



&



Supplier Code of Conduct

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DOC#7.2.006

Last updated 4 January 2021

Supplier Code of Conduct

We are committed to conducting our business in ways that protect and benefit the environment, our employees, customers, and the global communities where we operate.

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Introduction

The quality and ethical standards of our finished products are contingent upon the values and practices of our suppliers in the form of the raw materials that we purchase. Therefore, it is essential that Flavorchem & Orchidia Fragrances' quality and values be perpetuated as a continuum, starting with the shared values established with our suppliers. Recognizing the important role of our Suppliers in our value chain, we therefore ask you, our Suppliers, to align behind our vision and share our expectations in order to support our sustainability efforts and business ethics.

In the following pages, we outline our Sustainability and Corporate Social Responsibility program which defines the framework for Flavorchem & Orchidia Fragrances business activities and strategic planning for which we seek alignment with our Suppliers. Our guidance and assessments come to us through our associations with EcoVadis, Sedex and the commitments we have made to the IFRA-IOFI Charter. We follow a continuous improvement approach towards corporate social responsibility. As such we reserve the right to make future amendments to this Supplier Code of Conduct.

Please read the Supplier Code of Conduct and understand your responsibilities so that together, we can build a stronger partnership for the future. By signing our Supplier Code of Conduct on the final page of this document, we expect our Suppliers to follow these standards and take appropriate measures for their implementation.

Scope

This Supplier Code of Conduct applies to all suppliers, their employees and sub-contractors providing products, materials, expertise and related services. It sets out the essential minimum requirements expected from each Supplier in the areas of environment, quality and product safety, labor and human rights, and integrity & fair business practices.

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Environment

- ENVIRONMENTAL CONCERNS

- Maintain compliance with all current environmental laws and regulations to preserve the environment in all countries in which our suppliers operate
- Flavorchem and Orchidia Fragrances must be notified of any enforcement, improvement, or prohibition notices served on the production site.
- Take precautionary measures and implement production processes and technologies that reduce environmental harm and destruction.
- Avoid operations that contribute to deforestation and loss of biodiversity.
- Use natural resources respectfully and sustainably.
- Assess environmental impact of products produced from conception, production to end use and minimize environmental impact at each stage of the life cycle.
- Establish a procedure that identifies and manages chemicals and other raw materials that pose a potential hazard to the environment, human health and safety.

- CONTINUOUS IMPROVEMENTS

- Research, develop and use environmentally friendly products, services, and programs to reduce waste going to landfills.
- Continuously improve your products, quality, services and optimize price.
- Improve on-time delivery and actions taken to continuously improve performance.
- Set objectives, create and implement plans, thereby taking actions for deficiencies identified by internal or external assessments and inspections.

- WATER USE

- Implement and document a water conservation program.
- Implement measures to protect bodies of water.

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- Safe drinking water is a basic human right and should be protected through proper sanitation and made readily available to employees.
- Optimize water consumption especially in water stressed area.
- Wastewater should be monitored, controlled and treated before being discharged to the environment.
- **RECYCLABILITY**
 - Recycling programs should be maintained at all locations needed.
 - There should be designated containers and areas throughout the plant to store recyclable materials.
- **ENERGY USE**
 - A program should be in place and updated annually to reduce energy throughout all aspects of product production.
 - Develop and upgrade existing equipment to be more energy efficient and implement more green technology.
 - Implement clean or renewable energy sources.
 - Set up audits to improve energy efficiency of process.
- **AIR POLLUTION**
 - Pollution and radioactive waste must be monitored and controlled.
 - Reduce and manage greenhouse gas emissions.
 - All wastes should be characterized, monitored, controlled and treated as required prior to discharging of all air emissions.
 - Noise, dust, odors and air pollutants should be identified and minimized.
 - All wastes should be reduced at source, sorted, monitored and disposed in a certified sorting or treatment center.
- **SUSTAINABILITY**
 - Suppliers should establish and comply to a sustainability program.

- Proof of core values should be demonstrated.

Quality and Product Safety

- Quality assurance manuals should be available and include start up checks for production and packaging, protocol for sampling, test methods and frequencies, calibration techniques and frequencies, and testing equipment instructions.
- Quality assurance data must be documented, kept up to date and verified by a supervisor or manager.
- All raw materials, chemicals and allergenic hazards should be considered on all stages of production.
- Audits, sampling, approvals and rejection procedures must be documented, and results recorded.
- Delivery trailers and tankers should be checked for condition, cleanliness, seals, locks and evidence of tampering.
- Incoming materials must be quarantined in a designated area away from approved material or product until formally approved.
- Incoming materials must be checked upon arrival to ensure safety, integrity of product and must be documented before entering storage areas. Products should be checked for damage, pest contamination or infestation, allergenic contamination, glass, dampness, tampering, inappropriate material, odor or spill.
- Upon approval, incoming raw material should be incorporated into a database or internal coding system.
- Incoming materials should be stored in their original sealed containers or transferred to covered containers, clearly labeled and kept off the floor to maintain their quality. All raw materials and equipment should be stored away from walls to allow cleaning, installation of pest control device locations and audit.

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- Protocol should be in place for out of spec material and all corrective action should be reviewed and recorded.
 - If any materials fail to meet standard, it should be placed in a designated quarantine area with clear identification to prevent use until its disposal or return is arranged.
 - Any expired material must be identified and quarantined pending documentation decision as to its fate based on risk assessment.
 - All sellers must immediately notify Flavorchem and Orchidia Fragrances of any potential quality, safety or labeling problem with goods supplied.
- **GOOD MANUFACTURING PRACTICES**
 - Conduct regular audits covering hygiene and GMP in production sites, raw materials ingredients and packaging. Audits should be conducted by the appropriately trained and experienced staff.
 - All plant equipment and production environment must be kept clean, and well maintained. Plant hygiene must be subject to management or supervisory control.
 - All plants must have a cleaning and sanitation program in place and undergo regular review and improvement.
 - Procedures should be in place to reduce the impact of plant and production breakdown which affect product safety, and quality.
 - Products requiring sensitive storage conditions should comply with legislative and industry standards.
 - Adequate containers for waste removal should be provided and containers should be covered and clearly designated for that use.

Labor and Human Rights

- **FORCED LABOR**

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- No form of forced labor or labor linked to any form of punishment is permitted.
- Labor should be provided without duress and employees should be free to leave in accordance with established rules.
- All Flavorchem and Orchidia staffing partners, suppliers and 3rd-party manufacturers are required to remain in compliance with this policy.

- **HUMAN TRAFFICKING**

- No form of slavery including human trafficking is permitted. All Flavorchem staffing partners, suppliers, and 3rd-party manufacturers are required to remain in compliance with this policy.

- **CHILD LABOR**

- We do not accept child labor. Every child is to be protected from economic exploitation and from carrying out work that can be considered dangerous, having a negative effect on the child's education or harmful to the child's health or development.
- The term 'child labor' refers to work carried out by a child who is under 15 years of age, or under 14 years of age.
- Workers who are younger than the minimum age limit for employment regulated by legal standards/regulation shall be not used.
- Companies shall develop or participate in and contribute to policies and programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child.
- Children and young persons (under 18) shall not be employed at night or in hazardous conditions or in conditions which effect adversely their personal developments.
- These policies and procedures shall conform to the provisions of the relevant ILO standards.
- All Flavorchem staffing partners are required to uphold this policy as well.

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- **ABUSE AND HARASSMENT**

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

- **FAIR COMPENSATION AND BENEFITS**

- Wages, benefits and overtime compensation shall, at the very least, comply with national legislation and agreements.
- Any deduction from wages as a disciplinary measure is prohibited.
- All employees shall be timely paid at least the national legal minimum wages. Details about wages and benefits shall be clear and provided in language understood by employees before starting the employment.
- All employees shall also be provided legally mandated benefits, including holidays and leaves and statutory severance when employment ends.
- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards based on type of the work. All workers shall be provided with written and comprehensible information about their employment conditions.

- **SAFE AND HEALTHY WORKING ENVIRONMENT**

- Minimum standards for local laws and regulations must be followed regarding the working environment.
- Employees should be provided with a working environment which is safe, hygienic and conducive to good health.
- Clear instructions on occupational health and safety must be available to employees and effective steps taken to prevent potential accidents and injury.
- Appropriate and effective personal protective equipment must be provided as needed, as well as securely equipped workstations.
- As a minimum, potable drinking water and adequate lighting, temperature, noise prevention, ventilation and sanitation shall be provided.

- Regular and recorded health and safety training should be given to all employees, and repeated for all new or reassigned employees.
- If employee accommodations are provided, it shall be clean and safe and meet the basic needs of the employees. Accommodation shall be clearly segregated from the production area and employees shall be able to enter and leave the accommodation freely at any hour.
- **PREPARATION FOR DISASTERS**
 - For avoiding any disaster (example fire, or any kind of accident under working time) the employees shall have regular fire and accident prevention trainings.
- **DISCRIMINATION AND EQUALITY OF TREATMENT**
 - There must be 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, political affiliation, or any other protected class.
- **WORKING HOURS**
 - Working hours must comply with the national laws and/or collective bargaining agreements.
 - It is recommended that regular working hours do not exceed 48 hours per week and maximum overtime is 12 hours per week.
 - Overtime shall be voluntary but occasionally can be mandatory; nonetheless overtime will always be compensated at a premium rate as defined by national law.
 - In countries where working hours are not limited by national law, for the sector in question, adequate rest periods shall be regulated between the supplier and the employees.
 - A transparent and reliable system for records of working hours and wages for all employees shall be in place.
- **FREEDOM OF ASSOCIATION:**

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- Supplier shall respect the right of all employers and all workers to freely and voluntarily establish and join organizations of their own choice.
- **HUMAN RIGHTS AND COLLECTIVE BARGAINING**
 - All employees shall have the right to form, join and organize trade unions of their choice and to bargain collectively on their behalf with the supplier.
 - The interests of the employees shall be respected without the fear of threats or harassment in situations where the right to freedom of association and collective bargaining are not restricted by applicable laws and regulations.
- **RESPECT AND DIGNITY FOR INDIGENOUS AND LOCAL POPULATION**
 - Indigenous peoples' rights shall be considered in the organization operations and activities.
- **COMPLIANCE WITH INTERNATIONAL LABOR STANDARDS**
 - All applicable national laws and regulations, industry minimum standards and any other relevant legal requirements of the countries of operation will be followed.

Integrity and Fair Business Practices

- **BRIBERY AND CORRUPTION**
 - Gifts or currency cannot be offered with the said or unsaid expectation of purchasing material from the organization.
- **CONFLICT OF INTEREST**
 - Supplier shall avoid any situations, such as offering gifts of greater than nominal value, hospitality, entertainment or other favors where an individual's private interests may conflict with the interests of the Supplier and/or Flavorchem & Orchidia Fragrances or where such situations might impair fair and objective judgment.

- **CONFIDENTIALITY**

- Supplier must keep all pricing and quantities of items purchased confidential unless the materials are commodities and the prices are controlled by the market or are shared with all interested parties.

- **REPORTING MISCONDUCT**

- All misconduct experienced at any level of an organization should be reported immediately.

- **COMPLIANCE WITH LAWS AND REGULATIONS**

- Non-compliant or illegal activity should be reported and recorded. Future dealings with such organizations may be suspended until corrective action plans are received and documented.

- **CONFIDENTIALITY AND DATA PRIVACY**

- The Supplier shall keep strictly confidential any commercial, operational or technical information in respect of the business Flavorchem & Orchidia Fragrances and shall not without the prior written consent of Flavorchem & Orchidia Fragrances disclose to any persons, or grant access to any person, any confidential information for any other purpose than as required for the successful performance the Company's contractual obligations.
- Personal information, such as of clients and employees, is processed and stored in accordance with data privacy regulations.
- Data breaches, no matter how small need to be reported to all parties affected.
- Nondisclosure Agreements especially involving intellectual property must be followed when in affect.

- **LEGAL COMPLIANCE**

- Non-compliant or illegal activity should be reported and recorded. Future dealings with such organizations may need to be suspended until corrective action plans are received and documented.

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- **MONEY LAUNDERING AND BUSINESS PARTNER CHECK**

- Supplier will not engage in bribery or other corrupt or unlawful practices to fulfill their business interests or to influence the acts or decisions of relevant authorized business agents, including government officials as well as private individuals. This includes financial consideration offered in any form in the transaction of business with any business partner.
- Supplier conducts its businesses in compliance with applicable anti-bribery, anti-corruption and anti-money laundering laws.

Supplier Declaration

This declaration confirms that your company is compliant with the provisions set out in Flavorchem & Orchidia Fragrances' Supplier Code of Conduct.

We, the undersigned, hereby confirm that:

- We have received, read, understood and taken due note of the provisions set out in Flavorchem & Orchidia Fragrances' Supplier Code of Conduct.
- We are aware of and comply to all relevant laws and regulations of the countries in which our company operates
- We commit to continue to comply with the Supplier Code of Conduct
- We will report any case of violations of this policy to Flavorchem & Orchidia Fragrances' within ten working days of becoming aware of the violation

Signature _____ **Date** _____

Name _____

Title _____

Company _____

Address _____
