



## CODE OF CONDUCT FOR SUPPLIERS

PFANNER is committed to ethically and ecologically sustainable behaviour as well as integrity in all of its business activities. The associated moral values and standards were laid down in our Code of Conduct and our Legal Compliance Code. Their observance is mandatory for all member companies, managing directors and employees of the PFANNER Group.

In order to fully meet our principles, we must also extend them to our business partners. Besides economic criteria, the elements relevant for the selection of our suppliers as well as for the assessment of the supplier relationship also include compliance with these principles. We expect our suppliers and their business partners to act in accordance with the applicable statutory provisions and to fulfil all internationally accepted relevant standards and the specifications defined by us which go beyond such standards. The following provides a short explanation of our principles and the fundamental requirements to be met by our suppliers. It is the responsibility of the suppliers to promote and fulfil these principles.

“Pfanner commits to protect the environment and carefully use the natural resources and thus ensures that products and manufacturing processes are consistent with the conditions of sustainable development.”

### RESOURCE CONSUMPTION AND SUSTAINABILITY

PFANNER is aware of the environmental impacts of its business activities and actively recognises its responsibility towards the environment. PFANNER is continuously striving to improve procedures and processes based on the regulations of environmental protection laws to further reduce the ecological impacts of its business activities. By doing this, PFANNER makes a sustained contribution to the preservation of a healthy working and living environment.

We expect our suppliers to share our commitment to environmental protection and sustainability by meeting or even exceeding the corresponding environmental protection laws and requirements, working in a resource-friendly manner and promoting reasonable energy, water and waste management as well as technologies and processes to reduce the impact on the environmental burden. In this context, the principles of the UN Global Compact are applicable.

### INTEGRITY AND ETHICS IN BUSINESS LIFE

**Anti-Corruption** | PFANNER does not tolerate corruption, extortion and bribery in any form whatsoever. Therefore, our suppliers are obliged to comply with, at least, the respective applicable national or international anti-corruption regulations and laws. These include the prohibition of directly or indirectly offering or accepting advantages (e.g. gifts, invitations), especially if such advantages influence any business transaction in an illegitimate manner or could create the impression of doing so. Possible exceptions to this rule, if any, are exclusively permitted within the scope of the principle of baseness<sup>1</sup> and must never be attached to conditions or cause any conflict of interest for the individuals concerned. Offering or accepting money or benefits with monetary value is always prohibited.

“Proceeds are generated by the quality and the reasonable price of the products and not by illegitimately obtaining advantages in the market. [...]”

**Ethics in Business Life** | PFANNER is committed to appreciation and honesty when dealing with business partners. This includes, in particular, fairness in competition as well as discretion with regard to company secrets, other sensitive data and confidential information.

Our suppliers should not only observe the relevant legal standards – including, but not limited to, cartel law, protection of intellectual property or the Austrian Data Protection Act – but should also cultivate good manners characterised by respect, fairness and mutual trust within the framework of their global business activities. Open and honest communication in day-to-day business activities is of great importance to us and means to us, inter alia, that we must offer our business partners transparency in respective dealings to the extent of the information known to us. We also expect the same from our suppliers.

<sup>1</sup>In accordance with the PFANNER Legal Compliance Code, this corresponds to a maximum amount of € 100 per quarter and business partner.

## SOCIAL RESPONSIBILITY

PFANNER has committed itself unreservedly to respect and to protect the fundamental rights and needs of any human being, their human dignity as well as the fundamental workers' rights. This also includes those countries where the statutory requirements do not take this into account at all, or not in their entirety. PFANNER also requires its suppliers to adhere to these conventions unconditionally.

"Pfanner is against any form of exploitation of human beings and against child labour. This excludes any cooperation with companies that ignore human rights and human dignity."

"Pfanner sees every employee as a human being and not as a production factor whose daily acting determines the success of the Group. Only people who see the purpose of their work and identify with their job are able to do a great job. Mutual interaction is marked by appreciation and respect."

**Human Rights** | It is absolutely necessary that our suppliers comply with the respective applicable human rights in accordance with the UN Charter of Human Rights, the European Convention on Human Rights as well as the UN Global Compact, without any exception. This includes respect for human dignity and for the basic needs of any human being, as well as refraining from any kind of discriminatory practices on the basis of distinguishing features, especially race, social origin, gender, language, religious confession and political views. Moreover, the personal rights and the privacy of any private individual must be protected, and any form of exploitative, abusive or threatening behaviour, whether express or implied, must be prevented.

**Workers' Rights** | Our suppliers are committed to strictly adhering to the fundamental workers' rights in the form defined by the International Labour Organisation (ILO) core labour standards; this also applies to countries where the statutory requirements do not take them into account. This includes, in particular, freedom of association and the right to collective bargaining, the principle of non-discrimination at work and the abolition of forced and child labour. This means that

- all employees of our suppliers have the right to join interest groups of their choice or to establish such groups, as well as to participate in or enter into collective bargaining negotiations,
- their employees do not become subject to any form of discrimination at work in any case (see the Human Rights clause),
- their employees have freely chosen their occupation and that their work is never done under any threat of punishment,
- all of their employees have a minimum age of 15 years and that the recruitment of minors aged 15 years or above up to the respective legal age is subject to the relevant statutory provisions.

**Working Conditions** | The supplier has to make a safe workplace available to their employees and must ensure that their employees are protected against harmful influences, at least to the extent provided by the framework of the respective applicable national occupational health and safety regulations.

Apart from that, the supplier should only recruit employees under fair conditions, especially with respect to remuneration as well as to regulations regarding working hours and leisure time. The remuneration justly reflects the employee's performance and be paid in a socially fair manner as well as in accordance with the respective local wage agreements. However, it must be the case that employees are at least able to cover their basic costs. Moreover, there must be transparency about the rights and obligations of employees, which means that an employment contract or a corresponding agreement must exist with each and any employee.

## QUALITY

PFANNER has committed itself to its business partners to manufacture high-quality products and to provide the best possible information. We guarantee that our customers receive safe, hygienically handled and high-quality products. Therefore, it is indispensable that our suppliers, too, meet these high quality standards. The supplier does not only have to comply with the respective applicable legal provisions, but also with any other requirements agreed upon with us with regard to product quality. We expect our suppliers to have a consistent quality management system and to ensure full traceability of raw materials and semi-finished products.

"We set standards in administration, distribution and production by means of careful work, perfect hygiene and state-of-the-art technologies."

"We have the courage to tell the truth – even in critical situations."

## REPORTING OF VIOLATIONS

Suppliers are requested and obliged to report without undue delay the suspicion of any violation of laws or of the PFANNER Supplier Code. In the case of any doubt whatsoever of whether or not the business practice is in compliance with the existing requirements, the supplier must disclose it to us. The following options are available for this purpose:

- informing the Compliance Officer of the PFANNER Group by e-mailing [legal@pfanner.com](mailto:legal@pfanner.com), or
- information via a(n anonymous) web-based whistle-blower portal via [www.compliance-pfanner.com](http://www.compliance-pfanner.com)

We follow up all information provided with reasonable care and, where required, initiate the corresponding measures. PFANNER guarantees that the information provided is treated as confidential.

We attach the utmost importance to compliance with these principles and all corresponding legal provisions as well as with internationally accepted standards for responsible actions along our supply chain. Therefore, the recognition and fulfilment of the requirements from the present Supplier Code is mandatory for all our suppliers and a prerequisite for each and any business relationship. Furthermore, our suppliers must ensure that they will only acquire products and make use of services from those suppliers or service providers who meet our principles. The requirements defined in the present document complement the legal agreements or contracts between the suppliers and PFANNER and are not a substitute for them.

We have confidence in the commitment of our suppliers to safeguard our principles, but reserve the right to either verify ourselves or have verified by experts, without any prior notification, the demands made to the suppliers. In the event that the demands made are not met and if it is not foreseeable whether any progressive implementation will take place, PFANNER will verify whether or not any further cooperation can be maintained.

**Confirmation of the Supplier** | We hereby confirm that we have received and taken note of the PFANNER Supplier Code, which was published by PFANNER Holding AG. We further confirm that we will inform our employees and our business partners (subcontractors) about the content of the present PFANNER Supplier Code and will ensure that they will likewise meet the requirements contained therein and observe the relevant principles.

**Name of company**

**Address of company**

**Authorised representative**

**Position**

**Value-added tax identification number**

**Signature and stamp**

**Date and place**

**Pfanner Holding AG**

Alte Landstraße 10  
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