



# **Formularios Europeos,S.A. Suppliers Code of Conduct**

**Version 10/2020**

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## **Introduction**

The Formularios Europeos, S.A. Code of Conduct for Manufacturers and Suppliers (hereinafter, the Code) defines minimum standards of ethical and responsible behavior which must be met by the manufacturers and suppliers of the products commercialized by FESA in the course of its business, in line with its business culture, firmly based on the respect for Human and Labour Rights.

FESA undertakes to allocate the appropriate resources so that manufacturers and suppliers are acquainted with and understand this Code and can ensure its compliance.

The Code shall be applied to all manufacturers and suppliers that take part in the purchasing, manufacturing, and finishing processes and fosters and is based upon the following general principles that define FESA's ethical behavior:

- All FESA's operations are developed under an ethical and responsible perspective.
- All persons, individuals, or entities, who maintain, directly or indirectly, any kind of employment, economic, social and/or industrial relationship with FESA, are treated fairly and with dignity.
- All FESA's activities are carried out in a manner that most respects the environment.
- All FESA's suppliers fully adhere to these commitments and undertake to ensure that the standards which are set forth in the Code are met.

### **1. No forced labour**

FES shall not allow any form of forced or involuntary labour in their manufacturers and suppliers. They may not require their employees to make any kind of "deposits", nor are they entitled to retain employees' identity documents.

### **2. No child labour**

Suppliers shall not employ minors. FESA defines minors such as those who have not yet reached their 16<sup>th</sup> birthday. In cases where local legislation stipulates a higher minimum age, the higher limit shall apply.<sup>2</sup>

Those between ages from 16 to 18 years old, will be considered young workers. Young workers shall not work during night hours or in hazardous conditions.<sup>3</sup>

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<sup>2</sup> Aspects related to prohibition of child labour will be developed according to Conventions 138 and 182 of the International Labour Organization (ILO)

### **3. No discrimination**

Suppliers shall not apply any type of discriminatory practice within the recruitment, compensation, access to training, promotion, termination of the employment agreement or retirement, based on race, caste, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation and/or union membership or political affiliation<sup>4</sup>.

### **4. Respect for freedom of association and collective bargaining**

Suppliers shall ensure that their employees, without distinction, have the right of association, union membership and collective bargaining. No retaliation may arise from the exercise of such right and no remuneration or payment whatsoever may be offered to the employees in order to hinder the exercise of such a right. Likewise, they shall adopt an open and collaborative attitude towards the activities of Trade Unions.

Workers' representatives shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace.

Where the rights to Freedom of Association and Collective Bargaining are restricted under law, the appropriate channels to ensure a reasonable and independent exercise of such rights must be designed<sup>5</sup>.

### **5. No harsh or inhumane treatment**

Suppliers shall treat their employees with dignity and respect. Under no circumstances shall physical punishment, sexual or racial harassment, verbal or power abuse or any other form of harassment or intimidation be permitted.

### **6. Safe and hygienic working conditions**

Suppliers shall provide a safe and healthy workplace to their employees, ensuring minimum conditions of light, ventilation, hygiene, fire prevention, safety measures and access to a drinking water supply.

Workers shall have access to clean toilets facilities and drinking water. Where necessary, facilities for food storage shall be provided.

Accommodation, where provided, shall be clean and safe.

Suppliers shall take the required steps to prevent accidents and injuries to health of their workers, by minimizing as much as possible the risks inherent to work.

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<sup>3</sup> Aspects related to labour conditions for young workers will be governed by ILO Recommendation 190.

<sup>4</sup> Aspects related to labour practices will be developed according to ILO Convention 111.

<sup>5</sup> Aspects related to freedom of association and collective bargaining will be developed according to ILO Conventions 87, 98 and 135.

Suppliers shall provide their workers with regular training in the matter of health and safety at work. The company shall keep an appropriate record of the training courses done. Likewise, they shall appoint a person in charge of health and safety within the Management, duly authorized and with the appropriate decision taking power<sup>6</sup>.

## **7. Wages are paid**

Suppliers shall ensure that wages paid meet at least the minimum legal or collective bargain agreement, should this latter be higher. In any event, wages should always be enough to meet at least the basic needs of workers and their families and any other which might be considered as reasonable additional needs.

Suppliers shall not make any withholdings and/or deductions from wages for disciplinary purposes, nor for any reasons other than those provided in the applicable regulations, without the express authorization of workers. Likewise, they shall provide all workers with: written and understandable information about their wages conditions upon their recruitment, and detailed information about the particulars of their wages every time that these are paid.

Suppliers shall also ensure that wages and any other allowances or benefits are paid on time and are rendered in full compliance with all applicable laws and specifically, that payments are made in the manner that best suits the workers<sup>7</sup>.

## **8. Working hours are not excessive**

Suppliers shall adjust the length of the working day to the provisions of the applicable laws or of the collective bargain agreement applicable for the sector in question, if the latter affords greater protection for the workers.

Suppliers shall not require their employees to work, as a rule of thumb, in excess of 48 hours a week and workers shall be granted at least one day off for every 7-calendar day period on average.

Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate, pursuant to the provisions of the prevailing regulations in force<sup>8</sup>.

## **9. Regular employment**

Suppliers undertake that all the employment formulas they use are part of the applicable local laws. Thus, they shall not impair the rights of workers acknowledged under labour and social security laws and regulations by using schemes that have no real intention to promote regular employment in the framework of regular employment relationships.

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<sup>6</sup> Aspects related to labour conditions relation to work health and safety will be governed by ILO Convention 155.

<sup>7</sup> Aspects related to payment of wages will be governed by ILO Conventions 26 and 131.

<sup>8</sup> Working day related issues will be governed by ILO Conventions 1 and 14.

## **10. Traceability of production**

Suppliers shall not assign any work to third parties without the FESA prior written authorization. Those who outsource any work shall be responsible for the enforcement of the Code by these third parties and their employees.

Likewise, suppliers shall apply the principles of this Code to any homemaker involved in their supply chain and shall give transparency to the locations and working conditions of said homemakers.

## **11. Environmental awareness**

Suppliers shall be duly committed at all times to protect the environment and shall comply with the standards and requirements of the applicable local and international Laws and Regulations.

Likewise, they commit to comply with environmental standards established by FESA including, if applicable, the necessary measures to reduce and compensate such impact in order to apply said standards.

## **12. Confidentiality of information**

Suppliers shall preserve the integrity and confidentiality of the information they may receive as a consequence of their commercial relationship with FESA.

## **13. Code implementation**

Suppliers shall implement and maintain programs to set in motion this Code. They shall appoint a senior member of Management who shall be responsible for the implementation and enforcement of this Code.

Suppliers shall communicate the Code to all employees and those in any way involved in the Inditex Supply Chain.

A copy of the Code, translated into the local language, shall be displayed in accessible locations to all workers.

### **13.1 Transparency**

Suppliers shall carry out their activities in an honest, upright and transparent way, keeping for these purposes an appropriate accounting record system

that facilitates the traceability of their decisions, as a preventive measure versus any type of corruption, bribe and extortion that might arise.

Suppliers shall not offer, grant, request or accept any gifts or donations to/from FESA buyers which might infringe the provisions of the FESA Code of Conduct and Responsible Practices”.

Suppliers shall not manipulate or influence their workers, nor shall they forge any files or records to alter the verification process regarding compliance with this Code.

Suppliers shall neither offer nor accept remuneration of any kind which seeks, or may be perceived to seek, to affect the impartial judgment or the objectivity of such parties appointed by FESA to carry out inspections and compliance audits in connection with this Code.

### **13.2 Reference to national legislation, Conventions and Agreements.**

The provisions of this Code constitute only minimum standards.

Should national regulations or any other applicable Law or any other commitments undertaken or applicable, including collective bargaining agreements, govern the same issue, the provision which offers greater protection for workers shall apply.

FESA assumes, as part of its internal norms, the content of national and international Agreements and Conventions to which it has adhered, and that they are applied in its relationship with manufacturers and suppliers, committing to their promotion and compliance.

### **13.3 Bribery and corruption**

Supplier will not tolerate, permit, or get involved into act of corruption, extortion or bribery related to its business activity, direct or indirectly. Any illegal activity that could be considered as an incentive for a favorable decision will be immediately stopped by the Supplier.

### **13.4 Committee of Ethics and Whistleblowing Channel**

This Code is aligned with the principles and values that are included in the FESA Code of Conduct and Responsible Practices, which regulates a Committee of Ethics and Whistleblowing Channel to ensure its enforcement.

In this sense, and in order to ensure the enforcement of the Code of Conduct for Suppliers, the Committee of Ethics can act at its own initiative or following a formal complaint made in good faith by a manufacturer, supplier or other interested third party that might have any direct relationship or commercial or professional interest with FESA.

To this end, any notices given pursuant to the provisions of this Code, either reports of any breach or enquiries regarding the Code's interpretation or application can be addressed directly to the Committee of Ethics via:

- Post mail: Avenida Cámara de la Industria, 27 28938 Móstoles  
MADRID(España), attention to Ethics Committee
- E-mail: [denuncias@fesa-formularios.com](mailto:denuncias@fesa-formularios.com)