

Sustainability Domain

**POLICY: HUMAN RIGHTS OF
CO-WORKERS IN THE VALUE
CHAIN**

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Version history

Version	Date	Description of the document	Author	Checked	Validated
V0.1	011224	Drafting policy	AsPar		
V0.2	180425	Adjustment policy	AsPar		

Table 1 – Version history

1. Context and purpose of this policy

At Colruyt Group, we aim to make a positive difference in everything we do. **Our group mission and values** are the crucial guidelines in this process. Every day, we work on a common goal: Together, we create sustainable added value through value-driven craftsmanship in retail. From an economic impulse, this goal leads us to creating a social and ecological added value.

To be able to offer high-quality products and services every day, a good relationship and collaboration with our suppliers is essential. This policy provides insight in how we want to shape the living and working conditions of the workers connected to the supply chains.

As Colruyt Group, we subscribe to the importance of fundamental rights **for all people**, regardless of who you are or where you live. This not only regards civil and political rights (e.g. freedom of expression), but also social, cultural and economic rights (e.g. right to a dignified standard of living). Although we recognise the limits of our possibilities, we want to help build a world where everyone's human rights are truly respected.

Important **human rights treaties and standards** aligned with our commitment include the following:

- The International Bill of Human Rights;
- The OECD Guidelines for Multinationals;
- The ILO Declaration on Fundamental Principles and Rights at Work;
- The UN Guiding Principles on Business and Human Rights (UNGPs);
- The UN Sustainable Development Goals;
- The Convention on the Rights of the Child (CRC);
- The UN Women's Empowerment Principles;
- The European Convention on Human Rights;
- Regulation on prohibiting products made with forced labour on the Union market.

1.1 General objective of this policy

This policy includes our vision and strategy with regard to human rights, specifically relating to the workers in our supply chains.

2. Strategic choices, objectives and changes

Strategic choice 1: we focus on a strategic number of content-related topics, in view of mitigating the major negative impacts.

We make clear choices to avoid undignified/unjust circumstances for the workers connected to our supply chains as much as possible. These choices are geared to the impacts that result from the double materiality assessment, the most common impacts from audit results, and potential impacts linked to our sourcing regions and specific sectors we are active in. Thanks to a focused approach, a large number of negative impacts can be reduced. In fact, a number of infringements occurs often (for example, infringements against reasonable working hours). In addition, we are also able to act quickly if very high-impact infringements occur, such as child labour or forced labour.

We focus on the following content-related topics:

1. Reasonable working hours

We are committed to ensuring that working hours of workers in our supply chains meet local legislation and international standards. This means, for example, that the maximum working hours per week are not exceeded and that workers are entitled to sufficient rest periods and break times. Moreover, we try to guarantee that overtime is voluntary and compensated fairly.

2. Healthy and safe work environment

We pay attention to regular risk assessments, appropriate safety measures and training courses on safety procedures in our supply chains. In addition, we want to guarantee the access to clean drinking water, sanitary facilities and emergency exits as much as possible.

3. Right to association and collective bargaining

It is important that workers have the right to form unions and to join them, without fear of retaliation or discrimination. In addition, we strive to encourage constructive negotiations with workers' representatives throughout our supply chains.

4. Forced labour, slavery & human trafficking

We strive to ensure that all forms of forced labour, slavery and human trafficking in our supply chains are identified and remedied. This includes carrying out thorough risk assessments throughout the chains, implementing strict control mechanisms, and offering training courses where necessary.

5. Child labour

Based on historical attention of the group, we pay special attention to combating child labour in our supply chains. We do this, for example, by means of thorough risk assessments, strict control mechanisms and training courses on the risks and illegal nature of child labour. In addition, we work together with local and international communities and authorities to increase awareness and, where possible, contribute to alternative solutions.

In case of any infringements established, we enter into a constructive dialogue with the suppliers involved, in view of a maximum and long-term remedy of the infringement(s). However, in case of **unethical practices and the most serious infringements**¹, we have a **zero-tolerance policy**. If no tangible remedial actions are taken in the short term, the contractual term with the supplier involved can be terminated effective immediately.

Strategic choice 2: We focus first on our Private Labels in food retail. Our approach is an inspiration to the market.

Over the years, we've focused on numerous cooperation mechanisms to defend human rights and protect them as much as possible in the product chains for our Private Labels: international cooperation in the context of social audits (co-founder of amfori BSCI), specific chain collaborations in the context of food commodities (see strategic choice 4), certification, collaborations with the sector for high-risk food products (see strategic choice 5).

Thanks to the complementarity of the above-mentioned collaborations, we are able to install a broad level playing field to structurally deal with human rights violations in the long term. We take the lead in how we set up and professionalise these cooperation mechanisms. We do this first where our impact is the greatest: our private labels. After that, we also apply this to national brands and the supply chains connected to our own activities.

¹The most serious infringements are defined by our internal LOC/COC agreements, taking into account the profile of the parties involved and the context.

The reasons to prioritise Private Labels in food retail are:

Higher degree of control and responsibility: Private Labels are completely under our control, which makes it - contrary to national brands - easier to maintain high standards and guarantee compliance. This direct control also creates a direct responsibility for production conditions and labour practices.

Flexibility and innovation: Private Labels give us the flexibility to quickly respond to changes in consumer preferences and regulations. This gives us the opportunity to implement innovative ethical practices and technologies more quickly. We think of our collaboration in the sector initiative Sustainability Initiative Fruit and Vegetables (SIFAV) for fruit and vegetables [SIFAV | Sustainability Initiative Fruit and Vegetables](#), or specific collaboration with new platforms in the context of human rights, such as landscape assessments.

Deeper cooperation relationships: As a retailer, we have built reliable relationships with suppliers of our Private Labels. In addition, we've been maintaining ethical standards for our private-label producers for years, through our social compliance process (LOC & COC).

Accountability: We are jointly responsible for the production conditions of our Private Labels. This requires strict enforcement of human rights standards and correctly informing stakeholders (including our consumers).

Strategic choice 3: we pay specific attention to the identification and treatment of complaints when going through due diligence processes

Systematically going through the due diligence process is a fundamental principle that is linked to our policy, in which we not only aim to identify and mitigate risks, but also want to pro-actively recognise and remedy human rights violations. In this regard, the Due Diligence policy pays attention to the interests of workers (in the supply chain) and their environment. For example, the DD policy specifies in one of the 5 strategic choices that *"we work together with (local) intermediary organisations to ensure that our approach takes into account the individuality of various product chains and the world and living environment of the party/parties involved"*.

In our due diligence process, the focus is - from a human rights perspective - in particular on setting up an effective complaints mechanism. This mechanism is an important tool to signal human rights matters in due time and deal with them systemically with an eye for long-term solutions for the party/parties involved. In doing so, we always respect the individuality and reality of every product chain.

For more information

- [Due Diligence policy text](#) (link to be updated with published text)

Strategic choice 4: For our most material Private Labels, we focus on long-term chain collaboration.

In a limited number of end-to-end product chains, we apply the principles of inclusive business practices. These principles are aimed at a long-term collaboration and added value for all chain actors that are

involved in the value chains of the food commodities, both for people and for the environment. When elaborating a long-term chain collaboration, we translate our group's collaboration principles: [Our collaboration principles | Colruyt Group](#). This means, for example, that we create added value together with the intention that all parties involved gain from it; the win-win-win principle. This means we pay attention to the added value for local communities and their living environment, as well as to the commercial return and financial stability of every chain actor involved.

Chain collaborations can arise on the initiative of Colruyt Group, as well as in collaboration with the sector for the main food commodities such as milk, meat, coffee, cocoa and fruit. In every collaboration, both in Belgium and abroad, we pay attention to the importance of the representation and association of smaller, vulnerable suppliers.

Finally, we would like to refer to the afore-mentioned Colruyt Group Foundation, with which we work on a more inclusive society in which everybody feels at home, with specific attention to people in vulnerable situations. For example, we guide young people towards appropriate training and jobs, so that they can actively build their future. In addition, we support farmers in applying more sustainable agricultural practices. This allows us to create a positive impact, also for co-workers of our supply chains.

Strategic choice 5: we acknowledge a living wage and living income as the basic principle in our strategy regarding high-risk food commodities.

We see the right to a living wage and living income, including a transparent structure of those, as an essential condition for a dignified life. Moreover, it is generally believed that a living wage and living income not only contribute to combating human rights violations, such as child labour and forced labour, but also to reducing environmental effects, such as deforestation²³.

With this objective in mind, we aim to continue to put this topic on the agenda and, where possible, implement it in the chain collaboration where we have a direct impact ourselves. This means, in the case of our private-label products for high-risk food commodities. These high-risk food commodities, such as cocoa, coffee and bananas, will be identified by means of our due diligence analysis and processes.

Paying a living wage or living income often starts in chains of a specific brand layer of private-label products, but can also spread to the complete product range, as is the case for cocoa. We actively assume leadership in the context of a strong, pre-competitive collaboration between involved actors with a clearly demonstrable and measurable impact on the revenues and remuneration of agricultural producers.

²Joint declaration on a living wage and living income by the Netherlands and Germany:

[Joint Declaration NLD DEU 270121.pdf](#). Belgium joined this in 2022: [Belgium is committed to a living wage | FPS Foreign Affairs - Foreign Trade and Development Cooperation](#).

³Business and human rights 2.0 National action plan for the implementation of the UN guidelines on business and human rights (2024-2029): [nap-bhr-2-0_nl_finaal.pdf](#)

3. How will these be implemented?

3.1 Monitoring process

With our monitoring process, we check whether working conditions and human rights standards are consistently complied with by all our private-label suppliers in our supply chain. We check whether the amfori code of conduct is complied with, using regular audits and targeted checks.

Letter of Commitment (LOC) and amfori Code of Conduct (COC)

In every new collaboration and/or introduction of a new private-label product, a new 'Socially Responsible business engagement' starts. In a Letter of Commitment (LOC), PL suppliers commit to comply with our standards. They commit themselves to share information about their entire value chain up to production level, so that we can check compliance.

We oblige all our private-label suppliers to sign the amfori Code of Conduct (COC). This is the standard for respecting working conditions and human rights within these supply chains. Like this, they commit themselves to our standard.

Targeted checks

For products from high-risk countries, as identified by the World Bank Governance Indicators (WGI), we take additional measures. We regularly perform audits to check working conditions through our partners amfori and Sedex. In addition, we work with certifications at product and raw material level to check particular risks.

In case of specific risks of product type, origin, or in case of systemic violations, we increase the frequency of our inspections. This can be done, for example, depending on

- Participation in sector initiatives, including our active role in Beyond Chocolate, in the context of the fight against child labour, deforestation and the promotion of living wages.
- Setting up specific product or raw material chains in which we collaborate closely with chain actors for maximum positive impact and transparency (cf. strategic choice 4).
- Additional checks in product & raw material chains that require increased attention.

These initiatives and checks are currently mainly aimed at the food production chains.

4. Scope of the policy

Our policy applies to the workers of the supply chains connected to Colruyt Group's operating activities. This regards the upstream chains of the products and services that:

- we sell or offer in our commercial stores (direct purchases). This applies to private labels as well as national brands.

- we need as a company in the context of the operation of our business (for example, in the context of our infrastructure and daily operations).

In this policy, we focus on the following thematic approach for workers in the supply chain situated worldwide.

- Involvement and protection of workers
- Right to association and collective bargaining
- Fair remuneration
- Health and safety
- Protection of young workers
- No forced labour, human trafficking or slavery
- Ethical business conduct
- No discrimination, violence or intimidation
- Humane working hours
- No child labour
- No uncertain employment
- Protection of the environment

These chains can be located in Belgium and abroad.

In general, we don't distinguish between types of workers, neither by the various sectors they work in, nor by the type of job they do or type of employment they have. Of course, we acknowledge that **specific vulnerable groups** exist, such as children, women, migrant workers, ethnic minorities and indigenous people, including local farmers, that run an increased risk of exploitation, discrimination and unfair working conditions in worldwide supply chains. They deserve specific attention while checking and monitoring their human rights. In the food-related industries, systemic problems such as child labour, slavery and forced labour are the most widely spread, as a result of which additional attention and targeted measures are necessary.

5. Who is responsible?

The Chief Purchasing Officer leads the human rights policy and bears responsibility for its implementation. It's the Chief Purchasing Officer who defines the necessary changes and actions to achieve the objectives set.

It's the responsibility of the Sustainability Service Centre, led by the Corporate Sustainability Officer, to ensure the necessary reporting and thus help monitor the effectiveness of the implementation of the policy.

The final responsibility for the implementation of Colruyt Group's overarching sustainability policy lies with Colruyt Group's Management Committee led by the CEO.

6. How are stakeholders engaged and informed?

- a. Description of how stakeholders and their interests are included in the creation of this policy
- b. Description of how this policy is made available to potentially impacted stakeholders

The interests of the Partners of the value chains:

- amfori, N Wider, certification mechanisms, etc. for the bulk of the private-label products
- National chains through cooperative partner forms
- Specific consultation in the context of food risk of raw materials (cocoa) such as Beyond Chocolate
- Regular consultation with NGOs etc.
- Exchange of information with international organisations, such as CIFAL Flanders etc.
- Consultations with authorities such as Enabel
- Collaboration with sector organisations

Detailed revision history

Rev	Page	Reference	Type	Description
0.0	-	-	-	Creation of the document

Table 2 - Detailed revision history