



Vodafone Supplier Policy – A2

Code of Ethical Purchasing



Scope

All Vodafone procurement agreements with Suppliers.

Policy

1 Introduction

- 1.1. This Code of Ethical Purchasing Policy (“this Code”) sets out Supplier’s obligations in relation to social and ethical compliance. The Supplier must follow this Code and Vodafone’s Code of Conduct.

2. General Requirements

- 2.1. The phrase “Supplier” in this Code shall, where relevant, also include all officers, employees, contractors, subcontractors and agents of Supplier. All references to “Vodafone” include the relevant contracting entity and all other Vodafone Group Companies that benefit from the goods and services being provided. All references to “employees” shall include workers of any kind, whether engaged by, on behalf of or for the benefit of, Supplier or its subcontractors.
- 2.2. Supplier shall comply with all relevant laws, regulations, standards and national, industry and other widely-recognised agreements on environmental protection in all of the countries in which it operates.
- 2.3. Supplier shall respect all human rights as set out in the International Bill of Human Rights and shall comply with the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Supplier shall, throughout its business operations, implement the United Nations Guiding Principles on Business and Human Rights (UNGPs), which are reflected in the requirements of the OECD Guidelines for Multinational Enterprises.
- 2.4. Supplier shall require its suppliers and subcontractors to comply with this Code and the Code of Conduct and to ensure that their employees and subcontractors are adequately trained on how to comply with them.

3. Monitoring, Corrective Action and Reporting

- 3.1. Supplier must identify, correct and monitor the continued compliance of any activities that fall below the standards of this Code.
- 3.2. Supplier shall immediately report to Vodafone any breaches of this Code and together with Vodafone agree a schedule for corrective action.
- 3.3. Vodafone may consider a breach of this Code a material breach of contract. Vodafone accordingly reserves all its legal rights and remedies in respect of any such breach.
- 3.4. Vodafone (or another Vodafone Group Company) may report progress (or extent thereof) in Supplier’s compliance with this Code, in Vodafone’s annual reporting, and Supplier agrees to such disclosure.
- 3.5. Supplier shall provide Vodafone with reasonable access to all relevant information and premises for the purposes of assessing performance against this Code and is responsible to ensure that its subcontractors and suppliers do the same. Audits may be conducted by an independent third party on behalf of Vodafone. Audits may also be conducted jointly between Vodafone and Supplier, and include the assistance of an industry representative, or relevant Non-Governmental Organisation.



4. Obligations

4.1. Child Labour

- 4.1.1. Supplier shall strictly prohibit child labour. No person shall be employed who is below the minimum legal age for employment.
- 4.1.2. The minimum age for employment shall be the age for completing compulsory education in the relevant country or not less than 15 years of age (or not less than 14 years, in countries where this limit has been so established by that country in accordance with ILO Convention No. 138), whichever is higher.
- 4.1.3. Persons under the age of 18 shall not be utilised in any form of slavery or slave-like practices; nor shall they be employed in any kind of: pornography, prostitution, illegal activities, hazardous or night work, nor in any work that is inconsistent with the child's personal development, morality, safety or health.
- 4.1.4. In any decision to employ a person under the age of 18, Supplier shall ensure that the best interests of the child are the primary consideration. Supplier shall ensure the child attends mandatory schooling and collaborate with governmental and non-governmental organisations to ensure the child's basic needs are met after the termination of employment.

4.2. Forced Labour & all forms of slavery

- 4.2.1. All employment shall be voluntary. Supplier shall not use any form of forced, bonded, involuntary prison labour, compulsory labour, slavery human trafficking, serfdom or economic or sexual exploitation or humiliation.
- 4.2.2. Supplier shall not require employees to lodge deposits of money or withhold payment or place debt upon employees or require employees to surrender any government-issued identification, passports, or work permits as a condition of employment. Workers must be free to leave work and terminate their employment or other work status with reasonable notice.
- 4.2.3. Supplier shall bear all costs related to the recruitment process in full, including travel and repatriation. If it is discovered that workers have paid recruitment fees, the Supplier must reimburse the full cost of those fees to the worker.

4.3. Working Hours

- 4.3.1. Supplier shall ensure its employees' working hours do not exceed the maximum set by local law and each employee's working week does not exceed 60 hours per week including overtime, with a maximum of 8 hours per day.
- 4.3.2. Supplier shall allow each of its employees at least one day off following every six consecutive working days.
- 4.3.3. Supplier shall grant its employees the right to paid vacation.
- 4.3.4. In exceptional circumstances (which may include emergency situations but shall not include anticipated peaks in production requirements), when these hours might be exceeded by Supplier's employees, working hours shall in any event not be excessive. Supplier shall be considerate to the type of work performed and the acceptable working hours for the role concerned. Supplier shall monitor and record instances in which these working hours are exceeded, including the nature of the exceptional circumstances.
- 4.3.5. Overtime shall be voluntary and compensated at a rate that complies with Applicable Law. The Supplier shall not make excessive use of overtime.



4.4. Employment Terms and Payment

- 4.4.1. Supplier shall ensure its employees receive clear written information about their employment conditions, in a language and form understood by the employee. Such terms shall include reasonable notice periods. Supplier shall pay employees fair and reasonable wages at least equal to the minimum wage established by applicable law or otherwise in accordance with the law of employment. The wages shall be sufficient to meet their basic needs and to provide discretionary income as well as any legally entitled or agreed benefits.
- 4.4.2. Supplier shall not use deductions from wages as a disciplinary measure. and Supplier must clearly explain to its employees the basis on which they are paid. Employees must be paid in a timely and regular manner, and must receive a contemporaneous statement for each pay period, including sufficient information to allow the employee to verify that they have been paid accurately.

4.5. Disciplinary Practices

- 4.5.1. Supplier will treat all employees with respect and dignity. Supplier shall prohibit physical and verbal abuse or other harassment and any threats or other forms of intimidation.

4.6. Discrimination

- 4.6.1. Supplier shall not engage in or support any form of discrimination in hiring, employment terms, remuneration, working conditions, access to training, promotion, termination, retirement procedures or decisions including but not limited to: race, colour, age, veteran status, gender identification, sexual orientation, pregnancy, ethnicity, disability, religion, political affiliation, trade union membership, nationality, indigenous status, medical condition, HIV status, social origin, cultural background, social or marital status.
- 4.6.2. Supplier shall ensure no form of discrimination is present at any stage of employment, from the selection of suitable applicants, their interview and assessment, to the terms of their employment, payment and grounds for dismissal.

4.7. Freedom of Association and Right to Collective Bargaining

- 4.7.1. Supplier shall respect the rights of employees to join or not to join trade unions or similar representative bodies and the rights of employees to collective bargaining to the extent permitted by Applicable Law.
- 4.7.2. Supplier shall allow open communication and direct engagement between its employees and management in building employee relations and for the resolution of any issues and not prevent the development of these mechanisms.
- 4.7.3. Supplier shall not use an employee's relation to a trade union as a reason for discrimination or retaliation.

4.8. Causing environmental changes

- 4.8.1. Supplier shall ensure that their business activities do not cause harmful soil change, water pollution, air pollution, noise emissions, excessive water consumption or any other environmental damage.
- 4.8.2. In case harmful pollution is highly likely or occurs, supplier has to immediately take reasonable measures to avoid or to reduce (whatever the case may be) the pollution and to prevent future occurrences.
- 4.8.3. Supplier shall monitor whether such pollution impairs the natural basis for food preservation and production, the access to drinking water or sanitation or whether it endangers the health of any person. He has to send a report to Vodafone, if required by Vodafone. To the extent possible, supplier has to take remedial actions.



4.9. Land rights

- 4.9.1. Supplier shall respect the rights to land tenure of local communities and indigenous peoples impacted by any of its operations. Supplier shall prevent unlawful evictions of any kind and shall and will adhere to the principle of free, prior and informed consent.
- 4.9.2. Prior to an eviction, Supplier must inform those affected. Supplier must ensure that those evicted have access to legal remedies and are provided with adequate compensation and practical support.

4.10. Security forces

- 4.10.1. Supplier shall ensure that security forces are adequately instructed in human rights in case of a deployment.
- 4.10.2. Supplier shall regularly monitor that security forces do not use excessive force, torture or cruel treatment, nor harm the life or limb of any person, nor impair any person's freedom of association. Supplier shall be appropriately trained in dealing with vulnerable persons, including children.

4.11 Environment

- 4.11.1. Supplier shall produce and /or handle mercury, mercury-added products, mercury compounds and its waste in an environmentally sound manner according to the Minamata Convention on Mercury.
- 4.11.2. Supplier shall produce, handle, collect, store and dispose persistent organic pollutants (POPs) and its waste in an environmentally sound manner following the Stockholm Convention on Persistent Organic Pollutants (POPs).
- 4.11.3. The supplier shall ensure that the import as well as the export of hazardous waste and its disposal is carried out properly and in an environmental sound manner according to the Basel Convention.

4.12. Responsible Sourcing of Minerals

- 4.12.1. Supplier shall have policies and procedures in place to comply with Vodafone's Responsible Minerals Statement where relevant.

4.13. Anti-bribery, Corruption and Individual Conduct

- 4.13.1. Supplier shall not tolerate or enter into any bribery, including improper offers or payments to or from employees, customers, suppliers, organisations or individuals.
- 4.13.2. Supplier shall:
 - (i) have an anti-bribery policy that sets out the principle of zero tolerance to any form of bribery or corruption within their organisation, including facilitation payments;
 - (ii) not give, promise, receive or request any bribes (financial or other advantage), including but not limited to in relation to any public official;
 - (iii) ensure its employees, contractors and sub-contractors are aware of its anti-bribery policy and how to comply with its requirements.

4.14. Fraud and money laundering

- 4.14.1. Supplier shall:



- (i) act in accordance with all applicable international standards and laws on fraud and money laundering;
- (ii) not do or omit to do anything likely to cause any party to be in breach of any of such international standards and laws;

maintain an effective anti-fraud and (where appropriate) an anti-money laundering compliance programme, designed to ensure compliance with the law including the monitoring of compliance and detection of violations.

4.15. Health & Safety

- 4.15.1. Supplier shall provide a healthy and safe working environment for employees, contractors, partners or others who may be affected by Supplier's activities, in accordance with international standards and national laws.
- 4.15.2. Supplier shall put in place mechanisms to ensure that health and safety obligations are communicated to all applicable workers.
- 4.15.3. Supplier shall ensure it meets general principles of health and safety risk prevention. General principles include identifying, minimising and preventing hazards, using competent and trained people, providing and maintaining safe equipment and tools, including personal protective equipment as required.
- 4.15.4. Supplier shall have mechanisms and shall implement them to ensure that all its employees are competent to carry out the health and safety aspects of their responsibilities and duties. This shall include the nomination and training of persons at an appropriate level (and in particular executives), who are responsible for discharging Supplier's health and safety obligations.
- 4.15.5. Supplier shall ensure facilities and amenities, including employee accommodation where provided by Supplier, shall be hygienic, safe and meet the basic needs of employees.
- 4.15.6. Supplier shall have systems and training to prepare for and respond to accidents, health problems and foreseeable emergency situations. Supplier shall have means and procedures in place for recording, investigating and implementing learning points from accidents and emergency situations.
- 4.15.7. Supplier shall take measures to prevent excessive physical and mental fatigue due to an inappropriate work organisation.

5. Speak Up

- 5.1. Supplier shall report any instances of illegal or unethical behaviour or breaches of this Code (in relation to the goods and services being provided to Vodafone) in confidence using the 'Speak Up' channel: <https://secure.ethicspoint.eu/domain/media/en/gui/108060/index.html>.

Supplier shall regularly promote the Vodafone 'Speak Up' channel (as may be updated by Vodafone from time to time) and communicate it regularly within Supplier's organisation to anyone working in connection with Vodafone and to any contractors or sub-contractors working on Supplier's behalf for Vodafone, and shall ensure that all such persons are free to use 'Speak Up' without reprisal or fear of reprisal.