

Our Code of Conduct

Because we care, we connect and we take our responsibility.

Revision - August 2022



BARONIE

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Foreword from the Board

Our Code of Conduct guides us to put our values and commitments into practice – throughout the company, and in everything we do.

It helps us to make informed choices, focused on our daily working environment and the challenges we face. It helps us navigate through areas and situations where responsible conduct and ethical decision-making are critically important.

Each of us is responsible for ensuring we understand Baronie's policies and procedures, and for maintaining the high ethical standards in every aspect of our work – even when our Code of Conduct provides no direct guidance. Integrity is the essential ingredient of our success.

Our Code of Conduct cannot cover in detail the wide variety of situations we may encounter. So sometimes, you might face a situation where the right thing to do, is not obvious. That is where our Code of Conduct can help. This behavioral code should be used as your guide to preserving our reputation and living our values. While the Code cannot answer every question, it can show you where to go for guidance when the answer is not clear.

We are always expected to show both integrity and common sense. When in doubt, speak up and ask for help.

Fons Walder (Sr.)

Jean-Marie van Logtestijn

Fons Walder

Guy Walder

Introduction

This Code of Conduct reflects the adoption of corporate responsible business practices, which is an essential element in fostering a culture of ethics and integrity within our business.

Our ethical values are founded on these principles, with an emphasis on integrity, righteousness and respect for all. Integrity is intrinsic to how we conduct our business. We act with integrity whether engaging with internal or external contacts. This is the foundation for all transactions in the company.

Our Code of Conduct (referred to as 'Code') is based on the following [three guiding principles: we care, take our responsibility and connect](#). These principles reflect the values of Baronie, which are:

- Strive for excellence on quality and efficiency
- Simplicity in execution
- Passion for our products
- Sustainable entrepreneurship
- Ambition

Our Code is inspired by the following international guidelines and principles:

- Ethical Trade Initiative (ETI) Base Code
- Universal declaration of human rights
- United Nations Global Compact (UNGC)
- United Nations (UN) Guiding principles on business and human rights
- Organisation for Economic Cooperation and Development (OECD) Guidelines for multinational enterprises
- International Labour Organisation (ILO) Declaration on fundamental principles and rights at work, Convention 182 concerning the worst forms of child labour and Convention 138 concerning minimum age for employment.

These are primary guidelines and principles. Baronie or its individual sites, are allowed to formulate additional local policies, but these must not conflict with this Code.

We take pride
in **caring** for
our people, our
products and our
environment.

This results in delivering quality in every bite.



1. We care

1.1 Validity

Our Code is all-inclusive, it applies to all employees within Baronie, for all our sites and all roles within the company. It should be seen as a mutual responsibility for ALL.

Our supply chains are appraised not only for business performance, but also to ensure that those companies we collaborate with share our principles and echo our values. Our Code also applies to our stakeholders and is aligned to support our customers' values.

1.2 Laws and ethical behavior

We conduct our business with respect for applicable national and international laws and regulations, food standards, ethical standards and relevant legal requirements. Approaches may differ depending on prevailing country law. In case of conflicts between local legal requirements and this Code, we apply the higher standard. The commitment of our stakeholders is of critical importance.

The purpose of this Code is to define the ethical behavior that we expect from our employees, as well as our stakeholders. This safeguards the reputation of our company and provides strength to our business. Ethical behavior is characterized by honesty, fairness and equality in all relationships. We respect the dignity, diversity and rights of individuals and groups.

1.3 Fair competition and antitrust

In all our interactions with stakeholders, we avoid any actions that can restrict fair competition. Competing fairly and equitably within the applicable national and international antitrust and competition laws, we will not engage in business practices or exchange information with other stakeholders that limits free competition.

1.4 Anti-corruption and bribery, gifts and entertainment

Baronie conducts an all stakeholder engagement with an honest and ethical approach. From supplier to customer, we ensure that this is intrinsic to what we do. Our employees are ambassadors of these principles to ensure an open approach in business transactions and will not accept gifts or bribes of any kind.

1.5 Our people

Our people are important to us, they are our driving force to optimize quality within our culture and to enhance continuous improvement throughout the business. Our goal is to combine employee and customer satisfaction with production of high quality products. We are convinced that we can only achieve this with the participation, commitment and involvement of all our employees. Our daily practice is based on their ideas, experience and craftsmanship. We respect, support, trust and motivate each other. These practices enable us to have a long-lasting and trusting relationship in our company with all our employees, as well as with our external stakeholders. We care for the consumers of our products and aim for the highest level of consumer satisfaction. A crucial element of our consumer satisfaction is caring for their well-being, through relevant and responsible product offerings.

1.6 Our product

We are a bean-to-bar organisation that takes pride in delivering quality in every bite. We manufacture products that are consumed worldwide. Our products provide quality and consistently deliver product safety and integrity. This journey begins with the careful selection of raw material suppliers, as well as monitoring and evaluation of our production processes.

Dealing in a sustainable and conscious way with the resources used for our products is important to us. This includes the product itself, as well as the packaging and the production of the product. Adopting this view means we manage to provide a high quality product as well as contribute towards the protection of our planet at the same time.

1.7 Our environment

Complying with all relevant environmental laws, rules and regulations is the basis for our operations. Employees have the resources and receive direction on how to deal appropriately with environmental matters.

Baronie is committed to deal responsibly with natural resources and protect the environment. We do this by conserving natural resources to reduce the environmental impact of our business. The reduction of our carbon footprint is an important objective; in order to deliver this goal we take various tailored measures in our sites, such as environmentally friendly production methods and increasing our use of energy from renewable sources.

Our employees and stakeholders have a precautionary approach to environmental challenges. We undertake internal and external initiatives to promote greater environmental responsibility and encourage the development and investment of eco-friendly technologies in our business. Waste and water management are topics that we address at a site level. We have a range of technologies employed across Baronie, such as hydropower and also on-site partners with local business in order to achieve 'zero to landfill'. We contribute to partnerships/initiatives that enhance environmental awareness and review strategies in our direct environment as well as in our supply chains.

1.8 Sustainability

We take responsibility for the need to protect the environment, public health and safety by conducting our activities in a way contributing to the wider goal of sustainable development. We strive to demonstrate a high standard of business ethics, in relation with our business partners and with respect for the environment and human rights.

Sustainability is important to us in every step of the supply chain. This relates to all aspects of our business from our raw materials to the energy usage in our factories. We have passion and drive to make commitments in this area and recognise how our contribution can aid in ensuring the future of the supply chains within the industry that we operate in. Business partners also need to ensure the provision of decent working conditions that support workers, both women and men, especially with regard to vulnerable groups.

Our own employees and direct stakeholders are not our only focus, we also pay special attention to the living and working conditions in the countries of origin of our raw materials. In close cooperation with several stakeholders, we address challenges within the global market that require action in various platforms and are members of groups driving change in the industry

As a Group, we maintain various different licences such as Rainforest Alliance, Fairtrade, Organic and Round Table of Sustainable Palm Oil (RSPO) and are able to provide origin statements for Swiss and Belgian chocolate. As part of mass balance and segregated programs, we maintain traceability of volumes in order to ensure that our volume commitments are closely monitored.

We are transparent about our journey, which has over time evolved into a diverse range of involvement in sustainable initiatives. For in-depth details of Baronie's social and sustainability program, the annual sustainability report is publicly available for all stakeholders.

1.9 Financial

Our financial records are handled with care and must always be accurate, complete, fair and finalized on time. We ensure that financial data is handled confidentially and records are stored in accordance with the relevant laws and regulations. We work in compliance with accounting standards and cooperate with internal and external auditors at all times. We make careful use of company resources and have clear procedures for a consistency in daily work. The company operates strict financial procedures in order to ensure that we responsibly operate to protect the future of the company for all employees within our business.

1.10 Safeguarding company assets and reputation

All employees have the responsibility to protect Baronies' information, assets and interests. Company property has to be used responsibly. This includes tangible items, but also covers intellectual property, for example ideas, creations and concepts. All rights to property and commercially sensitive information generated or obtained as part of employment with the company remain exclusive property of the company, unless otherwise provided by law.

It is a **shared
responsibility**
for every single
one of us.

We should all help to promote a working environment
that is consistent with our company's principles.



2. We take our responsibility

2.1 Human rights

Baronie recognises the ability that we, together with our stakeholders, have to contribute to positive human rights in our supply chains. We observe and support the principles of the UN, ILO and OECD in relation to fundamental human rights, throughout our supply chain. Our Code and business policies are based on the 9 principles of the Ethical Trade Initiative (ETI) Base Code:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practiced
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

Our company implements various ethical procedures in order to ensure compliance to the principles we adopt. It is a shared responsibility for all of us to help promote a working environment consistent with these principles.

2.2 Child and forced labour

We respect and embrace clear standards on human rights. We adhere to the corresponding laws and standards such as prevention of forced and child labour, human trafficking and other illegal practices. We condemn and reject child labour, illegal, abusive or forced labour. Any kind of exploitation of children or adolescents is not tolerated by our business.

We are educated in the risks associated with the origins we procure from and the supply chains involved in cocoa. Our organisation adopts a socially responsible approach to business and is sensitive to threats within the industry we operate. Together with our stakeholders we work closely, to ensure that there is no modern slavery or human trafficking happening in any element of our business.

If at any point we have concern over our supply chain, immediate action will be taken, our relevant partners informed and we will cooperate with relevant authorities.

2.3 Freedom of association

Freedom of association is a fundamental human right proclaimed in the Universal declaration of human rights. We adhere to relevant laws and the international labour standards, such as the ILO Conventions: ILO Convention 87 on Freedom of association and ILO Convention 98 on the right to organise and collective bargaining.

Workers and employees, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

We guarantee our employees freedom of association and have an open attitude towards the activities of trade unions, workers councils and their organisational activities. Under no circumstances may the exercise of such rights be met with threats of reprisal. We expect the same from our stakeholders.

Workers' councils are in place in all our entities and workers' representatives are elected democratically among workers. Individuals are given reasonable time to attend and facilitate their roles as representatives.

Our company is proud of the representative workers and ensure that management does not punish, bribe or otherwise influence members of these councils. We are committed to ensure no retaliation will occur for any individual as a result of their affiliation to workers groups.

2.4 Living wages and working hours

Employees are paid a wage that at a minimum meets the national legal standard. All employees are provided with a written and understandable contract of employment, which sets out the amount, payment date and how they are paid before joining the company. Deductions from pay are only carried out if they are permitted by law or with the expressed permission of the employee.

Working hours comply with national laws and any collective agreements that are in place. Overtime is voluntary and will not be used as a substitute for regular employment. Given the nature of local employment laws, for further information please refer to local policy.

2.5 Healthy, safe and secure working environment

Our priority is to ensure that all internal and external stakeholders are healthy, safe, motivated and satisfied. We have a zero tolerance to operating under the influence of drugs or alcohol, this common rule is across all of our sites and all workers are communicated the policy upon joining the business.

National and international regulations for securing health and safety at work are adhered to. We are committed to ensuring a safe and healthy workplace by minimising the risk of accidents, injuries and exposure to health risks. We engage with our employees through various channels to continuously improve health and safety in our workplaces.

2.6 Equal opportunities

Our commitment is to fairly treat employees and stakeholders. We ensure that our working practices support an inclusive culture, which embraces difference. We select all candidates based on their skills, qualifications and experience. In order to promote equal opportunity within the company we attract individuals with the right mix of talent and skills. The business nurtures employees in order to reach their potential. We do not factor our decisions based on race, ethnicity, nationality, gender, religion, sexual orientation, age or physical/mental disability. We operate within an environment of mutual respect, which extends to our employees and stakeholders.

Each one of us has the personal responsibility and duty to help promote a working environment consistent with a policy of equal opportunity.

2.7 Conflict of interest

Our personal interests must not influence our business decisions. We take the necessary precautions to avoid situations where personal interests conflict with that of Baronie. Our expectation is that all our employees and stakeholders recognise and avoid any situation that involves a conflict of interest.

2.8 Harsh or inhuman treatment

Our business does not condone the use of physical abuse or punishment, threats of physical abuse or any form of harassment. This includes sexual harassment and any other types of cross-border behaviour. Verbal abuse as well as other forms of intimidation are not tolerated and corrective action will be taken according to the relevant regulations and procedures in a serious manner.

Every individual has the responsibility to ensure that they do not discriminate against or harass fellow employees, customers or suppliers.

2.9 Privacy

Baronie is compliant with the applicable privacy laws for each country they operate from and expect the same from our stakeholders. We protect our employee's privacy and security of personal data. Personal data may only be used for legitimate business purposes and in line with applicable laws. The EU General Data Protection Regulation (GDPR) is adhered to at all times. Employees that access personal information in the course of their job role must ensure that the information is not misused, lost or disclosed.

We fulfil our
commitments,
because we
connect with our
people.



3. We connect

Baronie fulfils its commitments because we connect with our people; employees, suppliers, customers, consumers and other stakeholders. This enables us to create products, which are safe, produced under fair conditions and contribute to a more sustainable world.

We are all global citizens that share responsibilities to advocate a sustainable way of working. Through the people in our supply chains we are connected all over the world. From farmers producing the raw materials to the consumers who enjoy the final product.

Our strive for quality and excellence makes everyone involved smile, worldwide. We have been doing this for over 100 years and will continue to do so. We are driven by passion and perfection, empowered by the ambition to further strengthen our role as partners in chocolate. This would not be possible without our people. We are determined to make a difference because we care and find it important to ensure the future of our supply chain and the people who operate in it.

3.1 Creating together

We manufacture branded products and private label which are distributed all over the world. Our organisation is dynamic and responds efficiently when implementing ideas, utilising expertise and resources to deliver the vision of our customers. Our heritage and experience in the industry strengthens our brands and enables us to assess global markets in order to maximise the satisfaction that we offer our consumers.

Each site has a purpose within the Group. We all work together to provide the infrastructure that offers our customers an extensive product range as well as the ability to provide expert knowledge at a product level.

Our staff are qualified and passionate about their craft, working efficiently with a high level of knowledge and professional experience.

3.2 Working with our partners

We successfully collaborate with our suppliers, customers and other stakeholders and are clear to our suppliers about the standards that we expect them to uphold. We carefully select suppliers that align with our principles in order to hold the same benchmarks as our business. The effectiveness of our partnerships is reflected in the high quality of our products that we pride ourselves on. We believe in cooperation and dialogue with our suppliers on compliance with this Code of Conduct.

Business obligations are honoured and our stakeholders are expected to do the same. Based on a relationship of mutual trust we create long lasting partnerships during which we strive to connect entities in the supply chain through open and honest communication.

If we, on reasonable grounds, believe that the supplier does not show sufficient commitment to this Code then we will not hesitate to terminate the business relationship.

And **we will**
continue to care,
connect and take
our responsibility.

Successfully upholding the principles of the Code is
our mutual responsibility.



4. Future of our Code

We publish our Code on our company website in order to display our expectations clearly to all stakeholders. All stakeholders need to embrace the principles laid down in this Code in order to conduct business with us or work within our company. Suppliers have the responsibility to continue to review and keep up to date with our latest Code, we cooperate and encourage dialogue with our stakeholders to ensure that high standards of behaviour are maintained.

The Code is reviewed by the steering group as appropriate in order to ensure that it continues to reflect the high standards of our company. The commitment to follow the Code is made by every individual in our company, regardless of their position. We believe that in order to succeed in our business we all need to be aligned on our own expectations as well as that of others. It is important that the family values of which our company was founded on, continue to shine throughout our business.

Upholding the principles of the Code is the responsibility of each of our employees and stakeholders. The Code provides a foundation in order to guide its reader on the expectations of our company concerning ethical behaviour and business conduct. If the company has reasonable concerns that the Code is not being followed then the business will take decisive action. For a supplier this may include the termination of the partnership and business arrangements.

Each site within Baronie has a confidential whistleblowing process in place and therefore we urge employees to utilise this way of sharing any concerns if they cannot raise them with their line manager. Any partner that wishes to raise concerns, questions or ask advice on the content of this document can also revert to your company contact or alternatively please email ethics@baronie.com for further information.