

# Toms Gruppen A/S

## Supplier Code of Conduct

Within our spheres of influence and activity, Toms endeavours to contribute to the improvement of responsible conduct of business and creating transparency with respect to social and environmental issues. Thus we have committed ourselves to the UN Global Compact, which forms the base for our CSR work. The Toms Supplier Code of Conduct mirrors the ten key principles of the UN Global Compact:

### **Human Rights:**

- 1. Businesses should support and respect the protection of internationally proclaimed human rights; and*
- 2. make sure that they are not complicit in human rights abuses.*

### **Labour Standards**

- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- 4. the elimination of all forms of forced and compulsory labour;*
- 5. the effective abolition of child labour; and*
- 6. the elimination of discrimination in respect of employment and occupation.*

### **Environment**

- 7. Businesses should support a precautionary approach to environmental challenges;*
- 8. undertake initiatives to promote greater environmental responsibility; and*
- 9. encourage the development and diffusion of environmentally friendly technologies;*

### **Anti-Corruption**

- 10. Businesses should work against all forms of corruption, including extortion and bribery*



The supplier is obliged to establish and maintain adequate procedures to obtain sufficient knowledge of own and any sub suppliers' businesses' level of compliance with Toms Supplier Code of Conduct. Furthermore, the supplier is obliged to establish and maintain adequate procedures, including monitoring, in order to ensure compliance with the Toms Supplier Code of Conduct.

The Toms Supplier Code of Conduct should be regarded a part of any business relation with Toms Gruppen A/S and should thus be considered part of any contract or agreement regulating such business relation.

## **1. Human Rights**

- Toms is against violation of internationally proclaimed human rights. The supplier is obliged to support internationally proclaimed human rights.
- The supplier shall comply with local laws and standards in the jurisdictions in which the supplier operates.
- The supplier is obliged to refrain from any obvious violation of internationally proclaimed human rights.

## **2. Labour Standards**

- The supplier is obliged to acknowledge and support the freedom of association and the right to collective bargaining and not to interfere with or limit the employees' right pursuant to local law to be a member of a trade union and/or to bargain collectively.
- The supplier is obliged to refrain from any engagement in or benefit from any form of forced or compulsory labour.
- The supplier is obliged to observe the ILO conventions' recommendation on minimum age for employment. Such minimum age is as a main rule equivalent to the age for completing compulsory schooling.
- The minimum ages are (developed/developing countries): 13/12 years for light work; 15/14 years for regular work; and 18/18 years for hazardous work.
- The supplier is obliged to refrain from engaging in or benefiting from child labour, defined as work that threatens the child's health, education or development, all though in accordance with the ILO conventions as to age of the child and the character of work.
- The supplier is obliged to refrain from any discrimination of employees on the basis of race, colour, sex, religion, political opinion, national extraction, social

origin, physical or mental disabilities, and refrain from any forms of harassment or bullying.

### 3. Environment

- The supplier is obliged to comply with local laws and standards with respect to environmental issues.
- The supplier is obliged proactively to take necessary precautions and actions to minimise the adverse environmental impacts of its activities and base any approach to environmental issues on a principle of caution.
- The supplier is obliged to choose the most environmentally friendly product, method or technology when supplying Toms.
- When contracting with sub suppliers, the supplier is obliged always to take environmental issues into account so as not to “export” environmental challenges.

### 4. Anti-Corruption

- Any form of corruption, including bribery, personal payments, extortions or kick-backs, is unacceptable for Toms, regardless of local laws and practices. The supplier is consequently obliged to refrain from engaging in or benefiting from any such payments when supplying Toms. Further the supplier is obliged to promptly contact Toms whenever the supplier is confronted with claims of payments as mentioned above in connection with supplying Toms.



#### ***Applicability***

The Toms Supplier Code of Conduct applies to all of Toms’ external suppliers; internal suppliers and employees being guided by similar principles. Toms requires that any supplier ensures compliance with the Toms Code of Conduct, also by their sub suppliers and hence the term “supplier” shall include any sub supplier of the supplier.

#### ***Support of UN Global Compact***

Toms Gruppen A/S wishes to support the continuous propagation and implementation of the UN Global Compact, and the Toms Supplier Code of Conduct is an important tool to achieve our endeavours. Toms operates its corporate social responsibility on the basis of the notion that businesses should respect and promote the UN Global Compact, whilst governments should make and enforce the laws.

Toms recognises that compliance with the UN Global Compact still has to be established with due consideration of the stage of development and financial situation of the countries in question.



Tasteful moments - Responsible choices



Toms is aware that the principles of the UN Global Compact may not be complied with all at once, but it is Toms' firm aim, within our sphere of influence, persistently to keep encouraging our suppliers to comply with – and preferably adhere to - the principles of the UN Global Compact.

Toms will only do business with suppliers, who share the notions forming the base of the principles of the UN Global Compact and who, within their spheres of influence and activity, continuously work for the improvement of the areas comprised by the ten principles.

***Monitoring the suppliers***

In order to ensure our suppliers' compliance with the Toms Supplier Code of Conduct, Toms has established a practice pursuant to which all suppliers, who are considered critical according to internal guidelines, shall submit a supplier questionnaire on social responsibility upon request every second year.

Monitoring and auditing may also be conducted by announced or unannounced on-site inspections by Toms or our representatives. The supplier is thus obliged to give Toms' representatives full access for such on-site inspections, including access to all records and data, which may be relevant to evaluate the supplier's level of compliance with the Toms Supplier Code of Conduct and access to interview randomly chosen employees.

***Non-compliance with the Toms Code of Conduct***

Non-compliance with the obligations to submit supplier questionnaire and/or to give full access to on-site inspections constitutes a material breach of the business relation with Toms, entitling Toms to react accordingly, e.g. by terminating such relation.

However, Toms would regret to terminate the business relationship, hence Toms will, in the event of non-compliance, initiate a dialogue with the supplier and request further explanations and appropriate actions in order to ensure improvement on the subject(s) in question. The supplier is obliged to actually be co-operative in relation to ensure such improvements. Toms may co-operate with national or international organisations with specific focus on one or more subjects covered by Toms Supplier Code of Conduct, and in the event of non-compliance with

Toms Supplier Code of Conduct the supplier shall be obliged also to co-operate with such organisations in order to minimise the harmful effects on human beings or the environment.

The supplier's continuous failure or lack of will to take active part in the dialogue, or to establish adequate measures to improve on the subjects of non-compliance or failure to implement such measures will be regarded as material breach of the business relation with Toms, entitling Toms to react accordingly, e.g. by terminating the relation.