



Supplier Code of Conduct

Version 2.0
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1. Introduction

The Royal Unibrew Group is committed to contributing positively to developments in the areas in which we operate, to limit our environmental impact, encourage sustainability, establish safe and good working conditions for our employees, supply consumers with products of a very high quality and contribute positively to our stakeholders and society at large.

Our suppliers play a vital role in the way we conduct our business. Through this Supplier Code of Conduct (hereinafter referred to as the “Code”), we communicate the minimum standards and processes that we expect our suppliers to follow when conducting business with any part of the Royal Unibrew Group. Please see www.royalunibrew.com for a list of companies in the Royal Unibrew Group.

Our approach to responsible sourcing is rooted in our commitments, legislation and internationally recognized conventions and guidelines such as OECD guidelines for Multinationals, Universal Declaration on Human rights, International Labor Organization Standards, UN Global Compact, UN Guiding Principles on Business and Human Rights, UN Sustainable Development Goals, etc. Royal Unibrew believes that by creating a more sustainable business and by working together with our suppliers, we can create shared value and a better more resilient future. The quality and integrity of our products depends on continuity of supply and a healthy supply chain. We recognize that responsible sourcing is a journey where improvements are achieved through cooperation and partnerships with our suppliers.

2. Business Ethics

Royal Unibrew does business in accordance with our **Business Ethics Policy** (available at www.royalunibrew.com) and we expect our suppliers to follow and adhere to the same minimum standards.

[The Business Ethics Policy is easily accessible here.](#)

The Business Ethics Policy set out minimum standards for:

- Business Integrity
- Quality & Food Safety
- Environment & Climate
- Human rights & Labor Standards
- Responsible Sourcing
- Obligations to report violations

Royal Unibrew's **Business Ethics Policy** applies directly to all Royal Unibrew's employees and providers of goods and services such as suppliers, vendors, distributors, contractors, consultants, advisors, and agents.

3. Implementation

Our suppliers are required to implement the principles and standards of this Code or similar internationally recognized standards to their own business and their business partners, including sub-suppliers, contractors, agents, advisors, joint venture partners etc.

Our suppliers are required to acknowledge and commit to the adherence of responsible business principles of the Code. We assess our suppliers' compliance with the Code through a combination of audits, self-assessments and documentation reviews. Periodic reviews and follow-up audits as per our internal risk procedures are conducted to monitor the compliance levels.

The purpose of this Code is help supplier to continually improve its management of harmful impacts. Royal Unibrew is therefore willing to cooperate with the supplier to ensure that the provisions of this Code are complied with. However, Royal Unibrew will not cooperate with a supplier if it is considered impossible to comply with the provisions of this Code, and the supplier does not show the will or ability to remedy any harmful effects found.

Royal Unibrew will not accept any attempt to exploit the requirements in this Code to lower existing standards. Further, this Code is not and may not be construed as a mean to circumvent or undermine national legislation or authorities. In the event of any inconsistency, the more stringent requirements must be observed.

4. Requirements to all categories and specific categories

Royal Unibrew has identified several areas where more detailed guidance may be needed to achieve our ambitious targets, reduce risks of violation of responsible sourcing principles related to environment, climate, human rights and labor standards. Hence, additional requirements have been elaborated for:

All categories

- Energy management, and Renewable Energy & CO2 reduction, circular economy and closing the loop for materials

Specific categories

- Agricultural based raw material
- Packaging material

Suppliers of products within the above categories are required to acknowledge and commit to the adherence of the policies within each relevant category.

5. Environment and climate requirements for all categories

Royal Unibrew believes that climate change and climate resilience is one of the key challenges for sustainability. Therefore, we have embarked on a journey where we want to become carbon emission free by 2025 in scope 1 and 2, excluding distribution. Furthermore, we want to reduce the impact in the entire value chain (scope 1, 2 and 3) by 50% in 2030 compared to 2019.

We are building on many years continuous improvement for all resources such as energy, water and raw material and the associated emissions and discharges and that remains focus areas.

Circular economy and closing the loop for materials are yet other important areas to consider. Royal Unibrew realizes that to improve further, we need enhanced cooperation, partnerships and innovation across the value chain we are a part of.

Consequently, we expect all our suppliers to:

- Manage and monitor energy consumption as well as transitioning towards Renewable Energy sources.
- Apply circular economy design and close the loop for materials

Manage and monitor energy consumption as well as transitioning towards Renewable Energy sources

To avoid contribution to climate, change the starting point is to measure and monitor energy use and greenhouse gas emissions, setting reduction targets, maximize energy efficiency and use renewable energy sources.

Royal Unibrew expects reporting to be aligned with the Green House Gas Protocol and relevant PEFCRs (Product Environmental Footprint Category Rules). The basic requirement is to disclose scope 1 and 2 energy consumption/emissions, the contribution from renewable energy sources and other CO2 reduction targets. Eventually or if it is already possible, we would like to extend disclosure to include relevant scope 3 emissions. We are aware that all suppliers are not able to provide the data upfront, but we will favor suppliers that at least initiates the process.

Apply circular economy design and close the loop for materials

To avoid excess use of resources the concept of circular economy and closing the loop must be applied to all materials. Circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.

Royal Unibrew believes that excess use of resources may be avoided by increasing reuse and recycling of material, whenever possible. We expect our suppliers to embark on the journey and we will favor suppliers that at least initiates projects.

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6. Agricultural based raw materials

Royal Unibrew is a multi-beverage company, where agriculture and agriculturally based raw materials are central to our supply chain. Our products must be based on safe, high quality and affordable supply of agricultural raw material to meet the demands

We recognize that there is an increasing pressure on the global food chain and the ecosystem from which it is derived. With a growing world population, it is pivotal to develop methods and crops that not only increase yields but also reduce potential impacts to the environment and people, such as biodiversity, water scarcity and climate. We are determined to meet these challenges and to raise the bar on our ambitions because our company can only thrive if the planet and communities we serve are thriving too.

Royal Unibrew believes that focus on productivity, yields and improved farming methods, based on acknowledged science and technology without compromising environment and social standards is part of the solution.

Currently Royal Unibrew's use of animal based raw materials is very limited, milk and milk derived products may be used and therefore animal welfare is also a concern.

Therefore, we expect our suppliers to:

- Develop and manage a sustainable agricultural supply chain

Develop And Manage A Sustainable Agricultural Supply Chain

Management systems with objectives, procedures, performance tracking and documentation and commitment to sustainability improvements over time is required.

To improve sustainability of the agricultural supply chain, programs and management of energy, water, soil, waste, and agrochemicals as well as conservation of forest and biodiversity is fundamental. Observing best practices for food safety, hygiene and adhering to community and traditional rights are prerequisites.

Royal Unibrew is aware of several management system standards, labeling schemes/product stewardship programs (e.g., organic) and in some cases legal/regulatory requirements that are relevant for agricultural raw materials such as SAI, Bonsucro Standard, Rain Forest Alliance, Global GAP and Universal Crops.

7. Specific categories: Packaging material

Packaging material is vital for protection of our products and maintaining the high product quality from production via transportation and storage to consumption in the entire shelf life of our products. Thereby, packaging material enables less food waste in the supply chain.

Legal and regulatory requirements for food contact material, sets the bar for the content of potentially hazardous material which is prohibited or regulated. Packaging material is however, also the an important contributor to the carbon footprint of Royal Unibrew and our products.

Depending on the material in question our packaging material is generally based on fossil fuels (plastics), wood (paper and corrugated cardboard), sand/silica (glass) and steel/alumina (cans & kegs). Therefore, the sustainability challenges for especially the virgin material may differ being it based on mining, drilling or forestry.

However, Royal Unibrew believes that impacts by packaging material may be avoided or significant reduced by considering the following principles:

- Removing hazardous substances
- Reducing weight by design changes
- Reusing the packing
- Recycling the material
- Rethinking: mono material and innovations for packaging systems

Therefore, we expect all our suppliers to:

- Develop and manage sustainable packaging material
- Minimize waste and closing the loop

Develop and manage sustainable packaging material

Management systems with objectives, procedures, performance tracking and documentation, and commitment to sustainability improvement over time is required.

To improve sustainability of the packaging material supply chain, programs and management of water, soil and chemicals/heavy metals as well as conservation of forests, land and biodiversity is fundamental. Adhering to community and traditional rights are likewise prerequisites.

We are aware of several product stewardship programs and certifications and legal/regulatory requirements that are relevant for packaging materials such as Forest Stewardship Certification/Program for The Endorsement of Forest certification (FSC/PEFC) for forestry and wood, Aluminum Stewardship Initiative (ASI) for aluminum, and similar certifications for recycled plastics.

Minimize waste and closing the loop

We require that suppliers are actively reducing the consumption of virgin material and thereby may reduce the potential negative impacts on sustainability. Thus, material losses in the manufacturing processes such as cut offs or waste, must be recovered to the fullest either by reuse or recycling. Moreover, closing the loop by recycling food grade material into new food grade packaging – gradually increasing the content of recycled material over time, is considered a best practice.

8. Responsibility & Documentation

We expect and encourage our suppliers to develop and implement relevant management systems, appropriate for a company of their size and industry to ensure compliance with applicable laws and regulations and the requirements of the Code. The objective of this Code is to establish a basis for positive development and continuous improvement of responsible procurement practices.

Suppliers are responsible for controlling their own supply chain, and Royal Unibrew expects Suppliers to encourage compliance with this Code of Conduct by any supplier of goods and services that are used by the Supplier when performing the Supplier's obligations under any agreement entered into with Royal Unibrew.

Suppliers must keep appropriate records to demonstrate compliance with the requirements of this Code. The records must be available to Royal Unibrew upon request.

9. Report violations

Royal Unibrew welcomes speaking up as an opportunity to identify and repair potential misconduct. Royal Unibrew encourages its suppliers, including their employees, to speak up if they have any concerns regarding a possible violation of this Code.

Violations and suspicions can be reported anonymously to Royal Unibrew via the Royal Unibrew Whistleblower reporting system at <https://www.royalunibrew.com/>