

# SUPPLIER CODE OF CONDUCT



THE EUROPEAN PIZZA COMPANY

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# INTRODUCTION

The European Pizza Company, based in the Netherlands, brings together a collection of leading European pizza brands. The European Pizza Company and its subsidiary companies across Europe (“TEPC”) are committed to addressing environmental, social and governance issues in a way that ensures responsible business operations and long-term value creation for our stakeholders.

In alignment, the procurement and logistics operations in our value chain, as well as our partnerships, must be carried out with integrity and in accordance with the ethical principles presented in this Supplier Code of Conduct (“the Code”). They are based on internationally recognised standards for business conduct, human rights, labour code, environmental protection and sustainable development.

This Code includes both mandatory, non-negotiable minimum standards for conduct. It also provides recommendations and tips for desirable action. Both requirements and recommendations are outlined in each section of the Code. We require that all our suppliers and partners share our commitment to the mandatory requirements and adhere to them at all times in all their operations, not only in engagement with us but also with their own employees, suppliers, business partners and other stakeholders. The recommendations are not mandatory

but can help to develop more sustainable operations. As a whole, this Code is meant as a concrete tool for guiding our suppliers and partners’ actions and decisions.

When selecting and auditing suppliers and partners, we evaluate them based on this Code in addition to other quality, sustainability and commercial factors.

## WHO IS THIS CODE FOR?

“Supplier” is any direct business partner, individual or legal entity that provides TEPC with products, services, ingredients or materials and has a contractual obligation with TEPC to comply with. This includes everyone acting on behalf of or representing the supplier. “Suppliers” also include any of our direct suppliers’ own first-tier suppliers, sub-suppliers and contractors. They, too, must comply with the mandatory standards and strive to implement the recommendations in this Code. Our direct Suppliers have the responsibility to ensure that this requirement is communicated to and met in their respective supply chains.

Once this Code has been communicated to a Supplier, it must be regarded as a binding contract document between TEPC and the Supplier in question, and the Supplier must commit to working systematically for adherence to the Code’s mandatory requirements.



## QUICK LOOK: FUNDAMENTAL REQUIREMENTS

- 1. Comply with laws and regulations**
- 2. Promote equality and human rights**
- 3. Provide fair employment**
- 4. Maintain safe and healthy working conditions**
- 5. Offer safe products and services**
- 6. Take care of the environment**
- 7. Take care of animals**
- 8. Uphold ethical business practices**
- 9. Enforce the Code**
- 10. Foster sustainable development**

# LEGAL COMPLIANCE



## MANDATORY REQUIREMENTS

### COMPLIANCE WITH LAWS AND REGULATIONS

The Supplier shall comply with all applicable laws and regulations in the countries of operation as well as treaties, international standards, and regulations relevant to their business operations. These include, but are not limited to, human rights legislation, labour code, environmental law and animal welfare law. Should any requirement in this Code contradict these laws or regulations, or requirements of the contract with the Supplier, the Supplier shall comply with whichever is more stringent.

The Supplier shall handle any potential and manifested compliance violations, threats and complaints according to applicable laws and regulations. These incidents can relate to, but are not limited to, human rights legislation, labour code, environmental law and animal welfare law. If TEPC or its value chain is affected by such incidents, they must be reported without delay to TEPC contact person.

Supplier shall commit to transparency, verifiability, and accuracy in their dealings, while respecting their confidentiality obligations. All accounting information must be correct, registered, and recorded in accordance with laws and regulations.



## RECOMMENDED ACTIONS

### INCREASED HANDPRINT

Sustainable development – ‘doing good’ – starts from where the scope of laws and regulations – ‘doing no harm’ – ends. It is recommended that the Supplier also aims to increase the positive impacts of its operations and value chain on people, planet and communities. The Supplier should strive for the continuous improvement of its handprint.

# PEOPLE



## MANDATORY REQUIREMENTS

### IMPACT MANAGEMENT

Supplier must exercise human rights due diligence to identify, prevent, and mitigate for human rights risks. As such, Supplier must account for and address both potential and actual adverse impacts on human rights, people and communities linked to their own activities, products, or services. Attention must be paid both to risks directly linked to the supplier's own activities and to risks linked to sub-suppliers or other business relationships. This means to embed responsible business conduct into the Supplier's policies and management systems; to undertake due diligence by identifying actual or potential adverse impacts on issues; ceasing, preventing, or mitigating for them; to track implementation and results; communicate how impacts are addressed; and to enable remediation when appropriate. The Supplier shall establish a documented plan how to achieve this, following up on how the plan is implemented and how continuous improvement is achieved. Relevant measures include, for example, occupational well-being, health and safety, equality, fair employment, product safety and rights of indigenous communities. The Supplier will engage their own value chain partners in achieving relevant targets.

When requested by TEPC, the Supplier must provide relevant data and documentation on social responsibility and human rights performance as input for assessments, declarations and labels of related products and services. The data points and timeline for delivery will be determined in discussion between TEPC and the Supplier.

### DIVERSITY AND EQUALITY

There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on e.g. race, caste, skin colour, national or social origin, religion, age, disability, state of health, language, gender, marital status, sexual orientation, union membership, political opinion or any other similar distinction which is not based on the inherent requirements of the work. The Supplier shall ensure all employees are treated equally and with respect in all situations, regardless of their contract type. This includes short-term and agency workers. All workers with the same experience and qualifications should receive equal pay for equal work. Suppliers shall carry out equal pay

measurements. Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g., marriage, pregnancy, parenthood, or HIV status. Equal opportunities shall be provided in all aspects of training and personal and professional development.

The Supplier shall respect indigenous communities and peoples' rights in their operations and activities. The Supplier must put in place procedures for resolving any conflicts that may arise with indigenous peoples and local communities affected by its activities to ensure a balanced, transparent process.

### EMPLOYMENT

The Supplier shall comply with the ILO Conventions on Fundamental Principles and Labor Rights, including the following requirements.

The Supplier shall treat all employees with dignity and respect. Any physical or mental abuse, coercion or punishment, or threats thereof, sexual or other harassment and verbal abuse, as well as other forms of intimidation, shall be prohibited and must not be tolerated.

Supplier must have not permit forced, bonded, or indentured labour, involuntary or exploitative prison labour, slavery, or trafficking of persons. Suppliers, including their recruitment agencies, must not engage in or tolerate abuse of vulnerability, deception, restriction of movement, physical or sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, excessive overtime, or any other kind of exploitation or abuse.

Employees have freedom of movement during their employment. All work must be voluntary, and workers must be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. The Supplier shall not attempt to collect nor are any workers required to lodge "deposits", salaries or their identity papers with their employer. The Supplier ensures that throughout the hiring process and employment period, no deposits (monetary or otherwise)

are collected from employees, including temporary, seasonal and migrant labour and employees provided by agencies, recruiters or brokers. In cases where a fee was collected in violation of this guideline, the Supplier shall promptly pay, as appropriate, all such fees either directly to labour contractors/ agencies or other providers of labour, or promptly reimburse the effected worker. If fees are charged to workers by a third-party recruitment agency, these must be to cover the cost of secondary expenses only, such as travel expenses. Supplier should ensure that such fees are reasonable and should not provide workers with a loan or wage advance to cover the cost of fees paid by any worker to a recruitment agency.

Wages and social benefits must meet, at a minimum, national legal standards or industry standards, whichever is higher. Wages are enough to meet basic needs in the country of work. Social benefits are at least in accordance with national law or the prevailing industry standard, whichever is highest. All workers are provided with a written contract of employment in a language they understand outlining their wage conditions and method of payments. Workers are explained key terms of their employment before entering employment. Deductions from wages as a disciplinary measure is not permitted nor will any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures must be recorded. Recruitment fees and associated costs are not borne by workers.

Practices concerning working hours, breaks, rest time, sick leave, annual holidays, parental leave and mandatory benefits comply with national laws and industry standards, whichever afford greater protection for workers. Workers are granted annual leave and sick leave, to which they are entitled according to national legislation, without any form of negative sanctions. In case of pregnancy, female workers are given maternity leave in accordance with national legislation.

Working hours, excluding overtime, are defined by contract. Working hours must not exceed 48 hours per week. Workers shall be provided with at least one day off for every 7-day period. Overtime is voluntary, limited and used responsibly, taking into account the extent, frequency and hours worked by individual workers and the workforce as a whole, as well as any exceptional circumstances. Recommended maximum overtime is 12 hours per week (i.e., the total working week, including overtime, shall not exceed 60 hours). Exceptions to this are accepted when regulated by a collective bargaining agreement. Overtime is not used to replace regular employment. Appropriate safeguards are in place to protect the workers' physical and mental health and safety also when considering overtime. Workers receive overtime pay. The pay is, as a minimum, in accordance with the requirements in applicable law.

Work must be performed on the basis of recognised

employment relationship established through national law and practice. All workers shall be provided with a written contract of employment in a language they understand outlining their wage conditions and method of payments before entering employment.

Obligations towards employees, based on international conventions, social security laws and regulations arising from the regular employment relationship, are not to be avoided through the use of short-term contracting, such as contract or day labour, sub-contractors or other labour relationships where there is no real intent to impart skills or provide regular employment, nor are any such obligations avoided through the excessive use of fixed-term contracts of employment. The duration and content of apprenticeship programmes is clearly defined, documented and communicated to appropriate parties.

### **FREEDOM OF ASSOCIATION AND BARGAINING**

Workers, without distinction, must have the right to join and form, or to not join or form, trade unions of their own choosing, to bargain collectively, seek representation and join workers' councils, in accordance with local law and international conventions. Workers' representatives are not discriminated against and they have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and does not hinder, the development of parallel means for independent and free association and bargaining. Where possible, union or committee meetings should be organized in a way that allows participation for workers of all genders, and in general reflects the diversity of its workforce. The employer maintains an open attitude towards the activities of trade unions and their organisational activities.

### **CHILD LABOUR**

Child labour is prohibited. The Supplier shall take appropriate measures to ensure that no child labour occurs at their own place of production or operations, or at their sub-contractors' sites of production or operations. Suppliers must under no circumstances employ individuals under the age of 15, under the legal minimum age for work or under minimum age for completing mandatory schooling as specified by local laws, whichever is higher. Young persons under the age of 18 must not be engaged in work at night, in hazardous conditions or in conditions that are likely to harm their health, safety or morale, or in a manner that jeopardises their education.

The Supplier shall have a process in place for verifying the age of employees. If child labour is discovered, Supplier takes action immediately to eradicate child labour and to prevent further occurrence. The Supplier shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable them to attend and

complete compulsory education. Policies and programmes for remediation of child labour are documented and communicated to personnel and other relevant parties.

The Supplier shall have a certified copy of an official document which shows the worker's date of birth. Where this is not possible, the Supplier shall implement an appropriate method for evaluating the age of its workers.

### **WORKING CONDITIONS**

The Supplier shall provide a safe, hygienic and healthy working environment and infrastructure, including potable drinking water, adequate sanitation, lighting, temperature, ventilation, and suitable facilities for women's health needs, bearing also in mind the prevailing knowledge of the industry and of any specific hazards.

Supplier must ensure that their workers' potential exposure to safety hazards such as those associated with electrical and structural integrity, machinery, chemicals, toxins, vehicles, fall hazards, and facility layout, as well as exposure to chemical, biological, and physical agents is identified, assessed, and controlled. Supplier must provide well-maintained personal protective equipment at no cost. Employees, visitors and subcontractors working on the Supplier's behalf shall also be protected. Supplier must identify, evaluate, and control worker's exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

Supplier must put in place procedures and systems to prevent, manage, track and report occupational injury and illness, provide necessary medical treatment, investigate cases, and implement corrective actions to eliminate their causes, and facilitate the return of workers to work. Supplier must ensure that workers receive appropriate and documented workplace health and safety information, training, and warnings in the language of the worker or in a language the worker can understand for all identified

workplace hazards they are exposed to. Training is provided prior to the beginning of work and regularly thereafter.

Supplier must identify and assess potential emergency situations and events and minimize their impact by implementing emergency plans and response procedures including emergency reporting, worker notification and evacuation procedures, worker training, drills, appropriate fire detection and suppression equipment, adequate exit facilities and first-aid supplies.

Accommodation, where provided either by the Supplier, a labour agent/agency, or other affiliate, shall be clean, safe, adequately ventilated and structurally maintained. Facilities should promote basic human rights dignity through access to potable water, sanitary food preparation areas, reasonable personal space, adequate heat and ventilation, clean and well-maintained bathrooms, and showers. All facilities must have clear and unrestricted exits.

The Supplier shall have appropriate grievance systems – including, for example, a whistleblowing channel – in place, enabling anonymous reporting of unfair treatment and/or other complaints and improvement suggestions from at minimum own employees and, if possible, other stakeholders. Workers who raise concerns and speak up in good faith must be protected from retaliation and encouraged to speak up. Reported issues should be addressed confidentially, in a timely and respectful manner, including documentation of corrective actions.

### **PRODUCT SAFETY**

The Supplier shall comply with applicable laws and regulations related to product safety and quality. Products and services delivered to TEPC must meet the mutually agreed upon quality, commercial and sustainability standards. Products and services must be safe to use by all stakeholders. Rules defined by TEPC on the due diligence of goods, such as food ingredients, raw materials, equipment, articles and services, must be met.



## RECOMMENDED ACTIONS

### IT IS RECOMMENDED THAT THE SUPPLIER:

- Demonstrates a commitment to building and maintaining a diverse workforce, implements targeted measures within this area, such as representation targets on gender and ethnicity, and has specific policies in place for disabled and LHBTQ+ persons.
- Has a documented plan on how it increases the positive impacts of its operations on people throughout its value chain, how the plan is implemented and how continuous improvement is achieved.
- In its organisation, assigns the responsibility for monitoring, promoting, keeping record of and reporting, both internally and externally, on performance in occupational health and safety, fair employment, equality and product safety, both footprint and handprint.
- Organises human rights, including diversity, equality and inclusion, training for employees and other relevant stakeholders to further spark their interest and build their competence in the subject area.
- Actively pursues and engages with TEPC in human rights development initiatives.

### HOW TO GET STARTED: TIPS FOR A HAPPIER WORKPLACE

- You can use the UN Sustainable Development Goals as a starting point for fostering well-being at the workplace and diversity, equality and inclusion in company culture.
- Develop an employee handbook that presents the norms, instructions and best practices on how each individual can contribute to a safe, healthy and happy workplace. Offer training for all employees so that they know how company practices and policies apply to their work.
- Ask employees across the organisation feedback on what could be done even better. A task force of individuals from different teams can be put together to identify and drive development initiatives.
- Communicate your non-discrimination policy to all stakeholders and offer especially Managers training on how to promote diversity, equality, inclusion and psychological safety at the workplace, as well as how to avoid various types of discrimination in a professional setting.
- Set quantifiable targets for occupational health and safety, fair employment, equality and product safety, for example on reducing injuries and sick leaves. Make sure all teams and individuals understand their role in achieving shared targets.

# ENVIRONMENT



## MANDATORY REQUIREMENTS

### IMPACT MANAGEMENT

The Supplier shall identify actual and potential impacts and risks from its operations on environment, climate and nature in its own operations and throughout its value chain, and shall make every reasonable effort to avoid, minimise and address them. For this, the Supplier shall establish a documented plan how to avoid, minimise and address such impacts and risks, following up on how the plan is implemented and how continuous improvement is achieved. Relevant measures include, for example, minimising pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimising greenhouse gas emissions in production and transport. The Supplier shall engage their own value chain partners in achieving relevant targets.

When requested by TEPC, the Supplier must provide relevant data and documentation on environmental sustainability and performance as input for assessments, declarations and labels of related products and services. The data points and timeline for delivery will be determined in discussion between TEPC and the Supplier.

### POLLUTION

The Supplier shall comply with applicable environmental laws, regulations and permits in the jurisdiction(s) where the Supplier operates. The Supplier shall not exploit nor degrade local environment at the site of operations, and it must obtain relevant discharge permits. Supplier must monitor, track, and document its emissions to air, water, and soil from its facilities, as well as the wastewater generated by its operations, to identify aspects that they can control and influence fostering opportunities for improvement and set targets to minimize emissions. All output must be monitored, tracked, and documented.

The Supplier must identify, label, and manage chemicals, waste and other materials posing a hazard to humans or the environment to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Supplier sourcing agricultural commodities must perform and promote a reduced use of chemicals and fertilizers across their supply chain and towards farmers.

Supplier must implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste.

### NATURE PROTECTION

The Supplier must take appropriate steps and set targets to minimize the consumption of natural resources like materials, energy, and water, as well as put in place saving strategies for these resources. The performance must be monitored, tracked, and documented. Suppliers must take appropriate steps to ensure that biodiversity is preserved throughout their operations and their entire supply chain.

Supplier must take appropriate steps and set targets to preserve soil quality and minimize their impacts on soil, as far as possible. Supplier sourcing agricultural commodities must perform and promote good farming agricultural practices across their supply chain and towards farmers.

### DEFORESTATION

The Supplier shall actively and continuously improve its practices with the aim of establishing deforestation-free production. If the Supplier cultivates food ingredients, or distributes food ingredients that are cultivated, in tropical regions or other areas bordering on high conservation value natural forests, cultivation methods used may not contribute to deforestation. If the Supplier produces wood-based materials, production must be deforestation-free. In both cases, deforestation-free status must be evidenced and documented. All raw materials used in the Supplier's production processes must come from legal sources.

The Supplier must not be involved in the clearing of tropical rainforest, or other high conservation value forest, or forest areas that bind large amounts of carbon, in connection with its own or its subcontractors' activities. In connection with production in tropical regions, the Supplier must apply the definitions of "[High Conservation Value](#)" and "[High Carbon Stock](#)" as their basis for assessing which parts of the rainforest should be conserved.

The Supplier must not be involved in the new cultivation of peatland through either its own or its subcontractors' activities. Existing plantations on peatlands must be compliant with high operational standards. The Supplier must not use fire as a method of clearing land and establishing new agricultural areas. The Supplier must respect traditional land rights of indigenous people. If the Supplier or its subcontractors wish to establish agricultural operations on land owned by other persons, they must obtain the latter's free and informed consent for such operations in advance.

The Supplier must actively communicate requirements related to deforestation to its subcontractors and monitor them to ensure that they comply with the requirements.

### ANIMAL WELFARE

The Supplier shall comply with applicable laws and regulations concerning animal welfare and the treatment of animals. The Supplier shall make sure that its operations are aligned with the following principles before, during and after the productive life of animals:

- Freedom from hunger and thirst by ready access to fresh water and a diet to maintain full health and vigour
- Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area
- Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment
- Freedom to express normal behaviour by providing sufficient space, proper facilities and the company of its own kind
- Freedom from fear and (chronic) distress by ensuring conditions and care that avoid mental suffering.

More specifically, the Supplier shall adhere to the following:

- The Supplier has documented information about origin for all animal-based products sold to TEPC. Origin is defined as the country where the animal is born, bred and (if applicable) slaughtered and further processed.
- The housing environment used provides suitable shelter from adverse weather conditions and an environment that provides the conditions and facilities needed for health, comfort and normal behaviour including movement, rest, and social behaviour. Animals are not kept isolated but have social contact with other animals. Animals have access to dry, risk free and comfortable areas. The animals have access to objects to stimulate natural behaviour. This could include roughage, (sawdust) bales, straws, elevated platforms etc. Animals are given sufficient feed and water appropriate to their age, weight, physical and behavioural needs.

- The use of antibiotics is limited to therapeutic use and is not used for preventive or growth promoting purposes.
- The husbandry practices undertaken minimise the distress and pain for animals and avoid injury. Painful procedures are avoided. Appropriate pain management techniques to eliminate suffering are used during procedures such as castration, dehorning and tail docking, and postoperatively. Animals are frequently monitored to detect injuries or disease early on. When required, the animal shall be treated by a veterinarian.
- Animals are not transported over unnecessary long distances. During long distance transports, the animals are sufficiently fed and watered. The transportation practices undertaken minimise the distress and pain for animals and avoid injury.
- Animals are handled and slaughtered in the least distressing and most pain-free manner possible and in accordance with applicable law. All animals are stunned and assured unconscious before slaughter. Any staff undertaking the stunning and slaughter of animals, including casualty animals, are properly trained and competent. The housing environment used provides suitable conditions and environment that includes facilities needed for health and the avoidance of stress.
- The Supplier has a system that follows health and animal welfare parameters. The system could include mortality at farms level; total numbers of veterinary treatments and procedures; monitoring and maintaining of animal and (if applicable) hooves health, and the use of antibiotics or other medicines.
- Breeding practices include considerations of animal robustness, health, natural behaviour and welfare. At the end of the productive life of breeding animals, animal welfare standards continue to apply.

In addition, TEPC has specific requirements per animal. TEPC reserves the right to verify compliance. Compliance can be demonstrated, e.g., through the participation in certain certification schemes, compliance with certain legislation, or other means. Appropriate means of verification will be determined in discussion with designated TEPC contact person.

ANIMAL TYPE	REQUIREMENT
<b>Dairy cows</b>	<p>Permanent tethering is not allowed. Cattle shall be kept in either loose house systems or be allowed to spend at least 6h per day outside during an equivalent of 6 weeks in total during a calendar year, when weather and ground conditions allow it.</p> <p>Dehorning, castration and disbudding or other surgical procedures shall be performed under anaesthesia.</p>
<b>Beef cattle</b>	<p>Permanent tethering is not allowed. Cattle shall be kept in either loose house systems or be allowed to spend time outside for at least 6h per day during an equivalent of 6 weeks in total during the calendar year when weather and ground conditions allow it.</p> <p>Dehorning, castration and disbudding or other surgical procedures shall be performed under anaesthesia.</p>
<b>Pigs</b>	<p>Tail docking is not allowed.</p> <p>Pigs shall be kept free range in the stables. Sows shall be held free range when they are not having piglets. After separate agreement and during specific circumstances, fixation during the insemination period (max 4 weeks) could be allowed.</p> <p>Operational surgeries such as castration shall be performed under anaesthesia.</p>
<b>Egg laying hens</b>	<p>Beak trimming is not allowed. This also applies to the parent generation. Producers shall have a management plan to prevent and address feather pecking.</p> <p>All eggs shall be produced from 100% cage-free laying hens by 2025.</p>
<b>Broiler chickens</b>	<p>Stocking density shall be 30 kg/m<sup>2</sup> or less.</p> <p>In longer term, Supplier should aim to use only breeds that demonstrate higher welfare outcomes; either the following breeds, Hubbard Redbro (indoor use only); Hubbard Norfolk Black, JA757, JACY57, 787, 957, or 987, Rambler Ranger, Ranger Classic, and Ranger Gold, or other breeds that meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol.</p>

## LAND RIGHTS AND MARGINALIZED POPULATIONS

Supplier must obtain, maintain, and keep current all required environmental permits, approval and registrations, their operational and reporting requirements must be followed. Supplier must respect the land rights of indigenous people and local communities affected by their operations and sourcing practices. All negotiations regarding their property or land, including the use of and transfers of it, adhere to the principles of free, prior, and

informed consent (FPIC), contract transparency and disclosure. Supplier must not engage in any form of land-grabbing.

Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.



## RECOMMENDED ACTIONS

### IT IS RECOMMENDED THAT THE SUPPLIER:

- Sets science-based greenhouse gas emissions reduction targets on Scope 1–3 as well as measures the carbon footprint of the products sold to TEPC.
- Has a documented plan on how it increases the positive impacts of its operations on environment, climate and nature, as well as animal welfare, throughout its value chain, how the plan is implemented and how continuous improvement is achieved. Actions can relate, but are not limited, to reducing pollution and waste, using resources and materials efficiently, combatting deforestation, developing sustainable production methods, implementing a relevant environmental or animal welfare management system, and exploring alternatives to animal-based production.
- In its organisation, assigns the responsibility for monitoring, promoting, keeping record of and reporting, both internally and externally, on environmental and animal welfare performance, both footprint and handprint.
- Organises environmental and animal welfare training for employees and other relevant stakeholders to further spark their interest and build their competence in the subject area.
- Actively pursues and engages with TEPC in environmental and animal welfare development initiatives.
- Explore possibilities for restoring peat in collaboration with experts and local communities.

### HOW TO GET STARTED: TIPS FOR CLIMATE ACTION

- You can use the UN Sustainable Development Goals as a starting point for climate action.
- Measure the greenhouse gas emissions, i.e., carbon footprint, of your own operations (Scope 1–2) and, if possible, also in your value chain (Scope 3). Based on findings, identify the activities with biggest climate impacts and the biggest opportunities for development; identify and carry out measures to minimise emissions; and compensate for the remaining footprint in a sustainable manner. Monitor progress and report on it to stakeholders.
- Develop strategies to enhance circularity in your business models, product and service design, and operations. In your use of natural resources, can you reduce, reuse or recycle, or even repair or repurpose? Explore opportunities for collaboration throughout the value chain.
- Improve carbon handprint by offering customers climate-friendly solutions that help them reduce their own carbon footprint.
- Ask employees across the organisation feedback on what could be done even better. A task force of individuals from different teams can be put together to identify and drive development initiatives.
- Set quantifiable targets for climate action, for example on using certified raw materials, implementing regenerative agriculture methods, or taking part in joint projects with environmental agencies. Make sure all teams and individuals understand their role in achieving shared targets.

# GOOD GOVERNANCE



## MANDATORY REQUIREMENTS

### BUSINESS INTEGRITY

The Supplier shall comply with applicable laws and regulations concerning bribery, corruption, extortion, fraud and any other prohibited business practices as well as concerning anti-money-laundering, privacy and economic and social trade sanctions. The Supplier shall not tolerate and shall work against corruption in all its forms in the public and private sector, and there must be adequate procedures in place to prevent bribery in all commercial dealings undertaken by the Supplier. The Supplier shall not take part in any form of money laundering and shall implement measures to prevent financial transactions from being used to launder money. The Supplier shall not offer, promise, give or accept any improper benefit, payment, favour or incentive to or from any public official, international organisation or other third party directly or indirectly. The Supplier shall not participate in criminal or terrorist activities and shall follow applicable trade sanction programmes.

The Supplier shall have procedures in place to ensure that it, including its directors, employees and third parties acting on its behalf, does not, directly or indirectly, offer gifts to our employees or persons representing TEPC or anyone closely related to these in any situation in which the said gifts, independent of value, might inappropriately influence, or appear to influence, the outcome of the recipient's business decisions in relation to the Supplier, such as contract bidding, negotiations or award. Any gift offered must be of insignificant value. Supplier shall never offer or accept gifts of cash or cash equivalents.

Hospitality, such as social events, meals or entertainment may be offered if there is a legitimate business purpose involved, and the cost is kept within reasonable limits. TEPC pays for the travel expenses of its employees and representatives.

The Supplier must uphold fair business, advertising and competition standards. Supplier must compete in a fair manner in compliance with all applicable anti-trust laws and regulations and has standards and procedures in place to ensure that its directors and employees do not engage

in any anti-competitive practices. The Supplier shall not cause, and is under no circumstance part of, any breach of general or special competition regulations and laws, such as illegal cooperation on pricing, market sharing, output levels or customer allocations, or sharing competitively sensitive information.

The Supplier shall avoid any situation where a conflict of interest between the Supplier and TEPC exists, including interactions with our employees that could create a conflict of interest with the employees' duty to act in our best interest. A conflict of interest occurs when a representative of a Supplier seeks to further their personal interest, or that of a friend or relative, due to their position as a representative of the supplier. The Supplier will disclose to TEPC any potential or existing conflict of interest situation in its relationship with us.

### BOYCOTTS AND SANCTIONS

The Supplier shall comply with trade sanctions relevant for their engagement with TEPC. TEPC will avoid buying from a country when there is a broad international consensus to boycott the country, or when sanctions against the country have been implemented by the United Nations. We will also avoid engaging with industries or companies when there is a broad consensus to boycott due to the negative social, environmental or ethical effects of the products, services or companies. The Supplier shall implement a similar policy.

### DATA PRIVACY AND SECURITY

The Supplier shall collect, use, hold and process data with due care, responsibly and according to applicable laws and regulations as well as take adequate information security measures. The Supplier shall ensure that confidential and sensitive information, especially concerning private persons, remains undisclosed, and that the IT software and any support applications they use are well-protected and do not cause a risk to the Supplier's own stakeholders, TEPC or the latter's stakeholders. Sufficient controls and protection against cybersecurity threats must be in place.

### CONFIDENTIALITY AND BRAND PROTECTION

The Supplier shall keep confidential any confidential information received about TEPC's present and future business operations, personnel, customers, and partners. The Supplier shall not disclose or use confidential information about TEPC or its stakeholders for any other purpose than those agreed upon with us. Supplier shall implement appropriate technical and organisational measures to ensure that any processing of personal data as part of the Supplier's contractual relationship with TEPC is in accordance with applicable data protection legislation. The Supplier shall ensure that its own activities do not endanger TEPC's corporate image, brand value or reputation, nor shall the Supplier ever act in a way that could damage TEPC's competitiveness. The Supplier's behaviour on traditional and social media shall follow these same principles on the confidentiality and accuracy of information as well as the protection of TEPC's brand.

### TRACEABILITY AND TRANSPARENCY

As far as possible, the Supplier shall provide accurate, truthful, reliable and exhaustive information on the value chain of all products and services delivered to TEPC. When using sub-suppliers, contractors etc. in delivering goods and services to TEPC, all connections and actions must be fully documented and traceable. The Supplier shall obtain TEPC's consent prior to out-sourcing production or parts of the production, to a sub-supplier. To the extent possible, the Supplier shall provide information about second- and third-tier suppliers and their manufacturing locations, as well as inform TEPC of any changes related to these without delay. Similarly, the Supplier shall openly and proactively give TEPC any relevant information on products or goods delivered to us, such as product specifications of food ingredients. Moreover, the Supplier shall ensure that any invoices, reports and other data delivered to TEPC are accurate, truthful, reliable and exhaustive.



## RECOMMENDED ACTIONS

### BUSINESS CONTINUITY

It is recommended that the Supplier is aware of risks connected to business continuity both in own operations and the value chain. The Supplier should have a plan for mitigating all key business continuity risks and consider preparing for potential global risks such as natural disasters, pandemics, terrorism and cyberattacks. Based on the risk assessment, appropriate policies and procedures, including remediation and contingency plans, should be developed.

# IMPLEMENTATION OF THE CODE



## MANDATORY REQUIREMENTS

### MANAGEMENT SYSTEM

The Supplier shall develop a systematic and proactive approach to implementing at least the mandatory requirements, but also, if possible, the recommended actions in this Code in its own operations and value chain. This includes steps to follow-up on the requirements with their own suppliers and sub-suppliers, regular and systematic review of how its operations match the requirements of this Code, as well as striving for continuous improvement through, for example, written performance objectives, targets, and implementation plan to improve their social, environmental, and occupational health and safety performance.

The Supplier shall ensure that its employees and other relevant stakeholders have the appropriate knowhow, training and resources for handling issues that concern their work and relate to the contents of this Code, including compliance, employment, environmental, human rights, animal welfare, governance and ethics issues.

Speak to your TEPC contact person about any areas you do not understand or if you do not know how they relate to your business.

### COMMUNICATION AND AUDITING

To ensure compliance with the Code, TEPC may request information about the Supplier's operations and performance connected to the areas mentioned in this Code. The Supplier shall provide this data while respecting applicable laws and regulations on privacy. The information must be as accurate, reliable, truthful and exhaustive as possible.

We reserve the right to require an applicable certificate as evidence of compliance and satisfactory performance from the Supplier, to request for a self-assessment, to perform an inspection or on-site audit of the Supplier and their production site(s), or to have a third-party conduct an independent inspection or audit in our place. The Supplier shall facilitate and provide reasonable assistance in the

auditing of their operations by TEPC's representatives or appointed third parties. The Supplier shall give an auditor access to relevant records and other information. Besides ensuring compliance with this Code, an audit may also be performed for, among others but not limited to, quality assurance reasons.

### NON-COMPLIANCE AND CORRECTIVE ACTION

The Supplier shall always try to exercise good judgement, care and consideration in following the requirements – and, when possible, recommendations – presented in this Code. The Supplier shall have grievance systems in place enabling anonymous and confidential reporting of non-compliance with this Code from its employees.

The Supplier must immediately report any non-compliance with this Code to designated TEPC contact person or through other process designated by TEPC. The Supplier, any of its employees or stakeholders, and TEPC's business partners and other stakeholders may report their concerns confidentially to [sustainability@tepc.com](mailto:sustainability@tepc.com).

Should the Supplier fail to meet the mandatory requirements in this Code, we will discuss corrective action in open dialogue with the Supplier in question. The Supplier shall take corrective actions as agreed and without delay, inform us about any such actions and provide adequate documented evidence of improvement.

If the Supplier is unwilling or unable to carry out within six months the corrective actions which we find necessary for correcting the identified shortcomings, or the Supplier refuses to take corrective action, or the Supplier or any of its sub-suppliers has committed a substantial breach or repeated breaches of the mandatory requirements in this Code, TEPC is entitled to cancel outstanding orders, suspend future orders, and/or terminate the business relationship and any contract(s) with the Supplier. Such termination shall be effective from the time stated in a written termination notice from us.

## HOW TO GET STARTED: NON-MANDATORY TIPS FOR COMPLIANCE WITH THE CODE

- Commit as a company to following the Code, including top company management.
- Familiarise yourself, your employees as well as your suppliers with the Code by arranging a training or information session, and/or providing written instructions, about the Code.
- Self-assess your current practices against the Code to ensure you are not at risk of any violations of the Code, to establish appropriate internal controls and to identify areas of improvement.
- Designate a Code Officer(s) responsible for integrating the Code's practices into operations and activities as well as developing operations in accordance with the Code.

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## WE ARE IN THIS TOGETHER

We expect our suppliers to be transparent and have an open dialogue with us about any challenges they encounter as part of their operations. In so doing, we can tackle issues and improve operations in collaboration. Together, we can reach the best outcomes and work towards sustainable, better-working value chains.

We will provide our suppliers with any reasonable support and guidance in implementing this Code and achieving continuous improvement. We will also continuously evaluate and, if needed, improve our own policies and purchasing practices in order to facilitate Suppliers' compliance with this Code.

Updates can be made to this Code. The most recent version is available from [www.tepc.com](http://www.tepc.com) and from designated TEPC contact person, or through other process designated by TEPC. The most recent updated version will also be delivered to existing direct Suppliers electronically.

For more information, please contact [sustainability@tepc.com](mailto:sustainability@tepc.com) or contact designated TEPC contact person. We are happy to hear your feedback.

