

# JDE Supplier Code of Conduct

## PURPOSE

Koninklijke Douwe Egberts B.V., acting under the trade name Jacobs Douwe Egberts ( “Company”) is committed to high standards of social and environmental responsibility and ethical conduct. JDE has created this Supplier Code of Conduct (the “Code”) as an extension of its own Code of Conduct to form the cornerstone of our commitment to responsibly and sustainably source our products. This Code replaces the previous supplier code of conduct dated 6 July, 2018.

We believe that by adopting responsible and sustainable business practices in our supply chain we not only contribute to the improvement of our products; it also allows us to enjoy long-term sustainable and mutually beneficial relationships with our Suppliers. Therefore, we expect our Suppliers to adopt the universal standards as defined in our Code, in order to minimize any adverse environmental and social impact directly associated with the goods and services sourced by JDE.

The requirements laid out in this Code are based on internationally recognized standards, which include the UN Universal Declaration on Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Rights and Principles at Work and the OECD Guidelines for Multinational Enterprises. We require our suppliers to adhere to the Code and the internationally recognized standards on which it is based when conducting business with JDE.

## SCOPE

The term “Supplier” or “Suppliers” means any person or entity that is the source for goods or services for the Company and/or any of its affiliates, back to the primary production level. The Code is applicable to all workers and employees of any of those Suppliers including permanent, temporary, contract agency and migrant workers. This includes all workers providing work at a supplier location, such as under an employment agency or service provider. It also applies to any subcontractors and third party labour agencies. We expect our direct Suppliers to support our commitment to full compliance with this Code via the development and implementation of a similar policy and risk-based due diligence process over their own supply chains.

## PRODUCT-SPECIFIC POLICIES & PRINCIPLES

As a company that procures a variety of diverse products and services, JDE has created this Code that outlines the universal requirements across all Suppliers and supply chain types.

For certain supply chains we also specify product-specific sustainable sourcing policies or principles that provide additional standards and requirements to ensure compliance. The Code and the Product-Specific Policies or Principles should always be read in conjunction with one another. In case of deviations or contradictions between the Code and a Product-Specific Policy or Principles, the Policy or Principles shall prevail. In the absence of a Product Specific Policy or Principles for a Supplier’s specific supply chain type and tier, this Code will apply.

The product-specific policies or principles, and the standards included therein, are regularly reviewed by JDE and may change over time.

Below are the supply chains for which currently Product-Specific Policies or Principles apply and more may be added in the future:

- Coffee: [https://www.jacobsdouweegberts.com/siteassets/cr/common-grounds---om/jde-responsible-sourcing-principles\\_november-2019\\_v1.pdf](https://www.jacobsdouweegberts.com/siteassets/cr/common-grounds---om/jde-responsible-sourcing-principles_november-2019_v1.pdf)
- Palm Oil: [https://www.jacobsdouweegberts.com/siteassets/cr/common-grounds---om/jde-palm-oil-responsible-sourcing-principles-final\\_v1.2.pdf](https://www.jacobsdouweegberts.com/siteassets/cr/common-grounds---om/jde-palm-oil-responsible-sourcing-principles-final_v1.2.pdf)

**BUSINESS ETHICS**

**Compliance with Law:** Suppliers’ business activities shall comply with applicable laws and regulations in the countries and jurisdictions in which they operate. They shall also comply with all other applicable international laws and regulations, including those relating to international trade, sanctions, export controls, antitrust/competition and data protection. Where local law and this Code address the same topic, the Supplier shall meet the requirement which affords greater protection.

Supplier shall in this regard promptly report to [ethics.compliance@jedecoffee.com](mailto:ethics.compliance@jedecoffee.com) any actual or potential legal or policy violation, and acknowledges that a breach of compliance obligations constitutes a material breach of the agreement with JDE.

**Competition Law**

We also expect our suppliers not to conduct their business in a way that could violate—competition laws, including as it relates to:

- Price fixing
- Bid rigging
- Division of territories or customers
- Tying and bundling products
- Abuse of dominant market position

**Bribery/Corruption:** All forms of bribery, kickbacks, corruption, extortion, embezzlement and unethical practices are prohibited, and Suppliers must have a zero tolerance policy and prohibit any such behaviour. Suppliers shall not take any action that would violate, or cause Company to violate, any applicable anti-bribery law or regulation, including the UK Bribery Act and the U.S. Foreign Corrupt Practices Act. Supplier shall comply with the JDE anti-bribery and corruption policy (as issued from time to time) and shall have and maintain own policies and adequate procedures to ensure compliance with applicable laws, this Code, and ensure enforcement of such policies and procedures.

**Gifts/hospitality:** Any business entertainment or hospitality with JDE staff, auditors or other third parties must be reasonable and customary under the circumstances of the relationship and not intended to influence in any way JDE’s business decisions. Supplier shall comply with the JDE anti-bribery and corruption policy (as issued from time to time) and shall have and maintain own policies and adequate procedures to ensure compliance with applicable laws, this Code, and ensure enforcement of such policies and procedures.

### **Sanctions & Export**

Supplier warrants that it is not directly or indirectly owned by, controlled by, owning, controlling, or named as a restricted party according applicable sanction laws and will comply with applicable sanctions laws, export controls regulations and requirements. Supplier warrants that neither the Supplier nor its beneficial owners, affiliates, directors or representatives are subject of any investigation by the Office of Foreign Assets Control (OFAC), Department of the Treasury, or any other governmental authority and shall promptly notify JDE if it becomes the subject of any such investigation. The Supplier will not use any funds received from JDE for the benefit of a restricted party or individuals or entities from sanctioned countries.

**Conflicts of interest:** Suppliers will declare any conflict of interest in any business dealings with JDE and will actively seek to avoid such conflicts.

**Subcontracting:** JDE does not allow subcontracting or assigning any agreement with, or service to JDE, without JDE's prior written consent.

**Intellectual Property:** JDE's confidential information and intellectual property must be safeguarded, and must not be shared with any third party unless expressly permitted by JDE. Suppliers will not divulge to JDE any information that is not in the public domain. Any authorized transfer of confidential information is to be done in a way that protects intellectual property rights

**Traceability, materials and facility disclosure:** Suppliers shall be able to disclose the country of origin for the primary materials for all deliveries made. JDE reserves the right to ask suppliers for a full supply chain map in order to facilitate risk assessment and gauge compliance in the upstream supply chain, including disclosure of all known facilities used to produce goods or services for JDE. At JDE's request, suppliers are expected to provide to JDE reports on the occurrence of substances in any materials supplied to JDE that may be restricted by, or require disclosure to, governmental bodies, customers and/or recyclers.

**Animal rights:** Suppliers shall strive to avoid animal testing altogether. Where it cannot be avoided, suppliers shall have a responsible animal testing policy and procedures in place.

**No Insider Dealing:** Buying or selling securities—such as stock or options— on the basis of information about our Company that is not publicly available is a violation of insider dealing laws, and is strictly prohibited. Likewise, providing such inside information to any other person who buys or sells securities—a practice known as “tipping”—is prohibited. Engaging in insider dealing may subject JDE, our Suppliers, and individuals involved to criminal or civil liability, making it critical that suppliers avoid it.

Knowing what is considered inside information can sometimes be a challenge. In general, information is material if it would be considered important by a reasonable investor in determining whether to buy, hold, or sell the stock of the company to which such information relates. Information is normally considered non-public or undisclosed until two full trading days have passed since its public release. Inside information can be either positive or negative in nature, and includes the following examples:

- Significant new products or discoveries
- New business relationships
- News of a significant sale of assets
- Important changes in management

## **LABOR AND HUMAN RIGHTS**

**Freely Chosen Employment:** All forms of involuntary labour – including forced, coerced, bonded (including debt bondage), involuntary or exploitative prison, slavery, trafficked or indentured or other forms – are prohibited.

- All work must be voluntary and workers shall be free to resign “at-will”
- There shall be no unreasonable restrictions on workers’ freedom of movement at the workplace or at company or agent-provided housing.
- Employment agreements shall meet local law, inform workers of their legal rights and employment conditions in a language understood by the worker, and be concluded before work has commenced. If employment contracts are not legally required, workers shall at the very least be informed of the terms and conditions of employment, in a language understood by them, prior to starting work.
- Employers and agents may not hold or otherwise deny access by employees to their identity or immigration documents unless such holdings are required by law.
- Workers shall not pay recruitment fees or other related expenses for their employment. If it is discovered that workers have paid fees, the supplier shall ensure that the workers are repaid in full.

**Child Labour and Young Workers:** Child labour shall not be used. The term “child” refers to any person under the age of 15, or under the minimum age for employment in the country, whichever is greatest.

- All employment of young workers, including apprentices or vocational students, must comply with laws and regulations on the minimum working age and the compulsory age for schooling and must be of educational benefit.
- Young worker protections are in place, where applicable (including for the children of farmers), so that young workers under the age of 18 do not experience conditions in relation to their work that are mentally, physically, socially or morally dangerous or harmful, or that interfere with their schooling.
- A child may help at their family’s business only if they perform light work and meet the requirements above.

**Freedom of Association and Collective Bargaining:** Suppliers shall respect workers’ legal rights to freedom of association and collective bargaining.

**Regular Employment Status:** Work performed must be on the basis of a recognized employment relationship. Obligations to employees under labour or social security laws and regulations arising from a regular employment relationship shall not be avoided, such as through sub-contracting, exploitive use of fixed-term employment contracts, or through apprenticeship schemes with no real intent to impart skills or provide regular employment.

**Wages and Benefits:** Suppliers shall ensure workers receive wages and benefits that meet, at a minimum, national legal standards.

- We encourage our suppliers to go beyond legal minimum standards and to ensure wages are sufficient to meet basic needs and provide discretionary income.
- All overtime work must be paid at the legally mandated overtime rate, or in the absence of this, a premium wage.
- Disciplinary pay deductions are prohibited.
- For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

**Working Hours:** Regular and overtime working hours must comply with the law and not be excessive.

- Regular working hours shall not exceed the legal limit or 48 hours per week, whichever is lower.
- Rest days shall comply with legal requirements or, in the absence of such a requirement, workers shall be provided one day off in seven. This may be amended in unusual or emergency circumstances.
- All overtime shall be voluntary.

**Humane Treatment:** All workers are to be treated with respect and dignity.

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment.

**Discrimination:** Suppliers shall commit to a workforce free of discrimination.

- All employment decisions (including hiring, termination, compensation, promotion and discipline) must be based exclusively on ability and willingness to do the job.
- There shall be no discrimination on the basis of race, colour, sex, national or social origin, religion, age, disability, sexual orientation, gender identity, marital status, political affiliation, pregnancy status, or past or present union affiliation.
- Except where required by applicable laws or regulations or prudent for workplace safety, supplier shall not require pregnancy or medical tests and shall not improperly discriminate based on test results.

**Respect for Community Rights to Land:** Suppliers shall respect the rights and titles to property and land of individuals, indigenous peoples and local communities. Negotiations regarding property and land shall adhere to principles of free, prior and informed consent, as well as contract transparency and disclosure.

## **HEALTH AND SAFETY**

**Working conditions:** Suppliers shall provide a safe and hygienic work environment, as appropriate for the industry, geography and workforce.

- Adequate steps shall be taken to prevent accidents and injuries to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonable practicable, the causes of hazards inherent in the work environment.
- Workers shall receive applicable health and safety training.
- Where needed, workers are to be provided free of charge with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards.
- Suppliers shall respect workers' right to refuse unsafe work and to report unhealthy working conditions.

**Emergency Preparedness:** Potential emergency situations and events (such as fires, earthquakes, and chemical exposures) are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures. In buildings, emergency exits must be unlocked and unblocked at all times.

**Basic services:** Workers shall have access to potable drinking water and clean toilet facilities at all times at the workplace and at any company- or third party-provided housing, as well as sanitary food preparation, storage and consumption areas.

**Accommodation:** Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws. Accommodation should meet or exceed the basic levels afforded in the local community. Workers shall have freedom to enter and leave at will.

## **ENVIRONMENTAL SUSTAINABILITY**

JDE is mindful of our effect on our surrounding environment and willing to take steps to lessen our impact. To this end, we implement sustainable practices worldwide, striving to meet or exceed environmental laws and regulations. We seek to conserve resources, minimize waste and valorise it where possible, and make efficient use of water, energy, CO2 and raw materials. We expect our Suppliers to adopt similar standards of environmental excellence.

**Resource consumption, pollution prevention and waste minimization:** Business is conducted in a manner which proactively embraces sustainability. Suppliers shall optimize their consumption of natural resources, including energy, CO2, water and contribute to re-use and recycling of materials and products.

**Environmental impact management:** Business is conducted in a manner which reduces environmental impact. As such, suppliers will measure and minimize the environmental impact of their facilities and operations, including air and greenhouse gas emissions, water (whether in a production process, for irrigation, or for other uses), contamination and waste.

**Hazardous materials and product safety:** Suppliers shall identify and reduce the use of hazardous materials, chemicals and substances. Suppliers will also ensure their safe handling, storage and disposal. All applicable employees shall be aware of and trained in related safety procedures.

## **POLICIES, PROCESSES AND PROCEDURES**

Suppliers will develop and enforce policies and procedures to ensure compliance with all aspects of this Code. This includes ensuring transparent and accurate record-keeping and maintaining such records to demonstrate compliance with applicable laws and this Code. Such records, policies and procedures shall be made freely available to JDE upon first request.

Grievance mechanisms: Suppliers shall have systems in place to enable fair, confidential and anonymous grievance reporting and follow-up without fear of reprisal. This includes worker whistle blower protections.

Quality and safety: Apply rigorous safety and quality standards throughout the supply chain. Comply with all product quality and safety standards, including current Good Manufacturing Practices, laws, and regulations. Immediately report and address any product or safety issues.

## **CONTINUOUS IMPROVEMENT AND REPORTING OF CONCERNS OR VIOLATIONS**

JDE expects suppliers to continuously improve their performance in line with this Code.

Suppliers of JDE have a duty to report any actual or suspected misconduct that involves or impacts the Company. This is true whether it is a violation of this Code or applicable laws, and whether it is committed by our Suppliers or our own associates. Reporting these types of concerns helps our Company proactively address issues and maintains the integrity of our business relationships.

In addition to your company's own internal reporting resources, you have resources available to you through JDE, including:

- The Alert Line <https://wrs.expolink.co.uk/JDE>
- Our Supply Chain, Procurement, and/or Compliance Departments
- The Ethics and Compliance team at [Ethics.compliance@JDEcoffee.com](mailto:Ethics.compliance@JDEcoffee.com)

The Alert Line is maintained by an independent third party provider—it is not staffed with JDE associates. It is available online to all of our Suppliers worldwide, and is accessible by telephone in most of the locations in which we operate. Operators are available in the various languages our suppliers and their associates speak.

You may contact us any time at:

Reporting tool: <https://wrs.expolink.co.uk/JDE>

Email: [Ethics.compliance@JDEcoffee.com](mailto:Ethics.compliance@JDEcoffee.com)

Company website: [www.jacobsdouweegberts.com](http://www.jacobsdouweegberts.com)

## **RISK ASSESSMENTS & AUDITS**

JDE reserves the right to verify our Suppliers' compliance with the Code through self-assessments, audits or other monitoring activities. In the event that JDE becomes aware of any actions or conditions that violate our Code, we will request that corrective action be taken by the Supplier. Furthermore, JDE maintains the right to terminate an agreement with any Supplier who does not comply with this Code.