictive and wise use of antibiotics.

13.3 The Five Freedoms of Animal Welfare, as adopted by the Farm Animal Welfare Council, are essential, and as minimum animals shall be entitled

- Freedom from hunger or thirst
- Freedom from discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behavior
- Freedom from fear and distress

13.4 All animals shall be stunned before slaughter.

## **ETHICAL BUSINESS PRACTISE**

### **14. Bribery and Corruption**

14.1 The supplier shall establish and follow an anti-bribery/anti-corruption policy in all of their business activities.

14.2 Employees (including managers) shall not directly or indirectly offer, promise, demand, require or accept illegal or unlawful monetary gifts or other forms of compensation in order to gain commercial advantages or benefits except from gifts or benefits of insignificant values. This also includes invitations, travels or participation in events with suppliers or business connections without approval of line manager.

14.3 The supplier shall demonstrate transparency and always be able to uncover the supply chain as far as possible. Misleading or false information is not accepted.

## **MANAGEMENT SYSTEMS**

### **15. Management Systems**

15.1 The supplier shall define and implement a policy for social accountability, including policies for child labour, forced labour, discrimination, inhumane treatment, bribery and corruption, discipline and grievance, including the requirements of BSCI. The social accountability policy shall be communicated and accessible to all employees.

15.2 Top management shall define and implement a management system to ensure that the requirements of this Code of Conduct and of BSCI can be met.

15.3 Management is responsible for the correct implementation and continuous improvement by taking corrective measures and periodical review of this Code of Conduct and of BSCI, as well as the communication of the requirements of the Code of Conduct to all employees.

15.4 The supplier shall investigate, address and respond to concerns of employees with regards to compliance of the supplier's policy and/or the requirements of this Code of Conduct and of BSCI.

15.5 The supplier shall establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Such a grievance mechanism aims at ensuring the rights to effective remedy of workers at the work place, or other affected individuals of the local community. These grievance mechanisms shall not supersede pertaining legal systems, but shall constitute means of resolving conflicts at the work place before they escalate.

15.6 The supplier shall refrain from disciplining, dismissing or discriminating against any employee for providing information concerning adherence of this Code of Conduct.

## COMPLIANCE

### **16. Trust and Cooperation**

16.1 Martin & Servera expect all suppliers to respect the Code of Conduct and the requirements of BSCI and to do all in their power to achieve our standard.

16.2 The supplier shall map out the supply chain and manage an assessment of where risks of violating any of the above mentioned fundamental principles occur, and take relevant actions for remediation. This assessment shall be continuously updated.

16.3 We do understand that some non-compliances take time to correct, since the underlying causes may prevail as parts of the local community. We believe in cooperation and are willing to collaborate with our suppliers, authorities, trade unions and industry organization to find realistic solutions in every individual case.

### **17. Inspections**

17.1 Martin & Servera works with social compliance audits and other means of following up. Martin & Servera reserves the right to conduct unannounced visits at any time to any of the factories/suppliers that produce goods for us.

We also reserve the right to appoint independent third parties (for example Non-Governmental Organizations or Consultant Firms) to conduct inspections to ensure compliance with our Code of Conduct.

### **18. Lack of Compliance**

18.1 We do not accept the following from our suppliers:

- Presenting false information verbally or in writing
- Offering or accepting bribes or being guilty of other forms of corruption
- Not correcting non-compliances within the agreed time frame without a reasonable explanation
- In other ways showing that they do not share our view of sustainable business, and thereby not respecting Martin & Servera's Code of Conduct or BSCI's requirements.

The above cases are all sufficient reasons for terminating the business relationship with our suppliers.

## **SIGNING OF MANAGING DIRECTOR (CEO)/AUTHORIZED SIGNATORY**

I have read and accepted M&S Code of Conduct:

Company \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

# **martin&servera**

Telephone \_\_\_\_\_

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