

SUPPLIER CODE OF CONDUCT

Poppies Bakeries is committed to sustainability in its business activities and aims to apply high ethical standards. Our suppliers (suppliers, service providers and contract manufacturers) play an important role as enablers of our sustainable growth and overall success. We require our suppliers to explicitly acknowledge and adhere the principles embodied in the Supplier Code of Conduct and to assure that their own suppliers will also comply with these principles.

The Supplier Code of Conduct covers 3 chapters:

- Labour practices
- Protection of the environment
- Ethical business behaviour

The chapter on labour practices is based on the ETI Base Code. The ETI Base Code is an internationally recognised code of labour practice. It refers to international conventions such as the Universal Declaration of Human Rights, The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the ILO eight fundamental labour conventions, The UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The ETI Base Code can be consulted on <https://www.ethicaltrade.org/eti-base-code>.

LABOUR PRACTICES

Suppliers shall be committed to uphold the human rights of workers and to treat them with dignity and respect.

- **Freely chosen employment**

Suppliers shall not engage in any form of forced, bonded or involuntary prison labour. Suppliers shall not require from their workers to lodge deposits or their identity papers and shall allow their workers the right to leave the business after reasonable notice.

- **Freedom of association and the right to collective bargaining**

Suppliers shall respect the right of workers to join or form trade unions of their own choosing and to bargain collectively. Suppliers shall adopt an open attitude towards the activities of trade unions and their organisational activities. Workers representatives are not discriminated against and 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 supplier facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining

- **Health & safety**

Suppliers shall provide a safe and hygienic working environment, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Suppliers shall take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Suppliers shall provide to their workers regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Suppliers shall provide access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage. Where provided, Suppliers shall make sure that accommodation is clean, safe, and meets the basic needs of the workers.

- **Child Labour**

Suppliers shall not use child labour. The employment of young workers below the age of 18 shall only occur in non-hazardous work and when young workers are above the country's legal age for employment or the age established for completing compulsory education. Suppliers 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 her or him to attend and remain in quality education until no longer a child. These policies and procedures shall conform to the provisions of the relevant ILO standards.

- **Wages and Benefits**

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

- **Working Hours**

Working hours must comply with national laws, collective agreements, and the provisions of the paragraphs below (based on international labour standards), whichever affords the greater protection for workers.

Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by the paragraph below.

Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.

- **Non-Discrimination**

Suppliers shall not discriminate in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

- **Regular employment**

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, sub-contracting, 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.

- **No harsh or inhumane Treatment**

Suppliers shall prohibit physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.

PROTECTION OF THE ENVIRONMENT

Suppliers shall operate in an environmentally responsible and efficient manner, and they shall minimize adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle.

- **Environmental Authorizations**

Suppliers shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained and their operational requirements followed.

- **Waste and Emissions**

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse or management of waste air, air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release in to the environment.

- **CO₂ emission**

There is a plan in progress to measure the actual CO₂ emission of the supplier's activities and to reduce it in the coming years.

- **Spills and Release**

Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment.

- **Animal Welfare**

Animals shall be treated respectfully, with pain and stress minimized.

ETHICAL BUSINESS BEHAVIOUR

Suppliers shall conduct their business in an ethical manner and act with integrity.

- **Business Integrity and Fair Competition**

All corruption, extortion and embezzlement is prohibited. Suppliers shall not pay or accept bribes or participate in other illegal inducements in business or government relationships. Suppliers shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Suppliers shall employ fair business practices, including accurate and truthful advertising.

- **Illegal activities**

All workers should be encouraged to report concerns or illegal activities in the workplace, without threat of reprisal, intimidation or harassment.

- **Privacy**

Suppliers shall safeguard and make only proper use of confidential information to ensure company and worker privacy. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

CONFIRMATION OF ADOPTION OF THE SUPPLIER CODE OF CONDUCT

The undersigned declares to have taken notice of and agrees to accept the conditions set within this Supplier Code of Conduct.

Company and Name

Date