

Pioneering
green solutions

Verbio

Human rights and environmental expectations towards our suppliers

- Training for Suppliers -

Introduction

We expect our business partners to observe the same principles with regard to human rights and environmental protection that we ourselves apply within our own business area and which are the benchmark for all our business activities:

We expect our business partners to act responsibly in harmony with the environment and society and to respect all internationally recognized human rights within their own company as well as with their own businesspartners and suppliers.

As our supplier, you will also work with us in particular to respect human rights in the supply chain and to implement the necessary measures. Because only together can we master this task.

The contractual assurance that the human rights and environmental expectations required by Verbio SE (hereinafter "**Verbio**") will be met and appropriately addressed along the supply chain is provided by the inclusion of our **Code of Conduct for Suppliers** via our GTC and/or by specific contractual clauses.

This training document is intended to provide you with an overview of the key human rights and environmental expectations defined in our Supplier Code of Conduct and to help you implement the requirements set. For the individual protected legal positions, the definition, the signs and possible preventive measures are explained to you.

However, the handout in this document does not ensure that human rights and environmental risks in your company are minimized or eliminated. Further measures may be required on your part, the implementation of which is subject to your own corporate responsibility.

If you have any further questions, please feel free to contact us.

WHAT ARE HUMAN RIGHTS?

The United Nations Universal Declaration of Human Rights ([Resolution 217 A \(III\) of 10.12.1948](#)) consists of 30 articles. These 30 articles include rights derived from human dignity, such as the right to life and liberty, the prohibition of slavery and torture, or freedom of religion and expression. **All people are entitled to these rights - no matter where and how they live.**

How companies have to assume their responsibilities with regard to human rights is set out in the following documents:

- [UN Guiding Principles on Business and Human Rights](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy](#)

Verbio has also adopted and published its own [Statement on Respect for Human Rights](#).

The risk of violations of these human rights can exist in all industries and all business sectors. That's why it's important to identify and avoid such risks at an early stage – within your own company and in supply chains.

To better understand and address the impact of your own business-activities and supply chains with regard to such risks, you will find an initial guide with related practical examples and further information [here](#).

You can carry out an initial industry- and product-specific risk check [here](#).

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Free choice of employment

Forced or compulsory labor is not permitted.

This includes any kind of work or service that is required of a person under threat of any punishment and for which he or she has not volunteered. Employees must have the freedom to terminate the employment relationship at any time with a reasonable notice period.



Even if employees are paid for their work, it can still be forced labor if they are prevented from leaving the employer by violence, fraud or coercion.

What you can do

- Written employment contracts* drafted in understandable language, including appropriately defined notice periods.
- Ensuring that employees have access to their identity documents at all times.
- Conducting audits of facilities and suppliers to identify and prevent possible forced or compulsory labor.
- Company policies and training should ensure that employees and subcontractors are informed about the causes and forms of forced labor.
- Company policies should define measures to avoid forced labor in the course of business activities.

*According to applicable local law

Wages and working hours

Remuneration and social benefits must comply with the basic principles regarding minimum wages, applicable overtime regulations and statutory social benefits.



Working hours and non-working hours must at least comply with applicable laws, industry standards or the relevant conventions of the International Labor Organization (ILO) – whichever is stricter.

What you can do

- Wage guarantee: Wages may never be withheld for disciplinary reasons or as a method of control.
- The salary should be paid in good time in the contractually agreed amount and in accordance with local legal requirements. Especially in the case of temporary workers, care must be taken to ensure that they are paid correctly. Vouchers and goods alone are not an appropriate means of payment.
- Systems for recording working hours should be installed, including the possibility of inspection by employees.
- Special rules on working hours and salaries should be in place for groups of employees who are particularly worthy of protection, such as mothers.

Prohibition of child labor

Children must not be inhibited in their development and their safety and health must not be impaired.

Child labor may not be used at any stage of production or processing. Suppliers are required to at least comply with the requirements of the [International Labor Organization \(ILO\)](#) on the minimum age for admission to employment and the prohibition of child labor.



The minimum age is generally prescribed by national legislation.

According to international standards, however, the age of 15 should not be undercut as a rule and heavy work should not be performed under the age of 18.

What you can do

- Robust management systems for age verification upon hiring.
- Double-check birth certificates with the help of other documents (school certificates, etc., ...).
- Regular review and updating of the employee directory.
- Paying decent wages that allow adult employees to support the family without relying on the additional support of their children.

Further information

The Bureau of International Labor Affairs (ILAB) maintains a [list of goods and their countries of origin](#) that there is reason to believe were produced by child labor or forced labor in violation of international standards.

Equal opportunities and non-discrimination

Discrimination describes the disadvantage of employees on the basis of personal characteristics, for example on the basis of descent, national or social origin, skin colour, religion, ideology, political and trade union activity, gender, sexual orientation, age, disability, illness or pregnancy.

Discrimination can affect all areas of the company, such as:

- Hiring, wages and benefits
- Working hours and unpaid leave
- Special protection during and after pregnancy
- Training, promotion and advancement
- Disciplinary proceedings and dismissal
- Safety and health
- Accessibility for people with disabilities



What you can do

- Company policies should clearly speak out against any form of discrimination and define clear rules and measures to address and prevent discrimination.
- Awareness-raising measures (such as training and seminars) should be available to all employees and should be mandatory for certain functions (management, HR staff).
- Within the company, contact points for complaints should be created and made known and accessible to all employees. They should be designed appropriately to make access as easy as possible for the persons concerned (for more details, see the chapter on [complaints procedures](#)).

Freedom of association and the right to collective bargaining

Employees have the right to associate, join, appoint and be elected to a trade union.



Employees must be able to exchange ideas openly with the company management about working conditions without fearing disadvantages.

However, the right to freedom of association also includes the freedom not to associate or become part of an association.

What you can do

- Time concessions should be granted to trade union representatives to prepare and carry out their trade union duties without loss or reduction of privileges (e.g. social benefits or wages).
- Automatic recognition of the representation elected by employees.
- Provision of adequate premises for the performance and fulfilment of trade union duties.
- To provide sufficient and correct information relevant to the company as a prerequisite for serious and meaningful collective bargaining.

Health and safety at work

Employers must ensure occupational safety and health at least within the framework of the applicable national regulations and support continuous development to improve the world of work.

What you can do

- Regular inspections of the facility and equipment to identify and address potential risk areas and dangerous behaviors.
- Continuously updated and regularly conducted health and safety training for all employees.
- Free provision and replacement of personal protective equipment for employees.
- Appointment of a safety function, ideally with the participation of employees.
- Deploy trained health and safety personnel who are known to employees at each facility.

Respect for human rights by security forces

When deploying public and private security forces, it must be ensured that they respect internationally recognized human rights.



In order for security forces to be able to carry out their protective function effectively, they are equipped with certain powers. These include, in particular, the right to carry weapons or to take persons into custody. In order to minimize the risks of abuse of these powers and possible human rights violations resulting from them, extended control and protection measures are needed.

What you can do

- Actively promote the "Voluntary Principles for Security and Human Rights" in order to enable security forces to be deployed in accordance with human rights.
- Examination of the security forces before an assignment, e.g. for their reliability and training.
- Training of security forces to comply with human rights.
- Redress of adverse effects in the event of violations and the prevention of repetition of violations by security forces.

Protection of local and indigenous communities

The rights of local communities (especially indigenous peoples) must be respected. It must be ensured that there are no negative impacts on health, safety and livelihoods.

Local communities and indigenous peoples can be particularly and directly affected by business activities, e.g. through water and soil pollution, deforestation or the unlawful appropriation of housing and living space.



What you can do

- Avoid negative impacts on health, safety and livelihoods through appropriate measures.
- Zero-tolerance policy of land grabbing by business partners.
- Adherence to the principles of free, prior and informed consent of indigenous peoples (ILO No. 169).
- To publish a commitment to the protection of human rights defenders.
- Seek and promote constructive exchange with human rights defenders.

Environment

We also expect our suppliers to implement environmental due diligence obligations.

What you can do

- Establishment and application of an appropriate environmental and energy management system.
- Efficient and responsible use of resources such as energy, water and raw materials to protect biodiversity.
- Use of technologies to prevent and reduce waste, greenhouse gas emissions, wastewater pollution, pollutant emissions.
- Promoting the reuse of raw materials.
- No violation of environmental obligations by
 - the use of mercury and mercury compounds in products/manufacturing processes and through the treatment of mercury waste,
 - the use and disposal of persistent organic pollutants as well as the collection, storage and disposal of resulting waste, or
 - the cross-border shipment of hazardous waste and its disposal.
- Transparency with regard to greenhouse gas emissions in own and upstream activities.
- Take effective action in line with the Paris Climate Agreement to reduce direct and indirect CO2 emissions, including working on continuous improvements, advancing the use of renewable energy and alternative energy sources, and setting a science-based emissions reduction target.

Procedure for complaints

In the event of a case, take action instead of looking away.

A complaints procedure serves to detect violations of rules at an early stage and to avert damage to the company and its employees.

The complaints procedure should be fair and transparent and open to all persons or groups of people. Certain basic principles must be observed – in particular, no one may be disadvantaged or sanctioned for submitting a case.



Verbio has its own **complaints procedure**.

The purpose of the complaints procedure is to enable individuals to draw attention to human rights and environmental risks as well as violations of human rights or environmental obligations that have arisen or may arise as a result of Verbio's economic activities.

Further information on Verbio's complaints procedure can be found in the [Procedure for the Whistleblower System](#).

Your actions matter

Only together can we ensure that socially, ethically and ecologically responsible action is further firmly anchored in our joint value chain.

What you can do

- Set up suitable management systems and business processes in order to be able to identify and remedy human rights- and environment-related breaches of duty at an early stage.
- If any indications of non-compliance with our human rights and environmental expectations become known, we ask you to report them to us immediately. The breach of duty can also be caused by one of your suppliers and affect the supply chain.
- Promptly take corrective action to prevent, minimise and end violations of human rights and environmental expectations and inform us thereof.
- Establish an appropriate grievance procedure so that your employees and suppliers can also report human rights and environmental misconduct (among other things).
- When selecting your own suppliers, also pay attention to compliance with human rights and environmental standards.
- Train and sensitize your staff, especially employees in the procurement and purchasing departments as well as in the human resources department.
- Define responsibilities. The appointment of a human rights commissioner can make sense.

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Publisher / Editorial Team

Verbio SE
Global Compliance
Email: compliance@verbio.de
Phone: +49 341 308 530 294
www.verbio.de/compliance