

## Ethical Sourcing Policy

### Introduction

Social responsibility at Elixir Group (including all of its affiliated legal entities) means doing business while respecting human rights, trading ethically and protecting the environment.

As a rapidly expanding company with a global supply chain, our impact on society and the environment is increasing on an international level. We recognise our responsibility to ensure good ethical and environmental practices both in our direct operations, throughout our supply chain and the communities in which we operate.

This Ethical Sourcing Policy outlines the minimum standards we require our contracted suppliers to comply with. It is based on core International Labour Organisation (ILO) conventions which present the backbone of international labour law and have been ratified by a majority of countries around the world. We further acknowledge our responsibility in line with the UN Guiding Principles on Business and Human Rights as a globally recognised framework.

We require our suppliers to adopt similar principles in dealing with their own suppliers and share this policy proactively with their respective suppliers, with the aim of cascading the principles down the supply chain. We further recognize that integral adherence to the Ethical Sourcing Policy is a dynamic process and may not always be achievable instantly. We do however encourage our suppliers to continually improve their operations and are committed to working collaboratively with them in the spirit of mutual benefit. Therefore, we expect our suppliers to build capacities in order to demonstrate their commitment and compliance with this Code. Specifically, this includes the implementation of management systems, a designated member of staff to ensure compliance and record keeping to document progress. Where necessary we will support our suppliers to monitor and improve their ethical sourcing performance and to implement this policy throughout their own supply chains, in line with the ultimate objective to achieve full compliance.

Where assessments or audits uncover issues of non-compliance, we will work with our suppliers to agree and effectively implement appropriate corrective and improvement action plans. We require all agents and suppliers to be open and honest about their performance and problems where they may occur, so that we can make tangible improvements.

We consider terminating business relations with an agent or supplier to be a last resort, but in our commitment to ensure good ethical practice in all aspects of our supply chain, we will terminate business relations with those who demonstrate:

- persistent and serious issues of non-compliance;
- persistent disregard for our Ethical Sourcing Policy;
- no motivation or dedication to comply with the Ethical Sourcing Policy or continually improve compliance levels;
- any deliberate attempt to misinform Action or Action representatives (e.g. auditors) of ethical performance;
- knowingly withhold information regarding any sub-contracting taking place along their supply chain.

With Elixir's evolving process on Ethical Sourcing, we will also review the policy on an annual basis and will communicate to our suppliers whenever the requirements have been updated.

## **Policy Requirements**

### **Child labour**

The use of child labour is strictly prohibited. We require our suppliers to be compliant with the international standards on child labour as set out in the Minimum Age Convention, 1973 (no. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182). The fundamental Minimum Age Convention sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed. Suppliers shall establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. If under-aged workers are found working, the Elixir Child Labour Policy shall be applied immediately.

### **Young workers**

Suppliers shall ensure that young workers (defined as people under the age of 18) shall not work at night and they shall not be exposed to hazardous conditions and/or physical risk. Young workers shall not be employed at night. Where young workers are employed, business partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

### **Forced labour**

Suppliers shall under no circumstances use or benefit from forced labour and shall comply with ILO Convention 1930 No. 29 on Forced Labour and ILO Convention no. 105 on Abolition of Forced Labour. Forced Labour can be understood as work that is performed involuntary or under the menace of any penalty, such as physical punishment, bondage, violence as a method of discipline or control, threats, retaining of passports, work permits or deposits and confinement.

### **Freedom of association and collective bargaining**

Suppliers shall allow workers to join or form trade unions of their own choosing and to bargain collectively in accordance with all applicable laws and regulations. Suppliers shall adopt an open attitude towards the activities of trade unions and their organisational activities.

### Health & safety

Suppliers shall provide their workers with a safe and adequate working environment which meets the basic needs for workers and with (access to) clean toilet facilities, potable drinking water, sanitary facilities for food storage, adequate lightning, ventilation and reasonable temperature. The same requirements apply to dormitory facilities, if provided, and should be equipped with reasonable personal space, clean showers and bathrooms. Dormitory facilities shall be separated from the factory and production area. Workers shall be permitted to leave the dormitory facilities freely at any time. All form of Personal Protective Equipment (PPE) shall be provided to workers free of charge and adequate health and safety instructions shall be given. Facilities shall undergo an environmental and safety risk assessment and suppliers shall provide all required documentation and permits regarding structural,

electrical and fire safety upon request. Suppliers shall implement robust Health & Safety management systems. Further, they shall be well prepared for emergency situations, which includes workers notification, evacuation procedures, exit facilities, emergency training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment. Workers shall be regularly trained in emergency planning, responsiveness and medical care. Suppliers shall keep records thereof for inspection. A senior management representative, responsible for health and safety issues, shall be assigned by the supplier.

### Fair remuneration

Suppliers shall ensure that workers are provided with wages and benefits that, at a minimum, comply with applicable legal standards, industry benchmark standards and/or binding collective agreements, whichever is higher, including those pertaining to overtime work. In any event wages should always be enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, as well as wage slips. Wages shall be paid in a timely manner, regularly and in fully legal tender. Deductions from wages as a disciplinary measure is not permitted.

### Working hours

Suppliers shall comply with all applicable laws, industry standards and binding collective agreements with regard to working hours, overtime work, maternity leave, holidays, breaks, rest periods and paternity leave. Suppliers shall collect the above information, have a sound understanding of these and provide them in written and in clear and understandable terms to the workers before entering employment. Overtime work shall be voluntary and be used responsibly, taking into account the extent, frequency and hours worked by individual workers and the workforce as a whole, Overtime premium shall be paid in accordance with national legislation, industry benchmark standards and/or binding collective agreements in place. Workers shall be allowed at least one day off in every 7-day period, if not otherwise defined by applicable law or binding collective agreements. Reasonable annual leave at a minimum of applicable law shall be afforded to every worker, based on a clear, formal policy.

### No discrimination

Suppliers shall comply with ILO Convention No, 111 on Discrimination. Discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, birth, national or ethnic origin, nationality, religion, age, disability, gender, marital status, family responsibilities, sexual orientation, social background, diseases, union membership, political affiliation or any other condition that could give rise to discrimination is prohibited.

Privacy Suppliers shall respect the privacy of their workers. The collection, use and other processing of personal information shall comply with privacy and information security laws and regulatory requirements.

### Employment practices

Suppliers shall only employ workers who are legally authorised to work in their facilities and are responsible for validating workers' eligibility to work through appropriate documentation. To every extent possible, work performed shall be on the basis of recognised employment relationship established through national law and practice. Obligations to workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, home- working arrangements, excessive use of fixed-term contracts of employment or through apprenticeship schemes,

where there is no real intent to impart skills or provide regular employment. In case of employment through third party labour agencies the supplier shall comply with Convention no. 181 of the international Labour Organisation on Private Employment Agencies.

### No harsh or inhumane treatment

Suppliers must operate with respect, integrity and dignity towards their workers. Any form of physical, sexual or verbal abuse and/or intimidation, threat and harassment is prohibited, All disciplinary procedures must be fully compliant with local laws, established in writing, and are to be explained verbally to workers in clear and understandable terms. All disciplinary actions must be recorded, We encourage our suppliers to have a whistle- blowing policy and process for workers.

### Ethical business behavior

Suppliers shall not, without prejudice to the goals and expectations set out in this policy, directly or indirectly be involved in any act of corruption, extortion or embezzlement, nor any form of bribery including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive or advantage. Suppliers shall not violate any applicable anti-bribery laws and regulations. Suppliers are obliged to maintain accurate information regarding their activities, structure, performance and to disclose these in accordance with applicable regulations and industry benchmark practices.

### Protection of the environment

Suppliers shall comply with all applicable legal environmental requirements and ensure that they obtain, keep, update, and follow the reporting guidelines of all the required environmental permits and registrations to be at any time legally compliant. Suppliers shall demonstrate continuous improvements of their environmental performance and be able to provide evidence upon request. Suppliers are required to conduct an environmental risk assessment at facility level to assess significant environmental impact of operations, and establish effective policies and procedures that reflect environmental responsibility, Suppliers shall take all necessary measures to mitigate environmental risks and to optimise their consumption of natural resources, including energy and water. Suppliers shall, as appropriate to the size and complexity of the business, implement adequate measures to prevent pollution and minimize adverse effects on the community, natural resources, biodiversity, generation of solid waste, wastewater, air emissions and the overall environment. Suppliers shall comply with all applicable laws with regards to hazardous materials, chemicals and substances and shall ensure their safe handling, movement, storage, recycling, reuse and disposal.

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