



## VeganZ Group<sup>1</sup>

# Code of Conduct for Business Partners

February 2017

## VISION AND MISSION

VeganZ is a globally operating company. Our business philosophy provides that we only cooperate with business partners who can follow and fully satisfy our standards and specifications and are committed to corresponding behavioural values. This obligation to highest quality is the basis of joint and persisting success.

The VeganZ Code of Conduct for Business Partners outlines the framework to specify guidelines and expectations in relation to the essential areas of a responsible procurement system and secures that we can offer our customers and partners ongoing excellency. The content of this code is based on the International Human Rights Charter as well as on principles ruled out in the ILO Declaration on Fundamental Principles and Rights at Work.

### Expectations towards our Business Partners

The Business Partner undertakes to comply with and to cause its sub-contractors and any person under its control, to comply with this Code of Conduct and in particular with all applicable national, European and international laws and rules and legal industrial standards as well as with United Nations Conventions and with all national, European and international laws and rules relating to ethical and responsible standards of behaviour, including, without limitation, those dealing with human rights, environmental protection, sustainable development and bribery. The Business Partner undertakes to properly maintain his books and to record the Compliance with these legal requirements and standards, to the extent legally permitted.

The following principles establish the minimum requirements.

## 1. CHILD LABOUR

### Requirements

Child labour is forbidden. The Business Partner does not employ persons under the age of 16 years unless it is permitted under applicable law and any exception complies with the ILO Declaration. Business Partner keeps in store documentation concerning the respective birthday of each employee and legitimate resources to determine the age of everyone.

### Guidelines

Business Partner complies with all applicable laws and regulations in relation to minimum age. In accordance with the ILO Declaration No. 138 concerning minimum age for the admission to work no employee of any age, including apprentices and vocational students, shall be employed in violation of the regulations concerning minimum age or compulsory educational age.

Business Partner guarantees, that employees under the age of 18 years are prohibited from the following:

- Working in hazardous environments or work that requires the handling of hazardous substances;
- Working hours of more than 8 hours each day;

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<sup>1</sup> Companies of the VeganZ Group: VeganZ GmbH, VeganZ Wholesale GmbH & Co.KG, VeganZ Retail Berlin GmbH & Co.KG



- Working in night shifts mainly;
- Work in a manner which unreasonably affects the professional education.

If independent documents are not available, Business Partner shall apply other legitimate and reliable resources to determine the age of each employee.

## 2. VOLUNTARY EMPLOYMENT / FORCED LABOUR

### Requirements

Business Partner hires all employees on a voluntary basis and does not make any use of prison labour, slave labour, exploitation, forced or slavery agreement labour, and does not engage in any other forms of forced labour or other forms of slavery or human trafficking.

### Guidelines

The definitions of (a) slavery and (b) human trafficking must be consistent with the (a) Supplementary Convention on the Abolition of Slavery, the Slave Trade and Slavery of Similar Establishments and Practices (1957) and the (b) Palermo Protocol on Prevention, Control and Punishment human trafficking, especially among women and children (2000).

Business Partner does not require its employees to deposit original identification documents, travel documents, or other personal official documents with Business Partner upon commencement of activity. Business Partner warrants that no deposits of any kind will be retained from the employees (in the form of money or otherwise) during the hiring process and employment, including temporary, seasonal and migrant workers, as well as employees provided by agencies, recruitment agencies or brokers.

Hiring via private employment agencies must comply with ILO Private Employers Convention No. 181. In cases where a fee has been charged in breach of this Policy, Business Partner shall pay all fees directly and promptly, as appropriate, to the contractors / agencies or other employment service providers or promptly compensate the employee concerned.

Employees have the right to leave their workplace at the end of a normal working day. They are free to terminate their employment relationship with the employer subject to a reasonable notice period.

Business Partner does not regularly delay employee pay-outs for more than a month or withhold them completely.

Business Partner does not imprison his employees or restrict their freedom of movement.

Business Partner does not use or procure any raw materials or products related to forced labour or human trafficking. Business Partner exclusively utilizes legitimate and reputable Recruitment Agencies, duly authorized and acting in accordance with applicable laws.

## 3. INAPPROPRIATE BEHAVIOUR, HARASSMENT, DISCIPLINARY MEASURES

### Requirements

Business Partner shall refrain from any form of physical, psychological, verbal or sexual or other inappropriate behaviour, inhuman or degrading treatment, corporal punishment or any other form of harassment. Business Partner treats all employees with respect and dignity and complies with all local laws relating to disciplinary measures.

### Guidelines

Business Partner complies with the formal written disciplinary procedure. These procedures must be clearly communicated to all employees and future employees. All disciplinary measures must be documented and the affected employee (s) must / must confirm the action in writing.

Business Partner does not introduce fines and / or payroll deductions for disciplinary reasons.

Business Partner must implement written and / or verbal procedures to handle complaints from employees regarding conditions and treatment at the workplace.

Business Partner will, if necessary, carry out security procedures in a fair and unobtrusive manner.



## 4. FAIR AND EQUAL TREATMENT / DISCRIMINATION

### Requirements

The employment conditions of Business Partner, such as hiring, training, working conditions, compensation, benefits, promotions, discipline, termination of employment or retirement are based on the qualifications, performance, skills and experience of the individual.

### Guidelines

Business Partner offers jobs free of discrimination based on race, colour, age, gender or gender identity, caste, political affiliation, national origin, religion, marital status, sexual orientation, disability or genetic information, maternity, membership e.g. in workers' organizations including unions, affiliation or other status of the individual not related to their ability to perform their duties.

Business Partner does not conduct medical examinations on employees who can be used for purposes of discrimination (e.g. pregnancy tests). The results of any investigation required by local law should not be used in a discriminatory manner.

## 5. REMUNERATION AND ADDITIONAL BENEFITS

### Requirements

Business Partner remunerates all employees in an equitable way by paying wages and benefits in accordance with all applicable laws.

### Guidelines

Business Partner warrants that wages for all working hours will at least be equal to the applicable statutory minimum wage or minimum local industrial standards for remuneration, whichever is higher.

Business Partner pays all employees punctually according to legal requirements. Under all circumstances, wages must be paid at least monthly.

Business Partner shall ensure that, in cases where the employee's wage depends on the quantity produced (piece rates, quotas and so forth), they shall always receive at least the equivalent of the applicable minimum wage for each 8-hour day and not work more than 8 Working hours per day to get the minimum wage. If no minimum wage is required by law, Business Partners must ensure that employees receive at least the average wage in the local industry or geographic area.

Business Partner complies with all legal requirements regarding the remuneration of overtime and incentive payments. Business Partner remunerates overtime with surcharges / a rate that is at least equal to the normal remuneration.

Business Partner grants all legally required additional benefits, such as public holidays, paid holidays / annual leave, sick days and maternity / paternity leave / parental leave.

Business Partner must submit to all employees (permanent, temporary and domestic workers and migrant workers), as far as is reasonably practicable, a written contract in the relevant language, including a job description and a description of benefits, disciplinary procedures and notice periods. If the handing over of a written contract is not possible or practicable, the Business Partners must provide employees with an oral description of their employment conditions.



Business Partner provides each employee with a broken-down payroll for salary payment. Each account shall at least list the amount of the remuneration, the payment period, the remuneration rate, the regular working hours and overtime worked, deductions and additional benefits, if applicable.

## 6. WORKING HOURS

### Requirements

Business Partner complies with all applicable laws regarding working hours, breaks and overtime.

### Guidelines

The weekly working hours may not exceed the number of hours prescribed by law. Business Partner ensures compliance with the applicable national laws on working hours, breaks and holidays.

Business Partner does not require a 60-hour work week, including overtime, unless business circumstances require a temporary increase in working hours. Business Partner discusses with the employees the temporary increase in working hours and provides time off in lieu for the extra hours worked or overtime compensation in the form of surcharges.

Business Partner does not force employees to work overtime and employees are not punished, penalized or dismissed if they refuse to work overtime.

Business Partner has to hand over written employment contracts to its employees under the respective national law.

## 7. FREEDOM OF ASSOCIATION / COLLECTIVE BARGAINING

### Requirements

Business Partner accepts the rights of employees to form and join an association of their choice with the purpose of promoting or protecting the interests of employees and to conduct collective bargaining in a peaceful and lawful manner and in accordance with applicable law.

### Guidelines

Business Partner complies with all applicable laws relating to freedom of association and collective bargaining.

Business Partner does not differentiate between affiliation and non-affiliation.

Business Partner does not allow any interference in the organization of employees by the management.

Business Partner will not engage its employees in any harassment, intimidation or retaliation in connection with their efforts to unite unhindered or bargain collectively.

Business Partner offers its employees confidential and anonymous ways to point out grievances and documents this process.

## 8. HEALTH AND SAFETY

### Requirements

Business Partner complies with all applicable health and safety laws.

### Guidelines

Business Partner provides a safe, clean, healthy and productive work environment, such as guidelines on providing clean drinking water to all employees and a reasonable number of laundry and toilet facilities for male and female employees.

Business Partner or independent agencies that provide employees' dormitories should allow employees adequate light conditions, temperatures, ventilation, sanitation, shower or laundry facilities and access to clean drinking water.



The dormitories should be clean and safe, with emergency exits, sufficient personal space and adequate exit and repatriation rights.

Business Partner must provide employees with written health and safety information and warnings in the main language (s) of the employees. Business Partner shall post safety data sheets in the main language (s) of the employees describing toxic and hazardous substances used in the workplace and properly monitor the handling of all hazardous substances and machinery.

Business Partner must provide all employees with appropriate protective clothing.

Business Partner will provide all employees with adequate training in relevant local occupational safety practices, such as emergency evacuation. Business Partner provides systems and training to prevent accidents and injuries.

Business Partner keeps records of health and safety trainings as well as accidents and injuries in the workplace.

Business Partner shall implement and maintain appropriate first aid equipment at the location and keep it accessible to employees at all times. The location of this equipment should be well marked and communicated to the employees.

Business Partner provides adequate access to medical facilities, emergency exits, and fire and safety equipment.

## 9. ENVIRONMENT

### Requirements

Business Partner complies with all applicable environmental protection laws, regulations and guidelines. Business Partner always strives to improve his life cycle assessment.

### Guidelines

Business Partner collects and stores data for compliance with local and national environmental laws and regulations, such as environmental requirements and reporting obligations.

Business Partner will ensure the proper handling and storage of hazardous materials and waste and has a plan to handle the disposal of hazardous waste and dispose of it safely and legally.

Business Partner ensures that the relevant personnel have been sufficiently informed about the company's key environmental activities and trained in the company's environmental management system.

Business Partner minimizes and monitors its impact on the environment wherever possible by reducing greenhouse gas emissions, saving energy, reducing and recycling natural resources such as water and paper / packaging materials.

## 10. ETHICAL BUSINESS PRACTICES

### Requirements

Business Partner manages its business to the highest standards of ethical conduct and in accordance with all applicable laws and policies.

### Guidelines

Business Partner complies with all applicable legal requirements, whether local or foreign, applicable to foreign operations, such as e.g. the Foreign Corrupt Practices Act (USA) and the Bribery Act (United Kingdom). The Foreign Corrupt Practices Act generally prohibits giving anything of value to government officials, foreign political parties, party officials, or public office candidates, obtaining new assignments or continuing business relationships, or gaining an unfair advantage.

Business Partner must establish written policies prohibiting bribery, bribes, corruption and similar prohibited business practices.

Business Partner must train its employees, consultants, subcontractors and business partners on the company's rules and procedures regarding ethical business practices.

Business Partner does not offer or accept any bribe, kickback or other improper or unfair advantage.



Business Partner does not present a gift to any Veganz employee or donates on behalf of or to the benefit of any Veganz employee, except as previously authorized by both the relevant business unit and the regional director of Legal Affairs. Business Partner's invitations to meals to employees of Veganz have to be appropriate and reasonable in value and are only to be offered in the context of the business relationship between Business Partner and Veganz.

Business Partner will inform Veganz of any situation that may be considered a conflict of interest. Veganz is also to be informed if a Veganz employee or any member of the family has any interest or interest in the Business Partner's business or any form of business relationship with the Business Partner.

Business Partner does not make any use of bid rigging, price fixing, price differentiation or other unfair trading practices that violate fair competition laws or antitrust laws that apply in the jurisdiction where the Business Partner conducts business.

Business Partner respects the intellectual property of others. Business Partner takes reasonable steps to protect the information or trade secrets of Veganz and treat them confidentially, and uses this information only for purposes approved by Veganz.

## 11. COMPLIANCE

Business Partner complies with the legal requirements and standards of its respective industry in compliance with all applicable laws and maintains proper books and records that document compliance with such laws and standards, as permitted by law. Business Partner is responsible and liable for its compliance with the obligations and principles defined in this Code of Conduct by means of suitable and verifiable measures.

## 12. OTHER OBLIGATIONS

### SUBCONTRACTORS

Business Partner shall not engage subcontractors to fulfil its contractual obligations towards Veganz without the prior written consent of Veganz or its affiliated companies. Before running production, prior written acceptance of this Code by the approved subcontractor or his authorized representative is required.

### COMMUNICATION OF THE CODE

The Business Partners must inform their employees about the expectations contained in this Code. This may include, for example, posting the Code prominently in the workplace in a location accessible to employees, conducting group or individual meetings to discuss and explain the Code, distributing explanatory leaflets to employees or communicating the Code through online channels.

### ASSIGNMENT OF RESPONSIBILITIES

Business Partner instructs an executive employee to continuously monitor Business Partner's compliance with the Code. Business Partner must promptly inform Veganz of any relevant issues that are inconsistent with this Code. Business Partner informs Veganz about violations of this Code. Such programs have to protect the confidentiality of whistle blowers among employees and prevent retaliation.

The Business Partners are responsible for the immediate reporting of any actual or suspected violations of law, this Code or the contractual relationship with Veganz. This includes violations caused by employees or agents acting on behalf of Business Partner or in the name of Veganz. You can report an infringement by e-mail at the following e-mail address: [einkauf@veganz.de](mailto:einkauf@veganz.de).

### SURVEILLANCE OF COMPLIANCE

To insure Business Partner's compliance with this Code of Conduct, Veganz reserves the right to have on-site, announced and unannounced audits by an independent third party of the Business Partner's facilities,



accommodations provided by Business Partner, business operations, books and records. Veganz also reserves the right to conduct confidential surveys of employees relating to such audits.

In the event of unsatisfactory audit results and the failure of Business Partner to take the recommended corrective measures, Veganz reserves the right, in its sole discretion, to suspend the purchase from Business Partner until the corrective measure has been taken or to terminate the relationship with Business Partner immediately. The Business Partners are responsible for informing and monitoring their business partners, subcontractors and independent entrepreneurs.

**TRANSPARENCY**

Concerning its cooperation with Veganz Business Partner pursues a transparency approach, which also includes the disclosure of relevant policies and procedures. Upon request, Business Partner discloses the geographical location of the factories producing raw materials for Veganz, as well as the origin of the raw materials within the direct supply chain of Business Partner. Business Partner assumes responsibility for the implementation of the requirements of this Code and the related due diligence procedures alongside those of its own direct supply chain.

Veganz recognizes that many of the problems that manufacturers face in general arise at the lower levels of extended supply chains involving many other business partners. It is therefore essential that our Business Partners are aware of the role they play in promoting responsible procurement practices among their own business partners, including ensuring the transfer and compliance with the principles of this Code to and from lower level business partners, as well as implementation of compliance monitoring at all levels of the supply chain.

We hereby certify to Veganz that we have maintained the Veganz Code of Conduct and that we comply with its requirements and all applicable laws. Business Partners are expected to take all necessary corrective action to remedy non-compliance without delay. Veganz reserves the right to terminate the business relationship with any Business Partner who is unwilling to abide by this Code.

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Signature Business Partner

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Place, Date