



Supplier Code of Conduct

Margherita Srl

| October 2024 |

1 Introduction

a. Preliminary remarks and goals

At Margherita Srl (Margherita), we are committed to upholding responsible, socially conscious, and environmentally sustainable corporate practices, as reflected in our defined goals against which we continually assess ourselves. Accordingly, we hold our business partners to the same high standards. This Supplier Code of Conduct (SCoC) outlines the fundamental principles that we expect our business partners to adhere to when engaging with Margherita. These principles are essential for ensuring comprehensive corporate due diligence throughout the supply chain.

Margherita is part of IDAK Food Group. IDAK Food Group comprises all legal entities that are, directly or indirectly, controlled by IDAK Holding AG, a legal entity duly incorporated in Spreitenbach, Switzerland.

b. Principles and guidelines

At Margherita, we are dedicated to building a better future, guided by our commitment to upholding human rights and protecting the environment.

The principles outlined in this SCoC establish minimum standards for our business relationships, complementing all relevant local laws. The SCoC is based on the following international regulations, which our business partners shall adhere to, where applicable:

- German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)
- Swiss ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO or VSoTr)
- EU Corporate Sustainability Due Diligence Directive (CSDDD)
- EU Regulation on Deforestation-free products (EUDR)

Furthermore, business partners should strive to implement principles in line with:

- UN Declaration on Human Rights
- ILO Conventions
- UN Guiding Principles on Business and Human Rights (UNGP) or OECD Guidelines for Multinational Enterprises
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination Against Women

c. Area of application

The SCoC applies to all business partners who produce or process goods or provide services for Margherita as well as their subcontractors. For the purpose of this SCoC, the term “business partner” includes, but is not limited to, vendors, suppliers, distributors, service providers, contractors, subcontractors, and all other third parties with whom Margherita conducts business.

2 Ethics

a. Conflict of interest

All business partners shall avoid any activities or situations that could create a conflict between the private interests of a Margherita employee or business partner and the business interests of Margherita. Upon becoming aware of a conflict of interest, a business partner shall promptly inform Margherita using the mechanism as described in Chapter 5.d.

b. Fairness in competition and antitrust law

By accepting this SCoC, business partners confirm that their business practices comply with applicable antitrust and competition laws. Business partners shall not enter into agreements with competitors or engage in actions that may unfairly influence competition, including but not limited to price fixing or market sharing.

c. Integrity in business transactions

Business partners must conduct their business ethically refraining from corruption, extortion, or any form of money laundering. Additionally, business partners must not accept bribes or other illegal payments in their dealings with other business partners or public officials. Offering gifts or other benefits to Romer’s employees for personal gain, which could be considered bribery, is strictly prohibited.

d. Data protection and intellectual property

Compliance with all applicable data protection and privacy laws is required of all business partners. It is the business partner’s responsibility to maintain strict confidentiality regarding confidential business information or business secrets related to Margherita. Business partners shall protect and respect Margherita’s registered and unregistered intellectual property as confidential information. Adequate measures must be taken to ensure the proper collection, processing, securing, and storage of all business information.

3 Human and Labour Rights

a. Prohibition of child labour

Business partners shall not use child labour and comply with requirements relating to the protection of minors. Furthermore, business partners shall act in accordance with ILO Convention No. 182. Under no circumstances may employees be younger than 15 years of age, or 14 years of age if permitted under national law pursuant to ILO Convention No. 138. If young workers are employed, they must not carry out any activities that could impair their mental, physical, social, or moral health or jeopardize their education.

b. Prohibition of forced labour and any forms of slavery

Business partners shall not engage in or be complicit in any form of forced labour, including any form of modern slavery or unethical recruitment practices in accordance with ILO Convention No. 29 and No. 105. All workers have the right to freely choose and terminate their employment, and work must be on a voluntary basis.

c. Disciplinary measures

Disciplinary action must comply with national law and internationally recognized human rights. No unreasonable disciplinary action may be taken, particularly those involving withholding pay, social benefits, or documents, or imposing restrictions on leaving the workplace.

d. Freedom of association and collective bargaining

Freedom of association should be guaranteed in accordance with the ILO Convention No. 87. Employees of business partners shall have the right to hold meetings in accordance with applicable laws and to establish or join unions and representative bodies. Employees of business partners also have the right to engage in collective bargaining to resolve workplace and wage issues in line with the ILO Convention No. 98. Under no circumstances may the exercise of such rights be met with threats of reprisal.

e. Protection against torture and harassment

Business partners shall treat all workers and employees with respect and dignity. Workers shall not experience any form of violence, harassment, torture, or inhuman, or degrading treatment in the workplace. This prohibition extends to threats of violence, abuse, including corporal punishment,

verbal, physical, sexual, economic, or psychological mistreatment, as well as mental or physical coercion and other forms of harassment or intimidation.

f. Occupational health and safety

Business partners shall comply with national laws and current industry standards to ensure safety, protection, and health in the workplace, in accordance with ILO Convention No. 155 and No. 187. Work processes and product design should be organized to exclude accidents whenever possible. Business partners should strive to promote effective accident prevention and regularly train workers on applicable health and safety standards and measures.

g. Working hours, wages, and other benefits

Business partners shall ensure that employees' working hours do not exceed the maximum permitted limits, in accordance with applicable national laws. Overtime shall be voluntary, not forced, and paid in accordance with applicable regulations and standards. Business partners must respect their employees' right to rest and leisure time to enable a work-life balance. Additionally, employees of business partners must be compensated regularly, promptly, and fully in accordance with applicable laws. Compensation and benefits should be fair, aligning with market standards and equally accessible to all employees to ensure a decent standard of living for them and their families in accordance with ILO Convention No. 100. Business partners should strive to pay a living income or living wage to their employees. Business partners operating in countries or sectors with high social risks are required to implement living incomes or living wages within their own operations.

h. Prohibition of discrimination and unequal treatment

There shall be no discrimination or unequal treatment in hiring, training access, promotion, termination, or retirement, and particularly in compensation based on grounds including but not limited to gender, sexual orientation, race, colour, age, pregnancy, marital status, trade union affiliation, religion, (political) opinion, nationality, ethnic origin, caste, disease, or disability, in accordance with ILO Convention No. 111.

i. Prohibition of unlawful land eviction

Business partners shall not engage in or support unlawful expropriation of land or forced evictions of individuals or communities. Business partners must ensure that their business activities and

operations do not result in such practices, in accordance with local and international laws and standards. Business partners shall not unlawfully evict or take land, forests and waters when acquiring, developing, or otherwise using land, forests, and waters, including through deforestation, if their use secures the livelihood of a person or community, especially Indigenous peoples who have traditionally owned, occupied, or otherwise used or acquired those lands, territories, and resources.

j. Prohibition of causing any measurable environmental degradation

Business partners should strive to refrain from any activities causing measurable environmental degradation that might impact human rights. This may include harmful soil change, water or air pollution, harmful emissions, excessive water consumption, or other impact on natural resources, that: (a) impair the natural bases for the preservation and production of food, (b) deny a person access to safe and clean drinking water, (c) make it difficult for a person to access sanitary facilities or destroy them, (d) harm the health, safety, the normal use of property or land, or the normal conduct of economic activity of a person, or (e) affect ecological integrity, such as deforestation.

4 Climate and Environment

a. Conservation of natural resources

Business partners should take appropriate measures to ensure that natural resources are used economically, efficiently, responsibly, and sustainably in the company's operations and the upstream supply chain, for example by using sustainable packaging. They should strive to respect the planetary boundaries.

b. Climate and environmental protection

Business partners should systematically take climate change adaptation into account in their business activities and make a significant contribution to protecting the environment. Business partners should strive to reduce the use of air transport in the supply chain, if possible. Furthermore, business partners whose activities have an impact on the environment should implement an appropriate environmental management system.

c. Renewable energy and energy use

We welcome business partners to reduce energy use and focus on renewable energy sources. They should take appropriate measures to continuously

improve energy efficiency in their operational processes through suitable management systems.

d. Water use

Business partners should actively reduce water consumption and counteract the negative effects of their own activities on water scarcity. Those business partners in areas with water stress are expected to source water-intensive raw materials responsibly.

e. Waste and pollution

Business partners should play an active role in reducing waste and wastewater and take measures to prevent soil, air, and water pollution as well as noise and light pollution.

f. Biodiversity and land use

Business partners should strive to actively reduce and counteract the negative effects of their activities on the environment, such as loss of biodiversity, deforestation, or poor land use.

g. Environmental regulations

Business partners shall comply with applicable environmental laws and regulations, as amended from time to time.

h. Raw materials and products of plant origin

Business partners should refrain from using ingredients that are or contain genetically modified organisms (GMO). If business partners offer products containing palm oil, soy or cocoa, these ingredients should be sustainably sourced and, where applicable, comply with the EU Deforestation Regulation (EUDR).

i. Raw materials of animal origin

Business partners shall act in accordance with relevant animal protection and animal welfare legislations and standards such as the European Convention on the Protection of Animals for Slaughter, International Transport or for Farming Purposes, or Switzerland's Animal Welfare Act, if applicable.

j. Prohibition of unlawful pollution of the marine environment by dumping

Business partners should strive to actively contribute to maritime safety and prevent pollution from ships. They should furthermore not engage in any form of unlawful dumping or disposal of waste into the marine environment. This includes, but is not limited to, the unauthorized discharge of pollutants, plastics, chemicals, or any harmful substances into oceans, seas, or waterways.

5 Governance

a. Training and capacity building

Margherita encourages business partners to supply their employees and managers with information about the contents of this SCoC in worker training and orientation.

b. Supplier accountability in entire supply chain

By accepting this SCoC, business partners assure that they will address the provisions of this SCoC appropriately throughout the supply chain and enforce them with their own contractual partners through suitable contractual provisions.

c. Due diligence for supply chains and minerals and metals from conflict-affected and high-risk areas

Business partners shall implement due diligence processes to identify, prevent, and minimize risks of human rights and environmental impacts in their supply chains. As part of due diligence, business partners should support further due diligence efforts and traceability throughout their supply chains. Business partners are expected to be familiar with the applicable legal requirements relating to due diligence, especially for minerals and metals from conflict-affected and high-risk areas, and to ensure compliance with these laws. Furthermore, they should strive to comply with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

d. Grievance mechanisms and whistleblowing

Business partners should encourage and provide channels of communication for their employees and subcontractors in their local languages to raise concerns or complaints, or report possible illegal activities without reprisal, intimidation, or harassment. Reports must be treated confidentially and, where permitted by law, can be made anonymously. In case of suspicion of a breach against the criteria laid out in this SCoC, business partners and their respective employees, as well as stakeholders and rights holders in general, are expected to report violations to [IDAK FOOD GROUP Whistleblower System | Guide for reporting \(whistleblowersoftware.com\)](#).

e. Proactive reporting for suspicion of child labour in supply chain

If business partners or stakeholders become aware of or suspect the involvement of child labour within our supply chain or any business activities

related to Margherita, we expect prompt and proactive reporting. Any suspicious activity relating to child labour shall be reported to [IDAK FOOD GROUP Whistleblower System | Guide for reporting \(whistleblowersoftware.com\)](#).

f. Right to evaluation and audits

To verify compliance with this SCoC, business partners shall allow Margherita to conduct audits. Upon request of Margherita, business partners shall provide all necessary information and disclosures and, subject to reasonable advance notice, allow Margherita (or an assigned third party) to conduct on-site inspections of the business partner's premises.

g. Transparency and traceability

Business partners are expected to increase the transparency and traceability for products and services which are provided to Margherita. Especially for products where ingredients derive from different production countries, business partners must name the specific made-in country in accordance with the DDTRO.

h. Product quality and safety

Business partners shall ensure that products and services provided to Margherita meet the specified quality and comply with national and international laws. Applicable standards are defined in the corresponding contracts.

i. Continuous improvement

Business partners should demonstrate their commitment to continuous improvement of the standards set forth in this SCoC. We are committed to achieving continuous improvement with our business partners in the coming years and we will support them by sharing information and allocating time for dialogue.

j. Access to remedy / violations against this code of conduct

All business partners shall immediately inform Margherita in writing of any identified risks to and violations of the principles set forth in this SCoC and take appropriate remedial action to prevent or minimize the violation. Margherita retains the right to suspend the contract until the non-compliance has been remediated. If, after given a reasonable period of time, business partners do not remediate or minimize the non-compliance, Margherita reserves the right to terminate the contract without any penalty or further liability.