



# Kalsec Supplier Code of Conduct

## Purpose and Scope (Vision and Mission)

For 60 years, Kalsec has delivered a brand built on honesty, integrity, dependability and trust. The foundation of our business is rooted in our ability to capture the essence of antioxidants, colors, flavors and hop extracts directly from nature, and to develop ingredients using ethical, safe and environmentally sustainable practices.

Our commitment to these practices is driven by our responsibility to each and every stakeholder in our business and by our role in the global community. As a global citizen, we strive to respect and nurture the environment and communities from which we derive our livelihoods. We honor the needs and expectations of our customers and the consumers who trust us to provide safe and wholesome ingredients.

We stand behind our environmental and social stewardship, and the belief that it is only through the success of the people we work with that we will endure and prosper.

We rely on our suppliers, all over the world, to work with us and match our commitment towards customers for top quality products, while living our Social Responsibility goals. Our global supply chains span many stages, from the collection and harvesting of our raw materials, to manufacturing and distributing to our customers. Each stage has potential implications for the environment and communities, and our aim is to ensure sound standards are an integral part of each stage.

# Standards and Requirements (Supplier Guiding Principles)

We expect suppliers to adhere to all applicable laws, regulations and rules which apply to the products they manufacture and distribute or services they provide. This includes compliance with local, state, federal, international requirements, as well as with industry standards.

It is the suppliers' responsibility to educate their own employees and suppliers and exercise diligence in verifying compliance with this code.

This Supplier Code of Conduct reflects the minimum standards and business practices we expect from all our suppliers. These requirements are in addition to other contract terms and conditions that apply.

Kalsec encourages all suppliers to go beyond the minimum requirements, covered in the 5 pillars of the Kalsec Corporate Social Responsibility Report: Protecting our Planet, Investing in People and Workplace, Operating Ethically, Strengthening Communities, Products and Solutions, as described below.

## 1. Operating ethically

### Legal Compliance

Suppliers must comply with all applicable trade laws and regulations in the countries where materials/services are sourced, produced and incorporated into products for Kalsec.

### Anti-Corruption

Suppliers must not, directly or through intermediaries, offer, promise, give or accept any personal or improper advantage in order to obtain or retain a business or other advantage from a third party.

### Conflict of Interest

Suppliers are expected to report to Kalsec any situation that may appear as a conflict of interest relating to financial interests or other arrangements with Kalsec's employees.

### Confidentiality

Suppliers must secure the private and confidential information in their possession and safeguard such information against unapproved or unintended disclosure.

### Origin

Suppliers shall be able and willing to disclose all the potential sources of primary origin (country of origin) of products delivered to Kalsec.

## 2. Strengthening Communities

Suppliers must respect all human rights, including labor rights, as set forth in the United Nations Guiding Principles on Business and Human Rights and in the International Labour Standards from the International Labour Organization.

### Forced Labor

Suppliers must not use, or in any other way benefit from any type of involuntary labor, including forced, indentured, bonded, slave or human trafficked labor.

### Child Labor

Child labor is strictly prohibited. Suppliers shall adhere to the minimal employment legal age limit defined by national law or regulation and comply with relevant International Labour Organization (ILO) standards. In no instance shall legally employed young workers perform work that exposes them to undue physical risks that can harm their physical, mental or emotional development, or improperly interferes with their schooling. Hazardous work cannot be done by any individual below the age of 18 years.

### Freedom of Association and Collective Bargaining

Suppliers must respect the right of employees to freely associate, organize and bargain collectively, where allowed by law.

### Fair and equal treatment

Suppliers must treat all employees with respect and dignity. Suppliers shall not discriminate in hiring or other employment practices on the basis of color, religion, gender, age, sexual orientation, or national origin, as referred to in the ILO Convention *No. 111*. Suppliers must ensure a work environment free from bullying, intimidation, coercion, corporal punishment or harassment in any form including physical, psychological, sexual or verbal.

### Fair Compensation and Working Hours

Compensation as well as working hours (including maximum work hours, overtime, vacation, leave periods, public holidays) must be in compliance with all applicable national laws, rules and regulations and mandatory industry standards. Any overtime work should be on a voluntary basis and compensated at premium rate.

### Work documentation

Suppliers shall only employ workers who are legally authorized to work in their facilities. Authorization must be validated by the appropriate legal documentation.

### 3. Investing in People and Workplace

#### Health and Safety at the Workplace

Suppliers must provide employees with a safe and healthy work environment. This includes, as a minimum, potable drinking water, adequate lighting, temperature, ventilation and sanitation. Personal Protective Equipment must be provided together with equipped workstations to protect employees from identified hazards. Facilities must be constructed and maintained in accordance with applicable laws and regulations.

When provided by supplier, living conditions shall be clearly segregated from the factory and production area, and be clean, safe, and provide workers with an environment that promotes basic human dignity.

### 4. Protecting our Planet

Suppliers are expected to contribute to Kalsec's environmental stewardship efforts by managing business, at a minimum, in compliance with all applicable legal environmental requirements, regulations and operating permits.

#### Land Rights

Suppliers must respect the land rights of people and communities affected by their operations and sourcing activities.

#### Resource Consumption and Preservation

Suppliers shall optimize their consumption of natural resources, including water and energy from a sustainability standpoint. Suppliers shall demonstrate willingness to manage water and energy in the most efficient way and should be open to improving management of these resources when practicable.

#### Pollution Prevention and Minimization of Waste

Suppliers shall demonstrate awareness and have measures in place to prevent pollution and minimize generation of solid waste, waste water and air emissions.

## 5. Products and Solutions

In 2017, Kalsec became a member of the Sustainable Agriculture Initiative Platform (SAI Platform), the main food and drink industry initiative supporting the development of sustainable agriculture worldwide. SAI guidance and its Farm Sustainability Assessment tool (FSA 2.0) help Kalsec expand its effort to obtain sustainable agriculture in its sourcing base.

### Product Quality and Safety

Suppliers must deliver products and service which meet the quality and safety standards required by applicable law and by Kalsec's quality and safety requirements.

### Water Stewardship & Soil Management

Kalsec expects suppliers who source natural and agricultural raw materials to, at a minimum, commit to continually improving water efficiency, water quality and soil management through Good Agricultural Practices.

### Impact on Ecosystems and Biodiversity

Suppliers are expected to demonstrate awareness of ecosystems and biodiversity which can be affected by the collection or production of plant raw materials and show diligence in avoiding negative impacts.

### Human Rights and Labor

Suppliers are expected to ensure all human rights, including labor rights, as set forth in the international standards, are applied in the agricultural supply chain.

# Compliance and Continuous Improvement

At a minimum, Kalsec expects suppliers to adhere to all applicable laws and regulations and in particular, to the standards detailed in this Supplier Code of Conduct.

Furthermore, we expect our suppliers to strive to comply with international and industry standards and best practices and demonstrate that they have or are willing to develop the appropriate processes and systems in place to do so.

Kalsec is entitled to request information from suppliers in order to confirm their compliance with these standards and, when deemed necessary, may require suppliers to provide evidence of compliance through a third-party audit. Suppliers are solely responsible for full compliance with this code.

True to our passion for Corporate Social Responsibility, it is most important to Kalsec that our suppliers to are transparent and put in the work to improve, making the planet a better place for future generations.

## Further information and support

[www.kalsec.com/social-responsibility](http://www.kalsec.com/social-responsibility)

Any query on the content of this Kalsec Supplier Code of Conduct can be directed to the following email box: [responsiblesourcing@kalsec.com](mailto:responsiblesourcing@kalsec.com)

*The expectations set forth in this Code of Conduct are not intended to conflict with or modify the terms and conditions of any contract between Kalsec and its suppliers. If a contract requirement is more restrictive than this code, the supplier must comply with the more restrictive requirement.*