



# **Environmental, Social and Corporate Governance (ESG) Policy**



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## 1. Introduction

### 1.1. Background

This Environmental, Social and Corporate Governance (ESG) Policy (hereinafter: **Policy**) establishes the Partner in Pet Food Hungária Kft's ethical norms and compliance requirements, standards and protocols which PPF and all companies in which PPF holds a majority share, majority voting rights or a direct or indirect controlling influence (hereinafter: **PPF companies or PPF**) consider to be essential to their successful and compliant operations, both within and outside PPF companies.

The Policy also sets the arrangements for ensuring compliance with PPF's regulatory and legal obligations including the training, communication and reporting requirements.

The Policy is based on respect for fundamental human rights and the ethical principles of integrity, honesty, trust, respect, humanity, tolerance and responsibility. PPF companies are aimed at regulating the corporate responsibility for all of its stakeholders. PPF companies expect stakeholders to live up to and act in compliance with the provisions of the Policy, assist in identification and management of ethical issues and support the process of reporting breaches of ethical compliance.

PPF applies "zero crime tolerance" regime and follows high ethical standards for its business conduct and corporate culture. PPF undertakes to apply procedures that comply with legal regulations and avoid any instructions that could lead to the establishment of criminal liability of the subsidiaries. PPF also undertakes to aim towards the promotion of the principles of the Policy and other key regulations even at the companies in which it does not have a stake or influence enabling it to exercise control and management.

This Policy and related protocols are to ensure that corporate and ethical standards are clearly defined and understood by our employees, and that the implementation of these standards can be measured.

In connection with the Policy, the following is also to be emphasized:

- The Policy does not foresee or offer guidance on every possible situation, nor does it cover all topics in detail. Should stakeholders have any doubts on how to assess a given situation, they should seek practical instructions.
- Laws and/or other regulations applicable to PPF also govern and establish requirements in relation to certain topics established by the Policy; accordingly it is important and required that stakeholders are aware of and act in compliance with this rules;
- Merely reading this Policy will not substitute for acting in compliance with the rules;
- The Policy does not necessarily contain all norms that apply to any specific type of conduct. Should the law permit that an issue is regulated differently and should the Policy regulate an issue differently, the provisions of the Policy shall apply. An exception from above Policy application, especially if the Policy governs the issue in question more restrictively than the law, may only be the application of the most favourable rules for an employee pursuant to peremptory regulations. In the event of any doubts on how to regulate certain acts due to a differing approach in the Policy and rules, guidance should be sought prior to making any decisions or taking action.



## 1.2. Purpose

The primary purpose of this Policy is to ensure the ethical, transparent and legally compliant business conduct and inter-personal activities throughout the operation and reduce the risk of corporate liability of PPF companies. To support this primary purpose, the Policy outlines the compliance areas and program to reinforce and fundamentally emphasise the importance of the existing control and preventive measures at PPF and introduce new measures with the aim of effectively preventing any illegal or unethical conduct by PPF employees or suppliers.

PPF is primarily supervised by veterinary authorities and on a voluntary basis it completely follows IFS standards, as well as all factories' compliance is verified through annual audits. In addition, it is subject to a wide range of industry specific legal requirements and standards as well as general requirements that apply to all commercial endeavours.

PPF's management is strongly dedicated to implement and maintain the Policy. PPF's employees are obliged to minimize PPF's risk exposure particularly by conducting themselves in a manner so that their behaviour and actions do not interfere with justified interests of PPF, do not harm its position and good reputation. All employees are obliged unconditionally to adhere to legal regulations and PPF's internal regulations. None of the employees will allow conduct that could damage the interests of PPF, its shareholders, employees and business partners.

Some sections of the Policy and the topics addressed therein are of greater relevance to certain business segments, functions and organizational units than others. It should, however, be emphasized that any breach of ethical norms by a single person can damage the hardearned reputation of PPF companies and compromise public trust, hence all stakeholders are expected to be aware of their obligations and to act in compliance with the Policy.

The Policy was adopted to promote an organizational culture and cooperation which encourage ethical conduct both within and outside PPF companies, and also:

- To provide PPF's management and employees with a framework for ensuring continuing compliance in relation to its regulatory and legal obligations;
- To minimize the risks to PPF of material financial loss or damage to reputation arising from the potential failure to comply with regulatory and legal requirements, managed with suppliers through contract, specification and, if required, audit;
- To ensure that PPF's arrangements in relation to compliance are sufficiently robust, proportionate, efficient and effective;
- To ensure that PPF's arrangements in relation to compliance are subject to review at least annually to ensure their continuing fitness for purpose; and
- To manage the relationship with local regulators in an open and transparent way and to disclose to them appropriately anything relating to our business which the regulatory authorities would reasonably expect notice of. This applies to regulated and unregulated activities and takes into account the activities of other entities in our group as appropriate.



### 1.3. Scope

This Policy applies to all employees, stakeholders and business functions within PPF companies.

The Policy obligates all employees and other natural persons who are authorized as Management Board members, executive directors or in any other capacity according to special laws to conduct business individually and independently or jointly and as a group and who are employed and/or work in PPF companies in which the Policy was passed, where it is in effect and is applicable as one of the labour relations bylaws.

The Top Management Team of PPF Group has the overall responsibility for implementation, updating and monitoring this Policy, the HR and Legal Director has the overall coordination role of appliance policy, communication and training.

### 1.4. Mission statement

PPF Group is unreservedly committed to compliance and for this reason it conducts professionally, fairly, lawfully and with integrity in all its business dealings and relationships wherever operates. We believe that successful business has to be legal, ethical and responsible. Our mission is on the one hand to be the most successful European pet food company in terms of growth, profit, and employee experience while offering the best quality/price ratio, excellent service level and category management to our partners. On the other hand, our mission is the reach these goals while we strictly adhere to international ethical norms and compliance requirements, standards and protocols as it is set out in the present policy.

## 2. General Compliance Areas

### 2.1. Criminal acts

In case of committing an intentional crime, under the applicable laws legal sanctions may be applied against a legal entity when the perpetration of such crime was aimed at or has resulted in the legal entity gaining financial advantage if the crime was committed by:

- the executive officer or any member, employee, official, manager or any member of the supervisory body duly authorized to represent the legal entity, or the agent of such entity within the entity's scope of activity;
- the member or employee of the legal person within the legal entity's scope of activity and the fulfilment of the management or supervisory obligations of the executive officer, the manager or the supervisory body could have prevent committing such a crime.

PPF is highly dedicated to make every effort to avoid such criminal exposure and expect the same attitude and efforts from all PPF employees, PPF is also to be informed by third person vendors, suppliers in case a criminal case is opened in its scope of activity.

### 2.2. Anti-Bribery / Anti-Corruption

In its business operations, PPF acts in good faith and in an honest manner, in compliance with all applicable regulations of the countries in which they have business operations and they only use permissible business practices. PPF is committed to acting as a good corporate citizen in relation to government authorities and local authorities. PPF pays all taxes and insist on transparency in all financial transactions.



PPF prohibits all employees (including seconded employees, dispatched employees, part-time employees, trainees etc. collectively referred to as Employees) from engaging in the providing or accepting of any bribery in violation of any applicable domestic or foreign laws or regulations.

Employees shall not request that parties related to PPF, including vendors and other transaction partners, provide hospitality in relation to their duties at PPF; nor shall they accept hospitality, etc. that exceeds socially accepted conventions.

Particularly, employees of PPF must not:

- make or authorise any improper and undue payments to a local or foreign government functionary or official or any other affiliated person or entity;
- attempt to induce a local or foreign government functionary or official to commit an unlawful act;
- offer or receive money (or any other material values such as gifts), commissions in relation to obtaining business or awarding contracts;
- do anything to assist someone else to break these rules;
- mislead any police officers or other government or public functionary or official or regulatory body; attempt to obstruct, in any manner, the collection of information, data, evidence or records by government or regulatory bodies duly authorized to do so;
- conceal, alter or destroy documents, information or records which are the subject of an investigation or inquiry;
- attempt to hinder other employees from providing accurate information.

Corruption and bribery are considered as an extremely serious breach of ethical norms.

### 2.3. Anti-Fraud Policy

Fraud is a deliberate act or practice designed to use deception to obtain an unfair or unlawful gain.

PPF is committed to a “Zero Tolerance” approach to any fraudulent act, including the category of food fraud as well, committed against PPF companies. PPF takes all fraudulent acts very seriously, and will take appropriate action to the extent the law provides.

Employees should be alerted to potentially fraudulent activities in all areas of PPF’s operations, particularly those activities that relate to their specific responsibilities. Employees should report suspicions of fraud to the Compliance by sending an email to the dedicated compliance mailbox ([compliance@ppfeurope.com](mailto:compliance@ppfeurope.com)).

Management is committed to detecting and deterring fraud, maintaining the company’s systems of internal controls, recognizing potential exposures, maintaining a heightened alertness to fraud and reporting all suspected fraud.



#### 2.4. Political Involvement & Government Affairs

PPF does not prohibit employee involvement in politics, however the political activities (i) should not be undertaken by employees on behalf of PPF, (ii) nor should such activities be in conflict with the interests of PPF.

When involved in politics, employees of PPF shall use caution when pursuing such activities and not (i) use the name of PPF or (ii) lead others to believe that PPF has committed itself to any political party or movement; or (iii) join groups whose aims or activities are in conflict with the interests of PPF; or (iv) use equipment of PPF (e.g. faxes, computers, the Internet, telephones, copiers, scanners, headed writing paper, etc.). In addition, political activities are strictly prohibited to carry out at the workplace.

#### 2.5. Gifts & Entertainments (Hospitality)

PPF employees must not accept or provide favours that could affect (even seemingly) any decision-making in any current or future negotiations. It is forbidden to condition any acting with or require provision of any gift, favour or attention.

Employees:

- may not ask for or accept any benefit from any business partner. They must report without delay such unlawful benefits offered by business partners or suppliers to a line manager and initiate the termination of all business relations with them;
- must select suppliers based on merit, avoiding conflicts of interest, the offer of inappropriate gifts, entertainment or any other form of favouritism which might compromise such a selection; promotional gifts of a small value up to EUR 100 (e.g. pens, key chains, calendars, agendas), other business gifts, business meals and conference participation given without the intention to exert influence may be accepted;
- must inform a line manager about any gifts with a value exceeding EUR 100, who will then decide whether the gift may be kept, offered for charitable purposes or returned to the person it was received from. PPF makes it possible for their partners to support corporate charity initiatives instead of giving gifts to employees of PPF;
- must inform a line manager about invitations with a value exceeding EUR 100 received for business purposes and they must ensure that accepting such invitations is approved in advance. The line manager has the right to decide if accepting such invitations serves the business interests of PPF;
- may not accept travel, holiday and/or accommodation offers with a value exceeding EUR 100 by a business partner, external supplier and person working for PPF (e.g. consultants, representatives, franchise partners, etc.). In certain cases (e.g. professional training or invitations to hold presentations) accepting such travel and accommodation offers is permitted if approved in writing by a relevant manager exercising employer's rights;

**Accounting Procedure** - Employees shall make accurate and proper expense claims in relation to the costs of Hospitality. The Accounting Department of PPF shall make and maintain appropriate accounting records regarding Hospitality and related matters. If the Accounting Department discovers in the course of its accounting procedure any Hospitality that violates this section, the Accounting Department shall comply with the respective procedure.





**Reports and Consultation** - An employee shall immediately report to the relevant PPF staff manager, if he/she discovers that another employee or an Agent has provided or is attempting to provide Hospitality prohibited by this policy.

The relevant PPF staff manager who has received a report under the preceding paragraph shall report the matter to the Compliance and consult with them on the measures to be taken.

## 2.6. Customer relations

An honest and proper approach towards customers (internal and external) is the only basis for successful and long-term business relationships. To this end, employees of PPF must:

- be attentive to customer needs, continuously monitor, assess and advance products, services, technologies and business processes to deliver quality, safety and innovation at every development, production and distribution stage;
- adhere to the highest conduct standards in communication with customers in written or verbal form;
- provide timely, adequate, accurate and understandable information on products and services;
- provide true and correct information in all communications, making sure they are not contrary to local community norms or standards;
- treat customer-related information as confidential;
- not distribute gifts of material value to customers with the aim of causing PPF to be unfairly selected, with the exception of formally organized and publicly announced competition prizes.

## 2.7. Company Property

Employees of PPF are personally held responsible for ensuring the integrity as well as the expedient and economical use of the property of PPF and may not use assets or facilities of PPF for private purposes, except in cases where explicitly authorized to do so by a competent manager exercising employer rights, under applicable rules. Portable or home business equipment entrusted to an employee (e.g. laptops and mobile phones) remain the property of PPF, thus employees must use them with due care and may not use their work time for personal activities.

## 2.8. Intellectual Property and Other Protected Information

At PPF, valuable innovation proposals (technical improvements, business rationalization, useful ideas, industrial designs), confidential ideas, projects, strategies, inventions, software solutions and other copyrights and other types of business information – “intellectual property” – are regularly created or developed, which constitute the property of PPF which must be protected. Given that this information is the product of the efforts of employees of PPF, regulations permit in specific cases that such information is protected as intellectual property. Employees of PPF may not:

- disclose or use at their place of work any confidential information owned by prior employers or any other third parties;
- download any unlicensed software to any PPF computer;
- accept or use anyone else’s confidential information except after specific approval by PPF; use materials protected by third-party copyrights, trademarks or seals (e.g. photographs, portions of audio, video or voice recordings downloaded from the internet or other sources) in materials being produced, without special permission by copyright owners;



- use without permission a valid patent, trademarks or other form of intellectual property known to be owned by a third party;
- use information which is considered a business or professional secret or privileged or potentially privileged information. In the event that such information is required by third parties to meet obligations towards PPF, such parties will be obligated to sign a confidentiality statement or agreement as prescribed by aforementioned regulations;
- use without authorization the intellectual property owned by PPF.

PPF is the owner of intellectual property employees created at work, in relation to work, in relation to PPF's activities, during work performed at the request or by order of PPF, or on the basis of a contract concluded between PPF and the employee.

## 2.9. Media, Social Media & Communications

Only persons authorized for the relevant reporting and disclosures may reply to queries by the press, media or public and all interested parties (from customers to local communities and civil society). All employees, stakeholders, directors of PPF are strictly prohibited to answer any media inquiries. If such comes up, this should be immediately sent to the HR and Legal Director, who will be the person in charge to deal with them.

## 2.10. Privacy & Information Protection and data integrity

PPF is committed to respecting the confidentiality of employees' personal information.

In line with the local privacy laws and the EU-level General Data Protection Regulation (GDPR) PPF attaches primary importance to ensure that all necessary data protection notices, policies and procedures are in place and permanently available providing accurate information and security, and the data integrity protocols fully comply with the industry specific laws, standards and best practice.

Data integrity is a critical component of PPF's responsibility to ensure the safety, efficacy, and quality of PPF's products. Data integrity demonstrates complete, consistent, and accurate data through the entire production cycle to assure safety and product quality. Any integrity-related violations may lead to regulatory actions, financial loss, reputational risk and even loss of business and consumers' trust. PPF implements meaningful and effective strategies to manage their data integrity risks based upon their process understanding and knowledge management of technologies. Data integrity should be maintained throughout the data life cycle, including, but not limited to data creation, processing, archiving and disposition after record's retention period.

No person may attempt to access such information without special authorization, power of attorney or valid business reason. Persons with access to personal employee information may only use such information for the purpose for which it was acquired and must adhere to highest confidentiality standards when doing so.

Compliance must oversee compliance with privacy laws and policies. Key topics for regular assessments include:

- All individual data protected under the privacy laws. Local laws or company policy may apply to all individual data, or only to specific categories of individuals such as customers and employees.



- Measures to prevent misdirected or misused information, whether intentional or unintentional, particularly when compliance with security breach policies or regulations is required by law.
- Employee conduct-privacy at the workplace, in line with the email & internet policy and related laws to protect employees' privacy rights at the workplace.
- When new laws, regulations or policies are issued, to implement new practices to ensure that the company is in compliance on an ongoing basis.
- Ensure that employees are trained on PPF's privacy principles and local law. All employees and representatives must adhere to related policies and comply with all applicable laws, regulations, and government guidelines.
- Ensure appropriate due diligence when changes are made to the business. Examples include new laws, proposed acquisition, product or vendor due diligence.

#### 2.11. Digital systems (email and internet policy)

Computer hardware and software and all information on digital systems in PPF, as well as any information about PPF on a private or other digital system not part of PPF are considered the property of PPF.

Employees of PPF must be aware of the IT policies of PPF in relation to internet, computer and email usage.

Within the boundaries of privacy and data protection laws, PPF reserves the right to access and monitor PPF computers and data stored therein for the purpose of maintenance or to meet business or legal requirements.

#### 2.12. Dignity and Harassments

PPF is committed to providing a work environment of mutual trust in which all employees of PPF are treated with the highest level of dignity and respect. PPF respects the religious freedom of employees of PPF and their right to assembly, their right to rest, free time and regular paid leaves. Particular attention is paid to the personal and professional development of employees. PPF are committed to implementing fair policies in relation to employment and adequate remuneration for completed work in accordance with valid rules. Redundancies are handled in a humane manner, and assistance is rendered to former employees, wherever possible.

Human rights violations and any forms of discrimination of employees are regarded as extremely serious breaches of ethical norms. Every employee is required to create an atmosphere of mutual respect and trust, without which cooperation and the achievement of excellent business results is not possible. PPF will not tolerate any form of abuse or harassment, at any workplace, towards employees, contractors, suppliers, customers or other stakeholders.

Employees of PPF must not:

- engage in undesired behaviour which could be considered offensive, intimidating, malicious or insulting;
- engage in sexual harassment;
- engage in any form of harassment with the aim or effect of; (i) creating a hostile or intimidating work environment, in which employees may be compelled to engage in inappropriate conduct in order to fit in; (ii) jeopardize the reputation, honour, human dignity and integrity of an



individual or group; (iii) decidedly interfering with an individual's work performance; (iv) manipulating an individual's working conditions;

- humiliate or insult another person;
- distribute and forward or display offensive material, including inappropriate images;
- misuse personal information;
- spread malicious rumours or use voice mail, e-mail or other electronic devices to transmit derogatory or discriminating information.

### 2.13. Anti-Discrimination

PPF is committed to prohibiting and preventing discrimination. The employees of PPF include various ethnicities and nationalities. PPF supports and cherishes cultural, ethnic and all other form of diversity and the creation of an international team. To this end, employees of PPF must:

- not discriminate against anybody on the grounds of race or ethnic origin or skin color, 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;
- make decisions exclusively based on merit, performance and qualifications as well as on other work-related criteria;
- base workplace relations on cooperation, openness, trust, mutual recognition and support;
- be open to accept cultural and national diversity and help colleagues from other countries to adapt to local circumstances;
- take firm action against any form of discrimination.

### 2.14. Child and Forced Labour

PPF does not tolerate any form of forced labour or child labour.

It is prohibited to have individuals under the age of 18 years working within PPF, other than in case of an internship or for similar educational purposes.

PPF ensures that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development.

PPF shall not engage in or support the use of forced or compulsory labor.

All employees and business partners of PPF are expected to be aware of this obligation and abide by it.

### 2.15. Freedom of Association and Right to Collective Bargaining

PPF respects the right to form and join employee representative instances without any negative consequences (e.g. discrimination, harassment, intimidation) or retaliation from the company.

### 2.16. Working hours

PPF shall comply with the applicable laws on working hours, breaks and public holidays.



### 2.17. Remuneration

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.

All employees are entitled to the legal minimum wage, which has been published by governmental authorities in the respective countries. None of the PPF companies shall enforce lower payments than officially required by local law.

### 2.18. Employment

PPF ensures that its employment relationships do not cause insecurity and social or economic vulnerability for its employees. Work for PPF is always performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards.

Only workers with a legal right to work in the country should be employed.

Labour agencies should only supply workers registered with them. Relationships with labour agencies should be covered by a Service Level Agreement which meets all national legal requirements.

### 2.19. Health, Safety and Environmental Protection and Property protection

Health, safety and environmental protection is a continuous priority as well as part of all business processes and development programs of PPF.

PPF is committed to providing all their employees and other employers carrying out business activities on the premises of PPF with a safe and healthy work environment in which nobody is exposed to unnecessary risks. PPF recognizes that safe business activities depend not only on technically sound facilities and equipment, but also on qualified employees and an active HSE culture.

The company must identify and report the possible hazards, perform job safety analysis and regularly scheduled inspections. Corrective measures (safety rules, protective equipment and clothing, training etc.) should be put in place to ensure a safe workplace.

Preferably precautions are taken before incidents occur. However, corrective actions must be taken immediately if/when an incident occurs to ensure that it will not happen a second time.

### 2.20. Corporate Social Responsibility

PPF contributes to economic growth and raising living standards in the areas in which it does business. Apart from creating new jobs, PPF serves the public good through activities aimed at improving public health, culture and education.

PPF seeks to engage in an open and transparent dialogue and consultations with local communities and other representatives of civil society with legitimate interests in the business activities of PPF. Employee participation in support of local community development and social initiatives is encouraged.



## 2.21. Suppliers and Business Partners

Relations with suppliers and other business partners are based on mutual trust and respect. PPF does not misuse its position on the market and is committed to creating equal conditions for all business partners. At PPF we are also committed to executing all our contractual obligations.

When acting on behalf of PPF, it is the specific responsibility of the employees of PPF to help suppliers to become familiar with and understand the ethical requirements and expectations of PPF.

## 2.22. Conflict of Interest

Employees of PPF may become exposed to conflict of interest which must be avoided. Such cases must be reported to and require authorization by a person exercising employer's rights.

Since the following situations clearly represent conflicts of interest, employees of PPF may not:

- transact, for their own or someone else's account, business in the field of activity performed by PPF or work with or provide services to any third party with whom they have established prior contact as part of their work for PPF;
- be a member of, or invest into a supplier or customer if they are involved in any manner in the selection or evaluation of that supplier or customer or if they supervise anyone who has such responsibility. Investments in public business associations represent an exception to this rule.

All actions by employees of PPF not in compliance with the above shall be considered unacceptable conduct and shall as such be treated as acts contrary to the interests of PPF.

## 2.23. Competitors / Anti-trust

While PPF actively competes in many of its business activities, their actions on the market are conducted in accordance with the norms of fair competition and in conformity with applicable competition and anti-trust laws.

These laws may affect the day-to-day conduct of PPF's businesses in setting prices, product offerings and other terms and conditions of purchasing, selling, re-selling, marketing and distributing PPF's products and services and prohibit practices that might unreasonably restrict competition.

PPF employees must not violate applicable competition or antitrust laws and are responsible for complying with the antitrust or competition laws that apply to them. As well as promptly reporting any possible violations of those laws to their senior management or the Compliance.

## 3. **Product Compliance Areas**

### 3.1. Product Integrity

Product Integrity, under PPF Group Quality Director is the guarantee that a product (content and packaging) fully complies with and matches to what is communicated on the packaging of the product and in any other way (specifications, pictures, databases, websites, internet) to customers and consumers, including legal requirements.



The product integrity management system is a set of arrangements and practices to realize and control the product integrity (i.e. the identification of possible hazards in operational, administrative, organizational and economic processes, operational and administrative system for the labelling, separation, quantification and traceability of raw materials, additives, semi-finished and finished products, internal audits, annual tracability, mock recall tests and management review).

The responsible quality manager has the overall responsibility for integrity aspects that comprise integrity related legal and customers' requirements, transparency, continuous compliance of integrity standards, guidelines for human behaviour with regard to product quality, safety and product integrity, report of non-conformities.

### 3.2. Packaging materials

PPF undertakes that all packaging materials and packaging aids are harmless for pet food and in particular conform to the European Packaging Directive 94/62/EC. Consumer packaging (incl. multipacks) used by PPF meets the requirements of Regulation (EC) No.1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

### 3.3. International Featured Standard (IFS)

All PPF factories are governed by the International Featured Standards.

### 3.4. BRC Global Standard for Food Safety

When required by customers the supplying factories are governed by BRC Food Technical Standard as well.

### 3.5. Internal communication for food safety

The quality department regularly update and communicate the relevant quality and food safety requirements to the workers.

## **4. Reporting**

### 4.1. Reporting duties for all employees

If an employee discovers that a crime, breach of law or breach of corporate policy were committed or attempted to commit, the employee should report that immediately to the Compliance function (HR and Legal Director, [compliance@ppfeurope.com](mailto:compliance@ppfeurope.com)).

PPF undertakes to conceal the identity of the employee that submitted the notice. PPF must not undertake any negative measures against the reporting employee.

In the event of any concerns of an ethical nature, employees may first contact their line manager. Help or advice can also be sought from the HR or Legal Department. Any employee may seek advice, raise concerns or report in good faith acts of misconduct in compliance with this Policy.





## 4.2. Whistleblowing

Our Whistleblowing Policy sets out the ethical norms and procedures, standards and protocols of raising concern about suspected wrongdoing or immoral, unethical behaviour.

## 5. Training & Communication

The Compliance function develops training and communications programs designed to help their employees make the right ethical choices.

### 5.1. All Staff Training

Compliance is responsible for ensuring that employees participate in ESG related trainings and that ongoing communications are deployed to help employees understand how to apply PPF standards in the context of their daily work.

## 6. Governance

### 6.1. Roles & Responsibilities

#### ***Management Team:***

The Management Team has the ultimate responsibility to:

- identify ESG risk areas and opportunities,
- ensure that effective ESG program is in place on permanent basis,
- assign the respective roles and responsibilities for developing and overseeing ESG reporting processes,
- ensure overall compliance with this Policy.

#### ***Business and Functional Heads:***

- The heads of the various business and functional support areas retain primary responsibility for ensuring that the activities performed by their area are carried out in a manner that is compliant and consistent with PPF's regulatory and legal obligations.
- In performing their management and supervisory responsibilities they are responsible for ensuring that the processes and controls in their area are effective, efficient, consistent with the objectives that have been set and the appetite for risk and limitations of authority that have been defined.

#### ***Compliance function:***

- Considers the annual review of the Policy and document decisions taken by the Management Team as a result of the recommendations and the reason behind the decisions,
- Provide direct management and general oversight for the ethics and compliance program,
- Develops policies and procedures relevant to the business and ensure the implementation and controls,
- Ensures that proper trainings take place in all areas of PPF,
- Ensures that changes in laws or regulations are appropriately reflected in changes to policies and procedures, properly communicated to personnel.





**Employees**

- Expected to read, understand and comply with this Policy, using common sense and an awareness of the laws, regulations and PPF policies that apply to their activities.
- Responsible for ensuring that the processes and procedures that they perform are carried out in a manner that is compliant, consistent with PPF’s regulatory and legal obligations and its clients.
- Reporting any issues or events that could give rise to a breach of PPF’s regulatory or legal requirements or internal administrative controls to their manager, and the Compliance function or other governance functions as appropriate, in a timely manner.
- Responsible for avoiding the appearance of inappropriate behaviour or actual wrongdoing. Violation of our PPF policies may result in disciplinary action, to the extent permitted by applicable law.

6.2. Approval, Review Period and Policy Ownership

This Policy and any amendment or modification thereof is subject to the approval of Management Team. The Policy should be reviewed and updated regularly but at least on annual basis.

This Policy has been reviewed, discussed and approved by PPF’s Management and took effect on 1<sup>st</sup> September 2020.

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General Manager / CEO