



## H-E-B Vendor Code of Conduct

H-E-B and its affiliates (H-E-B) conduct business in accordance with high ethical standards. It is imperative that our customers have confidence that we manage ourselves in a way that demonstrates conscientious conduct with all affected by our business activities and that our vendors are also in full compliance with our commitment to these standards and all applicable law. Consequently, we select vendors that share our philosophy and have processes in place to comply with our defined Code of Conduct.

### **Standards**

1. **Compliance with Laws.** Our vendors and their subcontractors, agents and affiliates who manufacture, sell, distribute or provide any product and/or service to H-E-B ("Vendors") must fully comply with all applicable national, federal, state and local laws and regulations, including but not limited to those related to labor, import and export, immigration, foreign corrupt practices and bribery, health and safety, and the environment.

2. **Labor Practices.**

a. **Forced Labor.** All labor must be voluntary. Child, forced, compulsory, bonded, prison, or indentured labor will not be tolerated and is strictly prohibited. Workers must be allowed to maintain control over their identity documents. Vendors must provide workers with rest days and must ensure the working hours are consistent with local regulations, standards of the International Labor Organization ("ILO") and to a level consistent with humane and productive working conditions. Vendors must comply with the ILO standards and ensure that their labor workforces are devoid of any ILO indicators of forced labor.

b. **Hiring and Employment Practices.** Vendors must implement hiring practices that accurately verify workers' lawful eligibility to work in all applicable country(ies). All terms and conditions of employment including, but not limited to, hiring, pay, promotion, discipline, termination, and retirement must be based on lawful, non-discriminatory reasons. Vendors must not employ workers under the age limitations defined by country and industry in ILO Convention 138 [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CO\\_DE:C138](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CO_DE:C138). Vendors must agree that their workers are not employees, subcontractors, or agents of H-E-B and that each Vendor is the sole employer of its workers.

c. **Compensation.** Vendors must compensate all workers with wages, overtime pay, and benefits that meet or exceed all applicable legal standards. Vendors are encouraged to provide wages and benefits that are sufficient to meet workers' basic needs and provide some discretionary income for workers and their families.

d. **Health and Safety.** Vendors must provide workers with a safe and healthy work environment and, where applicable, safe, and healthy residential facilities. Vendors must take proactive measures to prevent workplace hazards, such as training and safety management systems, and must comply with all safety regulations, including those specific to the use of equipment and transportation.



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- e. **Human Rights.** Vendors must promote equal opportunities for and fair treatment of their employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age; respect the personal dignity, privacy and rights of each individual; and work to prevent unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination.
- 3. **Environmental Practices.** Vendors must ensure that each of their facilities complies with national, state, and local environmental laws, treaties and regulations, including those related to air emissions, water discharges, toxic substances and hazardous waste disposal. Vendors must endeavor to minimize environmental pollution through regular review of all input materials and components. Vendors must create and maintain a reasonable environmental management system.
- 4. **Animal Well-Being.** Vendors must be committed to the well-being and proper treatment of the animals used for any of our products.
- 5. **Product Safety and Quality.** Vendors shall supply safe, quality products that comply with applicable government regulations, laws, treaties, and relevant industry standards, as well as adhere to agreed upon product specifications at all times.
- 6. **Ethics & Business Practices.**
  - a. **Gifts and Entertainment.** Vendors agree to follow the H-E-B Supplier Relations Guideline No. 1.9 when providing gifts or entertainment to H-E-B Partners.
  - b. **Conflicts of Interest.** Vendors must not enter into transactions with H-E-B Partners that create a conflict of interest. Typical areas where a conflict of interest can arise, includes employment of relatives, personal relationships, outside employment, and gifts from suppliers.
  - c. **Anti-Corruption.** Vendors agree to abide by the Foreign Corrupt Practices Act (FCPA), the H-E-B Foreign Corrupt Practices Act Guideline No. 1.21 relating to anti-bribery and anti-corruption with foreign government officials, and all other applicable law.
  - d. **Financial and Trade Practice Integrity.** Vendors must keep accurate records of all matters related to their business with H-E-B in accordance with all applicable laws, rules and regulations. Vendors must not use deceptive trade practices to deliberately misrepresent product or their company in order to evade quota, import duties or fees (including, but not limited to, Section 301 tariffs) or other import restrictions (including, but not limited to, the proper use of de minimis in customs compliance) on any product.
  - e. **Supply Chain.** Vendors must require among their downstream vendors compliance with this Code of Conduct and principles of non-discrimination with regard to vendor selection and treatment, as well as any and all applicable law related to import, export, transportation, and supply chain transparency.



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7. **Compliance with Policies.** Vendor agrees that it and its personnel will comply with all H-E-B training requirements and policies, including but not limited to safety policies, health policies, personal and professional conduct policies, anti-discrimination and harassment policies and procedures and the H-E-B Drug Free Workplace Policy. Vendor will instruct and require its employees to conform to policies generally applicable to each H-E-B facility or store to which the Vendor employee is assigned.

### **Reporting Violations**

Violations of H-E-B's Vendor Code of Conduct can be reported confidentially and anonymously to the H-E-B Compliance & Ethics Helpline at 1-866-208-8167 or by calling the Ethics Office directly at (210) 938-4883.

For more information, please see our website located at: <https://supplier.heb.com/documentation>

### **Commitment**

By manufacturing for or selling, distributing, or providing any product or service to H-E-B, Vendor agrees, warrants, represents, and certifies that all such products and services were, are and will be in the future in compliance with this Code of Conduct.

Vendor further understands that a failure to comply or have practices in place to correct non-compliance with the Code of Conduct defined in this document may lead to the immediate cancellation by H-E-B of all outstanding purchase orders or other business with Vendor.

Vendor further recognize that H-E-B reserves the right to reject or return any merchandise not produced or supplied in compliance with the foregoing and to charge Vendor for any and all cost, expenses, and/or losses in connection with such rejection or return resulting from Vendor's failure to comply with the above referenced requirements.

Vendor further agrees to cooperate with H-E-B in the pursuit of a chain in social accountability and corporate social responsibility, looking to continuously improve practices that protect our global communities from harmful outcomes as a result of our everyday business activities.