

**KANDIT**

**CODE OF CONDUCT  
FOR BUSINESS PARTNERS**

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# CODE OF CONDUCT

## FOR BUSINESS PARTNERS

Kandit d.o.o. conducts business professionally, ethically and in accordance with all applicable laws. We expect all Business Partners to comply with this Code of Conduct for Business Partners, to apply fair business practices and to act responsibly towards people, the environment and the community.

### OUR VALUES

#### *OUR PURPOSE:*

We bring sweetness and joy into everyday life, connecting people through moments of enjoyment and sharing

#### *OUR VISION:*

Kandit creates and enriches moments of relaxation, enjoyment and satisfaction, developing strong brands through innovation, quality and passion for the consumer. Our vision is to exceed expectations, be an inspiring work environment and contribute positively to the community and the environment

#### *OUR MISSION:*

Every day we make life easier and more beautiful by creating treats that bring joy, enrich moments and win the hearts of consumers and their families with their excellence.

#### *CORPORATE VALUES:*

Kandit d.o.o. is a modern food company that actively shapes consumer habits and standards of enjoying desserts. Our corporate values go beyond business success – we base them on care for people, the environment and the quality of life of the community in which we operate.

The principles we live in business are the same as those we want to see in everyday life: mutual trust and respect, teamwork, open exchange of opinions and ideas, and the creation of a stimulating working atmosphere in which effort and results are recognized and rewarded.

Continuous investments in development are a feature of our business – they enable us to be more productive, competitive and constantly innovate in all areas.

## BACKGROUND AND SCOPE

Kandit d.o.o. (hereinafter: the Company) strives to achieve its business and strategic goals in accordance with generally accepted moral and social principles. With its own Code of Conduct, it shows its commitment to sustainable and responsible corporate governance, and expects the same from suppliers, service providers and all other Business Partners. The Company conducts its global business in accordance with all applicable laws and regulations, operates to the highest ethical standards, and fosters respect and integrity in its dealings with others, in accordance with the principles set forth in this Code of Business Conduct for Business Partners (hereinafter: the Code).

This Code applies to all distributors, wholesalers, resellers, suppliers, service providers, customers and other persons with whom the Company has a direct business relationship (hereinafter: Business Partners). Business Partners must comply with all applicable laws and this Code.

The Code explains what the Company expects from Business Partners in terms of business ethics, human rights, business practices, employee relations, health and safety, and other topics related to sustainable and responsible business practices. It forms the basis of the compliance program and defines what customers, consumers, investors and other stakeholders can expect from the Company. It also reflects the principles and policies that guide the business and provides specific guidelines for the conduct of employees and Business Partners. It is complemented by relevant legislation as well as internal guidelines and instructions.

The Company and its Business Partners demonstrate a commitment to applying ESG principles in their daily operations – including measuring and reporting on environmental impact (E), society (S) and governance (G). Continuous improvement and setting of ESG goals is expected in accordance with the best practices and regulatory framework of the European Union, including ESRS standards. Business Partners are encouraged to self-report on ESG performance, including:

- Energy consumption and CO<sub>2</sub> emissions,
- Number of employees by gender and age structure,
- Number of internal complaints and corrective actions,
- ESG targets and progress in implementation.

Although the Code offers guidance on a number of issues related to acceptable standards of business conduct, it is impossible to predict every situation that may arise in the work. That is why the importance of common sense in its application is emphasized. The principles of the Code represent the minimum standards of business relations.

The Code of Conduct for Business Partners is based on national legislation and the following international guidelines and principles:

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- OECD Guidelines for Multinational Enterprises
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The Paris Agreement on climate change
- The Basel Convention
- The ten principles of the UN Global Compact (UNGC)

This Code is also aligned with the principles of Regulation (EU) 2022/2464 on Corporate Sustainability Reporting (CSRD) and related ESRS standards, in particular in the context of value chains.

National and other relevant laws and requirements applicable in the countries in which the business is conducted, as well as the principles contained in this Code of Conduct, must be complied with. Whatever applicable rules or regulations are most appropriate to achieve the protected interests, they will always take precedence. The standards derived from these principles are listed below and are implemented and monitored by the relevant internal procedures of the company.

# BEHAVIOUR IN THE BUSINESS ENVIRONMENT

The Business Partner undertakes to comply with national and European laws and regulations relevant to it, its contractual agreements and the voluntary commitments undertaken.

## Fight against corruption and bribery

We respect anti-corruption laws in all countries in which we operate. No employee or any other person acting on behalf of the Company may offer, promise or make a payment, or give an object of a certain value, as well as demand or accept such an object for the purpose of influencing public or state officials, employees or other persons, or for the purpose of obtaining an unfair business advantage. It is also prohibited to offer, authorise, pay or give a benefit with the intention of unduly influencing public or state officials in order to obtain such an advantage.

Employees of the Company and third parties acting on its behalf are not permitted to offer, solicit or receive bribes or other illegal payments in order to conclude or retain business. They are also not allowed to engage in money laundering and are obliged to comply with the general principles of anti-money laundering, corruption and bribery as defined in the relevant conventions.

Business Partners and all persons acting on their behalf must comply with all applicable anti-corruption laws when dealing with the Company. Bribery and any form of corrupt business practice are strictly prohibited. Direct or indirect offering, granting or acceptance of illegitimate benefits for the purpose of creating, maintaining or accelerating business is unacceptable. Business Partners must ensure that such benefits are not exchanged in the course of their business or that of their subcontractors. They are also required to conduct appropriate risk-based due diligence before engaging any subcontractors to ensure that these third parties comply with all applicable laws.

Business Partners are expected to operate professionally at all times and in accordance with applicable international and national laws and regulations. At a minimum, Business Partners and persons acting on their behalf must act with integrity in all aspects of business.

The Business Partner undertakes to comply with international and local anti-corruption laws and standards. The highest standards of integrity must be applied to all business activities. It is necessary to prohibit, not practice and not tolerate any form of exploitation, bribery, corruption, extortion or embezzlement. A Business Partner, its employees or authorized third parties must not allow themselves to be influenced or attempt to influence Business Partners in a punishable way, whether in the country or abroad, through gifts or by accepting or offering other benefits and/or compensation.

## Gifts

Business Partners may not give gifts, meals or entertainment to employees of the Company if it could affect or appear to affect their decisions related to doing business with a partner.

Representatives of the Company may not receive gifts or hospitality if it may affect or be considered to affect a business decision.

## Conflict of interest

A conflict of interest occurs when, in the performance of work, employees or other persons acting on behalf of the Company put their personal, social, financial, entrepreneurial or political interests, i.e. the interests of family members or other related persons, before the interests of the Company.

A conflict of interest exists when an individual's personal interests affect or could affect an employee's ability to objectively make decisions and perform their work for the Company. In accordance with applicable regulations and internal procedures and regulations, employees must avoid situations of actual and potential conflict of interest, including situations that may appear to be a conflict of interest with regard to their position and job.

The exercise of an activity or a particular course of action in the event of a potential conflict of interest — e.g. negotiating or concluding a contract on behalf of the Company with an entity with which the employee has a close relationship (close family member, relative, friend or other related person) and from which he or she may benefit — must be authorised with the prior written consent of the Legal Service. Employees may perform additional tasks or engagements outside working hours in the Company only if their private and business interests are not in conflict with the interests of the Company.

Employees are expected to refrain from activities contrary to the interests of the Company and to make impartial and objective decision-making. Any possible conflict of interest must be reported to the immediate superior, and if this is not possible, the Legal Service should be consulted.

Business Partners are obliged to notify the Company if any employee of the Company has an interest in the business of the partners that could cause a conflict of interest. Business Partners and persons acting on their behalf must avoid conflicts of interest arising from private activities, from entities in which they or their close relatives or associates have an interest, as well as from business activities with the Company or third parties. The partner is obliged to notify the Company of any identified conflicts of interest without delay.

## Money laundering

In order to prevent the Company and its direct Business Partners from engaging in money laundering activities, the Business Partner is obliged to regularly determine the identity of its Business Partners. Any transactions that could indicate money laundering must be rejected.

## Fair competition

### Antitrust and competition law

The Business Partner is obliged to comply with all relevant national and international antitrust regulations, as well as laws against unfair competition. It must refrain from any agreements on prices or conditions with competitors, as well as other activities that restrict competition and affect prices or operating conditions.

Business Partners and persons acting on their behalf are obliged to comply with all national and supranational competition laws. They must not, directly or indirectly, enter into illegal agreements with competitors or exchange sensitive information, such as data on markets, customers, strategies or prices. In all public tenders and tender procedures in the private sector, they are obliged to act strictly in accordance with the applicable laws and regulations.

## Respect for trade secrets, intellectual property and property rights

The company has a variety of assets that include physical assets, trade secrets and intellectual property. The Company's employees, Business Partners and third parties are obliged to use these assets carefully, purposefully and rationally, in accordance with internal regulations and instructions. Employees are responsible for the assets of the Company they manage and for any damage they cause intentionally or through gross negligence during their work.

Intellectual property includes, for example, trade marks, technical documentation, computer programs, inventions, scientific and technological knowledge, knowledge and skills. It is subject to protection or may become the subject of special protection on the basis of copyright, patent, trademark and other rights.

The protection of the Company's intellectual property is important for maintaining a competitive advantage. Employees and Business Partners are expected to treat these rights with due care and use them responsibly. Respect for other people's intellectual property is also required. Unauthorized use, theft or theft of confidential information or intellectual property of third parties is strictly prohibited.

The Business Partner acknowledges that confidential and secret information is particularly worthy of protection and may not pass it on or make it available to third parties. Such information may only be exchanged with the consent of the owner and, where provided, within the framework of a confidentiality agreement. It is necessary to recognize and respect intellectual property rights, as well as the property rights of third parties (competitors, Business Partners and others). The transfer of technology and knowledge must be carried out in a way that protects intellectual property rights and customer data.

The Business Partner is obliged to comply with the legal provisions on the unauthorized use of inside information and, within the scope of its possibilities and responsibilities, to oppose the processing of false data.

## Use and disclosure of inside information

Inside information is information that is not publicly available and relates to the Company or its Business Partners and, if disclosed, would likely have a material impact on the prices of financial instruments or related derivative instruments. A reasonable investor would take such information into account when making investment decisions.

The Company controls access to inside information. Their use or disclosure, or any inappropriate use for personal purposes or for the benefit of third parties, is strictly prohibited.

## Confidentiality and data protection

The Business Partner is obliged to comply with the applicable data protection regulations (General Data Protection Regulation – GDPR). Personal data must be protected from access and unlawful use by unauthorized persons.

The Company may disclose certain confidential information to the Business Partner during the business relationship. The Partner may make them available only to persons within its organization who need them in order to perform their obligations to the Company. If necessary, the partners may be required to enter into separate confidentiality agreements with the Company.

Employees of the Company have access to various data owned by the Company and sometimes by third parties – financial, business and marketing plans, sales data, technical data, employee and customer data and other types of data. All confidential information must be carefully guarded to prevent

inappropriate or unauthorized access and disclosure that could harm the Company, partners or third parties.

Unauthorized access, use or disclosure of confidential information may constitute a violation of confidentiality agreements and applicable laws, including data protection regulations. Employees and Business Partners of the Company are obliged to comply with all rules and procedures related to data security and protection. Access and use are only permitted to persons duly authorized to do so.

The Company, its employees, Business Partners and third parties acting on its behalf are responsible for the protection of personal data. The processing of such data is permitted only within the limits prescribed by the laws and regulations and procedures of the Company.

Business Partners must comply with all applicable data protection laws when collecting, processing, storing or otherwise handling the personal data of any individuals, including their own employees and employees of customers, suppliers and other Business Partners.

## Lawful Business Conduct

### Land rights

The Business Partner is expected to respect the existing rights to the land and to refrain from any form of illegal forced eviction or illegal seizure of land, forests or water bodies, the use of which ensures the existence of an individual or community, especially in connection with acquisition or development.

### Use of information technologies

The use of information technologies and resources of the Company, as well as access to their content, are permitted solely for the purpose of performing work for the Company or for other purposes approved for that purpose. Employees and Business Partners are expected to always use common sense and judgment, act morally, professionally and in accordance with the law, and strictly adhere to authorization protocols when accessing IT systems and their content.

Prohibited uses of the Company's IT resources include processing, sending, receiving, accessing, displaying, storing, printing or otherwise distributing false, abusive, unlawful, racist, sexist, obscene, threatening, defamatory or otherwise professionally inappropriate messages, materials and data.

### Books, records and taxes

Keeping accurate books and records, as well as proper reporting of taxes and fees, are an integral part of lawful and transparent business in a sustainable manner. The Company expects its Business Partners to comply with all applicable laws and accounting rules in this area.

### Exports and imports

A Business Partner is required to comply with all relevant import and export control laws and regulations, including sanctions, embargoes, government orders, and policies governing the transfer or delivery of goods and technology.

## Whistleblowing and Reporting Mechanisms

The Business Partner is expected to establish effective communication channels through which employees and other persons can report any suspicion of violation of protected rights or possible unlawful behaviour.

# HUMAN AND FUNDAMENTAL RIGHTS

## Human rights

Business Partners are expected to consider the protection of human rights as a key element of their corporate responsibility. They should base their commitment on the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and be guided by the UN Guiding Principles on Business and Human Rights.

The Business Partner undertakes to prohibit forced evictions and the use of security forces in cases where their application involves the risk of violation or restriction of human rights.

In situations where international human rights are limited by local laws, the Business Partner should strive to promote the principles of international standards, without conflicting with domestic regulations. When local laws set stricter requirements than international standards, the Business Partner is obliged to comply with them.

## Child labour, forced labour and modern slavery

The Company does not employ children or accept any form of child labor, forced labor, or debt slavery. The exploitation of children and young people will not be tolerated.

The Business Partner undertakes to prevent any form of child labour (in accordance with the ILO Core Labour Standards) in its organisation. He is obliged to comply with national laws and international standards on the protection of minors. The minimum age for employment must not be lower than the legal age for leaving education, and employees must under no circumstances be under 15 years of age (or 14 years of age, if permitted by national law in accordance with ILO Convention No 138). Young people under the age of 18 are not allowed to work at night. If national regulations set stricter standards, the Business Partner must apply them as a matter of priority.

Business Partners should actively work to prevent all forms of child labour or exploitation in their sphere of influence, always respecting legal provisions and international conventions, including ILO Convention No. 138 on the Minimum Age for Employment.

Business Partners are obliged to take measures to ensure that they do not participate in or support the use of child, forced or slave labour. This includes all forms of human trafficking and work against the will of employees. No one should be required to make deposits or identity documents when hiring.

A Business Partner must not use forced labor. This means that it must not require any work performance under penalty of punishment, including forced overtime, debt bondage, forced prison labor, or slavery. Forced labor includes any form of work or service that a person performs against their will under pain of punishment.

The Business Partner must respect the prohibition of modern slavery and all practices similar to slavery, including forms of exploitation and oppression in the workplace, for example through extreme economic or sexual exploitation or humiliation. It is also obliged to respect the employee's right to voluntary termination of employment.

## Freedom of association and the right to collective bargaining

The Business Partner must respect and ensure that the fundamental rights to freedom of association, to join trade unions, to call workers' representation, to have access to works councils and to bargain collectively, in accordance with local laws, are not violated.

If national standards restrict the right to organise and collective bargaining, the Business Partner shall work to enable and permit the free and independent association of workers for the purpose of bargaining.

A Business Partner guarantees its employees the right to free association and collective bargaining. Workers have the right to hold meetings in accordance with the laws in force and to establish or join trade unions and representative bodies. They also have the right to collective bargaining and the legal right to strike to resolve issues of working conditions and wages.

Under no circumstances should the use of these rights lead to threats or retaliation.

## Prohibition of discrimination and harassment and general treatment

The company promotes a working environment in which any discrimination, harassment and harassment in the workplace is prohibited. We treat all employees equally, regardless of their nationality, race, ethnic origin, national or social affiliation, gender, skin color, health condition, disability, religion or belief, age, sexual orientation, family status, trade union membership, property status or any other personal circumstance.

Workers who engage in harassment or discrimination are subject to disciplinary measures, including the possibility of termination of employment (in accordance with applicable law). Immediate superiors and managers are responsible for ensuring a work environment free from discrimination and harassment.

A Business Partner is obliged to treat its employees and Business Partners with dignity and respect, protecting the personal dignity, privacy and rights of each person. It undertakes to ensure equal treatment and equal opportunities during employment and throughout the employment relationship.

The Company's Business Partners are expected to adopt and implement policies that effectively prohibit discrimination and harassment based on gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age, disability or membership in a trade union or labor organization.

Business Partners must ensure that no employee is discriminated against or disadvantaged because of personal characteristics, including age, disability, ethnic origin, marital status, gender, colour, trade union membership, nationality, political or religious beliefs, sexual orientation, pregnancy, social origin, or any other illegitimate basis. In addition, they must actively prevent and combat all forms of discrimination.

No individual shall be subjected to rough or inhumane treatment in the workplace, including sexual harassment, corporal punishment, psychological and physical coercion, insults and verbal abuse. Such behaviors are strictly prohibited and will not be tolerated.

# WORK STANDARDS

## Occupational health and safety

The Company provides its employees with a healthy and safe working environment in accordance with the relevant regulations on labour and occupational safety. It is continuously aligned with legal requirements and regularly introduces measures to reduce and eliminate health and safety risks. Workers are obliged to regularly participate in education and training in the field of occupational health and safety, fire protection and property protection, as well as to inform responsible persons about any perceived hazards or uncertainties in the workplace. All employees must comply with the rules of safety and health at work in accordance with applicable regulations and internal acts.

Business Partners must take all necessary measures to ensure a safe and healthy working environment for their employees. At a minimum, they must have a documented Ordinance on Occupational Health and Safety, and ideally an established health and safety management system that enables continuous monitoring and improvement of working conditions.

The Business Partner is obliged to ensure compliance with all relevant safety standards and measures to prevent excessive physical or mental exhaustion of employees. Workplaces and equipment must comply with applicable laws and requirements, and fundamental human rights in the workplace must not be violated. In particular, fire safety and emergency response standards must be ensured.

Employees must have the appropriate qualifications to perform their duties and receive regular training in occupational safety and health. Workplaces must be hygienically sound. If the Business Partner provides accommodation for employees, the same standards must apply to the accommodation conditions.

The health and safety of employees is a priority. By implementing high standards, the Business Partner continuously works to create a safe, hygienic and healthy working environment and takes measures to prevent accidents and work-related health damage. Internationally recognized occupational safety standards must be respected, and employees must be regularly educated about applicable health and safety measures. Every worker must have access to clean drinking water and hygienic sanitation.

## Salaries and working hours

A Business Partner recognizes the importance of a healthy work-life balance for employees. Working hours must be in accordance with applicable national laws, industry standards and relevant ILO conventions.

A Business Partner is obliged to comply with all legal regulations, requirements and industry standards relating to wages and working hours. Employee compensation must be at least equal to the minimum wage required by applicable laws or the minimum wage set by the industry.

## Fair Labour Practices

The company strives to provide a positive working environment that encourages teamwork throughout the value chain and creates an atmosphere of mutual support and cooperation. Workers must treat their colleagues politely and with respect. Personal interests must not be put before the interests of the job, and the priority of each employee must be to solve common business tasks.

Relations between workers at all levels of responsibility should be based on loyalty, mutual respect and the principles of confidentiality. All employees, within the scope of their powers, must act impartially and measuredly, respecting the dignity of each individual. Indecent behaviour, abuse or discrimination

on the basis of age, sex, religious belief, political opinion or preference, ethnic or national origin, linguistic or racial identity, social status, marital or family status, education, disability, sexual orientation or any other ground is prohibited by law and constitutes a serious violation of the dignity of the individual.

The Company does not tolerate the use of position or authority for purposes outside the scope of official functions. Business Partners are expected to treat their employees and all persons acting on their behalf with the highest ethical standards. Business Partners must comply with international and national conventions and laws in the field of fundamental rights, including but not limited to: non-discrimination, freedom of association, the right to collective bargaining, the protection of children and mothers, and the right to establish a business. It is strictly forbidden for Business Partners to use or threaten to use corporal punishment or other forms of abuse.

If required by local law, all employees of the Business Partner must have an employment contract. Working hours must comply with applicable laws and local industry standards, and wages and other benefits provided by the Business Partner must be fair and at least in accordance with the minimum relevant legal and industry standards.

# ENVIRONMENT AND COMMUNITY

## Environmental and climate protection

The Business Partner is obliged to comply with all applicable laws and regulations on environmental protection, including their amendments, as well as prohibitions arising from relevant international conventions, in particular those relating to mercury, persistent organic pollutants and hazardous waste.

The business of the Business Partner must be in accordance with the standards and requirements of the law on waste management, emission control and water protection. Compliance with regulations related to the storage, handling and disposal of hazardous substances is particularly important. Employees must be trained to handle hazardous materials and substances safely.

The Business Partner is obliged to continuously strive to reduce the negative impact on the environment. Environmental and climate protection must be systematically monitored and improved in accordance with international standards and legal requirements. This includes reducing emissions and waste, and taking measures to increase efficiency in the use of resources. To this end, the Business Partner is expected to establish an environmental management system, for example according to ISO 14001, or at least implement appropriate processes that ensure environmental and climate protection.

Also, the Business Partner undertakes to develop and produce products, as well as to package and transport them in a safe and environmentally friendly manner, while respecting all applicable standards.

## Waste and emissions

The Business Partner must establish and maintain procedures and systems that ensure the safe handling, transportation, storage, recycling, reuse and disposal of raw materials, materials and waste. The generation and disposal of waste and the release into air or water of substances that may have an adverse effect on human health or the environment should be minimised and managed, controlled and/or treated before being released into the environment.

The Business Partner shall take measures to prevent or minimise any unintentional or diffuse release of pollutants into the environment, using appropriate procedures, systems and processes. Also, the Business Partner must maintain processes and systems that permanently optimize the sustainable use of all relevant resources, including energy, water and raw materials.

## Resources and environmental pollution

A Business Partner must not cause harmful changes in the soil, water or air pollution, excessive noise pollution or excessive water consumption, where such activities could lead to significant damage to natural resources for food protection and production, restrict access to clean drinking water and sanitation, or endanger the health of an individual or community. Any further pollution of the environment must be avoided or at least minimised to a reasonable extent.

Environmental and climate protection, as well as the promotion of biodiversity, are permanent challenges that can only be met by consistently improving protection standards. This includes a continuous reduction in resource consumption and waste generation. A Business Partner is obliged to make reasonable efforts to achieve these objectives within the framework of its business activities.

## Respect for the environment

The Company's Business Partners are expected to act in an environmentally responsible manner at all times and to comply with all applicable laws and regulations. Also, the Company requires its Business Partners to continuously improve environmental protection and sustainable resource management in the environment in which they operate.

## Community Relations

The Company encourages Business Partners to have a positive impact on the communities in which they operate and to treat them with respect and responsibility.

# PRODUCT RESPONSIBILITY

## Product safety and quality

The Business Partner is obliged to comply with all relevant national and European laws and regulations relating to food safety and quality, as well as applicable standards and guidelines.

Product safety, particularly with regard to risks to consumer health, must be continuously verified to ensure their suitability for the intended use. The Business Partner is required to guarantee that its products meet quality standards, are in line with the principles of sustainability, and avoid the use of potentially harmful or unauthorized ingredients.

Furthermore, the Business Partner must comply with all relevant legal requirements regarding product documentation (e.g. specifications, food safety analyses, nutritional declarations, certificates) and product labeling. The Business Partner is also obliged to provide all relevant product information, including storage instructions, recommended distribution conditions, and, where applicable, information on packaging disposal in accordance with current environmental regulations.

## High-Risk Raw Material

The Business Partner is obliged to ensure that no products are delivered to the Company whose raw materials originate from areas affected by conflicts, high risks of human rights violations, or forced labor. This applies in particular to cocoa and palm oil, for which the Company requires certified and sustainable sourcing.

In cases where risks are identified, Business Partners should use their influence to contribute to improving conditions on the ground and to promoting sustainable supply chains.

This requirement specifically refers to the principles of supply chain due diligence in accordance with international standards, including:

- OECD Guidance for Responsible Agricultural Supply Chains
- UN Guiding Principles on Business and Human Rights
- EU Corporate Sustainability Due Diligence Directive (CSDDD)

# RESPONSIBLE BUSINESS AND IMPLEMENTATION OF FUNDAMENTAL PRINCIPLES

Business Partners can demonstrate implementation and compliance with the core principles of this Code through their own code of conduct or internal policies that meet the requirements set out in this document. If such a standard is not established, the Business Partner is expected to commit to the application of this Code of Conduct.

Compliance with the basic principles and their implementation shall be confirmed by a separate code of conduct or company policy equivalent to the Code of Conduct for the Company's Business Partners. This document must be attached to the certificate and submitted to the Company.

When establishing a business relationship with partners, the Company is obliged to act with the utmost care to prevent involvement for suspicious or illegal business purposes, such as money laundering, terrorist financing or other forms of fraud and deception. To this end, the Company implements the following measures:

- verification of the Business Partner on the basis of documents, data or information obtained from credible, reliable and independent sources;
- verification of creditworthiness and business references of partners,
- collecting information about the purpose and intended nature of a business relationship or transaction.

## Implementation throughout the supply chain

The Business Partner guarantees that it will comply with the provisions of this Code of Conduct and apply them along the entire supply chain. It also undertakes to ensure their implementation with its contractual partners through appropriate contractual provisions.

### Supply chain

The Company consistently works to disseminate the requirements of this Code of Conduct throughout the supply chain. We encourage Business Partners to oblige their direct suppliers to conduct due diligence on human rights and environmental impacts and to include guarantees equivalent to this Code of Conduct in their contracts. Such requirements are expected to be transposed and implemented in the wider supply chain, wherever possible.

### Subcontractors

All Business Partners of the Company are expected to adopt and adhere to the ethical business standards and values set forth in this Code, as well as to actively apply them in business with their own contractors and subcontractors.

## Corrective actions

In cases where there is a violation of the Code of Conduct or there is a risk of its violation, either in the Business Partner's business or in its supply chain, the Business Partner undertakes:

1. take all possible measures without delay to bring the infringement to an end, prevent or at least reduce its extent;
2. at the request of the Company, implement the concept prepared by the Company to stop or minimize the breach,

3. at the request of the Company, jointly develop and implement a plan to stop, prevent or mitigate the breach.

## Disciplinary measures

Disciplinary measures must be in accordance with national legislation and internationally recognized human rights. Disciplinary measures must be reasonable and compliant with national legislation, in particular those involving the withholding of salary, social security contributions or identity documents (e.g. identity cards), or a ban on leaving the workplace.

If the Business Partner engages private security guards, it must ensure appropriate control and clear instructions, with particular emphasis on the prevention of torture, cruel, inhuman or degrading treatment, endangerment of life, body or health, and violation of freedom of association.

## Grievance mechanisms

The Company expects Business Partners to establish effective grievance channels through which employees can report problems and complaints related to working conditions, without fear of retaliation.

## Business Partner Assessment and Compliance

The Company or an external audit firm selected by the Company may assess the Business Partner's compliance with this Code and obtain access to all relevant documents, premises and information without delay. The Company will inform the Business Partner in advance of the date, time, place and modalities of the audit, taking into account its legitimate commercial interest.

The ESG performance of Business Partners will be assessed from time to time on the basis of:

1. ESG self-assessments,
2. submitted certificates and reports,

## Audits

The Company may conduct appropriate risk-based audits to confirm compliance with this Code of Conduct. In this context, the Business Partner is obliged, at the request of the Company, to provide all necessary information. The Company may also engage a third party, bound by confidentiality, to carry out such audits. In doing so, the Business Partner's data protection policy and trade and trade secrets will be respected. The rights of revision arising from other provisions remain unaffected.

Business Partners must conduct systematic due diligence to identify and mitigate ESG risks in their own operations and supply chains, in accordance with the OECD Guidelines and Regulation (EU) 2017/821.

## Documentation and evidence

Regardless of whether the Business Partner confirms the Code of Conduct for the Company's Business Partners or proves compliance with the Basic Principles with its own Code of Conduct or internal policy, it is obliged to document compliance with these principles through appropriate business documents.

## Violations of fundamental principles, sanctions and remedies

The Business Partner is obliged to report to the Company any violation of the fundamental principles of this Code and to implement and document appropriate corrective measures.

Multiple or particularly serious violations can lead to the termination of the business relationship

# FINAL PROVISIONS

The Code of Conduct for Business Partners of the Company was adopted on **23.09.2025** and enters into force on the day of its publication.

All employees and Business Partners of the Company are obliged to comply with its provisions, and managers are responsible for supervising its implementation. Business Partners are obliged to ensure that their employees and subcontractors are familiar with the Company's Code of Conduct for Business Partners and that they adhere to it.

All new employees are introduced to the Code of Conduct during employment and induction. All employees and Business Partners must be familiar with the Code of Conduct for Business Partners no later than 30 days from the date of its publication or amendment.

The Code has been published in the Bulletin and available on the intranet, and for Business Partners it is also published on the Company's website. Also, it is submitted in digital form at each first conclusion of the cooperation agreement.

This Code may be supplemented from time to time by additional documents containing specific or additional requirements.

## Links to the above documents

1. [Universal Declaration of Human Rights](#)
2. [UN Guiding Principles on Business and Human Rights](#)
3. [UN Convention on the Rights of the Child](#)
4. [UN Convention on the Elimination of All Forms of Discrimination against Women](#)
5. [OECD Guidelines for Multinational Enterprises](#)
6. [International Labour Organization \(ILO\) Declaration on Fundamental Principles and Rights at Work](#)
7. [The Paris Agreement on climate change](#)
8. [The Basel Convention](#)
9. [The ten principles of the UN Global Compact \(UNGC\)](#)
10. [Regulation \(EU\) 2022/2464 on corporate sustainability reporting \(CSRD\) and related ESRS standards](#)

Kandit d.o.o.  
In Osijek, 23<sup>rd</sup> September 2025.