



## PPF Supplier Code of Conduct and Sustainable Sourcing Policy

PPF's commitment is to reduce the environmental impact of our business in order to secure the needed resources for future generations. We have set very ambitious environmental goals and will work hard to meet these. To be able to deliver our promise we need a very good collaboration with suppliers that share our mission and are willing to transform ideas into reality – for the benefit of humans, pets and planet.

We are committed to high standards of integrity and sustainability and respect United Nations Guiding Principles on Business and Human Rights and the ethical principles of integrity, honesty, trust, respect, humanity, tolerance and responsibility. We have a zero tolerance regarding unethical business behaviour, such as bribery and corruption. We expect all of our suppliers to adhere to similar standards and to conduct their business ethically.

We expect our suppliers to ensure compliance with all applicable laws and regulations, the requirements set out in this Supplier Code of Conduct and Sustainable Sourcing Policy and in their contractual obligations.

Although this document only applies to direct suppliers of PPF Group, we encourage our suppliers to invite their own suppliers to comply with its terms.

Based on the overall PPF Environmental and Social Governance approach during our sourcing operations we base our activities on four pillars (PETS).

### Performance

#### What we do

- We are committed to ethical business and are fully compliant with all applicable and relevant international and local requirements and industry standards.
- We conduct activities with the highest ethical standards where conflict of interest is not allowed or must be made transparent upfront performing any impacted activity.
- No PPF employee is allowed to accept any type of payment or any other type of benefit in relation to awarding contract to the supplier.
- We are determined to comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances.
- We are securing an appropriate segregated and independent whistle-blower system where any concerned party can flag any non-compliance without a fear of any form of retaliation ([compliance@ppfeurope.com](mailto:compliance@ppfeurope.com)).
- As member of SEDEX (Supplier Ethical Data Exchange) PPF regularly updates its own assessment to assure that requirements are maintained.

- We implement a supplier risk assessment program focusing on SEDEX (supplier ethical data exchange) key chapters.  
Anti-Bribery and Anti-Corruption. We act in good faith and in an honest manner, in compliance with all applicable regulations of the countries in which they have business operations.

#### What we expect from our suppliers

- That the goods provided to PPF Group are in compliance with the requirements covered under the scope of all applicable regulations on local and international level and industry standards.
- That activities are conducted with the highest ethical standards where conflict of interest is not allowed or must be made transparent upfront performing any impacted activity.
- To continuously implement improvement actions.
- That they support and respect the protection of internationally accepted human rights and make sure that they are not involved in human rights abuses to any internal or external stakeholder. Human rights violations are regarded as extremely serious breaches of ethical norms and PPF Group will not tolerate any form thereof.
- To comply with all applicable laws and regulations on corruption, bribery and only use permissible business practices.

Additionally, PPF Group expects from its suppliers that they will

- adhere to anti-trust and other competition laws,
- protect all confidential information provided by PPF Group and our respective business partners,
- respect intellectual property of others, including PPF Group.

- Governance. In order to ensure and demonstrate compliance with PPF Group's Supplier Code of Conduct, the supplier shall keep record of all relevant documentation. Furthermore, provide supporting documentation to PPF Group upon request.

To verify your compliance, we reserve the right to audit and inspect your operations and facilities upon reasonable notice, with or without support of a third party.

Compliance with the principles contained in the Supplier Code of Conduct is a criterion that is taken into consideration in PPF Group's supplier selection process. Whenever a situation of non-compliance is identified, PPF Group may work with the supplier to develop and implement a corrective action plan to solve the issue.

If any ethical or legal compliance issues arise that are likely to cause a breach of this Supplier Code of Conduct and Sustainable Sourcing Policy, the supplier is obliged to bring them forward. Please contact [compliance@ppfeurope.com](mailto:compliance@ppfeurope.com).

## Environment

### What we do

- We drive to reduce climate impact by building in sustainability criteria into our investment strategy, maximize the use of sustainable energy sources and reduce GHG emission by optimized transportation.
- We strive to replace and/ or reduce ingredients with more sustainable alternatives and optimize our product formulas to reach our ambitious goal to reduce our CO2 emission with 80% by 2050. We join the circular economy, strive for zero waste in factories and dispose waste responsibly. We target to reach 100% recyclable/sustainable packaging material for our own sourced dry portfolios by 2023 and in parallel to achieve 50% recycled materials for other packaging by 2030.
- We focus on collaborating with those suppliers who are committed to contribute to our sustainability goals.

### What we expect from our suppliers

- That the suppliers share our environmental mission: to reduce climate impact by significantly reducing GHG emission, maximizing use of sustainable energy sources and continuously work to reduce the environmental impact of their supplied products and/ or services.
- That suppliers through innovation and hard work significantly reduce their GHG emissions, reduce their use of non-renewable energy sources, source more environmentally sustainable ingredients and packaging materials and minimize waste.
- That suppliers provide us with solid fact based environmental data for the products and/or services sold to PPF. As a first step CO2 eq, foot print estimation for ingredients, including the source for this information.
- That environmental protection is a continuous priority in all significant aspects of their activities.

## Team

### What we do

- We are committed to and invest in creating an engaged, diverse, and inclusive workplace. We deploy tools to give feedback to our Management through Employee Engagement Survey that is supported by appropriate corrective actions. We assure equal opportunity to grow for all team members.
- We create healthy and safe work environment and provide tools and programs to our employees assuring safe working environment, supporting their health and work life balance.
- General Data Protection Regulations (GDPR). The protection of privacy and personal data is an important matter we pay attention to in all our business relations. We respect the confidentiality of personal data and always act in accordance with the provisions of data protection law and our Privacy Policy.

### What we expect from our suppliers

- That suppliers comply, as a minimum, with all applicable local laws and regulations related to labour and employment including, but not limited to child and forced labour, minimum wage, working hours, remuneration, freedom of association and right to collective bargaining.

- That suppliers treat all employees fairly, ethically, respectfully and with dignity.
- To be committed to prohibiting and preventing any form of discrimination and support cultural, ethnic and all other form of diversity. The supplier must protect its employees from harassment in the workplace, including all forms of sexual, physical and psychological abuse.

In particular, you as a supplier will:

- Refrain from employment discrimination on the grounds of race or ethnic origin or skin colour, gender, language, religion, political or other beliefs, national or social origin, pecuniary circumstances, trade union membership, education, social standing, marital or family status, age, health condition, disability, genetic inheritance, gender identity, expression or sexual orientation.

To respect the rights of employees to freely associate and bargain collectively

- Not tolerate or use child labour in any stage of your activities
- Not use any forced and compulsory labour
- Comply with the applicable laws on working hours, breaks and public holidays
- That wages paid for a normal work week/month shall always meet the legal and industry minimum standards and be sufficient to meet the basic need of employees and their families
- That work is always performed based on a recognized and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards.
- That only workers with a legal right to work in the country should be employed.
- That the occupational health and safety of employees are a continuous priority for the supplier throughout all significant aspects of its activities. As a minimum, the supplier must comply with all applicable health and safety laws, regulations and standards. Safe business activities depend not only on technically sound facilities and equipment, but also on qualified employees and an active HSE culture. In particular,
  - formally appoint a competent person to manage health, safety and environmental programs and improvements
  - identify and report the possible hazards, perform job safety analysis and regularly scheduled inspections
  - secure that corrective measures are taken (safety rules, protective equipment and clothing, training etc.)
  - precautions are taken before incidents occur.
- Suppliers, who collect and process personal data must ensure compliance with GDPR and any other applicable EU legislation regarding data privacy too. Only the necessary information required to perform their duties should be collected. The supplier shall have strong policies and procedures in place to be able to demonstrate its commitment to the GDPR and other EU legislation

## Society

### What we do

- We engage in our communities by supporting communities who are in need

### What we expect from our suppliers

- PPF group expects, that suppliers are following surrounding communities' situations and support the ones who need it.

## Supplier Responsibility

If any ethical or legal compliance issues arise that are likely to cause a breach of this policy, the supplier is obliged to bring them forward. Please contact [compliance@ppfeurope.com](mailto:compliance@ppfeurope.com).

Ensuring the principles of the present policy in our supply chain is important to us. For this reason, PPF informs the suppliers about the present policy in writing (basically via e-mail, but the policy is available at [www.ppfeurope.com](http://www.ppfeurope.com)) and considers these clauses are accepted by the supplier until the supplier expressly refuses the application thereof in writing.

As a representative of \_\_\_\_\_ (Company name) me \_\_\_\_\_ ( name)  
as \_\_\_\_\_ (position) hereby confirm that I read and understood the above document  
and our company thrives to comply with this.

Date:

Signature & stamp: