

# Apoteket's Code of Conduct for Sustainable Business

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## 1 INTRODUCTION

### 1.1 General

Respect for people and the environment is vital to Apoteket's business. We work towards lasting, sustainable relationships with our employees, customers, suppliers and others affected by our operations. We want to conduct our business in a way that promotes sustainable development.

We want to be certain that our suppliers and their sub suppliers also pursue sustainable business.

Our Code of Conduct for Sustainable Business comprises the following areas: the environment, human rights, terms of employment, equality and diversity, respect for animals as well as anti-corruption and business ethics.

This Code of Conduct clarifies our principal requirements for sustainability, however we also expect our suppliers to live up to the overriding principles on respect for people and the environment. Our Code of Conduct applies to all businesses which, directly or indirectly, supply goods or services to Apoteket and we expect our suppliers to ensure that their sub suppliers are also familiar with and conduct their business in accordance with these principles.

Our Code of Conduct is based on internationally accepted regulations, such as the UN Universal Declaration of Human Rights, UN Convention on the Rights of the Child, UN Convention against Corruption, UN Convention on the Elimination of all Forms of Discrimination against Women and some of the ILO Conventions.

## **1.2 Legal requirements**

All Apoteket's suppliers and their sub suppliers shall conduct its businesses in accordance with applicable laws and regulations.

If the requirements set out in the Code of Conduct violate local law or regulations, the local law and/or regulation shall take precedence over the Code of Conduct. Apoteket's suppliers undertake to immediately inform Apoteket if they become aware of a violation between our Code of Conduct and the local law or regulation.

## **2 SUSTAINABLE BUSINESS**

### **2.1 The environment**

We want to contribute to a good environment and sustainable society for a better health. As a consequence of Apoteket's business activities, an important part of our contribution is to work towards the improved use of pharmaceuticals and to manage pharmaceutical waste. We also strive to prevent any negative impact on the environment by including environmental considerations in our decision-making. This ensures consistent progress in our work towards reducing the environmental impact of our transportation activities, services and products.

We expect our suppliers, depending on their operations, to work proactively towards minimising any negative impact on the environment. This may concern cutting greenhouse gas emissions, choosing low-energy technical solutions, using and recovering resources efficiently, substituting or reducing the use of toxic substances and having strategies for biological diversity and ecosystem services. To achieve this, our suppliers should regularly identify important environmental issues and environmental risks in their businesses and manage these in a structured way, for example by setting targets for, measuring and following up improvements. Respect for the environment should be included both in our suppliers' products and services and their daily operations and strategic decision-making.

## **2.2 Human rights**

### *2.2.1 Child labour and forced labour*

All employees must be treated with dignity and respect. Apoteket does not accept child labour. A child is defined as a person younger than 15 years of age or, as an exception, 14 years of age in countries referred to in article 2.4 in ILO's Convention no. 138.

Young employees (15–18 years old) may only be employed if they have reached the country's legal age for working and have completed compulsory education. The work must not be hazardous. We expect our suppliers to have a strategy in place to discover and manage any occurrence of child labour. If child labour is discovered, suppliers must, among other things, work actively towards enabling the children involved to attend school.

We do not accept forced or involuntary prison labour.

### *2.2.2 Physical punishment and harassment*

Physical punishment or the threat thereof, unreasonable disciplinary measures, mental or physical coercion, sexual or other harassment and violations of an employee are unacceptable.

## **2.3 Terms of employment**

### *2.3.1 Work environment*

All employees are entitled to a safe and healthy work environment, in which they are protected from exposure to chemical, biological or physical hazards. The supplier must work continuously towards identifying work environment risks and take measures to minimise such risks.

Safety instructions, first aid and well-functioning equipment in the event of fire or other accident shall be available at the workplace at all times. Personnel trained in first aid must be available at all times where work is in progress.

All employees must be covered by accident insurance including medical treatment for work-related accidents.

### *2.3.2 Employees' rights*

All employees shall be entitled to a written employment contract. All employees must be able to exercise their legal right to form or join a trade union or employees' organisation and participate in collective bargaining negotiations. In countries where freedom of

association is restricted, the employer shall create an atmosphere where company management and employees can discuss wages and working conditions in a non-threatening manner. Employees must have the right to carry out demonstrations pertaining to working conditions.

### 2.3.3 *Wages, benefits, working hours and leave*

Wages must be paid regularly, directly to the employee at the agreed time and in full. Wages shall be above the legal minimum wage in the country in question or comply with the prevailing industry standard, if it is higher than the minimum wage, and be sufficient to cover basic needs for the employee and their family.

Ordinary working hours as well as overtime must not exceed the legal limit and never exceed forty-eight (48) hours per week. Overtime must always be voluntary and must not exceed twelve (12) hours per week, or the lower number of hours that may be prescribed by law. Pay for overtime must exceed pay for normal working hours.

All employees shall be entitled to at least one (1) whole day off per week. Moreover, all employees shall be entitled to statutory holiday and leave, such as paid sick leave and maternity leave.

## **2.4 Equality and diversity**

Apoteket has identified a need for its employees to have different backgrounds, perspectives and experience in order to be innovative and competitive.

Apoteket strives to be an organisation that reflects society as a whole. We are proud to work for a company that takes advantage of its employee's diversity to develop both its employees and the company.

Apoteket does not accept discrimination on the basis of gender, race, nationality, religion, ethnicity, social origin, functional impairment or functional variation, illness, political opinion, maternity, marital status, age, gender identity or union membership.

Employees with the equivalent experiences and qualifications are entitled to receive equal pay for equal work.

## **2.5 Respect for animals**

In relation to cosmetics and hygiene products, suppliers must not conduct animal testing of any products, ingredients or combination of ingredients; animal testing may only be conducted if it is not possible to produce the relevant research results with other methods.

When animal tests are performed, factors that can reduce pain or stress for the animals must always be considered. The tests should be performed at a minimum number of animals and the animals should be treated as well as possible throughout the whole operation.

## **2.6 Anti-corruption and business ethics**

Apoteket does not accept any form of corruption. We require that our suppliers conduct its business in accordance with the applicable anti-bribery law. We do not accept our suppliers offering or receiving bribes, or in some other way attempting to exert any form of unauthorised influence in their business relationships.

# **3 COMPLIANCE**

## **3.1 Management system**

We expect our suppliers to have a management system in place to work systematically with the requirements laid down in this Code of Conduct. If possible, the management system should be certified.

## **3.2 Transparency and cooperation**

We expect our suppliers to do their utmost to live up to the Code of Conduct's requirements within their organisation and supply chain. We expect our suppliers to notify us of any deviations from our requirements, regardless of such deviations originates from themselves or from its sub suppliers.

Transparency in issues regarding the Code of Conduct, in other words that we receive the information and documentation we request, is a requirement of a good cooperation. We always welcome a good dialogue in issues regarding our Code of Conduct and sustainability in general.

### **3.3 Inspection**

We reserve the right to, at any time, visit business premises where goods or services are managed or produced for Apoteket to ensure that the requirements in our Code of Conduct are being met and also that the business is otherwise being conducted in accordance with the principles expressed by the Code of Conduct. Such a visit may be carried out by Apoteket or an inspector appointed by Apoteket.

### **3.4 Measures**

In the event of deviations from the Code of Conduct's principles, our wish is to initially discuss how the deviations can be corrected. Repeated or severe violations may, however, have a negative influence on the business relationship with Apoteket.