

Supplier Code

LORENZ PAN AG

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Introduction

Purpose

The LORENZ PAN Supplier Code (“the Code”) defines the non-negotiable minimum standards that we ask our suppliers and their sub-tier suppliers (“the Supplier”), to respect and to adhere to when conducting business with LORENZ PAN. This document helps the continued implementation of our commitment to international standards such as the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organisation (ILO) and the 10 Principles of the United Nations Global Compact.

Scope

The standards of the Code set forth expectations for the Supplier with whom LORENZ PAN does business, as well as all others with whom they do business including all employees (including permanent, temporary, contract agency and migrant workers), upstream suppliers and other third-parties. It is the Supplier’s responsibility to disseminate, educate and exercise diligence in verifying compliance of this Code to its employees, agents and sub tier suppliers, including farmers when relevant.

Compliance

LORENZ PAN expects the Supplier to adhere to all applicable laws and regulations and in particular for the pillars detailed herein, and strive to comply with international and industry standards and best practices.

Application

Acknowledgement of the Code is a pre requisite in every LORENZ PAN contract for supply. Through the acceptance of the Purchase Order, making reference to the Code, the Supplier commits that all

its operations are subject to the provisions contained in this Code. This Code, or the demonstration of its compliance, does not create any third-party beneficiary rights for the Supplier.

The standards of the Code are in addition to, and not in lieu of, provisions of any legal agreement or contract between suppliers and LORENZ PAN.

The 4 pillars of LORENZ PAN Supplier Code

1. Human rights

LORENZ PAN AG expects the Supplier to respect all human rights, including labour rights, throughout its business activities. As a minimum:

a) **Freedom of Association and Collective Bargaining**

The Supplier should grant its employees the right to Freedom of Association and Collective Bargaining in accordance with all applicable laws and regulations.

b) **Forced Labour**

The Supplier must under no circumstances use, or in any other way benefit, from forced labour. Forced labour refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment. Where the Supplier is using migrant or prison labourers under a legal framework, LORENZ PAN must be made aware to review appropriate documentation maintained by the Supplier.

c) **Employment Practices**

The supplier shall only employ workers who are legally authorized to work in their facilities and are responsible for validating employees' eligibility to work through appropriate documentation. All work shall be voluntary, and workers shall be free to leave work or terminate their employment upon reasonable notice. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and

regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

d) Minimum Age for Employment

The use of child labour by the Supplier is strictly prohibited, in line with ILO Convention 138 on the Minimum Age. The ILO Convention 138 on the Minimum Age indicates that no child below 15 years (or 14 in certain developing countries) is allowed to work, subject to exceptions allowed by the ILO or national law.

If the Supplier employs young workers, it must demonstrate that the employment of young people does not expose them to undue physical risks that can harm physical, mental or emotional development.

e) Fair and Equal Treatment

The Supplier must operate with dignity, respect and integrity in regards the treatment of its employees:

- The Supplier shall not discriminate in hiring and employment practices on the grounds of criteria such as a race, colour, religion, gender, age, physical ability, national origin, sexual orientation, political affiliation, union membership, medical tests, or marital status.
- Any form of psychological, physical, sexual or verbal abuse, intimidation, threat of harassment must not be tolerated.
- The Supplier shall respect the privacy rights of its employees whenever it gathers private information or implements employee monitoring practices.

f) Working time and rest days

The Supplier must ensure that its employees work in compliance with all applicable laws and mandatory industry standards pertaining to regular working hours, and overtime hours, including for breaks, rest periods, holidays, and maternity and paternity leaves. The Supplier shall not require a regular work week over national maximum. Employees shall be allowed at least one day off after six consecutive days of work, and any overtime worked shall be voluntary and compensated at premium rate.

g) Wages and benefits

The Supplier's employees must be provided with wages and benefits that, at a minimum, comply with national laws or industry standards whichever is higher, as well as binding collective agreements, including those pertaining to overtime work and other premium pay arrangements. In any event, wages should always be enough to meet basic needs for employees, and their entitled official dependents, and to provide some discretionary income.

2. Safety and Health

LORENZ PAN expects the Supplier's operating and management systems, as well as employees, to work in preventing work-related injuries and illnesses.

a) Workplace Environment

The Supplier shall provide its employees with a safe and healthy working environment. As a minimum, potable drinking water, adequate lighting, temperature, ventilation, sanitation, and personal protective equipment must be provided together with equipped work stations. In addition, facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations.

b) Housing conditions and Respect of Privacy

When provided by the Supplier, dormitory facilities shall be constructed and maintained in accordance with all applicable laws and regulations, and they shall be clearly segregated from the factory and production area. All dormitory buildings shall be clean and safe and workers shall be able to enter and leave the dormitory buildings freely at any hour. There shall be clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. All dormitory facilities shall also provide workers with reasonable personal space, adequate heat and ventilation and clean shower and bathrooms.

c) Emergency preparedness

The Supplier shall be prepared for emergency situations. This includes worker notification and evacuation procedures, emergency training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, and adequate exit facilities. The Supplier shall regularly train employees on emergency planning, responsiveness as well as medical care.

3. Environmental Sustainability

LORENZ PAN requires its Supplier to comply with all applicable legal environmental requirements and demonstrate continual improvement of its environmental performance, if possible.

a) Environmental Permits

The Supplier shall make sure that it obtains, keeps current, and follows the reporting guidelines of all the required environmental permits and registrations to be at any time legally compliant.

b) Hazardous Materials

The Supplier shall identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and disposal. All the applicable laws and regulations

related to hazardous materials, chemicals and substances shall be strictly followed. Supplier shall comply with material restrictions and product safety requirements set by applicable laws and regulations. Suppliers shall ensure that key employees are aware of and trained in product safety practices.

c) Resources consumption, Pollution prevention and Waste minimisation

The Supplier shall optimise its consumption of natural resources, including energy and water. Supplier shall implement and demonstrate sound measures to prevent pollution and minimise generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, Supplier shall characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.

4. Business Integrity

LORENZ PAN requires the Supplier to comply with all applicable ethical trade laws and regulations in the countries where materials are sourced, produced and incorporated into LORENZ PAN product

a) Anti bribery

The Supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain a business or other advantage from a third Party, whether public or private. The Supplier will not pay or accept bribes, arrange or accept kickbacks and shall not take any actions to violate, or cause its business partners to violate, any applicable anti-bribery laws and regulations including the U.S. Foreign Corrupt Practices and the UK Bribery Acts.

b) Grievance mechanisms

The Supplier shall have systems in place enabling anonymous grievances, reporting and

management. A designated officer shall continuously monitor the grievance mechanism, keep records on the issues raised and take appropriate actions on a confidential manner.

c) Intellectual property

The Supplier shall take appropriate steps to safeguard and maintain confidential and proprietary information of its business partners and use such information only for the purposes authorized for use by the contractual agreement. In case of sub-contracting, sharing of confidential information should be made with the consent of LORENZ PAN.

d) Conflict of Interest

The Supplier is expected to report to Nestlé any situation that may appear as a conflict of interest, and disclose to LORENZ PAN if any Nestlé employee or professional under contract with LORENZ PAN may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

Reporting of Violations

The supplier shall report any suspected violations of regulations, laws and the Code. Violations should be reported to the LORENZ PAN contact person Mrs. Astrid Mayer (e-mail astrid.mayer@lorenzpan.com - Tel. +39 0471 200196).