SUPPLIER CODE OF CONDUCT

English

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GENERAL

Albrecht & Dill Trading GmbH (in short: A&D Trading) is a trading house for cocoa beans, liquor, butter, cake and powder established in 1806 in Hamburg, Germany. We import and export about 80.000 tons of cocoa a year. Most of our cocoa beans come from West Africa, but we also source in Ecuador, Peru, Colombia, Madagascar, Papua New Guinea, Grenada, and many other countries. We sell both conventional and fine-favour cocoa beans, with or without certification (Fairtrade, Rainforest Alliance, UTZ, and/or Bio/Organic). Our clients are chocolate manufacturers and other companies who use our raw cocoa beans or semi-finished products.

To provide our clients with beans or products, we count on a large network of suppliers in many countries. We have longstanding trade relationships with our suppliers. We trust and support them to uphold our high standards of integrity, values, and business principles.

Our Supplier Code of Conduct (the "Code"), written in November 2020, outlines our expectations towards our Suppliers. The Code offers responsible sourcing guidelines, including our commitments to human rights, protecting the environment, health and safety of employees, business ethics, and the development of a sustainable supply chain.

The Code is based upon international standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights[1], the ILO Declaration and Fundamental Principles and Rights at Work[2], and the OECD Guidelines for Multinational Enterprises[3].

With "Suppliers," we refer to any third party that provides goods or services to our company for which compensation is received, including but not limited to direct and indirect Suppliers of cocoa beans and other products, labor providers, logistic companies, distributors, sub-contractors and subsidiary or affiliate entities.

We pride ourselves because of the longstanding relationships we have built up over time, it is truly part of our company culture. Therefore, even during challenging times, we remain supportive and committed to our supply network.

A&D Trading pledges to work with Suppliers who assure full compliance with the requirements in the Code, and they in turn also implement the terms (such as policies, procedures, agreements etc.) with

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[1] UN:https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf
[2] ILO: https://www.ilo.org/declaration/lang--en/index.htm
[3] OECD: https://www.oecd.org/corporate/mne/

their own suppliers, employees or agents who they hire to deliver the products which eventually will be sold to A&D Trading.

Upon receiving payment from A&D Trading, our Suppliers are acknowledging that they read this Code and that they are accepting it.

1. Compliance with laws and regulations

1.1.   Suppliers need to abide with all the applicable domestic and international laws including regulations, industry standards, and all other relevant statutory requirements, holding the highest standards of conduct.

2. Business with integrity

2.1.   We expect that our Suppliers conduct their business with the highest ethical standards, complying with all applicable local and international laws/regulations. Corruption, bribery, improper gifts, and the appearance of conflicts of interest is strictly prohibited.

2.2.   When it comes to protecting information, our Suppliers need to take steps to safeguard and maintain confidential information that A&D Trading has shared with them.

3. Social and working conditions

3.1.   As a family-owned company, A&D Trading has incorporated several family values into our business, such as maintaining respect, compassion, trust and offer kindness to one another in our company. Similarly, we also expect from our Suppliers to treat their employees (incl. sub-contracted labour, interns, etc.) with dignity and regard.

3.2.   Freely chosen work: Under no circumstances should our Suppliers be engaged in forced labour of any kind.

3.3.   Payment: Suppliers need to pay wages, benefits and fees which shall, at least, be industry minimal standards, or comply with legally binding, freely negotiated agreements, whichever is higher. Payment should be sufficient to cover the basic needs of employees. Payments cannot be withheld as a punitive action, unless this is authorized by local laws or pre-agreed by both Supplier and employee.

3.4.   Child labour: We oppose child labour in our supply chains. As defined by ILO and the United Nations Convention and/or national or local laws, children below the legal minimum age for working, are not to be hired. We remain vigilant in the elimination of the worst forms of child labour in our supply chains and trust, encourage and preach industry wide combative efforts in this respect. Our Suppliers are expected to follow suit.

3.5.   <u>Working hours:</u> We respect the applicable laws, regulations, and industry standards when it comes to working hours.

3.6.   <u>Non-discrimination:</u> Discrimination is prohibited. Applicable laws and regulations prohibiting discrimination in hiring and employment on the basis of gender, age, religion, political views, health conditions, national or social background, sexual orientation, ethnicity, color or any other basis, is forbidden.

3.7.   <u>Harassment, abuse and discipline:</u> Employees should be free from harassment, verbal, physical or sexual abuse, inhumane behavior or any kind of intimidation.

3.8.   <u>Freedom of Association:</u> Employees have the right to form and join trade unions and bargain collectively if they wish to do so.

3.9.   <u>Health and safety:</u> Employees should not be exposed to any harmful physical, mental or emotional distress while being employed. Suppliers need to protect their employees by offering a safe and healthy workplace.

3.10.   <u>Working conditions:</u> At a minimum, basic working conditions need to be offered by the Supplier. The Supplier shall ensure access to emergency medical care, fire safety, adequate lighting, and ventilation.

4. Environment

4.1.   We need to acknowledge that producing cocoa beans has an impact on the environment. In order to safeguard that cocoa can still be produced in the future, it is imperative that we work on protecting the environment.

4.2.   Our Suppliers accept that protecting the environment is a part of their responsibility as well. Suppliers shall comply with all applicable environmental laws, regulations and industry standards. They implement activities to identify, prevent and minimize negative impacts on the environment.

4.3.   <u>Hazardous products:</u> Chemicals have a negative impact on the environment. Our Suppliers shall minimize, as much as possible, the use of hazardous products and ensure that these products are safely handled and stored. Employees who use these products need to be trained and equipped with tools and protective clothing.

4.4.   <u>Forests, land and water:</u> The negative impacts on our resources needs to be minimized. Our Suppliers must look at their impact and take necessary measurements to reduce harm as much as they possibly can. Raw materials, water, energy, soil need to be respected.

4.5.   <u>Deforestation:</u> We do not want our cocoa beans to come from protected areas and rainforests. Our ambition for the coming years is to ensure that all our cocoa comes from non-deforested areas. We urge our Suppliers to help us to make this a reality, by providing information and to

not source from deforested areas. We urge Suppliers to support in improving yields on already existing cocoa farms and implement agroforestry practices, which is in line with our goal to reduce 50% carbon dioxide in our supply chains in the coming years.

4.6.   <u>Waste:</u> Suppliers should minimize the disposal of solid waste, wastewater and other emissions to prevent the pollution of air, water and soil. This reduces their greenhouse gas emissions.

<u>More information on how we source can be found in our Responsible Sourcing Policy</u> [4]

5. Communication

5.1.   Our Suppliers are expected to communicate the content of this Code with their employees, suppliers, agents and other stakeholders, in case they are directly or indirectly involved in supplying A&D Trading.

5.2.   Suppliers are required to report immediately to A&D Trading if they have a valid reason to believe that their employees, staff, partners, service providers, suppliers and/or subcontractors are committing illegal acts and/or violating the terms of this Code or if they are aware of a violation of any of these principles. Please report such acts to the following e-mail address: sustainability@albrecht-dill.de

6. Monitoring

6.1.   Suppliers need to monitor and report on the progress that is being made to uphold the requirements in this Code upon request from A&D Trading.

7. The potential impact on the business relationship

7.1.   Suppliers agree to comply with this Code, which means that they are committed to work on all the requirements mentioned.

7.2.   A&D Trading has the right to organize an unannounced assessment or inspection to verify compliance with the Code.

7.3.   Failure to adhere to the Code may result in termination of the business relationship with the Supplier.

8. Updates

8.1.   A&D Trading will be reviewing and updating the Code on a regular basis. In case of changes, our Suppliers will be informed.

8.2.   An updated version of the Code can always be found online at https://albrecht-dill.de

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[4] Responsible Sourcing Policy can be found in www.albrecht-dill.de

SUPPLIER DECLARATION

Please complete the fields below and return to your Albrecht & Dill representative. If you wish to discuss any of the content of this document, please contact us accordingly.

By signing below, the supplier confirms to have read and understood:

- the provisions of this Code

- the principles set out in the Code and in this Declaration

I confirm compliance of my company, or any subsidiary, with the principles laid out in the Albrecht & Dill **Supplier Code of Conduct.**

Supplier Name:

Address: **Country:**

Name of authorized representative:

Title:

Signature: **Date:**

We expect our Suppliers to report immediately any problem that is incompatible with the principles of the Code.