

## **The Paulig Group Code of Conduct for Suppliers**

Paulig Group's mission "Exploring Great Taste" and values "Stay Curious, Strive for Excellence and Grow Together" derive from a long tradition of knowledge and experience. This tradition includes a sustainable way of working and doing business. Paulig Group wants to offer attractive and competitive products and services without compromising on quality, food safety, product requirements, human rights, working conditions and the environment. This shall be reflected in Paulig Group's always evolving relationship with its suppliers.

This Code of Conduct (CoC) strengthens the continued implementation of Paulig Group's commitment to international standards such as the Universal Declaration on Human Rights, the Core Conventions of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises and the 10 principles of the UN Global Compact. This CoC stipulates the minimum requirements that Paulig Group's suppliers shall respect and meet within their own operations and within their supply chain. Paulig Group recognizes that reaching the standards established in this CoC is a dynamic process and encourages suppliers to continuously improve their operations. Paulig Group will support its suppliers to meet the standards through dialogue and cooperation. Any supplier who does not meet the requirements in this CoC needs to discuss corrective actions openly with Paulig. If the supplier is unwilling or unable to carry out corrective actions, Paulig is entitled to terminate the business relationship and any contract(s) with the supplier immediately.

### **1. COMPLIANCE WITH LEGAL REQUIREMENTS**

The supplier shall comply with all applicable national laws and regulations, industry minimum standards and any other relevant statutory requirements of the countries in which they operate. Should any requirements stipulated in this Code conflict with national legislation, the law shall take precedence.

### **2. REGULAR AND VOLUNTARY EMPLOYMENT**

All employees shall be entitled to a written employment contract in a language they understand. The supplier does not use any form of forced labour. Employees have the right to leave the premises of the supplier after completing a standard workday and are free to terminate their employment provided that they give reasonable legal notice to the supplier.

### **3. FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING**

All employees shall have the right to form, join and organize trade unions of their choice and to bargain collectively on their behalf with the supplier. The interests of the employees shall be respected without the fear of threats or harassment. In countries where the freedom of association is limited or under development, the supplier shall ensure that a freely elected employee representative can meet with management to discuss wages and workplace issues without negative consequences.

### **4. FAIR AND EQUAL TREATMENT**

All employees shall be treated with respect and dignity, based on their individual ability and qualifications. Any form of discrimination, on the ground of race, gender, age, religion, caste, national origin, disability, political affiliation, sexual orientation, family responsibilities, marital status or union membership, must not be tolerated. Employees shall not be subject to any physical, sexual, psychological or verbal harassment or inhuman treatment.

#### **5. FAIR REMUNERATION AND BENEFITS**

All employees shall be timely paid at least the national legal minimum wages. All employees shall also be provided legally mandated benefits, including holidays and leaves and statutory severance when employment ends. Deductions from wages and benefits as a disciplinary measure shall not be permitted. Agreements concerning remuneration and benefits should be comprehensible to the employees.

#### **6. DECENT WORKING HOURS**

Working hours shall not exceed the statutory limit. Overtime shall be voluntary, and always be compensated at a premium rate as defined by national law. In countries where working hours are not limited by national law, for the sector in question, adequate rest periods shall be regulated between the supplier and the employees.

#### **7. SAFE AND HEALTHY WORKPLACE**

The supplier shall provide its employees with a working environment which is safe, hygienic and conducive to good health. As a minimum, potable drinking water, adequate lighting, temperature, ventilation, sanitation and personal protective equipment shall be provided together with securely equipped workstations. The supplier shall establish and follow clear procedures on occupational health and safety and take effective steps to prevent potential accidents and injury. If the supplier provides accommodation, it shall be clean and safe and meet the basic needs of the employees. Accommodation shall be clearly segregated from the production area and employees shall be able to enter and leave the accommodation freely at any hour.

#### **8. NO CHILD LABOUR**

The supplier's operations shall be free from child labour. No child below 15 years is allowed to work, subject to exceptions allowed by national or international law. If the supplier employs young workers, it shall demonstrate that the employment does not expose the young workers to undue physical risks that can harm physical, mental or emotional development.

#### **9. INDIGENOUS PEOPLES RIGHTS**

The supplier shall take into account indigenous peoples' rights in their operations and activities.

#### **10. BRIBERY AND CORRUPTION NOT ALLOWED**

The supplier shall work to prevent all forms of corruption, including extortion and bribery. The supplier shall never, directly or through intermediaries, offer or promise any improper advantage in order to obtain or retain a business or other advantage from a third party. The supplier shall not, directly or through intermediaries, pay or accept bribes, arrange or accept kickbacks. The supplier shall not, directly or indirectly, offer gifts to Paulig employees or persons representing Paulig or anyone closely related to these, unless the gift is of insignificant value.

#### **11. CARING FOR THE ENVIRONMENT**

The supplier shall have procedures in place to secure compliance with the requirements of applicable environmental legislation and regulations. Also, the supplier shall have knowledge of the environmental impacts of its operations, and shall continuously strive to reduce impacts and improve environmental performance in a systematic way. Improvements should cover



reduction of energy and water use, emissions and waste as well as the reduction and/or substitution of hazardous chemicals.

**12. PROTECTION OF ANIMALS**

If applicable to its business, the supplier shall implement procedures to prevent the mistreatment of all animals, including when they are caught, raised, cared for, transported, and processed.

**13. IMPLEMENTATION AND MONITORING**

The supplier shall be expected to implement the principles described in this CoC in its own business or have at least equivalent standards adopted and conduct its business in accordance therewith. The supplier shall make available these principles in the primary local language to all its employees.

The supplier shall have a system in place to implement and communicate the principles within its supply chain. The Paulig Group will assess its supplier's compliance with this CoC by asking the supplier to provide relevant information and also by conducting audits and reviews of the supplier and, if relevant, of its sub-suppliers. The suppliers shall provide name and location of the sub-suppliers they use upon request from the Paulig Group.

Paulig Group believes in cooperation and is willing to work together with suppliers to meet the requirements in the Paulig Group Code of Conduct for Suppliers.

September 18, 2014

\_\_\_\_\_  
Jaana Tuominen, CEO, Paulig Group

**Acceptance of the Paulig Group Code of Conduct for Suppliers**

Supplier Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Name and Position: \_\_\_\_\_

Signature: \_\_\_\_\_