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# SELECTA SUPPLIER CODE OF CONDUCT



## INTRODUCTION

Selecta AG and its subsidiaries and affiliates (collectively, “Selecta”) is Europe’s leading route-based unattended self-service retailer, providing coffee and convenience food solutions in the workplace and in public spaces. Selecta aims to conduct all its businesses with honesty and integrity and in accordance with the highest standards of ethics, equity and fair dealing.

This Supplier Code of Conduct (“Code”) provides ethical behaviour guidelines to every Selecta supplier and their subsidiaries, affiliates, agents, distributors, sub-suppliers and subcontractors (“Suppliers”) worldwide providing goods or services to Selecta and what our stakeholders can expect from Selecta.

In addition, Selecta also expects its Suppliers employees, whether permanent or temporary, directors, consultants or contract staff (“Employees/Workers”) to comply with the rules set out in this Code.

This Code reflects Selecta’s ambition to establish partnerships with its Suppliers and defines the minimum standards Suppliers should follow utilizing the lawful, professional and fair practices outlined in the 10 principals of the UN Global Compact (“UNGC”) and its underlying conventions and declarations. Selecta expects its Suppliers to respect several areas, including but not limited to human rights, labour rights, environment, anti-bribery/corruption and further underlying topics such as child labour and forced labour.

If this Code sets out stricter requirements than national legislation, this Code shall prevail. Exceptions are only accepted if the provisions in this Code are in direct conflict with national legislation.

Selecta will assess Suppliers compliance against our Code and reserves the right to, on their own or through a third party, conduct audits of the Suppliers. Suppliers are required to co-operate. Violations of our Code may result in a corrective action plan (CAP). Any improvements identified are to be made and enforced immediately after given process approval by Selecta. In case of repeated, intended or withheld breaches against the Code, Selecta reserves the right to terminate the business relationship.

Selecta’s internal control systems and procedures are also subject to regular reviews in order to provide reasonable assurance that they are effective in countering any breaches of this Code.

# LEGISLATION COMPLIANCE

Suppliers must comply with and provide accurate information regarding all relevant applicable laws and regulations of their country, including but not limited to corporate governance, occupational health, safety, labour standards, environmental management, employment, and discrimination.

Suppliers must comply with all applicable European Economic Area (EEA including the European Union, Iceland, Liechtenstein and Norway), Switzerland and the United States laws relating to the import of products, including but not limited to country of origin, labelling, product labelling, fabric and product testing. If local or industry practices exceed local legal requirements, the higher standard applies.

When applicable, suppliers shall follow legislation with a wide territorial scope, including but not limited to the UK Modern Slavery Act and the UK Bribery Act.

Selecta expects Suppliers to disclose such information, when requested, without falsification or misrepresentation.



# ANTI-BRIBERY AND CORRUPTION

- **Anti-corruption practices**

Suppliers are required to act in an ethical, fair and professional manner in all engagements with Selecta and its stakeholders, and report instances where these standards are breached or are likely to be breached.

Suppliers shall have an anti-corruption policy, program and training schedule in place. Anti-corruption training shall be provided to managers and employees working in positions prone to corruption, such as but not limited to, purchasing, sales and financial transactions. Internal control measures are to be carried out and reported to prevent corruption and accusations of corruption.

Suppliers must comply with not only with the UNGC principles but also Selecta's Anti-Bribery and Corruption Policy.

- **Bribery and fraud**

Selecta has zero tolerance towards bribery. Selecta does not promise, offer, give or authorise, directly or indirectly, a bribe or anything of value to anyone (including public officials and private persons) to attempt to improperly influence any act or decision to obtain or retain business, or to secure any improper advantage for Selecta.

Selecta expects Suppliers to prevent direct or indirect financial crime such as but not limited to, money laundering, fraud or embezzlement, by having processes in place for identifying and handling such incidents.

Suppliers shall not pay or accept any kick-backs or facilitation payments.

- **Competition**

Selecta expects Suppliers to follow the EU Competition rules on free market regulations. It is strictly forbidden for Suppliers to partake in cartels for price adjustments, beneficiary services or market distortion. Suppliers shall ensure that all taxes are paid in local countries of operation and that transfer pricing manipulation or abusive transfer pricing does not occur.

Protection of Intellectual Property and Confidential Information

Suppliers shall protect and prevent unauthorised disclosure of intellectual property and confidential business information.

- **Conflict of interest**

Selecta defines a conflict of interest as being involved in a relationship or activity that affects, or has the appearance of affecting, an Employees objectivity in making business decisions in the best interest of the company.

Selecta expects its Employees to follow the general principles for Conflict of Interest as outlined in Selecta's Code of Conduct ("COC").

Selecta's Employees and its Suppliers should not be motivated by personal relationships or external business interests. This includes hiring practices such as but not limited to nepotism and cronyism.

If a conflict of interest is presented, Selecta expects its Suppliers to take precautionary action by declining partnership and disclosing any risk, personal or financial, immediately.

- **Grievance mechanism**

Suppliers shall have a mechanism in place for employees and business partners enabling anonymous grievances. Suppliers shall also maintain procedures to ensure the protection of whistle-blowers and to prohibit reprisals against workers who make a report in good faith.



# EMPLOYMENT COMPLIANCE

Selecta expects its Suppliers to respect all fundamental human rights through-out its business activities. The Supplier shall also ensure that all employees are aware of, understand and compliant of the following rights:

- **Human Rights**

### *Freedom of Association*

Suppliers shall respect the rights of their employees and freely allow their employees to associate with others, form and join organizations of their choice, and bargain collectively.

### *Fair and Equal Treatment*

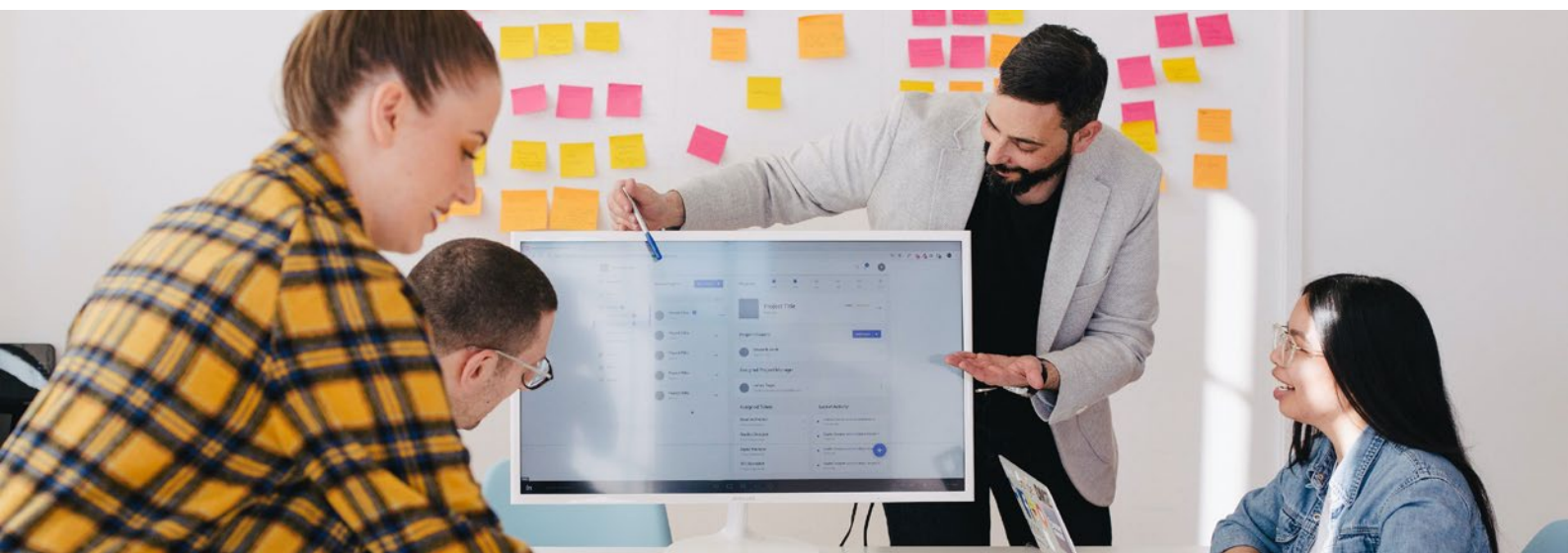
Selecta recognizes the value of diversity, and the benefits which diverse businesses can bring as suppliers to the business, our clients, and our communities. Selecta treats partners and employees fairly and does not discriminate.

Suppliers shall treat all employees with respect and dignity. Suppliers shall protect its workers rights to integrity and privacy. The Supplier shall not discriminate on grounds such as race, religion, age, gender, national origin, citizenship status, marital status, sexual orientation, gender identity, disability, pregnancy, or other legally protected status, in hiring and employment practices.

Selecta is committed to supporting a culture in which supplier diversity is valued internally and externally. We support supplier diversity through engagement with local businesses and social enterprises with relevant business offerings, thus supporting local society in which we operate.

### *Conflict Resources*

Selecta expects Suppliers providing products containing conflict resources to exercise due diligence to ensure that the extraction and trade of 3TG minerals (tin, tantalum, gold and/or cobalt) or conflict resources including not limited to petroleum, palm oil, cocoa, coffee, tea or genetically modified organism (GMO) do not directly or indirectly finance and/or contribute to human rights abuse including but not limited to land grabbing, war, and terrorist activities.



- **Labour rights**

#### ***Forced Labour***

The UNGC defines forced and compulsory labour as “any work or service that is exacted from any person under the menace of any penalty, and for which that person has not offered himself or herself voluntarily”.

Suppliers shall not use any involuntary labour and workers shall be free to leave work or terminate their employment upon reasonable notice. Suppliers and/or recruiters are never allowed to retain employee’s identification, passports, work permits or deposits as a condition of employment confinement.

#### ***Child labour and young workers***

Suppliers shall comply with applicable laws and shall employ only workers who meet the applicable minimum legal age of 15. Child labour is strictly forbidden.

Suppliers that employ young workers between the ages of 15 and 18, are required to ensure that the young workers will have restricted working hours (maximum 8 hours per day during daylight hours, not evening hours).

Suppliers shall ensure that the young workers will not work with hazardous chemicals or heavy machinery. Suppliers must also demonstrate that the employment does not expose the young workers to physical, mental or emotional harm.

#### ***Wages***

Suppliers shall ensure that all employees are paid a living wage, which at least meets the basic needs of the employee and provides a discretionary income. Any overtime worked shall be voluntary and compensated at a premium rate.

#### ***Working Hours***

Suppliers shall not require employees to work more than 48 hours in a regular work week. Every work day shall include a break of a minimum of 30 minutes. All employees shall be allowed at least one day off (24 hours) per week.

Overtime hours shall not exceed 12 hours per week, resulting in a work week of maximum 60 hours, unless stated otherwise by collective bargaining agreement. Employees are entitled to sick pay, at least three weeks of annual paid holiday and a minimum of 14 weeks of maternity leave.

The Supplier shall ensure that employees in accordance with stipulated working hours, overtime hours, breaks, rest periods, holidays and parental leave included.

#### ***Employment terms***

Employees of the Suppliers are entitled to written contracts and the contracts should at least state the hours of work, wage, overtime compensation rate at such premium rate as is legally required in the local country, pay date, holiday and notice period.

Suppliers should give employees a monthly pay slip with the payment date, amount, and hours worked including but not limited to overtime taxes & insurance paid by the employer.

Employer responsibilities shall not be avoided by the Supplier through contracting or subcontracting workers or by organising other arrangements.

Employees should be able to encourage Suppliers to grant wages that meet local industry standards.

Threats against the Suppliers employees, including but not limited to suspended salary and/or unlawful deductions are not allowed, neither by the employer or a recruitment company.

### *Work Health and Safety*

Suppliers shall comply with all relevant Work Health and Safety Regulations and legislations. Suppliers will provide and encourage a safe working environment for all its employees and treat occupational health and safety of employees as a priority throughout all significant aspects of its activities, including but not limited to following policies, standards, procedures, contingency measures and management systems to prevent occupational illnesses and work-related accidents.

Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment must not be tolerated.

Suppliers must provide their employees with:

- Safe and clean working facilities, environments and dormitories which are equipped with adequate lighting, pleasant temperature and well-functioning ventilation system;
- Dormitory facilities and other accommodations which are clearly segregated from the factories and the production areas;
- Safe drinking water and access to potable water;
- Gender separated lockable sanitation facilities that are always readily accessible at all the times;
- A sanitary food preparation area that is separate from sanitary facilities and storage facilities;
- Preventive risk assessments that are conducted regularly to identify occupational hazards and documented reviews of implemented measures to prevent hazards;
- Personal protective equipment (PPE), free of charge regardless of employment form, and in good working condition and the PPE should be replaceable as required by the employee;
- Machinery that is equipped with safeguards;
- First aid and emergency kits that are readily accessible, clearly marked and located near every workstation in the workplace;
- Emergency evacuation plans which are clearly indicating the nearest exit routes and clearly showing where the first aid kits are placed;
- Adequate amount of emergency exits that are clearly marked with exit signs;
- Facilities equipped with adequate fire alarms and fire extinguishers and/or hoses that are inspected regularly;
- Training in labour rights, health and safety including fire safety, first aid, machine safety and use of PPE, will be provided to employees on a regular basis All training activities, participants and dates of the trainings shall be clearly registered;
- Reporting and investigation of all work-related accidents;
- The freedom to enter and leave the work accommodations at any hour.

Suppliers are responsible for validating employees' eligibility to work through documentation such as identification, passport and work permits.



# ENVIRONMENT

Selecta recognizes that the long-term success of our business, viability of our communities and biological systems on which we depend are threatened by a range of environmental issues – climate change, water scarcity, depletion of natural resources and associated biodiversity loss.

We encourage our Suppliers to minimize their environmental impact during business and to meaningfully support and encourage others by ensuring that they are:

- Complying with applicable environmental laws, regulations and standards;
- Demonstrating a clear understanding of the environmental risks, impacts and responsibilities associated with the products and services they provide (Especially in running operations with high environmental impact);
- Having effective environmental programs with measurable targets in place to mitigate risks, which improve environmental and public health and safety levels by leading prevention, reduction and control of serious harm to the environment - the implementation of which should be supported throughout all levels of the company;
- Complying with material restrictions and product safety requirements set by applicable regulations such as but not limited to REACH and RoHS;
- Identifying hazardous materials and keeping them to an absolute minimum by ensuring safe handling, transportation, storage, recycling, reuse and disposal;
- Clearly marking all hazardous materials with a Material Safety Data Sheet (MSDS) and ensuring all employees are trained in product safety and chemical handling practices;
- Optimizing consumption of natural resources and applying a circular economy approach when handling excessive or residual material;
- Responsibly utilizing energy and water by measuring regularly and setting clear reduction targets;
- Striving, to the highest extent as possible, to reduce and recycle resources;
- Prioritizing renewable energy sources;
- Measuring and controlling greenhouse gas emissions from operations with high environmental impacts and intend to keep emissions to the lowest minimum possible;
- Evaluating and choosing the mode of transport that causes least harm to the environment;
- Monitoring, controlling and treating waste water and solid waste generated from operations before discharging or disposing;
- Demonstrating commitment to reducing negative environmental impacts;
- Encouraging the development and use of environmentally friendly technologies and practices according to the principle of ALARA (As Low as Reasonably Achievable);
- Conducting due diligence for products containing either palm oil, cocoa, coffee, tea or GMO;
- Assuring that all products supplied to Selecta do not contain protected or endangered fish, plant or wildlife.

Suppliers are expected to place relevant and appropriate policies and operational procedures to manage the environmental and social impacts of its business and to promote continuous improvement.

# CONTACT DETAILS

Raise any concerns/remarks regarding the Supplier Code of Conduct to your Selecta Procurement contact in your country of operations.

# ACCEPTANCE

By signing Selecta's Framework Agreement, the Supplier acknowledges having read, understood and accepted the required principles of business conduct as described in the Code. Selecta expects its Suppliers to fulfil the key elements by incorporating them in their own business practice.



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