

Code of Conduct 2023

Oy Verman Ab will hereinafter be called "Verman", Leader Foods Oy and Leader Snack Factory Oy will be called "Leader", Biosym A/S will be called "Biosym". Verman group means Verman and its subsidiary companies.

"The supplier" means a supplier for any raw materials, finished goods, or services.

Scope and monitoring

Verman's and its subsidiary companies' objective is to pursue long-term profitable business in an ethical and responsible manner taking into account applicable laws and regulations for

- ✓ human rights,
- ✓ employee rights & conditions,
- ✓ health & safety,
- ✓ food security,
- ✓ environmental protection,
- ✓ sustainable development,
- ✓ deforestation,
- ✓ biodiversity,
- ✓ waste & wastewater management,
- ✓ anti-corruption.

Therefore, we seek to ensure that all our employees, as well as our suppliers and other business partners operate in compliance with the standards of this Code of Conduct. If our business partners cause or contribute to adverse impacts, we will use our leverage to prevent or mitigate these impacts.

This Code of Conduct* (hereinafter "CC") is not a substitute for nor should it be considered to override the applicable laws and regulations but sets the minimum standards of behavior that are to be followed.

Verman group and the supplier shall be liable to ensure that it and its employees operate in compliance with the standards of this CC. Verman and its subsidiary companies also regularly monitor conformance with this CC.

The supplier shall upon request provide Verman group access to all relevant information and documents needed to verify the supplier's conformance with the CC. Should the supplier have, in the reasonable opinion of Verman or its subsidiary companies, materially violated this CC, Verman and its subsidiary companies are entitled to terminate the business relationship.

By agreeing to work with Verman group the supplier confirms that it, its affiliates, and their employees, including directors and officers, comply with this CC. The supplier shall ensure that its suppliers and agents also comply with this CC.

Oversight and responsibility for these policies and their implementation is assigned to Verman group's Management Team.

*This policy was written based on the OECD Guidance for Responsible Agricultural Supply Chains, OECD/FAO (2016), OECD-FAO Guidance for Responsible Agricultural Supply Chains, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264251052-en>. **BSCI- standard (Business Social Compliance Initiative) <https://www.amfori.org/content/bsci-code-conduct>.



Entitlement to Work

Verman group only employs workers who are legally entitled to work. During recruitment, the legal right to work of all potential workers must be validated by reviewing original documents, or through the potential employee's personal identification number received from the authorities.

At Leader Foods Oy and Leader Snack Factory Oy reviewing of ID documents during recruitment started in 10/2022. When recruiting is done by an agent, Leader Foods Oy and Leader Snack Factory Oy will agree with the agent whether the agent conducts the validation themselves or if Leader Foods Oy / Leader Snack Factory Oy will do it prior to employment.

We provide employment based on recognized employment relationships established through national laws and practices.

We fulfill our obligations towards employees arising from regular employment relationships and social security laws and regulations. We strongly condemn forced labor, slavery and all practices that exploit both adults and children or expose them to harmful or hazardous conditions.

Verman group is committed to fulfilling the requirements of BSCI- standard (Business Social Compliance Initiative**) and expects its suppliers to commit to the standard as well. At Leader Foods Oy and Leader Snack Factory Oy, we ask the suppliers of raw materials and packaging materials to commit to the BSCI principles as a requirement prior to approval.

Disciplinary practice

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation are strictly prohibited within our organization. No punitive fines and deductions from wages as disciplinary measures are allowed.

Non-Discrimination

Our company is multicultural. We do not discriminate based on gender, religion, race, national or ethnic origin, caste, cultural background, social group, disability or illness, sexual orientation, marital status, age, union membership or political opinion. We do not discriminate when hiring or with respect to compensation, access to training and development, promotions, terminations, or retirement. We seek to prevent abuses of migrant workers and ensure maternity protection at work.

We do not perform discrimination against women. We enhance their meaningful participation in decision-making and leadership roles, ensure their professional development and advancement, and facilitate their equal access and control over natural resources, inputs, productive tools, advisory and financial services, training, markets and information.

An Occupational Health and Safety Committee has been appointed and is responsible, among other things, for the implementation, monitoring, and evaluation of measures that promote gender equality and women's empowerment.

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Working Hours, Wages and Benefits

Employees at Verman group will work reasonable working hours, in compliance with local laws, and collective agreements (“työehtosopimus”).

The regular working hours are specified in the employment contracts of our employees.

We pay wages and benefits for a standard work week that meet, at a minimum, the national legal standards and that take into account the industry benchmark standards. The wages and benefits are specified in every worker’s employment contract. We compensate overtime in compliance with local laws and collective agreements.

Our employees receive written and understandable information about their employment conditions with respect to wages before they enter into employment.

Child labor

Child labor as defined by the International Labor Organization refers to unacceptable forms of child labor, which is work that is mentally, physically, socially, or morally dangerous and harmful to children. Neither Verman nor its suppliers shall use child labor or forced labor under any circumstances or contract with subcontractors or suppliers using such labor.

The minimum age for employment shall not be less than the age of completion of compulsory schooling. Verman group adheres to age limits as set by the legislation in all the markets it operates.

Young Workers

In the event of employment of young workers at the age between the minimum age of employment and 18 years, employment is only possible provided there are adequate precautions to protect them. The actual age of the worker is checked carefully. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Also, in case of apprenticeship programs, we take special precautions to protect the well-being and the development of the young workers: They are protected and trained appropriately, as other workers.

In the absence of local law or school contract, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

Health & Safety

We provide a safe and hygienic working environment for all our workers. We take adequate steps to prevent any accidents or injuries by minimizing, as far as reasonably practicable, the causes of hazards inherent to our working environment and activity.



We provide regular Health and Safety training, and such training will be repeated for new or reassigned workers. All employees are provided access to clean facilities and to potable water and, if appropriate, to sanitary facilities and safe food storage. We assign clear responsibility for health and safety at all our premises.

We are committed to keeping the work environment safe, which also means ensuring a drug- and alcohol-free workplace. We have zero tolerance for alcohol drinking and illegal drugs during working hours. Possession of firearms or weapons of any kind is prohibited.

Freedom of Association and the Right to Collective Bargaining

We support the freedom of association and collective bargaining. Our employees are free to join or form trade unions or worker organizations and to negotiate collectively in line with local laws and regulations. We have an open attitude towards trade unions and their activities; we do not discriminate against workers' representatives and will provide them the room to carry out their representative functions in the workplace.

Grievance mechanisms

All our employees deserve fair and consistent treatment in accordance with applicable human rights and their rights at work. We expect all our employees to comply with this policy. We have a grievance procedure that capture issues and risks associated with unfair, arbitrary or inhumane treatment of our employees by providing our workers the opportunity to voice their concerns, problems or complaints.

Our grievance processes include a confidential whistleblowing channel (whistleblowing lockers placed in several departments, and online channel starting from 2023) which is accessible for all employees.

All work safety concerns will be reviewed by the Occupational Health and Safety Committee and appropriate action will be taken. Product quality and food safety related concerns are reviewed by the Head of Quality and/or HACCP team.

This grievance channel also allows grievances to be reported fully anonymously so that employees who report concerns or grievances in good faith are protected from dismissal of any kind. Our grievance procedure is accessible to all our employees and employees will receive proper briefing on the subject.

Governance, bribery and corruption.

Verman group has zero tolerance towards bribery, fraudulent practices and corruption. We ensure that all employees do not offer, promise, give or accept any bribes, or make or accept improper payments to obtain new business, retain existing business, or secure any other improper advantage.

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Customary and reasonable business courtesies, including gifts and corporate hospitality (e.g. entertainment, business lunches and small gifts) are permitted, provided that they are always given in accordance and in compliance with applicable laws and regulations.

We will comply with both the letter and spirit of the tax laws and regulations of the countries in which we operate. We will refrain from entering into or carrying out anti-competitive agreements among competitors and will co-operate with investigating competition authorities. To the extent to which they apply to enterprises, we will act consistently with the principles contained in the OECD Recommendation of the Council on Principles of Corporate Governance.

Human rights

According to relevant domestic laws and regulations, we respect human rights, which means avoid infringing on the human rights of others and avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.

Food security and nutrition

We make sure that our operations always contribute to food security.

For that, we for example apply our certified food safety quality standard FSSC22000 and BRC to our own production sites Leader Foods Oy and Leader Snack Factory Oy and make sure our suppliers fulfill GFSI- food safety criteria. Concerning other Verman group's subsidiaries, we have a supplier approval harmonization project going on in 2023.

Tenure rights over and access to natural resources

We will respect legitimate tenure right holders and their rights over natural resources, including public, private, communal, collective, indigenous, and customary rights, potentially affected by our activities. Natural resources include land, fisheries, forests, and water.

To the greatest extent possible, we will commit to transparency and information disclosure on our land-based investments, including transparency of lease/concession contract terms, with due regard to privacy restrictions.

We will avoid or, when avoidance is not possible, minimize the physical and/or economic displacement of legitimate tenure right holders, while balancing environmental, social, and financial costs and benefits, paying particular attention to adverse impacts on the poor and vulnerable.

Environmental protection and sustainable use of natural resources

We will establish and maintain an environmental and social management system appropriate to the nature and scale of our operations and commensurate with the level of potential environmental and social risks and impacts.

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We will continuously improve our environmental performance by:

- preventing, minimizing, and remedying pollution and negative impacts on air, land, soil, and water by using proper air filtration in our factories and promoting waste management.
- avoiding or reducing the generation of hazardous and non-hazardous waste, substituting, or reducing the use of toxic substances, and enhancing the productive use or ensuring a safe disposal of waste
- ensuring the sustainable use of natural resources and increasing the efficiency of resource use and energy
- reducing food loss and waste and promoting recycling in our factories and office.
- supporting and conserving genetic resources by performing GMO testing on critical ingredients.

As a practical example, Leader Foods Oy / Leader Snack Factory Oy have chosen to protect rainforests, fight climate change, and help people and wildlife thrive by purchasing sustainable materials such as fish oil, cocoa or palm oil.

Our traceability system makes sure the volume of product sold as mass balance is 100 % covered by volumes purchased as certified.

Technology and innovation

We will contribute to the development and diffusion of appropriate technologies, particularly environmentally friendly technologies and those that generate direct and indirect employment.

Data Protection and Privacy

We are committed to protecting the personal data of our employees, customers and suppliers and abiding by the rules of the European General Data Protection Regulation (GDPR) and other applicable data privacy regulations.

Verman Code of Conduct has been approved by the Management Team of Oy Verman Ab on 18/01/2023

Sami Oinas, 18/01/2023

CEO

Oy Verman Ab