



Avebe Responsible Sourcing Policy (RSP)

Introduction

CEO/ Director Procurement / Director Sustainability

We believe that a firm Corporate Social Responsibility (CSR) is key to the way we do business. Responsible sourcing is one of the major factors contributing to CSR. The way we want to conduct our business should improve the lives of people across our supply chains and not needlessly harm the environment. This Responsible Sourcing Policy (RSP) sets the principles that we follow and comprises the responsibility we take in the chain.

“Neither production goals nor financial objectives shall excuse non-compliance.”

Corporate Social Responsibility forms an integral part of our business operations. Avebe underwrites the Sustainable Development Goals (SDG's) of the United Nations (UN) and feels therefore committed to following the UN Guiding Principles on Business and Human Rights. This Responsible Sourcing Policy is fully in line with our Corporate Governance Code. We require our suppliers to adhere to the principles below.

Guiding Principles

This policy is focused on the guiding principles that are agreed on.

1. We respect human rights in every country, in line with international obligations.

A) Work is conducted on a voluntary basis.

It is not accepted that suppliers use forced, compulsory or indentured labour or modern slavery in any form or be involved in human trafficking. This comprises all work or services that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation or that is demanded as a means of repayment of debt.

B) Child labour shall not be used

It is not accepted that suppliers make use of child labour as defined by the International Labour Organization (ILO). When young workers are employed this should not interfere with mandatory schooling.

C) Freedom of association and the right to collective bargaining are respected

Employees of suppliers have the right of forming unions and other bodies to represent them. This includes the possibility that authorized employee representatives are able to negotiate on collective conditions of employment.

D) All workers are paid fair wages.

Employees of suppliers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave which meets or exceeds the legal minimum standards or appropriate prevailing industry standards, whichever is higher.

E) Working hours are not excessive

Employees of the supplier are not allowed to work more than the regular and overtime hours allowed by national regulation. All overtime work is on a voluntary basis.



F) Workers 'health and safety are protected at work

Suppliers ensure the health and safety of their employees, customers and other stakeholders. Creating an injury and accident-free workplace, preventing work-related health problems, controlling and minimizing the risks associated with products. All employees of suppliers shall receive adequate training and protective equipment prior to commencing their duties. This training shall also include fire drills and evacuation drills.

G) All workers are treated equally and with respect and dignity

There is no discrimination based on race, skin colour, sex, religion, political opinion, national origin, sexual orientation or social origin, unless such selectivity is intended to promote government policy aimed at creating more equal opportunities on the labour market.

H) Workers have access to fair procedures and remedies

Employees of suppliers have access to transparent, fair and confidential procedures in relation to the working relationship.

I) No 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.

2. We strive to conduct business in a manner which embraces sustainability and reduces environmental impact

All Avebe's suppliers must follow national and international obligations in protecting the environment. In addition, we expect that environmental protection and sustainability is embedded in management systems of all suppliers with focus on energy and water savings, waste and pollution minimization and contribution to ecosystems and biodiversity.

A) Minimize waste and pollution

Suppliers have systems to classify waste and intend to re-use and recycle products. The amount of waste and pollution is carefully measured and business partners should intend to reduce this amount.

B) Reduce impact on the climate

Suppliers should measure the amount of greenhouse gas emissions they emit and should intend to reduce. They should have the ambition to take part in the energy transition and take steps every year to replace fossil by renewable energy sources.

C) Minimize water usage

Suppliers should measure the amount of water use and should indicate the water withdrawal sources (i.e. groundwater) as well as the water discharge method(s). These methods are in line with national regulations. Suppliers should intend to reduce the water use per ton of product.

D) Positively contribute to ecosystems & biodiversity

Suppliers should comply with local regulations regarding biodiversity and take action to minimize the damage to biodiversity as a result of the production process (e.g. sound/noise, pollution causing harm to local/endangered species).



3. We recognize that trust, integrity and honesty form the foundation of business operations

A) Corruption, bribery and conflict of interest are prohibited

Any and all forms of corruption, bribery and conflict of interest are prohibited. Avebe expects that suppliers have adequate procedures in place to prevent bribery in dealings undertaken by the supplier.

Only integer considerations may be considered when making business decisions. Impression among third-parties that the giving of business gifts of any nature whatsoever could be rewarded with a privileged position must be avoided at every time.

B) Fair competition

We abide by all applicable anti-trust and competition laws in all countries in which we operate. Our expectation is that suppliers have a similar level of commitment to fair competition.



Implementation

Avebe expects suppliers that have signed this policy to ensure and demonstrate compliance with this RSP, this includes keeping a record of all 'proof of compliance' and providing documentation after request. Our aim is that all suppliers are acting according to our RSP.

"By 2021 100% of our suppliers will have signed our RSP or is acting accordingly."

We expect our suppliers to perform self-assessment according to this policy and in addition, audits initiated by Avebe could take place on an irregular basis. We encourage all our existing and future business partners to be assessed by an independent party, preferably Ecovadis or SEDEX.

The RSP is applicable to all suppliers and will be sent to all suppliers by default unless assumed to be low risk. For the determination of risks Avebe will follow the 'CSR Risk-Checker' guidelines (www.MVOrisicochecker.nl). If a business partner is not able to comply to this RSP, this should be discussed with the Procurement Department of Avebe. Both companies could define an improvement plan with the ultimate goal of compliance with the RSP on a pre-defined term. In case of a temporary non-compliance, this should also be discussed with the Procurement Department.

Current business partners

This policy is from now on part of every future contract for supply. All contractors in the future should minimally commit to all statements in this policy. For existing business partners, we expect 100% ultimately fulfill all statements in or before 2021.

Speaking up

Avebe has a grievance policy and expects business partners to have such a policy. Grievance can be shared by using the form on www.avebe.com

Signed by (name):

Signature:

Function:

Company:

Date: