



# IFCO Supplier Policy

## Commitment letter / foreword

IFCO as a company and group is committed to being a responsible and valuable partner in the supply chain, building a sustainable business that serves its customers, employees and stakeholders and the communities in which they live. At IFCO, we are committed to achieving "Zero Harm". This means zero injuries, zero environmental damage and zero detrimental impact on human rights. IFCO is a signatory to the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption.

We strive to source all our products and services with this aim in mind and we ensure safe products of high quality throughout our global supply chain. IFCO operate extensive networks that rely on the expertise and skill of suppliers to meet its customers' changing needs. The reliance IFCO places on its suppliers means that the actions of our suppliers and business partners can be attributed to IFCO, affecting our reputation and the level of trust we have earned from customers, stakeholders and the wider communities in which we operate.

We therefore require our suppliers to work with IFCO to develop more efficient, safer and sustainable supply chains, including by conducting business in compliance with all applicable laws and regulations and in accordance with the principles and values set forth in this Supplier Policy. IFCO's Supplier Policy applies to all our suppliers, including (but not limited to) our subcontractors, consultants, service providers and their employees.



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CEO



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# 1. Governance

## 1.1 Fair Competition and Antitrust

**Our suppliers shall commit to competing in a fair manner in compliance with all applicable competition laws and regulations.**

We expect our suppliers to compete fairly in the markets in which they operate and to comply with all applicable laws and regulations regarding fair competition and antitrust. Violation of these laws will not be tolerated;

The Supplier must not participate in bid rigging by way of bid suppression, complementary or cover bidding, bid rotation, or other mechanisms that limit fair competition in tender situations;

The Supplier must not participate in any other form of cartel practices with competitors, such as dividing or allocating markets or customers or price fixing.

## 1.2 Anti-Bribery/Anti-Corruption

Suppliers are expected to comply with all applicable anti-corruption laws and regulations and conduct their business with integrity.

Corrupt practices are unacceptable, and extortion, bribery, kickbacks, and facilitative payments in any form are strictly prohibited. No gifts may be accepted or offered above a nominal or modest value.

Suppliers should not offer, authorize or provide hospitality that may improperly influence, or create the appearance of improperly influencing business decisions, or decisions by IFCO's customers or others with whom we work.



**IFCO has a zero-tolerance policy on antibribery and corruption.**

## 1.3 Conflicts of Interest

The Supplier is expected to avoid conflicts of interest between its obligations to IFCO under this Supplier Policy and its obligations to its other business partners or personal relationships.

## 1.4 Sanction Lists

The Supplier shall ensure that no entity within the Supplier's group of companies, its management or owners, being legal entities and/or persons, business partners and subcontractors appear on any watch and/or sanctions lists issued by the UN, UK, EU or US governmental bodies (collectively "Sanctions and Watch lists"). Further, the Supplier must inform IFCO immediately if it becomes aware that any of its group of companies, management or owners, being legal entities and/or persons, subcontractors or business partners appear on any such Sanctions and Watch lists.

# 2. Workplace Standards and Practices

## **Suppliers must operate in compliance with labor and health and safety laws.**

IFCO's policies are guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. We expect our suppliers to follow these principles as well.

Suppliers are expected to operate their facilities and conduct employee relations in an ethical manner and to comply with applicable laws and regulations in the countries in which they operate. This includes, but is not limited to, laws and regulations relating to labour and employment, health and safety, and the environment.

Suppliers are expected to provide a safe and hygienic workplace in compliance with applicable health and safety laws and industry best practice towards health, safety and wellbeing, and to establish policies and practices to minimize the risk of accidents, injury, and exposure to health risks. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers. The Supplier shall assign responsibility for health and safety to a senior management representative. All workers should have to the right to stop unsafe work.

No discrimination: Suppliers are expected to provide a workplace of equal opportunity, and free from unlawful discrimination. We expect our suppliers to create and maintain a culture of diversity and inclusion. There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, or any other status protected by applicable law.

No harassment: Suppliers are expected to treat every employee with respect and dignity and not subject any employee to physical, sexual, psychological, or verbal harassment or abuse. The words and actions of our suppliers must show respect for the diverse range of people and cultures with whom we work and for their human rights.

No violent, harsh or inhumane treatment is allowed. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Employment is freely chosen: Supplier shall not use forced labour, whether in the form of slavery, involuntary prison labour, indentured labour, bonded labour, human trafficking, or otherwise. Workers are not required to lodge „deposits“ or their identity papers with the Supplier and are free to leave their employment after reasonable notice. Any commissions and other fees associated with employment of migrant workers must be covered by the Supplier, not the migrant workers.

Applicable laws on freedom of association and the right to collective bargaining by workers are respected by the Supplier. The Supplier adopts an open attitude and direct engagement towards the activities of trade unions and their organizational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace without fear of harassment, intimidation or reprisal. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

There shall be no recruitment of child labour. Suppliers are expected to comply with applicable child labour laws and comply with minimum age requirements. Supplier shall respect the rights of children to develop and to receive an education. IFCO cannot engage in or tolerate the use of child labour. IFCO defines child labour as



**Suppliers must respect the human rights of employees and treat them with dignity.**

employing young people under the age of completion of compulsory schooling, under the minimum legal age for employment in the country, or younger than 16 years, whichever age is higher. Anyone under 18 shall not be employed at night or in hazardous conditions.

Living wages are paid. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Suppliers shall be in full compliance with any industry standards and all applicable laws with respect to maximum number of hours and days worked, holiday time, and reasonable time off. Working hours, excluding overtime, shall be defined by contract, and shall not exceed the maximum permitted under applicable laws and regulations. All overtime shall be voluntary. Overtime shall be used responsibly, considering the extent, frequency and hours worked by individual workers and the entire workforce. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. The total hours worked in any seven-day period shall not exceed the maximum permitted under applicable laws and regulations.

Regular employment is provided. To every extent possible work performed must be based on a recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided by labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**IFCO does not tolerate unlawful discrimination or inhumane treatment in any form.**

As a company we acknowledge that protecting our environment is where we can make our biggest impact.



### 3. Environmental practices

It is a minimum requirement that all Supplier operations comply with all relevant environmental laws and regulations.

Our suppliers should seek to minimise their environmental footprint, in turn helping IFCO to minimise its customers' environmental footprint. Suppliers should remove unnecessary packaging, processes or logistics, and replace single use products with more sustainable, reusable or home compostable alternatives.

We require our supplies to have a proactive approach to environmental risk management and manage natural resources responsibly; the Supplier shall take full responsibility for their impact on the environment and shall proactively try to improve their business, operational and environmental performance in order to protect the environment.

We require major suppliers in sectors with a high environmental impact to provide evidence of their systems for ensuring good environmental performance.

### 4. Management Systems, records and audit

Suppliers are expected to establish an appropriate management system to:

- Comply with applicable laws and regulations;
- Comply with the principles set forth in this Supplier Policy;
- Detect and correct any non-compliance;
- Make this Supplier Policy available to its employees;
- Train employees to understand applicable laws and regulations and the principles set forth in this Supplier Policy; and

- Communicate the principles set forth in this Supplier Policy to its own supply chain.

IFCO expect its suppliers to be transparent in regularly assessing their performance in the areas noted above. The Supplier must keep accurate records of its business and financial activities. Financial books and records must be maintained in accordance with applicable laws, regulations and generally accepted accounting principles. Upon the request of IFCO, the Supplier shall provide evidence of its compliance with all obligations set out in this Supplier Policy. On request by IFCO the Supplier will complete IFCO's Supplier Due Diligence Questionnaire.

## 4.1 Supplier Due Diligence Questionnaire

IFCO uses its Supplier Questionnaire to collect and assess information of about its suppliers and their compliance with laws and regulations. Suppliers that are asked to answer the questionnaire shall complete the mandatory sections including its entity details, legal status, contact details, members of the board of directors and various compliance questions. If requested at IFCO's sole discretion the Supplier shall give more details in stage 2 of the Supplier Questionnaire giving information on its policies and certifications, human resources and background checks, finances and insurance.

## 5. Compliance with this Supplier Policy

**We will work together with our suppliers to ensure compliance with this Policy, but we will take action against breaches of this Policy.**

The Supplier shall at all times ensure it complies with or exceeds its obligations as set out in this Supplier Policy. It shall make this Supplier Policy available to its employees and workers and ensure their compliance with it.

If there are provisions in this Supplier Policy where the Supplier is unable to comply the Supplier should explain to IFCO how their policies, processes and standards still address the fundamental principles of that provision and how their standards were developed in collaboration with workers and through legal compliance.

IFCO will monitor the Supplier's compliance with this Supplier Policy through risk assessment and auditing. This information is used to decide if we will source or continue to source from the Supplier. We will work with suppliers to support necessary improvements, but will take action if the Supplier is not prepared to work collaboratively and drive improvements.

## **5.1 Subcontractors and Supplier's providers**

The Supplier is expected to require their subcontractors and third-party providers to comply with the principles set forth in this Supplier Policy.

## **6. Breach of this Supplier Policy**

Without prejudice to IFCO's rights under any contract with the Supplier, in the event of a material and/or repeated breach by the Supplier of any of its obligations under this Supplier Policy, IFCO is entitled in whole or in part to terminate its co-operation with the Supplier, without incurring any liability towards the Supplier.

Any products or services, which have been manufactured or provided by the Supplier in breach of its obligations under this Supplier Policy are deemed non-conform, and we reserve the right to reject such products or services, without prejudice to any other rights of remedy available to IFCO under any contract or the law.

## 7. Reporting Mechanisms and the IFCO Integrity Line

**IFCO wants to foster a culture of trust and integrity. Use our Integrity Line to report misconduct.**

The Supplier must create mechanisms to enable its employees to report potentially illegal, unethical, or inappropriate behavior and to protect employees who make good faith reports from retaliation.

### IFCO Integrity Line

The Supplier shall make the IFCO Integrity Line, located at:

<https://ifco.integrityline.org/>

available to its employees to report any misconduct that occurs in the workplace.

The Supplier shall inform its employees to report reasonably suspected or known breaches of, this Supplier Policy or any applicable law using the IFCO Integrity Line. The IFCO Integrity Line is always available and easy to use. Reports are treated confidentially, duly reviewed and, if appropriate, investigated by IFCO's Legal department. IFCO will not tolerate retaliation against any person, who is trying to do the right thing by raising a concern.

To access the IFCO Integrity Line, please scan the QR Code:

For any inquiries please contact us at:

[Integrityline@ifco.com](mailto:Integrityline@ifco.com)



## 8. Acceptance of this Supplier Policy

The obligations under this Supplier Policy are additional to the Supplier's other obligations pursuant to any contract between IFCO and the Supplier.

An authorized signatory for the Supplier must sign below and return the signed Policy to your IFCO representative.

I, the undersigned Supplier hereby accept to adhere to the obligations set out in this Supplier Policy:

On behalf of the Supplier:

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Date

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Signature

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Printed Name

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Title

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Location/City