

RICOLA

SUPPLIER CODE OF CONDUCT

July 2020



Ricola

OBJECTIVE

At Ricola we have high standards for the way we conduct business, including relative to social and environmental responsibility, business ethics and compliance with applicable Laws and regulations.

We commit ourselves to maintain such high standards of ethical conduct when interacting with colleagues, customers, suppliers, business partners, shareholders and other stakeholders. We expect the same commitment from our Suppliers and business partners and request them to comply with the Ricola Supplier code of conduct (SCoC). Sub-contractors of Suppliers are also expected to adhere to the SCoC. This SCoC forms an integral part of Ricola's contracts with its Suppliers.

We expect our Suppliers and business partners to communicate these expectations throughout their supply chain by adopting efficient management systems, policies, procedures and training to uphold the standards and expectations set forth in this SCoC. In the spirit of continuous improvement, Ricola is committed to working with and supporting its Suppliers to meet, and when possible, exceed, the requirements in this SCoC.

COMPLIANCE WITH APPLICABLE LAW



Ricola expects its Suppliers to comply with all applicable international, national and local laws and regulations, industry minimum standards and any other relevant statutory requirements whichever requirements are more stringent.

HUMAN RIGHTS AND LABOUR PRACTICES



CHILD LABOUR

Ricola does not tolerate any form of child labour. We are committed to eliminate the “worst forms of child labour” as defined by ILO convention 138&182.

- Supplier shall not employ children younger than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age applies. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention No. 138, the lower age applies;
- If Supplier employs young people between the age of 14 and 18, the Supplier shall treat them with particular consideration, for example by restricting their working hours and make sure that employment does not interfere with schooling or vocational education or expose children to risks that can harm physical, mental or emotional development.

FORCED LABOUR AND HUMAN TRAFFICKING

Ricola does not tolerate any form of abusive or illegal labour in the supply chain.

- Supplier shall ensure that all its employees are free to enter their employment with the Supplier through their own choice and shall also be free to terminate their employment when they choose without penalty, as long as the process is in accordance with the (oral or written) employment contract;
- Supplier shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour.

OCCUPATIONAL HEALTH & SAFETY

Ricola requires that all workers are provided with a safe and healthy working environment.

- Supplier shall provide a safe and hygienic working environment. Supplier shall take adequate steps to prevent diseases, accidents and injuries arising during work;
- Supplier shall ensure that fire alarms, fire extinguishers, unobstructed emergency exits are provided in all areas, including staff facilities;
- Workers are trained on the appropriate occupational health and safety policies and procedures. Workers are provided appropriate protective equipment and instructed on appropriate use.

FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

Ricola respects the right of employees to freedom of association and collective bargaining across its operations and supply chain.

- Supplier recognizes the freedom of association and the right to collective bargaining;
- Workers have the right to form, join or not to join trade unions or other organisations of their choosing and collectively bargain without fear of discrimination;
- In cases where freedom of association is restricted by law, alternative means of freedom of association will not be obstructed.

NON-DISCRIMINATION & HARASSMENT

Ricola does not tolerate any form of discrimination and disparate treatment in the workplace.

- Supplier shall not discriminate its employees based on gender, age, religion, race, tribe, caste, social background, disability, nationality, membership in workers' organisations, political affiliation, sexual orientation, or any other personal characteristics;
- All workers will be treated with dignity and respect and will not be subject to any form of unethical treatment, threats of violence, or other forms of physical, mental, or sexual harassment.

WORKING HOURS, WAGES AND BENEFITS

Ricola is committed to upholding applicable laws and collective bargaining agreements regarding working hours, wages and benefits for individuals employed throughout the supply chain.

- Wages paid by the Supplier must meet or exceed legal minimums and/or industry standards and are paid on time. No illegal or unauthorised deductions from wages are allowed;
- Attention must be paid to respecting the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted;
- Working hours of employees must be in line with the legal requirements and/or industry standards;
- The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate according to ILO convention 1;
- Supplier shall grant employees their stipulated annual leave and sick leave without any form of repercussions;
- Supplier shall grant female employees their stipulated maternity leave and other rights in case of pregnancy;
- An effective grievance is provided to workers and other parties across the value chain.

ENVIRONMENT



Ricola is committed to reduce the use of resources and operate in an environmentally friendly manner.

- Supplier must comply with applicable environmental laws and regulations and has obtained required environmental permits;
- Supplier shall take measures to avoid environmental degradation. Supplier shall actively reduce the amount of energy and water used and shall minimize the use of chemicals known to cause damage or pose risks to health and/or the environment;
- Supplier shall assess significant environmental impacts of operations and establish effective policies and procedures that reflect the environmental responsibility;
- Supplier shall implement adequate measures to prevent or minimize adverse effects on the community, natural resources and the overall environment.
- Operations and work across supply chains do not contribute to deforestation or loss of biodiversity;
- Suppliers are encouraged to actively measure, manage and disclose environmental impacts in areas such as Greenhouse Gas (GHG) emissions, water and waste as well as to set targets and implement action plans for reducing environmental impacts;
- Supplier shall monitor and control wastewater and solid waste generated and shall treat it as required prior to discharge or disposal;
- Supplier shall reduce waste of all types to the greatest extent reasonably possible.

ETHICAL BUSINESS BEHAVIOUR



Ricola is committed to conducting business ethically and lawfully in countries of operation and across the supply chain.

- Supplier shall comply with all applicable laws, statutes, regulations, codes, etc. relating to anti-bribery and anti-corruption including those relating to Good Distribution Practice (GDP) and Good Manufacturing Practice (GMP);
- Supplier shall refrain from engaging in any form of bribery or corruption (incl. facilitation payments) when dealing with private parties or public officials. In particular, Supplier shall not offer, provide, authorise, request or receive any financial or other advantage (i.e. gifts or hospitality) with the intent or prospect of influencing or determining the recipient's decision-making or other conduct and/or as an inducement or reward for the improper performance of a person's relevant function;
- Suppliers shall ensure that business relationships are based solely on objective criteria. These include quality, reliability and competitive prices as well as due observance of ecological and social standards as well as the principles of good company governance;
- Suppliers' business dealings should be fair, legal and honest;

MONITORING AND ENFORCEMENT



MONITORING

Ricola reserves the right to verify compliance with this SCoC through internal and external assessment mechanisms, such as self-assessment questionnaires, announced and unannounced on-site own Ricola or independent third-party audits. Such audits may inspect Suppliers' facilities, operations, books and records, and may include confidential worker interviews. If non-compliances are observed, the supplier will be required to take corrective actions.

NON-COMPLIANCE

If Supplier fails to implement the agreed corrective action plan or is in breach of the terms and conditions of this Supplier Code of Conduct Ricola is entitled to terminate any contract and cooperation with the Supplier with immediate effect and reserves its right to take any further legal action at its discretion.