



SOCOTAB

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Supplier Code of Conduct



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Socotab Supplier Code of Conduct

As part of the Universal family, Socotab is committed to the highest standards of corporate conduct. Our Supplier Code of Conduct is essential to long-term sustainability and sets out the standards of responsible behaviour for the Socotab Group.

Our success depends on establishing open, honest, and fair partnerships with trusted Suppliers. We expect Suppliers to commit to conducting their business in an ethical and responsible manner while complying with all applicable international and local laws and regulations.

Socotab Group is committed to implementing the Sustainable Tobacco Program (short: STP) – a sustainable agricultural due diligence program under the continuous improvement principle.

We are dedicated to doing business with Suppliers who adhere to high standards of corporate behaviour as well as this Code of Conduct. We also expect our Suppliers to ensure that their own business partners adhere to similar standards. We believe our joint efforts to establish a more sustainable supply chain will strengthen our business relationships and create added value for our respective companies.

We strive to be a fair partner with Suppliers and stakeholders and will promote lawful and ethical practices based on internationally recognised standards in respect of human and labour rights, health and safety and environmental stewardship.

Suppliers are requested to apply the same principles in all their business relationships and to continuously improve their sustainability performance by implementing appropriate actions. In accepting this Code, Suppliers affirm their commitment to the values and standards outlined therein.





Human and Labor Rights

We encourage and expect our Suppliers and business partners to adhere to all internationally recognised human rights standards and to identify and address any negative impact within their own operations, including but not limited to the following:



Forced labor and human trafficking

- Suppliers shall not use or benefit from any form of forced labor, exacted under the threat of penalty and for which the workers have not offered themselves voluntarily.
- Suppliers should be attentive to identifying and addressing any form of modern slavery in their own operations and supply chain, including imprisonment, bondage, or any other form of forced labour.
- Suppliers should ensure that employment is freely chosen and that there is no slavery, forced or trafficked labour.
- Workers shall be free to withdraw from their employment contracts, in line with provisions of national legislation and without fear of retaliation or penalty.
- Loans, including salary advances, must be based on fair terms, clearly explained, mutually agreed, and not require the worker to remain until repayment is completed.
- The personal papers of any employee, including passports, should not be retained, or confiscated.
- Employees should not be obliged to pay recruitment, processing or placement fees, and the terms of their employment should be mutually agreed in writing before hiring.



Child labor

We are guided by the United Nations Guiding Principles on Business and Human Rights¹ and support the core conventions of the International Labor Organisation (ILO)². We ensure that our operations are free from child labor and expect our Suppliers and partners to adhere to the ILO principles on this issue.

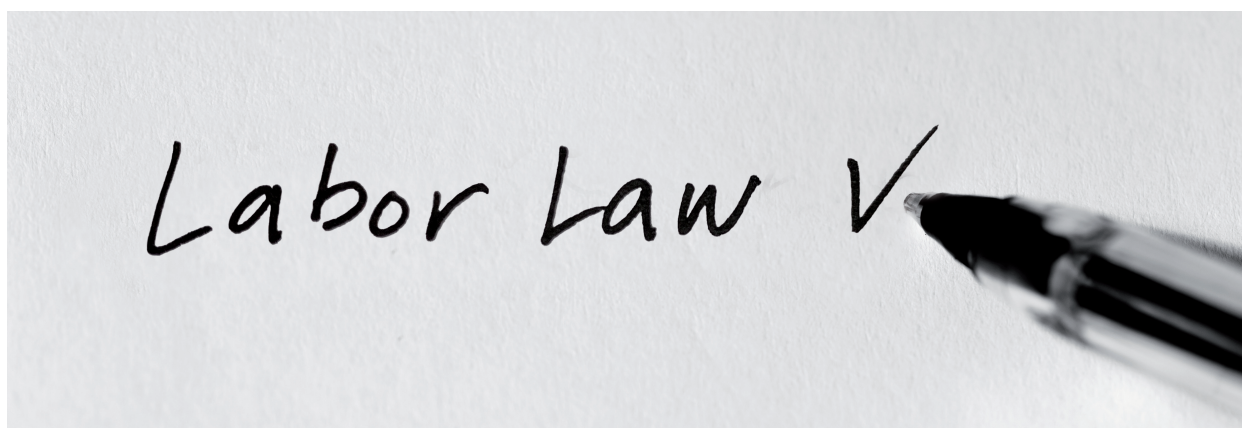
Any work which is considered hazardous or likely to harm the health, safety or morals of children should not be undertaken by anyone under the age of 18.

Suppliers shall comply with the rules set forth by the ILO, especially convention 138 on the Minimum Age of Employment and Convention 182 on the Worst Forms of Child Labour. Suppliers shall not employ any person below the legal age of employment as determined by the ILO and respective local and national regulations.

Minors can be employed under strictly defined circumstances, provided they are at least 15 years old of legal minimum age for employment, or of age for completion of compulsory education, whichever is higher. Workers under 18 cannot undertake any work deemed of risk to their health, safety, education, or moral development.

¹https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

²<https://www.ilo.org>



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Regular employment and social coverage

Workers should be hired according to recognized employment patterns. Suppliers should establish recognized employment relationships with their workers that are in line with national law and good practice. Suppliers should not infringe upon workers' legal, employment or social rights.



Working hours

- All workers must be guaranteed rest time in accordance with local laws.
- Suppliers shall provide weekly rest periods, annual/national holidays as well as any parental leave entitlements, sick/medical leave or any other leave entitlements provided for by the applicable laws and relevant industry standards.
- Under no circumstances shall working week hours exceed the maximum permitted under applicable laws and regulations.
- Overtime must be limited to legally established thresholds and compensated according to the legally defined rates.



Wages and benefits

- Wages must meet at least the minimum legal standards or the appropriate industry and collective bargaining benchmarks, where there are no minimum wage requirements.
- In addition to regular wages, workers must be paid for overtime hours at the rate specified by law and must receive benefits that meet legal requirements.
- Wages and related social contributions should be paid regularly and in full and workers should be granted the benefits and leave prescribed by law.
- Wage deductions should not be used as a disciplinary measure, unless under strict conditions provided by law.





Fair and equal treatment

Suppliers should

- Maintain a working environment that is fair, respectful, and free from any form of harassment, discrimination or any behaviour deemed humiliating to the employee.
- Eliminate any form of intimidation or bullying in the workplace whether it is of a sexual, verbal, non-verbal or physical nature.
- Provide for equal recruitment and employment opportunities with no discrimination based on personal characteristics.



Workplace safety

- Socotab expects Suppliers to create and maintain a healthy and safe work environment and to comply with all applicable national and international labour law, standards and regulations on working conditions; in particular, hours of work, occupational health and safety and social protection systems in case of work accidents and illnesses.
- To minimise the risk of occupational accident, injury and illness, Suppliers shall: provide appropriate equipment (including personal protective equipment) free of charge to workers; plan effective controls to establish safe working procedures; and implement effective programmes and systems aimed at ensuring the safety of workers.
- Suppliers should provide regular health and safety training to workers and maintain appropriate records.
- Suppliers should also ensure that accommodation, when provided by the supplier, whether directly or through a third-party, is clean, safe and meets workers' basic needs.



Freedom of association

- Suppliers should adopt an open attitude towards the activities of trade unions and/or other workers' organisations in accordance with local law.
- Suppliers should ensure all workers are able (subject to applicable laws) to exercise their right to freedom of association and collective bargaining, including the right to be represented by recognised trade unions or other bona fide representatives as allowed by local laws.



Land rights

- Suppliers should respect individuals' and local communities', including indigenous communities', rights and titles to their land and natural resources.
- Suppliers should take all necessary measures to ensure that individuals and communities do not suffer when land is threatened by discretionary practices, conflict, corruption, unsustainable development, forced evictions or seizures, environmental degradation, or other factors.





Environmental Responsibility

We encourage and expect our Suppliers and business partners to manage their environmental impact responsibly, to comply with all applicable environmental laws and regulations, obtain all necessary environmental permits, licenses and registrations and document them appropriately.

We encourage our Suppliers to commit to reducing consumption of resources to reduce their impact on the environment relating to air emissions, water and land, use of materials, natural resources and waste management practices.

We expect our Suppliers to implement all measures to prevent environmental damage, or to take prompt remedial action following any incidents, and continually improve their environmental performance.



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Business Integrity

Socotab takes pride in its efforts to conduct its business with fairness and honesty, and acting with integrity when dealing with customers, competition and any other third parties.

Socotab expects its Suppliers to fully comply with all applicable anti-bribery and corruption laws and regulations. Suppliers shall not, in order to obtain or retain business or any advantage in the conduct of business, give, offer, or promise direct or indirect payment, be it in monetary or any other form, thus obtaining an improper advantage over other potential Suppliers.

In addition, offering anything of value - including money, gifts, favours, entertainment or even employment to a government official or a relative of a government official – may be viewed as an attempt to influence a person's professional actions or decisions and therefore represents a bribe.

To build solid commercial relationships, Suppliers shall avoid all behaviour that might hamper trust. According to this principle, conflict of interest or situations giving the appearance of a potential conflict of interest must be promptly notified to Socotab.



Economic Accountability

Suppliers must comply with all national and international accounting, tax and transparency applicable laws and must refrain from any form of tax evasion or elusion, money laundering or other similar unlawful conduct.





Products and services safety, compliance with the law and technical and quality requirements

Goods and services provided by Suppliers should comply with all applicable national and international laws and regulations on quality and safety, meet - or exceed - the relevant industry technical standards on quality and safety and conform to the quality and safety standards potentially required by Socotab.



Continuous improvement

We give priority to Suppliers who are able to provide evidence of compliance with the provisions of this Code and to those genuinely engaged in improving their performance.



Evaluation

Suppliers shall grant Socotab the right to evaluate their adherence upon reasonable prior notice to determine Supplier's compliance with principles set out in this Supplier Code of Conduct.

Socotab may elect to evaluate Suppliers either directly or by mandating a qualified third party. Such evaluation will take the form of an assessment or an audit.





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