



SUPPLIER CODE OF CONDUCT

PREAMBLE

Dear Supplier,

We believe that holistic, sustainable thinking and acting are part of our corporate responsibility and the prerequisite for value-creating growth.

Also as part of the nature network, a family business in the 4th generation, this is what our roots and values stand for. What drives us as PhytoLab is our mission to contribute to human health with high-quality plant extracts, thereby strengthening our customers' position in the market. As a company for products and services for plants, we think long-term and consistently pursue our goals.

We handle nature and its resources responsibly, and we have a respectful, fair and reliable relationship with our business partners. We are particularly

committed to climate protection and aim to be climate-neutral both in our supply chains and throughout our business by 2030 at the latest.

As a business partner, we expect you to act in compliance with our Supplier Code of Conduct. This forms the basis for every supplier relationship with us. It defines the non-negotiable minimum requirements for social, environmental and ethical obligations and challenges.

We expect compliance with these criteria throughout the supply chain. Your supply chain includes all actions required to manufacture your products or provide your services. This means that you, as a supplier, also make sure your employees,

representatives, sub-contractors, etc. comply with the standards set out in this Supplier Code of Conduct.

Our Supplier Code of Conduct is based on the United Nations Sustainable Development Goals, the principles of the UN Global Compact and the international conventions on human rights and environmental protection listed in the appendix. We are not subject to the requirements of the German Supply Chain Due Diligence Obligations Act (Lieferkettensorgfaltspflichtengesetzes, LkSG), but we voluntarily accept its basic obligations to comply with human rights due diligence. With regard to Sections 2.1-2.3, we therefore do not impose any formal requirements and regard compliance as a measure for improvement.



Dr. Johann Gregori
Geschäftsführer
PhytoLab GmbH & Co. KG

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**1. Social, environmental
and ethical requirements**

1. SOCIAL, ENVIRONMENTAL AND ETHICAL REQUIREMENTS

We expect you to comply with our requirements on social and environmental responsibility and ethical business conduct and to communicate them throughout your supply chain.

1.1 Social responsibility

We expect you to ensure the protection of internationally recognised human rights and provide employees with a safe and healthy working environment.

1.1.1 Compliance with core labour rights

Prohibition of child labour and protection of young workers

You undertake not to employ anyone under the age of 15 or, in countries covered by the developing country exception to ILO Convention 138, anyone under the age of 14. Furthermore,

young workers under the age of 18 are not allowed to perform work that is harmful to the health, safety or morals of children.¹

Humane treatment

Every worker and every collector has the right to life, liberty and security. As a supplier, you agree not to use forced labour, slave labour or work of a similar nature, or to engage in human trafficking or smuggling. Work must be voluntary and without the threat of punishment. Your employees must be able to terminate their work or employment relationship at any time with reasonable notice. There must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment or humiliation. This is without prejudice to the exemption under Art. 2 para. 2 ILO Convention No. 29. The commissioning

or use of security forces must be refrained from if there is a suspicion that persons will be treated inhumanely in the process. This refers to the violation of life and limb, the restriction of freedom of association and the right to organise as well as the degrading treatment of employees.²

It is not permitted to interfere with a person's livelihood in the acquisition, cultivation and use of land, forests and waters, e.g. by unlawful eviction or occupation.

If no contribution to social security (namely health and pension insurance) is required by law and if these social securities are not taken over by the state, a minimum level of social security must be guaranteed.



¹ according to ILO Convention Nr. 182

² The aforementioned provisions are based on ILO Conventions No. 29, No. 105 and No. 182; Art. 6, 7 and 8 International Covenant on Civil and Political Rights and Art. 12 International Covenant on Economic, Social and Cultural Rights

Occupational health and safety protection

As a supplier, you undertake to comply with health and safety regulations in compliance with national law. You take sufficient precautions in case of fire and accidents. To avoid exposure to chemical, physical or biological

agents, protective measures against hazardous working conditions must be taken. Workers must be provided with basic first aid, access to drinking water and sanitary facilities during work.³



Working hours

We expect you to ensure that the working hours comply with local laws and the respective industry standards. You must ensure a high standard of safe and healthy working conditions and guarantee work breaks, a reasonable limitation of working hours and regular paid leave in compliance with local laws. Applicable international standards on working time, which include at least the standards of the relevant ILO conventions at the place of work, must be complied with.⁴

Freedom of association and trade unions

Freedom of association and the right to form or join a workers' rights organisation, to bargain collectively and to strike must be respected. In cases where this is restricted by law, alternative means of independent and free

association must be provided. Workers must not be discriminated against on the basis of forming, joining or being a member of such an organisation. Workers' representatives must be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.⁵

³The aforementioned provisions are based on ILO Conventions No. 155 and No. 187 and Art. 7 and Art. 12 International Covenant on Economic, Social and Cultural Rights.

⁴according to ILO Convention No. 1

⁵The aforementioned provisions are based on ILO Conventions No. 87 and No. 98; Art. 22 International Covenant on Civil and Political Rights and Art. 8 International Covenant on Economic, Social and Cultural Rights.

1.1.2 Fair conditions at the workplace

Prohibition of discrimination

The unequal treatment of employees in any form is inadmissible unless it is justified by the requirements of the employment. This applies to discrimination based on gender, caste, national and ethnic origin, social origin, skin colour, disability, health status, political conviction, ideology, religion, age, pregnancy and sexual orientation. Unequal treatment in employment includes, in particular, the payment of unequal remuneration for work of equal value.⁶ The personal dignity, privacy and personal rights of each and every individual must be respected.⁷

Appropriate remuneration and employment contract

The remuneration for regular working hours and overtime must be in compliance with the national legal minimum wage, the minimum standards that are customary in the industry or, if available, the requirements of collective bargaining law. Workers must be provided with all the legally required benefits. As a supplier, you must ensure that workers are provided with clear, detailed and regular written information about the composition of their pay. Legally binding employment contracts are concluded with employees. Where required by national regulations and laws, these shall be concluded in writing.

⁶ according to ILO Convention No. 100

⁷ The aforementioned provisions are based on ILO Conventions No. 100 and No. 111; Art. 2 International Covenant on Civil and Political Rights and Art. 2 and Art. 7 International Covenant on Economic, Social and Cultural Rights.





1.2 Environmental responsibility

In order to comply with our environmental responsibility, we expect you as a supplier to act in accordance with all the applicable legal and international standards on environmental protection. Environmental responsibility includes the following four aspects in particular.

1.2.1 Climate protection

We pursue an ambitious climate protection target to safeguard natural resources in the long term and regarding humane conditions in our value chain. We are convinced that climate change threatens the long-term survival of our company and also that of our suppliers, and that we therefore need to take committed action. This is why the nature network has set itself the

goal of operating climate-neutral both in its supply chains and throughout its business by 2030 at the latest. We wish to contribute to the 1.5 degree target of the Paris Climate Agreement and have joined the international Science Based Targets initiative (SBTi). After validation and publication of our reduction targets by the SBTi, we will report annually on our progress.

Our goal of carbon neutrality includes strict CO₂ reduction at our sites and in our supply chains – from the cultivation and wild collection of plant raw materials to transport and production. We offset CO₂ emissions that cannot be reasonably or justifiably reduced with recognised carbon sequestration or CO₂ avoidance projects.

We are aware that climate protection is only possible in cooperation with our suppliers. Just like us, you should therefore make efforts to measure and minimise the CO₂ emissions you produce. We encourage you to set ambitious climate protection goals and to join climate protection initiatives such as the SBTi.

1.2.2 Handling resources

We expect you to use natural resources sparingly in your business activities. In particular, we demand the sustainable and efficient use of energy, water and auxiliary and operating materials, especially chemicals.

1.2.3 Operational environmental protection and the circular economy

We expect you to have appropriate environmental protection processes in place, including waste or recycling management, and to act in compliance with all the relevant national and international environmental protection laws respectively agreements. Laws, company permits and limit value specifications must be complied with. We expect you to work towards increasing efficiency and improving the handling of waste, hazardous substances and substances hazardous to water, fresh and waste water, energy and emissions control. In the spirit of the circular economy, substances should be used in such a way that they do not have to be disposed of as waste, but can be reused or recycled. The protection of soil and water

against environmentally hazardous substances must be ensured. A suitable emergency management system must be in place in order to be able to react swiftly in the event of environmental damage and to limit accidents.

Production facilities and workplaces must be constructed and maintained in such a way that legal energy requirements in addition to fire protection requirements in the case of fire and emergencies are met. Corresponding structural and plant engineering requirements must be complied with.



1.2.4 Protection of biodiversity and habitats

The cultivation, wild collection of and trade in cultivated and wild-collected species must comply with international, national and local laws and regulations, e.g. the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

It must be ensured that the cultivation or wild collection of plant-based raw materials or related activities since 1 January 2014 do not lead to the transformation or deforestation of intact ecosystems.⁸ For all other goods supplied, such as wood-based products, pallets or packaging, the assurance applies from 31 December 2020.⁹

No cultivation and wild gathering activities may take place in protected areas (nature reserves, water protection areas) without a special permit. As a supplier, you are obliged to fully comply with the applicable national laws on animal welfare and protection in your supply chain.

⁸ According to Ethical Biotrade Standard UEBT (version of July 2020) and SBTi

⁹ Regulation (EU) No. 995/2010



1.3 Ethical business conduct

To meet ethical responsibilities, as a supplier, you are expected to act in accordance with the following laws and compliance rules.

1.3.1 Compliance with applicable laws

You must comply with the relevant legislation, applicable legal order, contractual agreements and generally accepted standards.

1.3.2 Measures to prevent corruption, bribery and money laundering

You must not be involved in corruption, extortion, embezzlement or any form of bribery. You must not offer or accept bribes or other illegal inducements from your business partners or third parties.

You must comply with all the applicable anti-money laundering laws and implement the required measures to prevent money laundering activities.

1.3.3 Fair competition and antitrust law

The standards of fair business, fair advertising and fair competition must be observed. Moreover, the applicable antitrust laws must be applied. These prohibit, for example, price agreements with competitors and agreements with business partners that restrict our freedom as a purchasing company.

1.3.4 Confidentiality, data protection and intellectual property

As a supplier, you undertake to protect confidential information concerning us and not to disclose it to unauthorised persons without permission. When collecting, storing, processing, transmitting and disclosing personal data, the legal provisions on data protection and information security as well as the

official regulations must be complied with. Intellectual property rights (e.g. patents, trademarks, domain names, reproduction rights, design rights, database extraction rights and rights to specialised technical knowledge) must be protected.

1.3.5 Handling information and complaints

As a supplier, you must encourage your employees to report concerns, complaints or potentially unlawful activities in the workplace or with regard to business activities in confidence, without the threat of reprisal, intimidation or harassment. You must provide your employees with the means to do this. You must investigate such reports as well as information from third parties and take corrective action when required.



2. Implementation of requirements



2. IMPLEMENTATION OF REQUIREMENTS

We expect you to comply with the principles of our Supplier Code of Conduct and legal standards. This includes communicating these principles appropriately to your suppliers, ensuring that they also comply with the principles and agreeing to a possible audit by us. Since the scope of the Supply Chain Due Diligence Obligations Act (LKSG) does not apply to PhytoLab, we do not impose any formal requirements on Sections 2.1-2.3 and consider compliance to be a measure for improvement.

2.1 Risk management at the supplier and in its supply chain

As a supplier, you must put mechanisms in place to assess and manage risks arising from the legal and other requirements of our Supplier Code of Conduct. These risks must be identified for your own company and, if applicable, for your wider supply chain.

2.2 Transfer to the supply chain

You undertake to communicate the provisions of our Supplier Code of Conduct to your suppliers and contractual partners, e.g. temporary employment agencies, wage workers, contracted service providers on the company premises or on plantations, etc., and to enforce them with appropriate measures. In the event of grievances, appropriate corrective measures are to be taken, and in the event of serious incidents, we are to be informed as a contractual partner. We assume that you know your supply and that you are able to present it transparently. This applies in particular to incidents and enquiries on our part.

2.3 Duty to cooperate and provide information

You agree that we may undertake a risk-based review at your premises or in your supply chain or have it undertaken by qualified third parties.

In the case of suspected breaches in your supply chain, please inform us promptly about the identified violations and risks as well as the measures taken.



2.4 Violations of the Supplier Code of Conduct and resulting consequences

In the event of deviations from our Supplier Code of Conduct, we will work with you to define measures for improvement or remediation, which you will subsequently implement. Serious or repeated violations of the principles of our Supplier Code of Conduct will make it impossible for us to continue our business relationship. In particular, we consider the following to be serious violations: sexual violence, child labour, forced or

slave labour, illegal logging and deforestation. In such cases we reserve the right to terminate the business relationship in whole or in part. This is subject to the condition that, after a written request, the violation has not been remedied within a reasonable period of time with appropriate measures or that a violation is obvious and other equally appropriate means are not available or are not successful.



3. Appendix and contact



3. APPENDIX

Our Supplier Code of Conduct is based on the following legal principles and guidelines:

- UN Civil Covenant (International Covenant on Civil and Political Rights)
- UN Social Covenant (International Covenant on Economic, Social and Cultural Rights)
- Ethical Biotrade Standard of the Union for Ethical Biotrade (UEBT) (version of July 2020)
- Science Based Targets initiative (SBTi)
- Regulation (EU) No. 995/2010
- United Nations Global Compact (UNGC)
- Basic principles of the International Labour Organisation (ILO)
- OECD Guidelines for Responsible Agricultural Supply Chains
- German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)
- United Nations Sustainable Development Goals