



I. Purpose

Mercon Coffee Group (“Mercon”) is committed to high standards of business ethics and sustainability. This Code of Conduct defines the minimum standards that we ask our suppliers to respect and adhere when conducting business with Mercon.

II. Scope

Applicable to: All suppliers of Mercon Coffee Group.

III. Guidelines

By agreeing with this Code of Conduct, the supplier commits to:

- 1) **Business Ethics:** Suppliers are expected to conduct their business in an ethical manner and act with integrity in order to:
 - a) Operate in full **compliance with all laws and regulations** applicable to its business.
 - b) Not to practice or tolerate any form of **corruption, extortion, and bribery**. Suppliers will not offer or accept bribes to or from their business partners. Suppliers are expected not to offer Mercon’s employee’s gifts or any other kind of personal benefits resulting from their relationship.
 - c) Safeguard and make only appropriate use of **confidential information** to ensure that all employees’ and business partners’ privacy and valid intellectual property rights are protected.
 - d) Avoid all **conflicts of interest** or situations giving the appearance of a potential conflict of interest in its dealings with Mercon. Mercon expects suppliers to report any situations of actual or potential conflicts of interest between the personal interests of any employee and the interests of Mercon.

- 2) **Labor Standards:** Suppliers are expected to protect the human rights of their employees and treat them with dignity and respect to:
 - a) Avoid any sort of **child labor** in their business operations in compliance with the International Labor Organization and labor standards. Child labor is prohibited in our supply chain.
 - b) Refrain from using any form of **involuntary labor** including forced, prison or debt-bonded labor.
 - c) Promote **equal opportunities** for all and valuing **diversity**.
 - d) Provide to their employees with a **workplace free of harsh and inhumane treatment**, without any form of sexual harassment, sexual, physical, verbal, or psychological abuse, or the threat of any such treatment.
 - e) Ensure that all wages meet **local minimum wage requirements**. Standard working hours must not exceed legal limits and over time must not exceed the maximum allowed by law and should be adequately compensated.
 - f) Respect the right of **Freedom of Association** and **Collective Bargaining** in accordance with all applicable laws and regulations.

- 3) **Health and Safety:** Suppliers are expected to provide a safe and healthy working environment and to operate in a responsible and efficient manner. Suppliers must make proper provision for



the health, safety and the welfare of their employees, contractors, visitors and those in the community who may be affected by their activities.

- 4) **Environment:** Suppliers shall care for the environment. They commit to:
- a) Use environmental practices that avoid **deforestation** and protect against **conversion** of natural and critical habitats that lead to loss of biodiversity.
 - b) Consume water efficiently by avoiding **pollution or contamination of water sources and conserving water resources**.
 - c) **Minimize, re-use, and recycle waste** where possible and **dispose of waste** in a responsible way.
 - d) Apply best agricultural practices that enhance **soil fertility and prevent erosion**.
 - e) Use **agrochemicals** consistent with **good agricultural practices** and **not prohibited** by local regulations¹.
 - f) Use **renewable** and **non-fossil fuel energy**, as well as climate friendly products wherever possible to minimize greenhouse gas emissions.
- 5) **Local Communities:** Suppliers are expected to respect and support local communities and their legal and customary land rights.

Mercon expects all its suppliers to share the principles which are expressed in this Supplier Code of Conduct. Mercon's general approach is to encourage improvement. Critical deviations or repeated unwillingness to make progress, may jeopardize the supplier's relationship with Mercon. Adherence to the Code is a requirement in every Mercon contract for supply.

¹ Mercon will not purchase, store, use, manufacture, or trade in agro-chemicals products that fall in WHO recommended Classification of Pesticides by Hazard Ia (extremely hazardous) or Ib (highly hazardous). For agro-chemicals products falling under WHO Class II, Mercon will define and implement appropriate controls on manufacture, procurement, or distribution and/or use of these products.