

# Supplier Code of Conduct

## 1. OVERVIEW

The Shafer-Haggart Ltd.'s Supplier Code of Conduct ('Code') articulates the minimum expectations concerning social and environmental responsibility for suppliers. The objective is to conduct business at the highest ethical standards with a strong commitment to social and environmental responsibility. The development of these standards is guided by amfori BSCI Code of Conduct, Principles of the Fight Against Forced Labour and Child Labour in Supply Chain Act of Canada and incorporating international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact, and relevant International Labour Organization (ILO) Conventions and Recommendations. These standards are aligned with Shafer-Haggart Ltd's values and principles.

It is important to note that the term "supplier(s)" refers to entities or businesses involved in providing the canned food products, for trading operations such as:

- Canned Food Manufacturers: Companies that supply/produce the canned food products that Shafer-Haggart Ltd imports and exports.

Suppliers are required to fully comply with all local and international legal requirements relevant to their business conduct. They must adopt practices that safeguard workers' rights, safety, and environmental protection. Respecting and upholding human rights, as outlined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, is of utmost importance. Shafer-Haggart Ltd expects and requires suppliers to uphold internationally recognized human rights throughout their operations and supply chain.

Partnerships with Shafer-Haggart Ltd are intended only with suppliers committed to meeting the standards outlined in this Code. Non-compliance with this Code or with local and international legal requirements will prompt a review and re-evaluation of the supplier relationship with Shafer-Haggart Ltd. In cases where the Code cannot be upheld, immediate notification to Shafer-Haggart Ltd. is mandatory and can be facilitated by contacting [vthenuwara@shafer-haggart.com](mailto:vthenuwara@shafer-haggart.com)

## Revision History

No	Description	Revision
01	The regulations regarding night work for individuals in the youth age group have been updated.	<ul style="list-style-type: none"> <li>○ Suppliers must ensure that workers aged 15 to 18 years do not engage in night work, unless exceptions recognized by the International Labour Organization (ILO) apply.</li> </ul>
02	The regulations regarding work hours have been updated.	<ul style="list-style-type: none"> <li>○ Suppliers are required to ensure that the total regular hours worked per week do not exceed 48 hours, in accordance with the international standards set by the International Labour Organization (ILO), unless exceptions are allowed by state and federal government regulations.</li> <li>○ Suppliers shall ensure that workers have the right to resting breaks in every working day and are entitled to at least one day off in every seven days. Any exceptions to this time-off standard shall comply with state and federal government regulations.</li> </ul>

## 2. BUSINESS PRACTICES

### 2.1 MANAGEMENT SYSTEMS

- Suppliers are expected to implement an effective process for identifying and assessing labour and human rights risks, safety and health hazards, environmental impacts, and business ethics non-compliances.
- Suppliers will establish comprehensive Labour and human rights, health and safety, environmental policies.
- A robust tracking, reporting, and remediation process must be developed by suppliers to ensure continuous compliance with laws, policies, and other applicable requirements.
- Suppliers are required to establish processes for identifying and delivering relevant and accessible training and communication to workers. This includes ensuring that workers fully understand their rights, health and safety precautions, and any other company policies and procedures.
- In the event of non-compliances identified through audits or risk assessments, suppliers must undertake corrective and preventive actions addressing the root cause in a timely and effective manner.

- Suppliers shall establish or participate in effective operational-level grievance mechanisms aimed at addressing concerns raised by individuals and communities potentially adversely impacted by operations.
- In cases where a migrant worker population or diverse linguistic communities are present, the operational-level grievance mechanism shall be accessible in relevant local languages. Furthermore, the mechanism should facilitate the resolution of issues effectively across jurisdictions through strategic partnerships and coordinated efforts.
- Suppliers shall maintain accurate records related to grievances, ensuring transparency and accountability in the resolution process.

### **3. WORKPLACE STANDARDS**

#### **3.1 FREEDOM OF ASSOCIATION**

- Suppliers will respect the legal rights of workers to freely participate in worker organizations without encountering harassment or any form of penalty.
- Suppliers are obligated to ensure meaningful representation of all workers, without any form of distinction or regard to gender.
- Retaliation against workers exercising their rights is strictly prohibited, and worker representatives shall be shielded from discrimination while fulfilling their responsibilities.
- In situations where independent freedom of association or collective bargaining is legally restricted, suppliers are obligated to provide viable alternative means for association and bargaining.

#### **3.2 SAFE AND HYGIENIC WORKING CONDITIONS**

- Suppliers shall ensure the right to healthy working and living conditions for workers and local communities. Special protection measures must be provided for vulnerable individuals, including but not limited to young workers, new and expecting mothers, and persons with disabilities.
- Suppliers are required to comply with national occupational health and safety legislation. In cases where national legislation is weak or poorly enforced, adherence to international standards is expected.
- Suppliers must establish systems to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers.
- Suppliers must provide regular training on occupational health and safety to all departments and individuals throughout all stages of employment. Information on potential risks must be communicated to workers and the public, including affected communities.

- Suppliers must take effective measures to prevent accidents, injuries, or illnesses in the workplace. These measures should aim at minimizing, to the extent reasonable, the causes of hazards inherent within the workplace.
- Suppliers must actively seek to enhance the protection of workers in the event of accidents, including the implementation of compulsory insurance schemes.
- Suppliers must maintain records of all health and safety incidents in the workplace and all other facilities.
- Suppliers must take appropriate measures and obtain relevant licenses and documentation required by national legislation to ensure the stability and safety of equipment and buildings, including residential facilities for workers if provided or mandated.
- Suppliers shall respect the workers' right to exit premises immediately in the face of imminent danger without seeking permission.
- Suppliers must ensure the availability of adequate occupational medical assistance and related facilities for the overall well-being of workers.
- Suppliers must ensure access to potable drinking water, maintaining safe and clean eating and resting areas, and providing sanitary and secure cooking/ food storage facilities.
- Suppliers shall establish and maintain effective mechanisms to prevent, identify, and mitigate harm to young workers. Special attention should be given to providing access to operational grievance mechanisms and Occupational Health and Safety training schemes tailored to the specific needs of young workers.
- Suppliers must ensure that workers aged 15 to 18 years do not engage in night work, unless exceptions recognized by the International Labour Organization (ILO) apply.
- Suppliers are required to promptly remove young workers identified in hazardous work or exposed to sources of hazard. Additionally, suppliers commit to redefining the scope of their work for these young workers without any reduction in income.

### 3.3 CHILD LABOUR

- Suppliers are required to show a strong commitment to eliminating child labour from their operations. Suppliers must strictly follow relevant conventions set by the International Labour Organization (ILO) and adhere to all national laws, regulations, and procedures that prohibit child labour.
- Suppliers shall not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless exceptions recognized by the International Labour Organization (ILO) apply.
- Suppliers must ensure that any work provided or offered to individuals under the age of 18 is performed under circumstances that are not mentally, physically, socially, or morally dangerous to them.

- Suppliers shall not engage in any labour or services that interfere with the schooling of individuals under the age of 18. This includes actions that deprive them of the opportunity to attend school, obliging premature departure from school, or requiring the attempt to combine school attendance with excessively long and heavy work.
- Suppliers must establish robust age-verification mechanisms as part of the recruitment process. These mechanisms shall be implemented in a manner that is neither degrading nor disrespectful to the worker, ensuring the dignity and privacy of individuals.
- In the event of the dismissal and removal of individuals under the age of 18, suppliers shall proactively identify measures to ensure the protection of affected children. This may include providing appropriate support, counseling, and alternative educational opportunities.
- Suppliers shall prioritize the education and overall development of individuals under the age of 18, recognizing the importance of a safe, supportive, and education-focused environment.

### 3.4 FORCED LABOUR

- All workers shall have the right to enter into and to terminate their employment freely.
- Suppliers shall refrain from employing forced, trafficked, illegal, prison, indentured, bonded labour, or any other forms of coerced labour, emphasizing a commitment to eradicating forced labour and child labour from the supply chain.
- Suppliers and their recruitment partners shall adhere to international principles of responsible recruitment, including the Employer Pays Principle, when engaging and recruiting all workers, whether directly or indirectly. This commitment includes, at a minimum:
  - No recruitment fees and costs charged to workers.
  - Clear and transparent employment contracts.
  - Workers' freedom from deception and coercion.
  - Freedom of movement and no retention of identity documents.
  - Access to free, comprehensive, and accurate information.
  - Freedom to terminate the contract, change the employer, and safely return.
  - Access to free dispute resolution and effective remedies.
- Suppliers must adhere to the principle of no precarious employment, ensuring that:
  - Employment relationships do not cause insecurity or social/economic vulnerability for workers.
  - Work is performed based on a recognized and documented employment relationship, compliant with national legislation, custom, or international labour standards for enhanced protection.

- Before employment, Suppliers must provide workers with clear information about their rights, responsibilities, and employment conditions, including working hours, remuneration, and payment terms in their own language.
- Business partners must ensure that workers are not subjected to inhumane or degrading treatment, corporal punishment, mental or physical coercion, or verbal abuse.
- All disciplinary procedures shall be established in writing, clearly communicated to workers, and explained verbally in clear and understandable terms.

### 3.5 DISCRIMINATION

- Business partners are committed to fostering inclusive workplaces and shall not discriminate against, exclude, or show preference to individuals based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, union membership, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases, or any other condition that may lead to discrimination.
- Workers shall be treated with equality and respect, and no discrimination shall occur based on the aforementioned characteristics.
- This Code applies to all workers, regardless of worker category or status (including, but not limited to, migrant, pregnant, juvenile or young, contract or temporary, homeworkers or disabled workers).

### 3.6 WAGES AND BENEFITS

- Suppliers shall comply, as a minimum, with wages mandated by government minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. The wages shall refer to standard working hours.
- Suppliers must pay wages in a regular, timely, and stable manner, and fully in legal tender. Partial payment in the form of allowances "in kind" is only accepted in line with ILO specifications.
- Suppliers shall ensure that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualifications.
- Deductions from wages are permitted only under conditions and to the extent prescribed by law or established by collective agreement.
- Suppliers must provide workers with the social benefits that are legally granted, without a negative impact on their pay, level of seniority, position, or promotion prospects.

**3.7 WORKING HOURS**

- Suppliers are required to ensure that the total regular hours worked per week do not exceed 48 hours, in accordance with the international standards set by the International Labour Organization (ILO), unless exceptions are allowed by state and federal government regulations.
- In situations where regular working hours may be exceeded, suppliers may permit overtime. Overtime should be voluntary, exceptional, and compensated at a premium rate of no less than one and one-quarter times the regular rate. Additionally, overtime should not significantly increase the risk of occupational hazards
- Suppliers shall ensure that workers have the right to resting breaks in every working day and are entitled to at least one day off in every seven days. Any exceptions to this time-off standard shall comply with state and federal government regulations.

**3.8 ENVIRONMENTAL REQUIREMENTS**

- All suppliers are required to conduct their operations in strict compliance with both local and international environmental laws, regulations, and conventions. This includes, but is not limited to, regulations related to air quality, water usage, land management, chemicals, and waste disposal.
- Suppliers are strongly encouraged to develop and implement monitoring systems aimed at minimizing the environmental impact of their operations. Proactive measures should be taken to identify and address any potential environmental risks associated with business activities.

By signing below, the undersigned acknowledges they have read and understood the above requirements, agrees to comply with Shafer Haggart Ltd.’s Supplier Code of Conduct as outlined above, and acknowledges that violation of any of the standards may result in termination of the business relationship with Shafer Haggart Ltd.

\_\_\_\_\_  
**Supplier Name**

\_\_\_\_\_  
**Supplier Management – Name and Position**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**