

RUSTA®

Supplier Manual - Code of Conduct

Rusta

Code of conduct

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1. Introduction



Rusta's business idea is to give our customers great value for money. Our customer promise is to make it easy to renew and refill at home. Always at surprisingly low prices.

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

Rusta's Code of Conduct follow the Global Social Compliance Programme (GSCP) Code of Conduct. We have added requirements on Business ethics, Protection of the environment and Animal protection. Additionally, through our membership with UN Global Compact we fully support, and actively work with, the 10 principles within the areas of human rights, labour, environment and anti-corruption.

This Code of Conduct applies, without any exception, to all Suppliers and their factories as well as subcon-

tractors that do business with Rusta AB Vat number 556280-2115-01. This Code of Conduct also applies on any other business partners that do business with Rusta AB.

We encourage our Suppliers co-workers to contact Rusta at csr@rusta.com 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 and implement all the requirements of this code of conduct, and the principles which underpin them. Suppliers and all their subcontractors are required to comply with:

I) Fundamental international labour standards as defined by the 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
- 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

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
- C155, Occupational Safety & Health Convention, 1981
- 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

III) Applicable national and/or local legislation.

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

3. 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, in accordance with international labour standards.

4. No discrimination

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, nation-

ality, membership in worker organisations 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.

5. 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 and provide some discretionary income for workers and their families.

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.

6. 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.

Suppliers shall respect that the standard allowable working hours in a week are 48, excluding overtime. Workers shall not on a regular basis be required to work in excess of 48 hours per week.

Overtime shall be voluntary, shall not exceed twelve (12) hours per week and shall not be requested on a regular basis.

Suppliers shall respect all workers' right to breaks during work shifts and to at least one free day 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.

7. 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 injury 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 regarding the COVID-19 virus. 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.

Suppliers shall provide all workers with access to clean toilet facilities and to 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. Suppliers shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or re-assigned 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.

8. 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;
and 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.

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.

9. Clear terms of employment

Work performed 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.

10. 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.

11. Protection of the environment

We expect our Suppliers and their Subcontractors to follow all relevant environmental legislation's in the countries where they operate.

Rusta want to prevent or minimize the adverse effects on the environment. The first step is to measure the environmental impact such as energy, water consumption,

waste, wastewater at Suppliers' buildings and processes.

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 IUCN red list of threatened species which is found at: <http://www.iucnredlist.org/>

12. Ethical business behaviour

Rusta work against corruption in all its forms. It is crucial that all Rusta co-workers, external Partners and Suppliers understand and fulfil the Rusta position on corruption and its prevention.

For example:

- Suppliers shall not tolerate, permit or engage in bribery, corruption or unethical practices

- Suppliers shall not offer money, gifts or entertainment to Rusta associates
- Supplier shall not enter transactions with Rusta associates that creates or may create a conflict of interest Appendix H "Ethical policy" shall be signed on an yearly basis.

13. 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. (<http://www.oie.int/animal-welfare/animal-welfare-at-a-glance/>). 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.

- 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, shearling,
- 3) Leather or hair attached to skin that is typically used as leather e.g. cowhide with hair attached,
- 4) Synthetic materials intended to look like fur.

14. Inspections

All our Suppliers are obliged to inform us in writing of where each order is being produced. In Asia, we have our own inspectors, guarding that our code of conduct

is being complied with. We reserve the right to at any time visit the factories, producing our goods, unannounced.

15. Lack 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 or if the violations are serious, we will put an end to the collaboration. As stated in the Supply Agreement Rusta may terminate this Agree-

ment 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.



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):
