



RSE-01
CODE OF CONDUCT FOR SUPPLIERS
Version 7. June 2022

INTRODUCTION

The present code of conduct is based on International Labour Organization conventions¹. Its acceptance implies, besides the compliance with said conventions, the acknowledgement and acceptance of the 10 principles of the United Nations Global Compact and the International Declaration of Human Rights. With its signature, or acceptance by any other required means, every Frinsa supplier commits to complying with all the principles that are set out below.

At the same time, it is the responsibility our suppliers² to make sure that their own suppliers comply with the requirements of the present code, and of verifying that these, in turn, possess the same level of requirements in relation to their suppliers and subcontractors, thus transmitting the compliance along the supply chain.

Frinsa must attach this present document to the contracts and/or technical sheets of the products which our suppliers supply us. Both documents will explicitly state that signing them will imply acceptance of this present Code of Conduct.

Frinsa may be contact with any of its suppliers to request the carrying out of audits in matters of Social Responsibility and Sustainability at their facilities, agreeing previously to the conditions of the audits.

DUTIES OF THE SUPPLIERS

1. Prohibition of forced labour

- Frinsa will not allow any form of forced, bonded or involuntary labour. All work must be undertaken voluntarily, never under threat or under any type of penalty or sanction.
- Suppliers shall never withhold payments except when this is expressly contemplated in the contract.

2. Prohibition of child labour and respect for underage people

- Suppliers will not employ minors nor exploit minors under any concept. Minors are considered those persons who have not yet reached their 16th birthday. Nevertheless, according to ILO Convention 138, if the minimum legal working age in the country where the activity is taking place is 14 years of age (exceptions allowed in developing countries), this circumstance may be allowed, provided that special protection measures are adopted.
- Workers with ages under 18 years shall not work during night hours, under hazardous conditions or under conditions that may put at risk their health, safety, moral integrity, or that may harm their physical, mental, spiritual, moral, or social development.
- Policies and procedures related to child labour shall comply with the requirements of the applicable International Labour Organization (ILO) Standards.

- The suppliers must support initiatives that promote the education and the improvement of the living conditions of the children of employees in those areas or countries in which the environment for them is not the most suitable.

3. Policy of non-discrimination and equal treatment

- All workers must be treated with dignity and respect. Suppliers must not tolerate or be involved in intimidation, bullying or abuse of any type.
- Suppliers must not tolerate, encourage, or be involved in any kind of discrimination with regards to workers based on age, beliefs, religion, political affiliation, gender, pregnancy/maternity, marital status, nationality, ethnic origin, race, caste, social class, health, disability, sexual orientation, membership or affiliation in workers' organizations/trade unions or any other reason, whether during the recruitment phase or during the employment period.
- All workers, contracted and sub-contracted, must have equal rights and social benefits. Suppliers must ensure equal opportunities for all workers with regards to hiring, salary, training, promotion, retirement, etc.
- By means of the 'Company Committee' (workers representative organization), the staff has the right and the opportunity of transmitting their needs, complaints, opinions, and suggestions for improvement to the company management. All communications will be taken into consideration, independently of whether they are finally found viable or useful.
- All the information that may be of personal or professional interest to workers must be communicated to them in their own mother language, in case they do not fully understand the language of the country in which the factory is located.

4. Respect for freedom of association and collective bargaining

- The employees' right to associate, join or form trade unions of their own choosing and to bargain collectively must be respected. The company must not interfere with, obstruct, or put a stop to such legitimate activities. Likewise, it shall adopt an open and collaborative attitude towards the activities of trade unions.
- Workers' representatives and trade union members shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace.
- Where the right to freedom of association and collective bargaining is restricted by law, the suppliers must not hinder alternative means of ensuring a reasonable and independent exercise of such rights.

5. Safe and hygienic conditions

- Suppliers must provide a safe and healthy workplace for their employees, ensuring adequate conditions of light, ventilation, hygiene, and fire prevention and safety measures.
- There must be conditions of safety and cleanliness in all work facilities, including those zones destined for living quarters (when available), and clear procedures must be followed to regulate the health and salubrity in the workplace environment.
- The employees must be provided with appropriate and effective personal protection equipment (PPE).
- The employees must have access to adequate medical assistance.

- The suppliers must provide all workers access to hygienic services (toilet facilities, WCs) and to a drinkable water supply and, if necessary, to facilities for the preparation and storage of their own food.
- The suppliers must provide regular training to the workers (including posts of responsibility and middle management). This training must be given to all newly hired workers (including those occupying posts of responsibility and middle management). The training will be recorded.
- All the workers, including those occupying posts of responsibility and middle management, must have sufficient training in waste management, handling and disposal of chemical waste and hazardous substances.
- The suppliers must provide their employees firefighting equipment and ensure the strength, stability and safety of buildings and equipment, including living quarters, if applicable.
- The suppliers must designate a member of the management in charge of Health and Safety (ORP), someone who must be duly authorized and with decision making power.

6. Remuneration and benefits

- Work must be based on a recognized labour relationship in compliance with legislation and national practices, as well as on international labour standards to ensure greatest possible worker protection.
- The suppliers must compensate their workers by means of wages, overtime pay, benefits and paid sick leave which respectively comply with or exceed the legal minimum and/or the standards for each type of industry and/or collective agreements (whichever is higher). Wages and compensation for normal working hours must cover the basic needs and constitute a source of income for the workers and their families, without applying abusive concepts (maintenance fees, transport, etc.) that may suppose an excessive reduction of the net benefits of the worker.
- Suppliers must provide the workers with comprehensible written information about their working conditions, including wages, before they take up employment and, above all, details of their salaries for the corresponding payment period each time they are paid.
- Deductions from wages as a disciplinary measure which are unauthorized or not provided for in national legislation 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 will be recorded.
- The following cases must not be used to elude obligations to workers specified in labour and social security laws, and regulations derived from normal labour relations: punctual job or service contracts, subcontracting or home working agreements, apprenticeships without real intention to teach skills or provide regular work, excessive use of short-term contracts or other similar systems.
- Suppliers must guarantee all workers those social benefits required by law, including paid sick leave.
- The suppliers must always pay all workers for overtime worked at a higher rate than ordinary pay as required by law and, if applicable, by a contractual agreement.

7. Working hours

- Working hours must be established that will comply with national law, or with the collective bargaining agreement for the sector in question if the latter affords greater protection to the workers.
- Overtime will be voluntary and must not exceed the maximum annual hours established by current and applicable legislation and shall be paid at a higher rate than the standard hours. Overtime shall not be demanded from the workers on a regular basis.
- Suppliers must respect the right of all workers to rest during work shifts and to enjoy the days off established by the applicable national law.
- The official public holidays indicated in the calendar must be respected.

8. Business ethics

8.1 Compliance with the law

- Suppliers must comply with national and international regulations currently in force in the countries where their operations are carried out.

8.2 Confidentiality

- The suppliers shall keep the confidentiality of the information supplied by Frinsa, as consequence of their commercial relationship. Any information supplied by Frinsa must not be revealed to other clients of the supplier, whether current or potential, nor to their own suppliers.
- The obligation of confidentiality will be maintained even if the relationship with Frinsa has ended. Any material of Frinsa ownership held by the supplier shall be returned to Frinsa once the relationship is terminated.
- Suppliers shall comply with national and international legislation and agreements relating to intellectual property.

8.3 Bribery and Corruption

- Direct or indirect payments or incentives offered to Frinsa employees with a view to influencing their purchases or sales are forbidden.
- Any type of payment or incentive offered to public employees in exchange for obtaining any advantage in an inappropriate or unfair manner is forbidden.

9. Environmental protection and respect for local development

- The suppliers must comply with the environmental regulations of national and international character and must possess all the necessary administrative documents (licenses, permits, etc.).
- Contamination must be prevented by means of a risk analysis and the adoption of adequate prevention methods.
- Suppliers must minimize their activity's impact on the environment through an impact assessment study and the optimization of processes using the best available techniques.
- Suppliers must ensure that no human habitat or coastal area is illicitly transformed or rezoned to favour the interests of individuals or private business to the detriment of the community.

- The suppliers must make sure that the principles and communications of interest for all their employees are transmitted in the national language of the workers.

10. Sustainability of the resources

- The supplier must guarantee the origin, supply, sustainability, and legality of raw materials in accordance with current European legislation.
- In the case of fish products, the supplier must comply with the specific EU requirements pertaining to Illegal, Unregulated, Unreported (IUU) fishing.
- The suppliers of tuna must comply with *Dolphin Safe* criteria and appear on the positive lists of *Dolphin Safe* companies published by Earth Island Institute (EII).
- The suppliers of fishery products, when applicable, must have an anti-*shark finning* policy in place and made public.
- The suppliers of tuna must supply raw materials or products that meet the commitments and conservation measures put forward by the International Seafood Sustainability Foundation (ISSF).
- The supplier must make all the possible efforts to avoid fishing during spawning periods, with the objective of allowing the reproduction of fish stocks in a natural way.

11. Compliance with the Food Supply Chain Law and other regulation applicable to Spanish suppliers

- Frinsa is committed, and requires of all its Spanish suppliers to also do it, to comply with Law 12/2013, of 2nd August, of measures to improve the workings of the food supply chain (“Food Supply Chain Law” / “Ley de la Cadena Alimentaria”) and other legal regulation that may result of application – among it, Royal Decree-law 5/2020, of 25th February, by which determinate urgent measures in matters of agriculture and food are adopted –.
- Frinsa aims to achieve through the governing principles of the law – of equilibrium and just reciprocity among the parts, freedom of agreements, good faith, mutual interest, equitable distribution of risks and responsibilities, cooperation, transparency, and respect for free competition in the market – a higher balance and transparency in commercial relations with its suppliers, and to avoid all destruction of value in the food supply chain. In this sense, Frinsa is committed, and requires its Spanish suppliers to do the same, to pay the operator immediately before a price equal or higher than the cost of production of the product which, effectively, said operator may have incurred or assumed.
- Frinsa requires its suppliers to always formalize in writing the contracts (including the primary processors) with express indication of all the payments owed. And the commercial risk will never be passed on to the suppliers.
- Frinsa rejects all disloyal commercial practices, such as:
 - The delay of payments of food or agricultural products that exceed the set period in Law 3/2004, of 29th December, by which measures are established to fight morosity in commercial operations.
 - That one of the parts in the foodstuffs contract unilaterally modifies the terms of the contract to supply agricultural or food products.
 - That one of the parts of the commercial relationship demands of the other payments that are not related with the sale of the agricultural or food products of the supplier.

- Other disloyal commercial practices contemplated by the Law.
- Frinsa demands of all its Spanish suppliers that the price to be received by a primary processor must be, in every case, superior to the total of the costs assumed by the processor or effective production cost.
- To the effect of the previous, every Frinsa Spanish supplier will duly inform it in the case that the agreed price on the supply contract with Frinsa does not cover the effective production cost incurred by the supplier.

NOTES

None of the provisions included in the present declaration may be interpreted as an exemption from complying with obligations imposed by national or international law, provided that national or international legislation imposes stricter requirements concerning respect for the principles and fundamental rights of workers, protection of the environment and ethical principles.

1) The Frinsa Code of Conduct for Suppliers is based on standards set down in the following ILO Conventions and Recommendations: Conventions 29 and 105 and Recommendation 35 (Forced Labour); Conventions 138 and 182 and Recommendation 146 (Child Labour; Minimum Age); Conventions 87, 98 and 143 (Freedom of Association and Protection of the Right to Organize; Workers' Representatives); Conventions 100 and 111, Recommendations 90 and 111 (Equal Opportunity and Treatment); Convention 155 and Recommendation 164 (Occupational Health and Safety); Conventions 94, 95, 100 and 131 (Salaries); Convention regarding work in the fishing sector (2007); Food Supply Chain Law.

2) The term "supplier" must be applied to suppliers themselves, subcontractors, concessionaries, and any external process.

3) The term "third countries" refers to those countries in which a company establishes a production base or undertakes any type of business. It is understood that these countries have a culture and, sometimes, a language different from that of the parent company.

Copies of the ILO Conventions and Recommendations are available at www.ilo.org