

# Manner



**SUPPLIER CODE OF CONDUCT**

**2023**



# Supplier Code of Conduct

of Josef Manner & Comp. AG



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## 1 Introductory remarks

### 1.1 Objective

This Supplier Code of Conduct (SCoC) was drawn up by Josef Manner & Comp AG for suppliers, co-packers and licensees in order to ensure social and ecological compliance and the associated corporate responsibility along the entire supply chain in addition to existing agreements and contracts.

The background for social sustainability is provided by legal regulations from Austria, Germany and the EU, which impose far-reaching human rights due diligence obligations on companies along their supply chains. The human rights requirements set out in this SCoC are also largely based on the *Core Labour Standards of the International Labour Organization* (ILO Core Labour Standards), the *OECD Guidelines for Multinational Enterprises* and the ten principles of the *United Nations Global Compact* (UN-Global Compact).

The SCoC of Josef Manner & Comp AG is binding for suppliers, co-packers and licensees, whereby provisions already made in existing contracts remain unaffected.

### 1.2 Scope of application

The SCoC of Josef Manner & Comp AG applies to suppliers, co-packers, licensees as well as their upstream suppliers and their business partners across all stages along the entire supply chain - regardless of whether the upstream supplier is directly or indirectly connected to the supplier, co-packer, licensee or other business partners. The extent to which the upstream companies are included in the responsibility and liability for compliance with the SCoC depends on the contractual requirements of the suppliers, co-packers and licensees. In the following, Josef Manner & Comp AG is referred to as "Manner" and the suppliers/subcontractors, co-packers and licensees as well as their upstream companies as the "Company".

## 2 Governance

This chapter explains the governance topics of responsibilities, reporting and codes/certifications.

### 2.1 Responsibilities

The implementation of all sustainability activities within the company is ensured by a management department or staff unit responsible for this. It is expected that the implementation of social-ecological requirements will be ensured through appropriate measures.

### 2.2 Reporting

The company is required to provide Manner with information on non-financial aspects. Upon request, Manner must be provided with all information about the company's own business and its suppliers, co-packers and licensees that Manner, its affiliated companies or its customers require for non-financial reporting. This information should cover in particular the areas of employee matters, social matters, human rights, corruption, diversity, environmental matters and the associated risks and concepts pursued.

## 3 Social responsibility

Manner is aware of its social responsibility in its own business area and along the supply chain. In addition to complying with national laws, internationally applicable guidelines and national and international industrial standards, companies are expected to ensure that production and working conditions are in line with the requirements of the internationally recognized ILO conventions, the UN Global Compact and the OECD guidelines for multinational enterprises. Manner and its suppliers, sub-suppliers, co-packers and licensees aim to continuously improve social standards and the human rights situation along the supply chain.

Manner is entitled to carry out appropriate checks at the company itself or through an external service provider to the extent necessary to fulfil its own due diligence obligations. If, in Manner's opinion, a violation has occurred, the company must immediately implement, document and report suitable remedial measures.

In the following, the mandatory obligations to be observed by companies in the areas of child labour, forced labour, discrimination, remuneration, working hours, disciplinary measures, employment contracts, freedom of association, health/safety, unlawful forced eviction and unlawful land confiscation as well as complaints mechanisms are explained in more detail.

### **3.1 Child labour**

Manner fundamentally rejects all forms of child labour. This applies in particular to the worst forms of child labour, such as slavery, child trafficking, use in armed conflicts, prostitution, pornographic performances and the trade or production of drugs. It is assumed that the minimum age for admission to work in accordance with ILO Convention No. 138 is not less than the age of completion of compulsory education in the respective country and in no case less than 15 years. Employees under the age of 18 are excluded from work that is considered dangerous, unsafe or harmful to health.

### **3.2 Forced labour**

Forced or compulsory labour is any type of work or employment that is not voluntary and is performed under threat of punishment. No one may be employed or forced to work against their will, not even in the context of prison labour. The ban covers all forms of slave-like practices, servitude and oppression.

### **3.3 Discrimination**

Equal opportunities and equal treatment is a cornerstone of social sustainability for Manner. Therefore, discrimination, whether based on gender, age, religion, ethnicity, origin, disability, marital status, sexual orientation, political opinion, membership in a workers' organization and trade union or other personal characteristics (e.g. skin colour), is inadmissible and must be avoided. Decisions on the type and manner of employment are made exclusively on the basis of the employee's abilities.

### **3.4 Employment contracts**

The company is obliged to provide employees with a written employment contract where required by law. It is strictly forbidden to withdraw or withhold personal identification documents of any kind from employees.

### **3.5 Remuneration**

Remuneration must cover the customary local cost of living and may not be below the customary local minimum wage. A portion of the remuneration must be left to the free disposal of the employees and the respective legally prescribed social benefits must be complied with. Deductions from wages as a disciplinary measure are not permitted. Wages must be paid in a manner that is practical for the employees. Employees must be regularly informed about the composition of their remuneration in a form that they can understand.

### **3.6 Working hours**

Working hours must in all circumstances comply with the applicable law or the applicable collective agreement. Work breaks shall be granted in accordance with applicable law.

Employees' working hours must be documented and remunerated in accordance with the applicable legal provisions. Overtime must be voluntary or regulated by a contract or collective agreement. Employees are entitled to at least one day off after six consecutive working days. In addition, the rest periods between working hours prescribed by applicable law must be observed.

### **3.7 Disciplinary measures**

All forms of harassment, infliction of physical or psychological harm, abuse and intimidation are prohibited. Only disciplinary measures that are in accordance with national laws and internationally recognized human rights will be tolerated. All employees must be treated with dignity and respect.

### **3.8 Freedom of association**

It is a firm condition that the company recognizes and upholds employees' freedom of association. Employees may join employee representative bodies or trade unions of their choice or form them themselves. Membership of such an association must not lead to employees being favoured or disadvantaged.

### **3.9 Health and safety**

The health and safety of employees in the workplace must not be endangered under any circumstances. The company must ensure that the working environment is hygienic and safe. Fundamental to this are, as far as practicable, clean sanitary facilities, adequate lighting, ventilation and heating systems, sufficient drinking water and regular safety instructions and training. This also includes protection against fire, extreme heat or cold and toxic substances. In the event of illness, employees have the right to be absent from work after providing appropriate proof. In addition, access to health care must not be denied. It must be ensured that employees are provided with appropriate protection at work (e.g. protective clothing, ear protection). If dormitories are provided, hygienic and safe conditions must be guaranteed in accordance with the circumstances. In addition, it must be ruled out that private or public security forces are commissioned or used whose deployment would violate environmental or human rights obligations.

### **3.10 Unlawful forced eviction and unlawful land confiscation**

Land, forests and bodies of water that are used to secure livelihoods may not be unlawfully taken from the persons concerned, nor may this area be unlawfully evicted. The company is obliged to rule this out when acquiring, building on or otherwise using land, forests and waters. In particular, the needs of local populations and vulnerable groups must be taken into account.



### 3.11 Complaints mechanisms

The company shall ensure that effective and confidential complaints mechanisms are established at company level throughout the supply and production chain for individuals and associations that become aware of violations of the obligations set out in this SCoC. It must be ensured that the person or association making the complaint is not disadvantaged or penalized. The responsibilities within the complaints system must be clearly assigned. The person or association making the complaint must be informed of the receipt of the complaint. The complaints system must fully document all complaints received and maintain the confidentiality of the information and the identity of the person or association making the complaint at all times. The complaints system should be multilingual and accessible to the public via suitable media, such as email, telephone, websites or similar.

## 4 Ecological responsibility

The protection of nature and the environment is an integral part of Manner's actions, both in its own business area and at its suppliers. The company must comply with the applicable legal requirements for nature and environmental protection and strive to continuously reduce and avoid environmental pollution and to constantly improve environmental protection measures. Applicable procedures and standards for waste management, the handling of chemicals and other hazardous substances and their disposal, as well as for emissions and wastewater treatment must be complied with. Environmentally and socially compatible production is to be promoted. Responsible and efficient use of resources is a prerequisite at all stages of the value chain and in all phases of the product life cycle. The consumption of resources should be continuously reduced.

Manner is entitled to carry out appropriate checks itself or through an external service provider at regular intervals and on an ad hoc basis. If, in Manner's opinion, a violation has occurred, the company must immediately implement, document and report suitable remedial measures.

### 4.1 Handling hazardous substances and waste

Only ingredients and materials that meet the legal requirements may be used. The current state of scientific knowledge and the recommendations of the relevant national and European scientific institutions must always be taken into account. Ingredients and materials are carefully selected, taking a holistic approach.

Hazardous substances, chemicals and materials must be labeled and safe handling, storage, transportation, recycling and disposal must be ensured in compliance with all applicable laws and regulations relating to hazardous substances, chemicals and materials. The company must ensure that applicable substance restrictions and product safety requirements are observed.

In particular, compliance with the requirements of the Minamata Convention on the Use of Mercury of October 10, 2013, the Stockholm Convention on Persistent Organic Pollutants of May 22, 2001 and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 is mandatory.

Negative environmental impacts, in particular possible deforestation, water pollution, air pollution, soil pollution or threats to biodiversity, must be taken into account. In addition, any use or suspicion of genetically modified organisms (GMOs) must be reported to Manner immediately and discussed jointly.

## 5 Risk management measures

The company is obliged to continuously monitor and document potential sustainability risks and the requirements from chapters 3 and 4, both in its own business area and along its supply chain, and to report to Manner on request. To this end, this chapter defines measures in the areas of "*Issue monitoring and risk analysis*" and "*Risk prevention, control and sanctioning*". The measures are to be implemented regularly and on an ad hoc basis and their effectiveness reviewed. The company is obliged to implement targeted and appropriate measures across the entire supply chain and all locations to ensure compliance with the requirements set out in this SCoC. The results of the implementation and review must be reported to Manner on request and on an ad hoc basis. Manner reserves the right to request these reports without specific cause. The audit may be carried out by Manner or by an external service provider commissioned by Manner.

### 5.1 Risk analysis, monitoring and management

*Risk monitoring:* The product groups, raw materials and countries of origin selected by Manner are monitored in order to identify legal, economic, social and environmental events with risk potential that are relevant to the company and Manner. Events identified as critical must be documented immediately and reported to Manner.

*Hot spot analysis:* For products selected by Manner, a hot-spot analysis is carried out to identify particular social and ecological parameters throughout the entire product life cycle. After consultation with Manner, abiotic and biotic materials, energy consumption, water consumption, land use & biodiversity, waste, water emissions, air emissions, working conditions, social security, training & education, occupational health and safety, human rights, income, and consumer health are selected as the categories under consideration. The categories can be adapted by Manner as required.

*Risk classification:* The identified risks are assessed within a risk matrix according to the extent of damage and probability of occurrence and categorized as "low", "medium" or "high".

Appropriate preventive and, if necessary, remedial measures must be taken depending on the level of risk. If damage occurs, this must be reported to Manner and, if necessary, a concrete schedule for implementing and evaluating further measures must be drawn up together with Manner. The results of the risk classification must be documented and reported to Manner on request.

## 5.2 Implementation, monitoring and sanctioning

*Code of Conduct:* The company must record its ethical principles and behaviour in a Code of Conduct (CoC). This CoC is binding for all employees of the company and must be presented to Manner upon request. The requirements set out in this SCoC are to be integrated analogously into the company's own CoC and must be kept up to date at all times. The same applies to all suppliers of the company.

*Conducting of trainings in relevant business areas:* Employees are to receive regular training on environmental and social risks. All trainings should be documented in a binding manner.

*Development and implementation of suitable procurement strategies and purchasing practices:* Procurement strategies and purchasing practices are to be designed in such a way that environmental and social risks are reduced to a minimum. This includes a risk-based review of the supply chain and ongoing monitoring of existing suppliers.

*Contractual safeguarding:* The expectations along the supply chain with regard to socio-ecological aspects must be set out in legal transactions. Compliance with and implementation of these expectations are therefore guaranteed and are binding. Manner reserves the right to sanction violations to the extent permitted by law and contract, for example by temporarily suspending the supply relationship. The company's employees are obliged to participate in trainings and further education to enforce the contractual assurance.

*Supplier survey:* Supplier surveys must be conducted quarterly/semi-annually/annually and/or on an ad hoc basis. The frequency depends on how the supplier is classified within a risk classification. A risk supplier must be surveyed more frequently. The evaluations and results of the supplier surveys must be documented and disclosed in detail to Manner on request.

*Certification systems / standards (social and environmental standards):* Manner reserves the right to demand certifications that ensure a social or ecological standard for certain raw materials and countries that are associated with an increased sustainability risk or where a negative impact in terms of sustainability is to be expected.

*Audits and risk due diligence:* The company, including all locations, must check compliance with the requirements of this SCoC by means of a self-audit. In addition, Manner is entitled to

audit the company itself or have it audited by an external service provider commissioned by Manner on a random basis without specific cause, but after consultation and notification. Audit reports shall be submitted to Manner upon request. Manner is entitled to carry out a risk due diligence itself or have it carried out by an external service provider without a specific reason, but after consultation and notification. This risk-oriented review is essentially a company inspection and inspection of documents for risk prevention and future avoidance of potential ecological or human rights risks in the company and along the supply chain. If there are deviations or violations of the contents listed in this SCoC, the company must propose remedial measures to Manner. An action plan must be drawn up, documented and, if necessary, agreed with Manner, which, in addition to the individual measures, names the respective responsible parties and defines precise deadlines for implementation.

If the requirements listed in this SCoC are violated or a measure is not complied with, Manner has the right to sanction the company. The type and extent of the sanction depends on the type and extent of the company's violation of a requirement or measure. It is at Manner's discretion to assess the extent of a violation and the associated sanctions. The sanctioning measures include the imposition of additional requirements, an increase in the inspection intervals, temporary suspension of the supply relationship and/or termination of the supply relationship. The actual decision to implement individual measures is made by those responsible at Manner, taking into account the identified risks, existing complaints and requirements as well as the severity of the violation. The legal consequences are based on the contractual and legal possibilities. The specifications and measures of this SCoC can be adapted at any time at the discretion of Manner, but in agreement with the company.



By signing this document, the person responsible for the company confirms compliance with and approval of all the requirements and measures specified in this SCoC.

Signature

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Name

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Function

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The company

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## Overview of relevant laws, standards and conventions

The laws, standards and conventions listed below are an integral part of this SCoC and are therefore binding.

- The German law on corporate due diligence obligations in supply chains (Lieferkettensorgfaltspflichtengesetz - LkSG)
- International Covenant on Civil and Political Rights of December 19, 1966
- International Covenant on Economic, Social and Cultural Rights of December 19, 1966
- The "Global Compact" of the United Nations
- The ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 18.06.1998 (ILO Core Labour Standards)
- ILO conventions on social and labour issues (29 / 87 / 98 / 100 / 105 / 111 / 138 / 155 / 182 / 187)
- OECD Guidelines for Multinational Enterprises
- Minamata Convention on Mercury of October 10, 2013 (Minamata Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989 (Basel Convention)
- Stockholm Convention on Persistent Organic Pollutants of March 22, 2001 (Stockholm Convention/POP Convention)