

BSCI (Business-Social Compliance Initiative) Code of conduct

This Code of Conduct (BSCI Code of Conduct) represents a set of principles and values adhered to by the company DRENİK ND d.o.o. We also expect our business partners, all companies in the supply chain, as well as employees and other participants in business processes, to accept and behave by it.

This Code respects the current principles of the Business Social Compliance Initiative (BSCI) and is based on international agreements such as the Universal Declaration of Human Rights, Children's Rights and Business Principles, UN Guiding Principles of Business and Human Rights, Guiding Principles of the OECD, the UN Global Compact, as well as the conventions and recommendations of the International Labor Organization, which are essential for improving working conditions in the supply chain.

DRENİK ND d.o.o. fosters a constructive and open dialogue between business partners and stakeholders to improve the principles of socially responsible business. Also, it helps create a constructive and responsible relationship between employees and management, which is the basis for achieving sustainable business.

The principles outlined in the BSCI Code of Conduct represent the aspirations and minimum expectations of BSCI participants regarding the social codes of their supply chains.

BSCI Participants undertake to use reasonable efforts to achieve the objectives set out in the BSCI Code of Conduct. Therefore, measures are taken so that everyone joins the application of these principles, respecting all the diversities in which the participants in the supply chain operate.

Compliance with the code

Compliance with national laws and regulations is the company's first obligation. In countries where national laws and regulations conflict with, or set different standards of protection compared to the BSCI Code of Conduct, companies should find ways to comply with the principles that ensure maximum protection of employees and the environment.

PRINCIPLES

BSCI Participants expect all their business partners to comply with the BSCI Code of Conduct. In addition, business partners are expected to:

- a) to take all necessary and reasonable measures to implement the BSCI Code of Conduct and
- b) to exchange all information that represents a potential risk for the application of the KSCI Code of Conduct.

Participation and protection of employees

Business partners of the company DRENİK ND d.o.o. and suppliers in the supply chain must establish good management practices that involve workers and their representatives in a healthy exchange of information about workplace issues, and allow adequate measures to protect workers in line with the aspirations of the BSCI Code of Conduct. Companies should take concrete measures to familiarize employees with their rights and responsibilities. Continuous training at every level of work is essential, especially when it comes to safety and security at work.

Companies should establish effective mechanisms for the realization of the right to appeal. Even when court systems are efficient, appeals mechanisms can offer certain advantages such as speed of access and elimination of defects, and reduced costs.

Freedom of association and collective bargaining

Business partners of the company DRENİK ND d.o.o. and suppliers in the supply chain recognize the right of employees to freely form employee associations of their choice and to join them, as well as to conduct collective negotiations following the principles of national regulation.

Business partners of the company DRENİK ND d.o.o. and suppliers in the supply chain must not discriminate against employees based on participation in employee associations, nor prevent workers' representatives from having access to workers at the workplace or communicating with them in other ways.

No discrimination

Business partners of the company DRENİK ND d.o.o. and suppliers in the supply chain, during employment, payment of wages, additional education, promotion, termination of employment, and in general, must prevent discrimination, i.e. must not approve discrimination of persons based on race, origin, social position, ethnic or national affiliation, religion, disability, sexual orientation, membership in associations, political affiliation, family obligations, and gender.

In particular, workers will not be harassed or punished on any of the aforementioned grounds.

Reasonable compensation for work

Business partners follow the principle of adequate compensation for work when they provide compensation that is sufficient to ensure a decent life, as well as social benefits guaranteed by law.

Business partners are expected to comply, at least, with wages prescribed by the law on minimum wages in the country in which they operate or economic standards approved based on collective bargaining, whichever is greater.

Earnings should be paid on time, regularly, and entirely in the national currency. Employees must be provided with an explanation of the structure of remuneration and additional benefits.

Deductions may be allowed only under the condition and to the extent prescribed by law or determined by the collective agreement.

Reasonable working hours

Business partners must comply with relevant laws and standards regarding working hours.

The worker is not required to work more than 48 regular hours per week. At least one day off must be provided in one working week. Also, business partners will guarantee their workers the right to rest breaks every working day. In special cases defined by the International Labor Organization, the previously prescribed working time limit may be exceeded, when overtime is allowed.

Overtime work should be an exception, voluntarily, paid at a higher rate that must not be less than the normal rate increased by a quarter and the same will not affect the increase of the danger at work.

Safety at Work

Business partners of the company DRENİK ND d.o.o. are obliged to provide a safe, clean and healthy working environment. They must appoint a person who will be responsible for the health and safety of employees, as well as for compliance with all requirements in this area. Business partners will take all measures to prevent accidents at work, injuries, or illnesses of workers that occur based on or in connection with work. These measures should reduce the causes of danger found in the work environment.

Vulnerable individuals such as young workers, young mothers, pregnant women, and people with disabilities will have special protection.

Business partners will ensure that there are systems in place to identify, assess, avoid and respond to potential threats to the health and safety of workers.

Active cooperation between the management of employees and workers or their representatives is essential for the development and implementation of systems aimed at ensuring a safe and healthy working environment.

Business partners of the company DRENİK ND d.o.o. and suppliers in the supply chain undertake efforts to improve the protection of employees in the event of accidents, including through mandatory insurance systems.

As part of their responsibility, they undertake all appropriate measures to ensure the stability and safety of the facilities and equipment used. Also, business partners will respect the right of workers to leave the premises in case of immediate danger, without asking for special permission.

Business partners will provide adequate medical assistance at the workplace and related premises.

It will also provide access to drinking water, safe and clean rooms for eating and resting, as well as clean and safe rooms for food preparation and storage. All employees, at all times, must be provided with prescribed free effective personal protective equipment (PPE). Toilets and personal hygiene facilities must be clean and safe and must meet basic needs.

Child labor and youth protection

Child labor is work performed by a person under the age of 15, except in cases where local legislation provides for a higher minimum age limit, i.e. a longer duration of compulsory schooling - then the higher age limit applies. If the legal minimum age limit is set at 14 years under the exceptions set by the Convention of the International Labor Organization (ILO) No. 138 for developing countries, the lower age limit is applicable.

"Young workers" are employees who are older than children in the sense mentioned above but are younger than 18 years old.

Business partners of the company DRENIK ND d.o.o. and suppliers in the supply chain must not directly or indirectly use or approve child labor in the sense mentioned above. They are obliged to establish reliable mechanisms for determining the age of employees as part of the employment process, which must not, under any circumstances, lead to the humiliating or unworthy treatment of employees. This principle aims to protect children from any form of exploitation.

Business partners must ensure that young workers, if they are engaged, do not perform night work and that they are protected at the workplace from conditions that may threaten their health, safety, morale, as well as physical and psychological development.

Business partners will establish the necessary mechanisms of protection, identification, and mitigation of harm caused to young workers. Special attention is paid to ensure that young workers have access to effective complaint mechanisms and schemes and training programs related to occupational safety.

No precarious employment

Business partners of the company DRENIK ND d.o.o. must ensure that their working conditions do not lead to instability and social or economic endangerment of employees. They must ensure that all activities are carried out based on recognized and documented employment contracts that comply with national laws and regulations, customs, practices, and international labor standards, whichever provides greater protection.

Before employment, business partners must provide employees with clear information regarding their rights, obligations, and working conditions, including working hours, salary amount, right to vacation, right to terminate employment, maternity protection, and payment terms. Business partners should aim to provide decent working conditions that also support workers, both women and men, in their roles as parents or guardians, especially when it comes to migrants or seasonal workers whose children remain in their places of residence.

Business partners must not use working relationships contrary to their legally defined purpose. This includes - but is not limited to - (a) training programs that do not aim to gain qualifications or establish a permanent employment relationship, (b) seasonal or casual work where it is used to reduce employee protections and (c) employment contracts workforce. In addition, the use of subcontracting does not have to compromise the rights of workers.

Environmental protection

Business partners must assess the impact of their business operations and activities on the environment and establish effective guidelines and procedures to demonstrate environmental responsibility and ensure that natural resources are used most efficiently. They will try to apply adequate measures to prevent or minimize unwanted effects on the community, natural resources, and the environment as a whole.

Ethical business conduct

Business partners of the company DRENIK ND d.o.o. undertake not to participate in corruption, blackmail or embezzlement of any kind, as well as bribery, including (but not limited to) promising, offering or securing impermissible financial or other benefits.

They are expected to have correct information about their activities, structure and work, as well as to present them following the applicable regulations and comparative practice of the respective industry.

Business partners must not participate in the falsification of such information or acts of fraud in the supply chain.

In addition, personal data (including the data of employees, business partners, clients and consumers within its scope of responsibility) must be collected, used and protected with an appropriate degree of care. Collection, use and protection of personal data must be implemented following laws and legal norms concerning data protection.

Failure to respect principles

From the business partners of the company DRENİK ND d.o.o. compliance with the above principles is expected. It is reasonable that some of the mentioned principles cannot be fully fulfilled at all times, but for the company DRENİK ND d.o.o. it is important that business partners take all steps to ensure compliance with these principles in the appropriate period.

In Belgrade, September 2021.

DRENİK ND d.o.o.