



Suppliers Code of Conduct

Aroma Chemical Services International Group



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1. Purpose

Aroma Chemical Services International Group (ACS International Group) is committed to ensuring the highest standards of product safety and quality for our materials, respecting the human rights of employees and neighbouring communities while respecting the people's health and safety as well as the environment. ACS International Group must source raw materials and services from suppliers and third-party manufacturers who comply with Aroma Chemical Services International Group Suppliers Code of Conduct and Aroma Chemical Services International Group Sustainable Procurement Policy ensuring the safety of our customers, consumers, the environment and society. Aroma Chemical Services International Group will consistently maintain the commitment to provide products in line with our clients' requirements while being manufactured in a responsible supply chain. The main objective of this code is to provide our suppliers a simple guide containing the minimum requirements they shall meet in order to do business with ACS International group of companies. The ACS International Group aims to ensure solid supply chains that consider our social responsibilities and to continue to work towards a sustainable society. We would like our suppliers to understand the purpose of this Code of Conduct and actively put efforts into its implementation.

2. Scope

This Suppliers Code of Conduct applies to the global business of ACS International Group and includes all suppliers along the supply chain. All suppliers must read, understand, implement, respect, and practice the minimum requirements set in this Code of Conduct. Aroma Chemical Services International Group also requests suppliers to share at least the core of this document to their own suppliers and request them to respect and comply with the requirements.



3. Minimum requirements

3.1 Mandatory business requirements

The suppliers must comply with:

- Aroma Chemical Services International Group Suppliers Code of Conduct
- Aroma Chemical Services International Group Sustainable Procurement Policy
- Local legislation including obtaining all permits and licenses required for the business.
- International laws and regulations, if applicable

3.2 International recognized management systems

Aroma Chemical Services International Group recognizes and encourages the suppliers to adopt international recognized certified management systems, or at least implement internal management systems.

3.3 Business compliance

The supplier shall have adequate procedures in place to ensure full compliance with all applicable laws and regulations at any time during manufacture, storage, delivery and at delivery locations.



ACS International Group expects suppliers:

- **to comply** with all applicable laws and regulations in the countries in which operates, including but not restricted to Human Rights, Health and Safety, Quality, Food Safety, Regulatory Affairs, Environment, Trade Compliance Management, Business Ethics, Operational Licenses, Customs, etc.
- **to comply** with all applicable international laws and regulations regarding international trade, embargoes, sanctions and export control as well all national regulations related to operations
- **to define** internal routines to assess updates and new legislation continuously
- **to take** all proper measures to be kept compliant with all applicable regulations at all
- **to comply** with REACH (1907/2006/EC) when applicable
- **to comply** with FDA / FSMA
- **to immediate communicate** any serious non-conformity identified during external audits and inspections that could affect material supplied to Aroma Chemical Services International Group.
- **to prevent and prohibit** any form of bribery, corruption, extortion, embezzlement, blackmail and intimidation.

3.4 Ethics, Human and Labour Rights

The supplier must comply with Business Ethics legislations to ensure they are acting with integrity while having a business relationship with Aroma Chemical Services International Group. In addition to complying with all relevant laws in the countries in which they operate, suppliers must also respect and comply the principles of internationally recognized Human Rights Standards (e.g. International Bill of Rights, International Labour Organization's Declaration on the Fundamental Principles and Rights at Work, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, UN Global Compact's Ten Principles, ETI BASE CODE). The provisions of these requirements represent minimum and not maximum standards, and these requirements should not prevent suppliers from exceeding these standards.

3.4.1 Employment is freely chosen

There shall be no forced, bonded or involuntary prison labour. Employees are not required to lodge „deposits“ or their identity papers with their employer and are free to leave their employer after reasonable notice.



3.4.2 Freedom of association and the right to collective bargaining are respected

Employees, without distinction, have the right to join or form trade unions of their own choice and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organizational activities.

Employee's representatives are not discriminated against and have access to perform their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted by law, the employer shall facilitate, not impede, the development of parallel means for independent and free association and bargaining.

3.4.3 Working conditions are safe and hygienic

A safe and hygienic working environment shall be provided, considering the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, as far as is practicable, the causes of hazards in the working environment. Proper protective equipment is provided to employees free of charge. Employees shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers. The employer shall provide access to clean toilet facilities and to potable water, and, if appropriate, to sanitary facilities for food storage. If accommodations are provided, they shall be clean, safe, and meet at least the basic needs of the employees. The supplier shall assign responsibility for health and safety to a senior management representative to observe the requirements.

3.4.4 Child labour is prohibited

There shall be no child labour. Child labour is defined as work for which children are too young or which is dangerous or exploitative, harms physical or mental development, or prevents children from attending school. Child labour deprives children of their childhood and violates the globally valid rights of the child (UNICEF). Furthermore, depending on local law and regulations, young persons shall not be employed at night or in hazardous conditions.



3.4.5 Living wages are paid

Wages and benefits paid to employees for a standard working week shall be at least equal to national legal standards or industry benchmark standards, whichever is higher. In any case wages should always be sufficient to meet basic needs and to provide some discretionary income. All employees shall be provided with written and understandable information about their employment terms and conditions and in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time they are paid. Wages are paid on time.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not covered by national law be permitted without the expressed permission of the employee concerned. All disciplinary measures should be recorded.

3.4.6 Working hours are not excessive

Working hours must comply with national laws and collective agreements.

3.4.7 No discrimination is practiced

There is no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

3.4.8 Regular employment is provided

To every extent possible work performed must be based on a recognized employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be bypassed using labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes without the real intent of developing skills or providing regular employment, nor shall any such obligations be bypassed through the excessive use of fixed-term contracts of employment.



3.4.9 Harsh or inhumane treatment is not allowed

Physical abuse or discipline, threats of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

3.5 Business Continuity Plan

The supplier must develop, implement and monitor a business continuity plan to have alternative ways to ensure supply to ACS International Group avoiding or minimizing the impacts of any shortage. A procedure for activation of the business continuity plan should be in place in order to react promptly. Employees must be assigned with clearly defined roles and responsibilities in the procedure for activation as well as in the business continuity plan itself. All employees shall be aware of their roles and responsibilities. Frequent exercises, trainings, reviews and updates on the business continuity plan shall be performed, as well as simulations of identified scenarios to assess the organization readiness. Suppliers shall perform a risk analysis of their own suppliers, materials, processes and distribution channels to identify potential critical scenarios and develop countermeasures for identified high risks.

In case of disruption the supplier shall share expected recovery time as well as alternative production facilities, detailing capacity levels with ACS International Group. It is required to have a procedure in place to inform ACS International Group in case of any operation disruption that potentially could affect its business or have any impact on supply. The supplier is expected to submit that information immediately.

The supplier shall have a liability insurance in a sufficient amount.

3.6 Trade compliance

The supplier must have implemented adequate tools and procedures to ensure full compliance with regulations applicable to sanctioned countries, drug precursors, dual-use (Chemical Weapons Convention), CITES (Convention on the International Trade in Endangered Species of Wild Fauna and Flora), banned agro-chemicals listed under Stockholm Convention on Persistent Organic Pollutants (POPs), as well as with Harmonized System of Classification of Goods by the World Customs Organization (WCO).



3.7 Traceability

In order to ensure transparency and prompt responsiveness, the supplier shall have established a traceability system enabling the supplier to guarantee full traceability through the supply chain. For this purpose, every lot number assigned must be unique. All requests on traceability must be answered within 24 hours.

The supplier shall perform mock exercises on traceability on a regular basis.

3.8 Dangerous goods management

The supplier shall provide evidence of existing measures for dangerous goods (DG) international transportation laws/regulations, when applicable. The supplier must classify the goods correctly and provide a proper MSDS according to CLP regulation 1272/2008/EC. This includes the proactive notification of ACS International Group about updated MSDS if the last delivery of the product has taken place in the last 12 months.

We expect the supplier to use dangerous goods compliant packaging, if applicable.

3.9 Hazardous substances management

The supplier must implement a hazardous substance management procedure that includes communication with employees regarding hazardous substance handling as well as the provision of proper protective equipment to employees free of charge. All employees handling substances need to have access to correct material safety data sheets in the appropriate language, need to know the hazards and how to protect against them.

3.10 Health & safety management

The supplier must establish and implement a health and safety management system that ensures continuous improvement in health and safety performance.

The supplier must establish procedures for reporting, investigation, and evaluation of all health and safety related injuries/illnesses/incidents and for implementing, monitoring and tracking corrective, preventive and mitigating actions.



3.11 Emergency management

The supplier must establish documented effective response management systems to be ready to promptly respond to emergencies, including but not restricted to fire and explosions, law enforcements, natural disasters, pandemics, etc.

In case of emergency or incident that may have an impact on business with ACS International Group, the supplier must notify ACS International Group properly and immediately.

3.12 Upstream suppliers' management

The supplier must establish and implement a procedure to manage upstream suppliers to identify, control and reduce the risks in materials and services acquired. In case of any change in the supply chain (e.g. change of manufacturer or manufacturing location), the supplier must notify ACS International Group properly and immediately.

3.13 Environment management system

The supplier must establish and implement an environment management system that ensures continuous improvement of performance.

The supplier shall develop its business procedures considering the reduction of environmental impacts. This includes, but is not limited to, reducing emissions, minimizing waste, conserving resources, and increasing water security.

Suppliers shall recognize the importance of environmental protection and shall actively promote environmental preservation including encouraging employees' engagements.

Suppliers must consider the ecosystem impacts of their operations and strive to eliminate any impacts on biodiversity.

3.14 Animal testing

Suppliers shall not conduct or commission any animal testing unless the testing is required by law or regulation, is absolutely unavoidable and cannot be replaced. This includes, but is not restricted to, research, development, production and application demonstration, as well as all



other activities, at all times. In case animal testing is unavoidable, it must be ensured that the tests are carried out by an authority-approved laboratory that holds the necessary licenses. The employees involved must be competent in the care of the animals and be aware of the ethical issues regarding the use of the animals. It must be ensured the animals receive the necessary respect.

Any animal testing must apply the 3R-principles:

Replace: It must be ensured there is no other alternative to animal testing.

Reduce: It must be ensured to perform only the necessary tests with the minimum of animals.

Refine: Experimental procedures must avoid or reduce suffering and discomfort to the animals.

3.15 Quality assurance

The supplier shall provide adequate information on their products and services and respond to inquiries in a timely and comprehensive manner.

The supplier must systematically evaluate and document the compliance of all materials provided to ACS International Group along the supply chain.

All changes on products or packaging characteristics must be submitted to ACS International Group pro-actively.

3.16 Internet security

The supplier must implement all necessary measures to protect computer systems and networks, review them regularly and establish appropriate controls.

In case of cyberattack that may could have an impact in ACS International Group the supplier shall pro-actively inform ACS International Group.

3.17 Information management

The supplier shall implement internal procedures to manage properly information security and data privacy, complying with the applicable privacy and data protection laws. They need to ensure the protection security and lawful use of personal data. The supplier shall have employees assigned with clearly defined roles and responsibilities to manage information



security and data privacy and provide proper training on these topics to its employees. It is necessary to have internal procedures implemented to handle information related to products supplied, control the access to sensitive information and to handle with information security aspects.

In addition, appropriate management processes should be developed and implemented to avoid infringing any intellectual property rights. The suppliers must respect and protect all confidential information, know-how and intellectual property of ACS International Group. The access to confidential information shall be strictly controlled. All disclosure of confidential information to any third parties is prohibited, unless expressly authorized in written form by ACS International Group. A secure manner shall be used to disclose sensitive or confidential information to ACS International Group.

Suppliers shall inform ACS International Group pro-actively without delay about any issue that may impact ACS International Group (e.g. delays, environmental inspection, natural disasters, pandemics etc.)

3.18 Whistleblowing system

Suppliers shall develop a system to accept whistleblowing and complaints from their employees and other stakeholders, shall make sure to protect their employees, and shall take suitable measures to rectify the status and conditions against which such valid complaints are made, always respecting the privacy of whistleblowers.

3.19 Audits

ACS International Group reserves the right to verify and audit the suppliers on- and off-site. An audit could be conducted by ACS International Group or by third parties on behalf of ACS International Group. If a supplier verification or audit reveals deficiencies ACS International Group reserves the right to request a time-bound program of improvement leading to compliance with the code of conduct and the specific product requirements. In case ACS International Group becomes aware of any actions or conditions not in compliance, ACS International Group reserve the right to terminate agreements with the supplier.



4. Compliance hotline

Aroma Chemical Services International Group has a compliance hotline that enables all employees and other stakeholders, such as suppliers or customers, to report any compliance issues through the channel. All information submitted will be treated in the strictest confidence.

Compliance hotline can be reached by email: regulatory@acsint.com

5. In closing

The Aroma Chemical Services International Group aims realization of “responsible procurement” by sharing values with its suppliers and their cooperating companies. ACS International Group requests its suppliers to share this Code of Conduct with their own employees and practice compliance to this code. ACS International Group also requests suppliers to communicate at least the core of this Code of Conduct to their own suppliers and request them to respect and practice compliance. Suppliers are required to inform Aroma Chemical Services International Group about any issues related to this code immediately.



ACS International Group GmbH, Im Wesertal 5, 37671 Hoexter-Stahle, Germany

I have read and understood the ACS International Group's Suppliers Code of Conduct (Version 1.0.0) and can confirm our company

Company name

Company address

complies with all minimum requirements as described above, including:

- o Mandatory business requirements
- o International recognized management systems
- o Business compliance
- o Ethics, Human and Labour Rights
(Employment is freely chosen, freedom of association and the right to collective bargaining are respected, working conditions are safe and hygienic, child labour is prohibited, living wages are paid, working hours are not excessive, no discrimination is practiced, regular employment is provided, harsh or inhumane treatment is not allowed)
- o Business Continuity Plan
- o Trade compliance
- o Traceability
- o Dangerous goods management
- o Hazardous substances management
- o Health & safety management
- o Emergency management
- o Upstream suppliers' management
- o Environment management system
- o Animal testing
- o Quality assurance
- o Internet security
- o Information management
- o Whistleblowing system
- o Audits

Date, stamp, signature of authorized senior manager, name in block letters, position

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