

Suppliers Code of Conduct
ION Co., Ltd. of Cocoa and Chocolate
Industry (ION)



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Message from Management

Dear colleagues,

Since our establishment almost a century ago, at ION we have been committed to creating unique moments of pleasure for our consumers, with the same care and dedication, adhering to the highest standards of quality and safety. Our goal is to offer pleasure products that will keep ION at the forefront of consumers' hearts, forever!

This commitment is not limited to the products we produce, but defines every aspect of our business operations, including our collaboration with our suppliers. We firmly believe that responsible and ethical business practice is the foundation for sustainable development, which is why we make sure to incorporate principles of integrity, respect and transparency throughout our supply chain.

As a historic Greek chocolate company, we know that our success is directly linked to the communities where we live and work. In this context, we systematically invest in supporting raw material producers, social responsibility actions and environmental protection initiatives. Our goal is to ensure that our business creates a positive impact on people and the planet over time.

To maintain the trust placed in us by our consumers, partners and communities, we demand high standards from our suppliers. We want to work with organisations that embrace and apply the same values and principles: integrity and transparency in business transactions, respect for human rights, care for the environment and continuous improvement of their practices.

ION's Supplier Code of Conduct reflects the requirements and expectations we have of you, our valued partners. It is the way by which, we set the criteria that guarantee the quality and safety of our products, the protection of the people who contribute to their production and promotion, as well as the care of the environment and the communities where we operate.

We look forward to your continued cooperation in upholding and promoting the principles of the Code of Conduct, as it is only through collective effort that we can maintain the trust of our consumers and enhance the positive impact of ION in the world around us.

We thank you for your support in fulfilling our vision to continue to offer products of high quality and unbeatable enjoyment, with respect to people, society and the environment.

Sincerely,

ION Management.

Introduction

This Supplier Code of Conduct is based on the International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the International Covenant on Civil and Political Rights and the United Nations (UN) International Covenant on Economic, Social and Cultural Rights. We operate in line with our support for the UN Guiding Principles on Business and Human Rights (UNGPs) and our commitment to the UN Global Compact's Ten Principles and Sustainable Development Goals.

We require all Suppliers to comply with this Supplier Code of Conduct. "Supplier" means any third party that provides goods or services directly to ION for a fee, including in particular suppliers of components, raw materials and packaging, manufacturing and packaging contractors, logistics service providers, distributors, waste management partners, maintenance, repair and operations providers, IT system providers and marketing and advertising companies, including their parent, subsidiary or affiliated companies.

The Supplier Code of Conduct applies to all employees of Suppliers, including permanent, temporary and those hired directly or indirectly through subcontractors (collectively, "Employees").

Our Suppliers are required to communicate this Supplier Code of Conduct to their own operations, as well as to their own Suppliers. Suppliers are required to adopt adequate and effective management systems and certifications, policies, procedures and training, and to conduct appropriate human rights and environmental due diligence procedures to ensure compliance with the criteria and requirements set forth in this Supplier Code of Conduct.

We require our Suppliers to comply with all applicable national and local laws in the markets in which they operate. However, in cases where local laws or regulations differ from this Supplier Code of Conduct, the latter shall prevail.

ION recognizes the size and complexity of its global supply chain, which ranges from distributors and processors to large-scale farms, family farms and small producers. While it is not currently feasible to monitor the compliance of every Supplier in our global supply chain, we do apply an evaluation approach based on specific criteria found in our Supplier Code of Conduct.

We also understand that some key stakeholders in our extensive value chain, such as smallholder farmers, may not currently be able to meet all the requirements outlined in the Supplier Code of Conduct. When instances of non-compliance are identified in our extended value chain, and with a focus on continuous improvement, ION is committed to working with and providing appropriate information to Suppliers to achieve, remediate and, whenever possible, exceed the requirements of this Code.

At the same time, we encourage them to participate in broader industry initiatives aimed at continuous improvement throughout their supply chain.

ION applies a comprehensive due diligence framework for human rights and the environment. As such, we expect our Suppliers to put in place a system that assesses and addresses their Environmental, Social and Governance (ESG) impacts, covering prevention, mitigation and remediation measures, following the six steps of the due diligence process in line with the Organisation for Economic Co-operation and Development (OECD) guidelines.

By accepting the Supplier to provide goods or services directly to ION, the Supplier acknowledges that it accepts the Supplier Code of Conduct and expresses its intention to comply with its requirements.

Supplier Code of Conduct Principles

1. Compliance with Legislation and Regulations

The Supplier respects and complies with international labour standards as defined by core international human rights conventions, policies and procedures, including the principles set out in the ILO Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

At the same time, the Supplier is required to comply with applicable national and European legislation concerning, but not limited to, the production, transport and marketing of chocolate products.

2. Food Quality and Safety

The products, raw materials, materials and services provided by the Supplier shall comply with applicable legislation and accepted industry and European standards, as well as meet the agreed requirements, specifications and safety criteria of ION as set out in the relevant contract documents. Any concerns about the safety or quality of the products shall be reported immediately to ION.

The Supplier shall comply to strict quality and safety standards such as HACCP, ISO or other equivalent quality assurance standards and shall properly manage raw materials (e.g. cocoa, sugar, milk) in a manner that ensures excellent quality and avoids contamination.

3. Ethical Business Practices

Fighting Corruption

The Supplier conducts its business activities in compliance with all applicable laws, regulations, rules, regulations and codes relating to anti-bribery, anti-corruption and anti-money laundering.

Supplier shall not engage in bribery or corruption or illegal practices to further its or ION's business interests, nor influence the actions or decisions of relevant entities, including government officials and private individuals. This includes any benefit offered to ION employees in any form (e.g., donations or other consideration) in exchange for providing services for the benefit of ION.

The Supplier shall take all necessary and reasonable steps to ensure that its supply chain is free from any form of bribery or corruption. In addition, Supplier shall establish, maintain and enforce its own policies and procedures to ensure compliance with the relevant provisions.

4. Personal Data Protection

The Supplier must comply with applicable laws and regulatory requirements regarding privacy and information security when collecting, storing, processing, transmitting or disclosing personal data. The Supplier must also be committed to protecting personal information and ensuring the confidentiality, privacy and security of those who deal with it, including suppliers, customers, consumers, Employees and temporary employees. In addition, the Supplier is required to have appropriate policies and procedures in place to ensure compliance with this requirement.

Suppliers are advised to establish their own Data Protection Policy.

5. Respect for Human Rights

Forced Labour

Any labour offered by the Supplier must be voluntary. Forced, bonded, indentured, bonded labour and any other form of slavery or human trafficking is prohibited. This includes ensuring that no financial guarantees are required and no legal documents, such as original identification, are withheld by the Supplier throughout the recruitment process, and that the Supplier refrains from any action that creates forced dependency. In addition, the Supplier shall ensure that the freedom of movement of Employees is not restricted in any way and that Employees are free to leave the workplace. All work must be voluntary, and Employees must have the option to terminate their contract with advance notice. The Supplier must apply appropriate due diligence procedures in accordance with the OECD Guidelines for Responsible Business Conduct to its suppliers whenever necessary.

Child Labour

ION does not tolerate child labour in its supply chain. We are committed to eliminating the "worst forms of child labour" as defined by ILO Convention 182. ION requires its Suppliers to prevent child labour in their own operations and throughout their supply chain and encourages them to participate in industry initiatives aimed at eliminating such practices wherever they exist.

- Do not employ people under 15 years of age (or 14 years of age when local law allows it, in accordance with ILO Convention No.138) or below the minimum legal age for employment in the country, whichever is higher.
- Any employment or utilization of Employees under the age of 18 shall not interfere with their schooling or professional training or expose them to work that is mentally, physically, socially or morally hazardous.
- In cases where child labour is identified, appropriate corrective measures will be implemented as appropriate, such as removing the child or young Employee from work and ensuring their protection.

Prohibition of discrimination

ION does not tolerate any form of discrimination in the workplace. We are committed to diversity, equality and inclusion in our working environment and throughout our supply chain. The Supplier is required to adopt the same principles and must pay particular attention to respecting the rights of vulnerable or marginalized populations of Workers, who are most at risk of discrimination.

Any form of discrimination in the workplace based on (among other things) race, colour, sex, age, nationality, religion, citizenship, marital status, sexual orientation, gender identity, physical or mental disability, genetic information, pregnancy (including childbirth and related medical conditions, as well as conditions related to lactation), or other categories protected by national or local law is strictly prohibited. This includes any action preventing employees from engaging in, or refraining from, trade union activities protected by law. Such practices are contrary to the values of ION and will not be tolerated.

Harassment – Violence

ION does not tolerate any form of harassment in the workplace or throughout its supply chain. Any acts of harassment, intimidation, criminalization, or violence against human rights defenders or anyone voicing concerns about human rights issues are strictly prohibited, and Suppliers are required to follow these same principles.

All Employees must be treated with dignity and respect and must not be subjected to a hostile work environment that involves threats or the use of any form of inappropriate treatment, intimidation or violence, corporal punishment, or other forms of physical, psychological, or sexual harassment or abuse.

The disciplinary policies and procedures supporting these requirements must be clearly defined and communicated to all Employees. Any disciplinary measures imposed must be proportionate and must not involve physical, psychological, or mental punishment. All disciplinary actions must be thoroughly documented.

6. Employee Health and Safety

The Supplier must provide its Employees with a healthy and safe working environment in order to prevent accidents and injuries that arise from, are related to, or occur during work or as a result of the Supplier's activities.

The Supplier protects Employees from exposure to hazardous materials and provides, free of charge where required, the necessary personal protective equipment. All areas made available for Employee use are clean and safe. In addition, the Supplier ensures that Employees have access to drinking water and clean sanitation facilities. At the same time, the Supplier ensures appropriate emergency preparedness by providing sufficient emergency exits, signage, and information on evacuation procedures.

Employees must receive regular training on appropriate health and safety policies and procedures, including workplace emergency evacuation procedures, in the primary language(s) they understand.

7. Environmental Protection and Biodiversity

ION is committed to reducing its carbon footprint and creating a supply chain that has a positive environmental impact, with the aim of ensuring the stability of ecosystems.

We expect all our Suppliers to comply with relevant environmental regulations and to conduct their business activities with respect for the environment. Suppliers are expected to establish an effective Environmental Management System (EMS), conduct risk assessment, monitor their environmental performance and adopt continuous improvement techniques to prevent and minimise their environmental footprint.

Reduction of CO₂ emissions

The Supplier shall take appropriate measures, to the maximum extent possible, to reduce greenhouse gas emissions and limit their impact on air quality. At the same time, it must provide, on request, documented information on its carbon footprint and reduction targets.

Biodiversity Protection and Deforestation

The Supplier shall take appropriate measures throughout its operations and supply chain to conserve biodiversity. When establishing new facilities or expanding existing ones, the Supplier shall take measures to maintain high conservation value areas and enhance biodiversity. It should also maintain documented data on land use history and provide it on request.

The Supplier must ensure that its activities and work throughout the supply chain do not contribute to deforestation and provide relevant certificates. It is recommended that all Suppliers implement their own Non-Deforestation Policy with the aim of effective restoration and long-term conservation of protected areas. Suppliers should prohibit the sourcing of products from National Parks and Protected Areas.

At the same time, the Supplier must raise awareness and communicate the concept of zero deforestation to its own suppliers.

8. Transparency and Traceability in the Supply Chain

The Supplier must maintain transparency on traceability issues, so that the origin and route of products/raw materials can be checked. We believe that traceability is a key pillar for ensuring transparency and accountability, accurately tracking and recording the origin of products, protecting human rights and reducing environmental impacts. For this reason, we expect the Supplier to maintain adequate records and, upon request, to disclose the location of facilities, production sites and the recorded origin of materials to enable traceability.

Inspection and Audit System

ION reserves the right to conduct assessments and, if necessary, audits of the Supplier's facilities and processes (directly or through a third party) in order to determine the Supplier's compliance with the Supplier Code of Conduct.

The Supplier undertakes to provide all necessary information, including unhindered access to facilities and related records, to facilitate any audit process. At the same time, the Supplier shall cooperate fully with ION representatives or other designated bodies to ensure compliance with the Supplier Code of Conduct.

Complaints and Petitions Procedure

ION is committed to establishing and maintaining a secure and reliable reporting system that allows employees, partners or third parties to report possible violations of the Supplier Code of Conduct, either anonymously or confidentially. In this way, a culture of transparency, accountability and respect is promoted, encouraging early notification and response to any non-compliance.

ION is committed to developing a clear process for investigating such reports, which will follow specific steps and respect the principles of objectivity and confidentiality. In the investigation, the rights of all parties involved will be taken into account and respected, ensuring fair treatment and protection from retaliation.

Consequences of non-compliances

In case of non-compliance with the Supplier Code of Conduct, ION reserves the right to impose appropriate measures, depending on the severity of the violation. These may include warnings, suspension or termination of cooperation, as well as any other legal or contractual remedies. Immediate intervention ensures that compliance is restored and prevents potential future incidents.

Updates and Revisions

This Supplier Code of Conduct will be regularly updated and revised to incorporate lessons learned from continuous improvement. The most recent version of the Supplier Code is available on our website at: <https://www.ion.gr/>

References

Suppliers are encouraged to consult the following reports in order to further strengthen their compliance with the relevant frameworks. The following references do not imply any additional obligations beyond the principles outlined above in the ION Supplier Code of Conduct.

- International Labour Organization (ILO): <http://www.ilo.org>
- UN Global Compact: The Ten Principles of the Human Global Compact: <https://www.unglobalcompact.org/what-is-gc/mission/principles>
- UN Universal Declaration of Human Rights: <https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- Ethical Trade Initiative (ETI) base code: <https://www.ethicaltrade.org/eti-base-code>
- ILO: No child labour (ILO Convention No. 138 and No. 182) <https://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang--en/index.htm>
- ILO: No discrimination (ILO Convention No. 111 and No. 100) <https://www.ilo.org/global/topics/equality-and-discrimination/lang--en/index.htm>
- OECD Due Diligence Guidance for Responsible Supply Chains: <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>