



Supplier Code of Conduct

Updated December 2023

Introduction

Scope

The Supplier Code of Conduct is binding on all current and potential suppliers, their employees and subcontractors providing products, raw materials, professional experience and skills, related services to any division of GC “EFKO”. This Code of Conduct establishes the key minimum requirements for each supplier and sets out the supplier’s obligations under applicable laws and contractual terms.

We believe that shared commitments will provide a solid foundation for a trusting and mutually beneficial business relationship.

Product Quality and safety

Quality is the base of product loyalty and consumer confidence. We are proud that we deliver quality products. While purchasing commodities, raw materials (including packaging) from suppliers to manufacture our products, we require they are in compliance with our strict quality and safety expectations.

All suppliers, their employees and subcontractors providing products, raw materials (including packaging) should not compromise their quality and safety.

Suppliers shall also be obligated to ensure a responsible production of high quality and safe products, meeting all ethical standards and regulations.

If an employee is involved at any level of development, transportation, packaging or storage of products, they shall:

- ✓ know the quality and safety standards, policies and procedures;
- ✓ comply with good manufacturing practices and protocols;
- ✓ comply with all applicable food safety laws and regulations.

It is very important to always be able to identify situations with risk for product quality and safety.

Realization

Implementation Guideline for Supplier Code of Conduct

To fulfill all the requirements of this Code the supplier performs the following actions:

- ✓ developing strategic principles and procedures;
- ✓ defining and assigning roles and responsibilities;
- ✓ maintaining contact with employees and appropriate third parties on issues related to the requirements of this Code;
- ✓ providing employees and subcontractors with the opportunity to receive appropriate training;
- ✓ taking measures to eliminate the identified violations;
- ✓ reporting on progress in meeting the requirements of this Code.

Social Norms

Human and Labor Rights

GC “EFKO” obliges its suppliers to always evaluate their actions to ensure the absence of violation or contradiction with fundamental human rights.

Suppliers understand the importance of following and supporting fundamental human rights in all operations and throughout the value chain.

Our values, the Code, talent development strategies and human resources policies support the principles set out in the [United Nations Universal Declaration of Human Rights](#) and the [principles and labor standards of the International Labor Organization](#), [Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework \(UNGPs\)](#), [United Nations Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#), [International Bill of Human Rights](#).

Business partners of GC “EFKO” operate upon programs and policies that:

- ✓ Provide all employees with the statutory monthly minimum wage and overtime compensation in accordance with applicable labor standards, benefits and other terms and conditions of employment in accordance with local legal regulations;
- ✓ recognize the employees right to freedom of association;
- ✓ ensure the creation of humane and safe working conditions;
- ✓ respect the rights of indigenous and local people where they are present and in their supply chain.
- ✓ apply the [UN principle of free, prior and informed consent \(FPIC\)](#).

- ✓ prevent all forms of illegal, forced, child labor and, in particular, follow responsible hiring practices that are decided on the basis of job-related factors regardless of race, color, age, sex or gender identity, religion, creed, nationality, ethnic origin, citizenship, ancestry or any other characteristic, and do not charge recruitment-related fees at any stage of the hiring process;
- ✓ implement reliable child and forced labor monitoring and remediation systems designed to identify, prevent, and seek remedial action in cases of child and forced labor, as appropriate;
- ✓ provide all employees with all written documentation in their native language on working conditions, including regular payroll procedures, etc.

Child Labor

Supplier shall not employ individuals below the minimum employment age under local laws or [International Labor Organization \(“ILO”\) Convention No. 138](#), which states the minimum employment age for employment should not be less than the compulsory schooling age, that is 15 years, light work is 13 years, hard work is 8 years (16 years under certain conditions). The minimum employment age with a low level of economic and educational development according to the Convention is 14 years, light work is 12 years, hard work is 18 years (16 years under certain conditions).

Supplier shall not offer unsafe employment that could jeopardize the health, safety or morals of young people, individuals under the age of 18.

Supplier is committed to implementing measures to ensure that children are not harmed, exploited, or abused as a result of employee activities in workplaces, living quarters, or employer-provided vehicles.

Forced Labor

The supplier shall not use forced labor, that is, enforcement of any work or service under threat of physical or other punishment.

The supplier shall provide its employees with the right to free movement and free dismissal from work in accordance with normal contractual clauses, and shall not restrict employees' ability to move freely due to physical restriction (imprisonment).

Supplier shall not take from an employee personal documents (passports/identification documents), any items of value or withholding of employees' wages, except as required by law, or take any action that may prevent employees from stopping work.

Discrimination

The supplier shall not engage in any discriminatory action, that is any distinction, exclusion or preference limiting equality of opportunity or treatment.

The supplier shall not engage in any form of abuse or harassment in the workplace.

We expect our suppliers to stand in solidarity with us and prioritize the safety, well-being and dignity of the people whose talent and skills help us deliver products and services.

Ethical Norms

Regulatory Compliance

The supplier shall comply with all applicable laws and regulations within the territory of its business registration, of its operations and of supplying its products and services for further use.

Anti-Bribery and Anti-Corruption

The supplier shall not influence activities or decisions of the appropriate key decision-makers, including both government officials and private individuals.

Corrupt agreements with customers, suppliers, government officials or third parties are strictly prohibited.

The term "corruption" refers to obtaining or attempting to obtain personal profit or commercial advantage by improper or illegal means.

Corruption can involve the use of payments or the exchange of valuable items and includes:

- ✓ bribery (giving a bribe to a state or official or giving a commercial bribe);
- ✓ extortion;
- ✓ "kickbacks".

Anti-Money Laundering

Suppliers shall comply with all laws on the prevention money laundering or financing illegal activities.

The term “money laundering” refers to the practice when individuals or groups of individuals attempt to hide the profits obtained from illegal activities, or to create the appearance of legal activities.

Fraud

The supplier shall not engage in fraudulent activities by deliberately concealing, altering, forging or deliberately withholding information for own or others benefit, thereby violating the principles of honesty and integrity.

Fraud can be committed to obtain a certain benefit (for example, to meet the projected targets or receive payment) or to avoid negative consequences (for example, disciplinary actions). Examples of fraud include:

- ✓ changing production performance to achieve performance goals;
- ✓ providing false health information to obtain benefits for people with disabilities;
- ✓ incorrect recording of working hours to receive higher payment or to avoid disciplinary action for being late or absent from work;
- ✓ misrepresenting sales figures or delivering products to quote an unreasonable price for the customer;
- ✓ misrepresenting financial information of accounting records.

Confidentiality

We expect our suppliers to protect the reputation of GC “EFKO” and any information or property entrusted by us; comply with data privacy laws; ensure the preparation of the necessary notifications, registrations and documentation that can be required by GC “EFKO” to make or implement in order to comply with data privacy legislation. Our suppliers shall:

- ✓ protect any confidential information of GC “EFKO” to which they have access, including intellectual property, trade secrets or financial information;
- ✓ protect property owned by GC “EFKO” if it is under their control;
- ✓ avoid situations with an adverse impact on our business interests or reputation;
- ✓ properly secure the places where the data of GC “EFKO” will be sent and stored;
- ✓ properly control access to the building or premises with stored/processed information;
- ✓ manage a list of personnel with access to storage facilities. Suppliers shall include third parties (for example technical support service companies) on this list.

Fair Trade

The supplier is obliged not to perform any illegal actions, including but not limited to price manipulation through monopolistic collusion, division of markets, exchange of confidential information and commercial information intended for internal use, or contracting to reduce sales or production in order to limit or eliminate fair competition, and freedom of trade, especially in collusion with third-party competitors.

Environmental Standards

Responsibilities to Protect the Environment and Ecology

GC “EFKO” is committed to the most sustainable practices and requires it from all suppliers, their employees and subcontractors providing products and raw materials. The main principles of environmental policy are as follows:

- ✓ rational use of products, raw materials, energy or natural resources;
- ✓ scheduled employees’ training and education on environmental control;
- ✓ involvement of all employees in activities aimed at environmental safety and protection;
- ✓ planning activities aimed at implementing environmental policy;
- ✓ continuous monitoring over compliance with all requirements (including legislative) regarding environmental safety and protection;
- ✓ allocation of all necessary resources for building ecological culture;

- ✓ using the best global practices and international environmental standards to maintain environmental safety;
- ✓ mitigation measures for the environmental safety and protection;
- ✓ reducing the environmental impact of suppliers' daily activities mediating through changing own attitude to decreasing their environmental impact by reducing waste, reducing unnecessary travel, saving water and energy;
- ✓ continuous monitoring of our own emissions, especially greenhouse gas emissions, and setting a goal and strategy to reduce our overall impact on the climate;
- ✓ ensuring the reuse, recycling or appropriate disposal of unavoidable waste.

Deforestation and Biodiversity

Supplier activities must not contribute to deforestation or loss of biodiversity. The supplier shall conduct due diligence on raw materials and exclude raw materials associated with deforestation (including considering the risks of cross deforestation) throughout the supply chain.

The supplier is obliged to set a deadline after which it will be necessary to suspend deforestation and peat destruction and resume the planting process (with restoration) (but no later than December 31, 2015).

The supplier is obligated to take immediate action if violations are discovered.

Implementation of the Supplier Code of Conduct

Traceability

The supplier maintains correct records of direct suppliers and is able to track the origin of the raw materials received.

The supplier actively influences its supply chain to increase its transparency and traceability, and is able to establish the origin of raw materials.

Supply Chain

The supplier communicates the requirements of this Code to its own suppliers. The supplier is expected to develop and control, in accordance with the requirements and principles expressed in this Code, a set of measures aimed at introducing environmentally friendly and socially responsible working practices throughout the supply chain associated with development processes.

The supplier sets up mandatory environmental and social responsibility requirements for its suppliers and subcontractors. The supplier communicates these requirements to its suppliers and, using risk analysis, verifies their compliance with the specified requirements.

The supplier shall comply with GC “EFKO” Sustainable Production Policy.

Problem Reporting

Notifications of Detected Problems

The supplier provides employees with a communication channel, such as a suggestion box or an anonymous telephone number, through which they can confidentially report problems noticed.

The supplier also implements a special grievance procedure for employees that as well ensures their protection.

Compliance Monitoring

We expect the supplier to make all possible efforts to inform its employees, subcontractors about the principles established in this Code and undertake adequate measures to ensure that its principles are understood and adhered to.

GC “EFKO” expects the supplier to properly keep records on its operations in order to confirm compliance with the principles set forth in this Code, and reserves the right to verify the supplier's compliance with these principles, and to resolve problems.

If GC “EFKO” becomes aware that suppliers violate the principles of our Company specified above, appropriate measures will be undertaken to investigate the problem upon the Company's grievance procedure.

The Company will then seek to work with the supplier to return to full compliance.

GC “EFKO”, where applicable, will provide the supplier with all kinds of support and assistance in solving the problems that have arisen.

If the supplier refuses to take corrective measures or an appropriate solution to the situation is not found, GC “EFKO” will terminate commercial relations with this supplier.

Changes to the Supplier Code of Conduct

The Supplier Code of Conduct by GC “EFKO” will be revised and supplemented as necessary in order to ensure the fulfillment of obligations.

The most recent version of the Supplier Code of Conduct will be posted on the [Company's official website](#).