



Supplier Code of Conduct

Version 1 – January 1, 2023

1 INTRODUCTION

At Oettinger Davidoff AG and its group affiliates (hereinafter, “Oettinger Davidoff”) we value honesty, integrity, accountability and diversity and we believe in ethical behavior and in acting responsibly towards the community and the environment. We are convinced that those values and beliefs extend beyond our internal organization, and we strive to conduct business with external vendors, suppliers, and contractors (hereinafter “Suppliers”) who also live by and share those values. Further, Oettinger Davidoff strives to continuously improve the sustainability of its operations and encourages its suppliers to join this effort by adopting sustainable practices in their operations. Oettinger Davidoff has implemented its own standards in the company's Code of Conduct aimed at protecting and valuing its employees.

The Oettinger Davidoff Supplier Code of Conduct outlines the employment and working conditions, workplace practices, ethical business practices and environmental management practices that Oettinger Davidoff expects from its Suppliers. We ask that all Suppliers, as well as their management, will respect and follow this Supplier Code of Conduct and actively do their utmost to meet and share our values and standards.

Suppliers of Oettinger Davidoff shall comply, in all their activities, with the applicable local, national, and international laws, regulations in the countries in which they operate and that are relevant and voluntary commitments. By this, suppliers must put in place appropriate systems and controls to ensure continued compliance. In the event of differences or conflicts between this Supplier Code of Conduct and the local cultures, norms, laws or regulations, the higher standard should prevail.

Oettinger Davidoff is entitled to request information from its suppliers as to their compliance with the terms of this Supplier Code of Conduct. Oettinger Davidoff is entitled to visit suppliers' production sites and facilities or have these visited by an independent third-party verification company, and to request data to establish compliance with this Supplier Code of Conduct.

Finally, Suppliers are encouraged to convey the requirements and expectations contained in this Supplier Code of Conduct to any sub-vendors, sub-suppliers and sub-contractors involved in the production or operations for Oettinger Davidoff.

2 WORKING CONDITIONS AND HUMAN RIGHTS

2.1 HUMAN RIGHTS

Given that at Oettinger Davidoff we are respectful of the human rights of our employees, which translates into a firm commitment to uphold internationally recognized human rights treaties and principles in all the locations where we operate, our human rights and employment policies are guided by the local and international applicable labor laws as well as international conventions and guidelines (whenever applicable). As an example, the international conventions and guidelines referred to here are the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the ILO Conventions (Nos. 001, 014, 029, 030, 087, 098, 100, 105, 106, 111, 138 and 182), and the OECD Guidelines for Multinational Corporations.



Oettinger Davidoff

Suppliers shall respect all international human rights norms and commit to implementing the requirements contained in the United Nations Guiding Principles on Business and Human Rights. Suppliers shall avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur. Suppliers shall also seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products, or services, even if they have not contributed to those impacts. Suppliers are hereby strictly and formally forbidden from engaging in unfair labor practices, discriminatory employment policies and/or policies that violate employment provisions related to discrimination.

2.1.1 No Discrimination and Enforcement of Equal and Fair Treatment

Suppliers shall treat people equally and fairly and shall not engage in any form of discrimination. Suppliers are required to respect the right to a discrimination-free workplace, free of harassment and discrimination based on a person's status such as race, nationality, ethnic or social origin, age, religion, political orientation, gender, sexual orientation or identity, family or marital status, pregnancy, health condition or disability (in accordance with ILO Conventions No. 100 and 111) in connection to remuneration, promotions, job assignments, benefits, and/or termination. Suppliers shall not engage in physical, mental, verbal, sexual or any other abuse, inhumane or degrading treatment, corporal punishment, or any form of intimidation. Suppliers shall comply with local laws and regulations on disciplinary practices.

2.1.2 Employment Terms

Suppliers are obligated to comply with all applicable laws, regulations, and industry standards in terms of working hours, salary, and employment contracts. Suppliers are required to acknowledge both the right and the necessity of rest and leisure as established by the ILO conventions 001, 014, 030 and 106, as well as with national legislation or the prevailing industry standards.

2.1.3 Working Hours, Compensation and Employment Contracts

Suppliers shall comply with all applicable laws, regulations, and industry standards on working hours. Unless applicable laws, regulations, or industry standards are more restrictive, employees shall not be required to work a standard work week exceeding 48 hours or a total work week of more than 60 hours (including overtime). Except in extraordinary business circumstances, employees shall be entitled to at least one day off in every seven-day period.

Wages and all legally mandated benefits (e.g., medical insurance, social insurance, pensions, and so on) must be determined by Suppliers based on the applicable national regulations, industry norms and standards, or established by the collective bargaining agreement (when applicable). Suppliers are responsible for adhering to the statutory minimum wage fixed by the authorities in each country where they operate.

Employment contracts must be drafted in a fair manner and both Suppliers and their employees must comply with the terms of the contract once it has been signed. Any written employment contract must be drafted in an easily readable and understandable language for each employee. Suppliers are obligated to acknowledge that migrant employees and seasonal workers are entitled to benefits that, at the very least, comply with the applicable local laws and regulations pertaining to employment contracts, working hours and pay rates.

Suppliers must not employ any workers who do not have the right to work, including illegal immigrants.



2.2 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Suppliers shall allow employees to freely choose to join or not join a worker's association of their choice. Suppliers are obligated to adhere to applicable laws and collective bargaining agreements (when applicable and in accordance with ILO Conventions 087 and 098). Because of the importance of these rights, no worker can be fired, discriminated against, harassed, intimidated, or punished in any other way for exercising them.

2.3 NO CHILD LABOUR

In accordance with Article 32.1 of the United Nations Convention on the Rights of the Child, Suppliers are obligated to respect the rights of children. Suppliers shall not use child labour as defined by ILO and the United Nations Conventions and/or national law, whichever is more stringent.

Suppliers shall:

- Adhere to all national, regional, and international laws, regulations, and provisions relevant and applicable in the jurisdiction in which it produces or operates.
- Not engage in or condone the unlawful employment or exploitation of children among its employees and/or in its facilities and shall actively work to prevent the possibility that it will occur.
- Employ best efforts to eliminate the risk of child labor.
- Ensure that the minimum employment age is not lower than the age at which a person is required to have completed their compulsory education according to the applicable national and international rules and legislation as well as in accordance with the exceptions established for developing countries (ILO Convention 138). If applicable national legislation has established a higher age requirement, then that age requirement shall be enforced.
- Respect and adhere to all legal restrictions placed on the employment of minors who are between the ages of 15 and 18 (juvenile workers).
- Shall ensure that work that is likely to be hazardous or damaging to the minor's health as well as physical, mental, spiritual, moral, or social development must not be undertaken by minors between the ages of 15 and 18 years old, nor shall work that interferes with the child's mandatory education (in accordance with ILO convention 182).

Suppliers hereby certify having investigated and made a good faith effort to ascertain whether any of its products are produced or manufactured with the use of forced or indentured child labor. If child labor, as defined in the preceding paragraphs, is discovered in the Supplier or at any of its sub-contractors, an action plan placing the child's welfare at the forefront of its considerations must be immediately set-up and shared with Oettinger Davidoff.

2.4 FREELY CHOSEN EMPLOYMENT – NO FORCED OR COMPULSORY LABOUR

Employment is voluntary. Suppliers are prohibited from participating in or supporting any type of forced labor, including prison, bonded, debt bonded or compelled labor (in accordance with ILO Conventions 029 and 105). No withholding of any portion of any employee's wages, benefits, property or documentation by Suppliers or any other entity doing work on behalf of the Suppliers can compel such employees to continue working for them. Employees have the right to leave their employer at any time after reasonable notice as established by the applicable law and/or employment contract.



3 WORKPLACE PRACTICES, HEALTH PROTECTION AND SAFETY

We are committed to the implementation of responsible and safe practices and procedures in all our business operations, both on the job and in the workplace. Oettinger Davidoff's values foster the establishment of a work atmosphere that has high moral and ethical standards where employees respect and care for one another.

Suppliers shall provide a safe and healthy workplace in compliance with all applicable laws, regulations, and industry standards. Suppliers shall, at a minimum, ensure reasonable access to potable drinking water and sanitary facilities; fire safety; access to emergency medical care; and adequate lighting and ventilation.

Suppliers shall involve workers in the process of identifying, informing and mitigating risks to ensure the safety and health of the workers and minimize the risk of accidents. Suppliers shall train their employees accordingly and they shall monitor, investigate, and keep records of any incidents and accidents.

4 ENVIRONMENTAL RESPONSIBILITY

Oettinger Davidoff is committed to reducing the environmental impact caused by its activities and to improve its environmental performance through the implementation of various initiatives. Oettinger Davidoff encourages its employees to be conscious and proactive in reducing any potential negative impact their work may have on the environment and expects its Suppliers to do the same.

Suppliers shall comply with all applicable environmental laws and regulations as well as any environmental industry standards and guidelines in force. Suppliers shall be committed to acting in an environmentally responsible manner, holding a pre-cautionary approach to environmental management practices. Suppliers are encouraged to work consciously and actively to reduce and mitigate environmental impacts of their business operations in their own operations and those of their business partners, as well as identify and assess risks as well as opportunities.

4.1 GOOD AGRICULTURAL PRACTICE (GAP) AND CROP PROTECTION AGENTS (CPAs)

The concept of Good Agricultural Practice (CORESTA Guide No. 3- Good Agricultural Practices (GAP), Guidelines, February 2005, and CORESTA Guide No. 21 – Best Practices and Crop Protection in Cigar Dark Air-Cured Tobacco, December 2017) aims at ensuring responsible, sustainable, and economically viable production of usable agricultural commodities. As per GAP, CPAs are strategic inputs in worldwide farming systems to secure yield and quality of crops, such as raw materials for cigar manufacturing. GAP follows the principle of using CPAs as little as possible and only when necessary.

As such, and in recognition of the significant importance of GAP to the industry in enhancing control over the capacity to reduce CPA residues in leaf cigar tobaccos, all Tobacco Suppliers and Tobacco Farmers working with Oettinger Davidoff and/or with one of its group affiliates, voluntarily agree to produce and commercialize tobaccos following the Guide No 21 "Best Practices and Crop Protection in Cigar Dark Air-Cured Tobacco" published by CORESTA.

4.2 HAZARDOUS SUBSTANCES

Suppliers shall minimize the use of hazardous substances at their facilities, make an inventory of all hazardous substances and ensure that they are safely handled, stored, and disposed of. Suppliers shall inform employees on relevant safety practices and provide the relevant training.



4.3 FOREST PRODUCTS

Suppliers are encouraged to ensure that their actions have no negative impact on forests and shall put in place measures to ensure that no illegal forest products are placed in the supply chain, and that they comply with applicable laws and regulations.

4.4 WASTE AND EMISSIONS

Suppliers are requested to minimize the disposal of solid waste, wastewater, and other emissions to prevent pollution of air, water, and soil. Suppliers shall strive to minimize their greenhouse gas emissions and comply with any applicable laws and regulations.

5 ETHICAL BUSINESS PRACTICES

Oettinger Davidoff's Code of Conduct establishes the obligation to behave in an ethically responsible manner during our business life, both internally as well as when interacting with third parties. We value honesty, integrity, accountability, and diversity in our daily business. There is zero tolerance for any kind of dishonesty or corruption.

Suppliers are required to exercise and nurture a culture of honesty and zero tolerance to fraud and corruption, including bribery and extortion as well as total compliance with all applicable laws, rules, and regulations that are relevant for their operations and performance. Oettinger Davidoff strongly recommends that an anti-corruption policy be implemented and made known to all the Suppliers' employees.

5.1 ANTI-CORRUPTION & BRIBERY

Suppliers shall comply with all laws and regulations and any related standards relevant to preventing corruption and bribery in all countries in which they operate. Suppliers shall not be implicated or involved in any act of corruption, be it for their own benefit or be it for compromising the taking of fair and objective business decisions. Suppliers must take steps to ensure that, within the conduct of their business, no improper payments are made, received or solicited. Suppliers must set up a policy to ensure the protection of employees refusing to engage in an act of corruption or bribery or voicing a concern.

5.2 FREE COMPETITION & ANTITRUST

Suppliers must comply with competition laws (also known as antitrust laws), which promote free and fair competition around the world. Suppliers shall not engage in discussion or activities, such as for example at a trade association or with competitors, that would lead to the allegation or appearance of improper, anti-competitive behaviour.

5.3 INTELLECTUAL PROPERTY

Suppliers shall respect the intellectual property of others. Suppliers shall take appropriate steps to safeguard and maintain confidential and proprietary information or trade secrets of their business partners and use such information only for the purposes authorized in contractual agreements. In case of subcontracting, sharing of confidential information of Oettinger Davidoff should only be made with the consent of Oettinger Davidoff.



5.4 PRODUCT AND TRADE COMPLIANCE


To protect our customers, employees, and all other stakeholders, and fulfil our obligations to protect the environment, our suppliers should have a conformity assessment in place to ensure compliance of the products supplied to Oettinger Davidoff. Suppliers shall conduct their operations in full compliance with all applicable international trade rules and related standards, including but not limited to customs regulations, non-tariff barriers, international agreements, transportation conventions, trade and economic sanctions, and anti-boycott rules.

5.5 SUSTAINABLE PRODUCT DEVELOPMENT

Suppliers are encouraged to include environmental and social considerations into their operation (processes, technologies, products, packaging, transport) to optimize the environmental performance of their products along the entire product lifecycle, and to maximize opportunities for positive social impact.

6 REPORTING CONCERNS

Oettinger Davidoff has a Whistleblowing System that allows employees as well as external third parties such as Suppliers to anonymously report internal violations, grievances and risks allowing Oettinger Davidoff to investigate the concerns raised and take respective action if needed.

To raise any concerns, Suppliers can access Oettinger Davidoff's "iWhistle" platform under  <https://oettingerdavidoff.iwhistle.de/en> or scan the following QR Code. Oettinger Davidoff assures that "iWhistle" guarantees full anonymity for the whistleblower at any given time.

Suppliers are encouraged to have in place a program for reporting concern and actual or suspected misconduct anonymously without threat of reprisal, intimidation, or harassment. Suppliers must take all reported concerns seriously and ensure that they will be addressed in a fair, honest, and timely manner respecting confidentiality requirements. Suppliers shall investigate, record, and take corrective actions if needed.

7 SUPPLIER'S DECLARATION OF COMPLIANCE

Every supplier of Oettinger Davidoff is required to sign a declaration of compliance to confirm and acknowledge its compliance with the principles, requirements, and expectations of the newest communicated version of the Supplier Code of Conduct. The Supplier shall be responsible for continuously monitoring and reviewing that they act in accordance with the expectations and requirements as set forth in this Supplier Code of Conduct.

8 DEVELOPMENT OF THE SUPPLIER CODE OF CONDUCT

Oettinger Davidoff will review this Code on a regular basis and will introduce new revisions where necessary and appropriate. Oettinger Davidoff will inform its Suppliers of any significant changes, but Suppliers will always find the applicable version of the Supplier Code of Conduct on Oettinger Davidoff's corporate website - www.oettingerdavidoff.com.



Supplier Code of Conduct - Declaration of Compliance

The undersigned confirm that:

- We have received and taken due note of Oettinger Davidoff's Supplier Code of Conduct, Version 1, 2023, and we commit ourselves to fully comply with its principles and requirements.
- We have noted that compliance with the Supplier Code of Conduct is an essential prerequisite for business relations between Oettinger Davidoff and us as Supplier for Oettinger Davidoff.
- We agree that Oettinger Davidoff or a third party appointed by Oettinger Davidoff may carry out periodic, unannounced inspections and/or audits on our facilities to verify our compliance with this Supplier Code of Conduct, respecting existing agreements with other partners upon our request.

This Compliance Declaration must be signed by two duly authorized representatives of the company and returned to the assigned Oettinger Davidoff contact within 15 working days of receipt.

Name / First name:

Name / First name:

Position:

Position:

Company Name:

Company Name:

Company Address:

Company Address:

Place, Date:

Place, Date:

Signature:

Signature:
