



WalterMatter

RESPONSIBLE BUSINESS POLICY

December 2021





Dear Business Partner,

In 2020, Walter Matter celebrated its 100th anniversary. This remarkable longevity, which spans over three generations, would not have been possible without you, with whom we share this success.

For the past 100 years, we have strived to carefully select and source premium coffee and cocoa beans from the best origins. Crop after crop, we have worked hand in hand with you, learning and progressing together, and have built long-lasting relationships based on mutual trust, integrity, honesty, respect, and ethical conduct.

Since our creation, sustainability has been deeply ingrained in our DNA. As a consequence, we have set as our mission to always offer responsibly grown products that meet customers' expectations. We therefore take our responsibility very seriously and constantly aim to play an active role in supporting our Business Partners in the betterment of practices within the value chain.

And now, we would like to go even further. At a time when both Coffee and Cocoa sectors face major challenges, close collaboration is required. By joining our forces, we seek to offer a better future to thousands of smallholders around the globe, building a value chain in which success is fairly shared amongst all stakeholders.

This is the reason why we would like to encourage you, as our Business Partner, to commit with us to a long-term and continuous improvement process. To serve as a guide for both of us, we have decided to launch our Responsible Business Policy.

This Policy applies to every player of our supply chains (from producers to retailers, including exporters and transportation companies), hereinafter referred to as 'Business Partners'. We will promote relationships with Business Partners that share our values and practices.

These guidelines can be shared openly to every stakeholder involved and we remain available to provide additional information if necessary.

This version of the Policy has been issued in February 2021.

Nicolas Matter
Chief Executive Officer



1. Compliance and Business Integrity

A. Legal Requirements

The Business Partner shall:

1. comply with all laws and regulations applicable in the country in which it operates and obtain and maintain all required registrations, permits and licenses for all areas contained in this Policy;
2. be committed to continuously improving the practices linked to its activities and establish higher standards than required by laws and regulations when deemed necessary.

B. Anti-Corruption and Anti-Bribery

The Business Partner shall:

1. comply with all applicable anti-bribery laws. Business Partners shall not offer or accept improper payments from or for governments officials, directly or indirectly. Offering or receiving anything of value could be seen as an attempt to influence a person's professional actions or decisions and therefore as a bribe;
2. avoid gifts, entertainment and hospitality as means of strengthening business relationships. In specific cases, the supplier may accept or offer non-monetary gifts or insignificant value or entertainment and hospitality only if this is compliant with local business practice and laws;
3. set up an anti-corruption policy to be regularly communicated to the workers.

C. Prevention of Conflict of Interest

The Business Partner shall:

1. comply with all applicable laws concerning conflicts of interests and make every effort to prevent the occurrence of situations that create conflicts of interest within the scope of its business relationship with Walter Matter.

D. Economic Accountability

The Business Partner shall:

1. comply with any national and international accounting and tax applicable laws and ensure full transparency of financial information;
2. commit to taking all appropriate measures to prevent its operations from being used as vehicles for money-laundering;
3. inform in case of any risks of money-laundering related to its activities.

E. Privacy and Intellectual Property

The Business Partner shall:

1. not disclose any confidential information related to business nor personal data or information to any third party. Intellectual property is defined as trademarks, copyrights, patents, trade secrets and other proprietary information;
2. prevent accidental disclosure or intentional misuse of confidential information.



F. Dealing with Fairness

The Business Partner shall:

1. not take unfair advantage of any non-public information that may have an impact on the business relationships nor take unfair advantage of anyone through manipulation or pressure;
2. report if it is put under pressure through fear or favour;
3. commit to the principles of free competition in accordance with all applicable antitrust, competition and trade practice laws.

2. Human Rights

Selected References: UN Universal Declaration on Human Rights, UNHRC Guiding Principles for Business and Human Rights, ILO Minimum Age for Admission to Employment and Work Convention (C138), ILO Worst Forms of Child Labour Convention (C182), ILO Conventions on Core Labour Standard, ILO Forced Labour Convention (C29), ILO Abolition of Forced Labour Convention (C105), IL Discrimination, Employment and Occupation Convention (C111), IL Right to Organize and Collective Bargaining Convention (C155).

If the supplier acts in a country that has not ratified ILO standards, Walter Matter may reserve the right to ask the supplier to demonstrate that it substantially respects the below requirements.

A. Child Labour and Minimum Age for Employment

The Business Partner shall:

1. respect the minimum age for employment as per ILO convention, thus not employ anyone under the age of 15 years old or under the age at which a child leaves compulsory education or comply with national law if more stringent;
2. comply with the ILO Conventions specifying the conditions under which children can start working before 15 years old (family farm work, specific work, etc.);
3. respect the minimum age of 18 for hazardous work, which is defined as work that, due to its nature or the circumstances in which it is carried out, is likely to jeopardize children's health, safety or morals such as work at night, carrying dangerous heights, exposure to hazardous substances, temperatures, etc.);
4. not tolerate any form of work that is physically, psychologically, and morally dangerous and harmful to children (people under 18) and/or prevent them from attending school;
5. not tolerate conditions such as slavery or practices similar to slavery trafficking of children, debt bondage, etc.);
6. put in place the appropriate measures to prevent child labour and report any cases or suspicion to the contact person at Walter Matter.

B. No Forced, Bonded or Prison labour

The Business Partner shall:

1. allow workers to accept and leave employment freely and thus not require them to lodge "deposits" (passports, ID, bank books, etc.) as a condition of employment;
2. not tolerate any form of forced or compulsory labour, including human trafficking and other forms of modern-slavery;



3. not make use of violence, punishment or any methods of intimidation to discipline or control workers;
4. put in place the appropriate measures to prevent any form of forced labour and report any cases or suspicion to the contact person at Walter Matter.

C. No Discrimination

The Business Partner shall:

1. not discriminate in hiring and in employment practices with respect to any personal characteristic: gender, race, ethnicity, age, religion, sexual orientation, social background, marital status, disability, nationality or political opinion;
2. treat all workers with fairness and equality. Temporary workers and full-time workers must receive a fair and equal treatment;
3. promote a fair work environment and encourage workers to communicate any inappropriate behaviour by opening a reporting hotline.

D. Employment Contract, Working Hours and Remuneration

The Business Partner shall:

1. comply with all applicable regulations to prevent illegal, clandestine and undeclared employment;
2. establish written employment contracts with all workers and respect the contract terms (payment, working hours, overtime hours, conditions, etc.);
3. ensure that working hours are in compliance with local laws and regulations (night work, extra hours, etc.);
4. provide with at least one day off in every 7-day period and paid annual leave, as per local laws and regulations and collective agreements;
5. compensate all workers (permanent and temporary) as per mentioned in the written employment contract and no less than monthly.
6. share wage calculations in a transparent and equitable way, including for remuneration based on production, quotas, or piecework;
7. provide the adequate social benefits to the worker and comply with mandatory benefits as per local laws, regulations and collective agreements.

E. Collective Bargaining and Freedom of Association

The Business Partner shall:

1. recognize the right to freedom of association and collective bargaining;
2. facilitate the activities of trade unions and promote open communication with workers organizations, as well as the workers' participation in the workplace;
3. not intimidate or put at the risk of job loss, workers who are members of worker organizations.

F. Respect at Work

The Business Partner shall:

1. operate with dignity, respect and integrity regarding the treatment of its workers. No form of psychological, physical, mental, sexual or verbal abuse, intimidation, or harassment is tolerated;
2. respect women's rights and ensure that any work assigned to women is properly remunerated and recognized as for men;
3. respect the privacy rights of the employees;



4. respect the rights of indigenous and local communities, including land rights. The process of Free Prior and Informed Consent must be respected at all raw materials production sites.

3. Health & Safety

Selected References: ILO Convention on Occupational Safety and Health (C155) and UHSAS 18001 Occupational Health and Safety.

A. Work Environment

The Business Partner shall:

1. comply with all applicable national laws and regulations in the area of health & safety at work;
2. provide a safe and healthy work environment for all workers (temporary and permanent), in accordance with appropriate standards;
3. put in place emergency measures (exits, first-aid supplies, etc.) and regularly practice emergency drills and safety training for prevention with all workers including temporary ones;
4. provide a hygienic working place with easy access to potable drinking water, adequate lighting, temperature, ventilation and sanitation;
5. provide appropriate equipment including protective equipment to work in safety and free of charge.

B. Housing Conditions

The Business Partner shall:

1. provide appropriate accommodation for workers who are required to live temporarily or permanently at the workplace;
2. provide accommodation with a reasonable personal space that respects the rights for privacy. Workers shall be able to enter and leave the dormitory buildings freely at any hour;
3. provide facilities for cooking and food storage, clean shower and toilet facilities, adequate heating and ventilation equipment and clean dormitories.

4. Environmental Protection

Selected References: The Rio Declaration on Environment and Development (UN1992), FAO Voluntary Guidelines on Governance of Land and Land Tenure, the ISO 14001:2015 Environmental management systems.

A. Land Rights

The Business Partner shall:

1. demonstrate legal right to use the land;
2. demonstrate evidence of compliance with community land rights;
3. respect the sites and resources that are fundamental for satisfying the basic needs of local communities or indigenous people for livelihoods, health, nutrition, water, etc.



B. Natural Resources, Nature Conservancy and Biodiversity

The Business Partner shall:

1. adopt adequate practices to minimize the use of natural resources such as forests, soil and water;
2. ensure its activities respect natural ecosystems, protected areas such as peatlands and their biodiversity, including wildlife and rare, threatened and endangered species;
3. identify, protect and prevent from producing on High Conservation Values (HCV) lands and High Carbon Stock (HCS) forests in and around their territory. Cut-off date is 31st December 2015;
4. If HCV and HCS areas have been deforested or land cleared for cocoa or coffee plantations since 31st December 2015, ensure that it was carried out in accordance with legal requirements and that compensation measures (as replanting of native trees) are taken;
5. not use Genetically Modified Organisms or species unless specifically authorised by local law. In this case, the supplier shall maintain a clear documentation, segregation and traceability of the seeds used and inform proactively the contact person at Walter Matter.

C. Usage of Inputs and Hazardous Substances

The Business Partner shall:

1. adopt sustainable agricultural practices that respect soil and biodiversity;
2. record the use of fertilizers (including any soil additives) and pesticides in a proper manner (products used, brands, suppliers, quantity, date and method of application);
3. set up integrated pest management practices allowing to minimize the use of pesticides;
4. avoid pesticide drift on other crops and other areas bordering the plantations during application (including water sources);
5. provide regular training on safe use and handling of agrochemicals (pesticides, fertilizers or other chemicals used) and other agricultural inputs, and store agrochemicals in a safe and adequate manner, in accordance with appropriate standards;
6. provide the adequate equipment and personal protective equipment in all agricultural operations. They shall be regularly checked, maintained and replaced, in accordance with appropriate standards;
7. not use pesticides that are not legally approved in the country where it operates;
8. be aware of the chemicals listed under the UN Stockholm POP (Protecting human health and the environment from persistent organic pollutants) or Rotterdam PIC Conventions, the WHO Recommended Classification of Pesticides by Hazard, the PAN International List of highly hazardous pesticides and encourage their elimination and/or reduction;
9. not use the extremely and highly hazardous pesticides listed 1a and 1b of the WHO Recommended Classification of Pesticides by Hazard;
10. actively seek for the reduction of the Greenhouse Gas (GHG) emissions related to the usage of agrochemicals.

D. Water Resource Management

The Business Partner shall:

1. ensure its activities and processing are not damaging water quality in the surroundings;
2. optimize water retention and minimize soil erosion by using farm drains, cultivating cover crops, etc;
3. put in place irrigation techniques to minimize the transport of chemicals, nutrients or sediment from the soil surface into water;
4. regularly monitor the water quality to guarantee the needs of other water users, including communities, wildlife and ecosystems in the surroundings.



E. Pollution and Waste

The Business Partner shall:

1. minimize disposal of solid waste, wastewater and all kinds of emissions to prevent pollution of air, water and soil.
2. ensure adequate treatment of any kind of waste in accordance with appropriate standards and identify any potential contamination risks;
3. promote composting and recycling wherever possible;
4. put in place the appropriate prevention measures and be proactive implementing new practices to reduce waste and pollution (including GHG emissions) generated by its activities.

5. Collaboration and Transparency

A. Traceability

The Business Partner shall:

1. ensure the identification of the origins of the coffee and cocoa supplied to Walter Matter and enable traceability ideally up to the farmer or up to the parcel;
2. record traceability data for five years and provide the information to Walter Matter upon request.

B. Documentation and Management Systems

The Business Partner shall:

1. put in place the appropriate management systems that allow the compliance with the various domains contained in this Responsible Business Policy;
2. implement management systems that assign roles and responsibilities among its staff on the various domains, and that allow to monitor and evaluate its activities while identifying potential risks and adapt its practices to minimize the impact of these activities and the risks related;
3. regularly update its policies and process and maintain training, record keeping, communication in its organisation.

C. Verification

The Business Partner shall:

1. ensure that its employees and business partners are aware of the content of this Policy and will proactively support its implementation;
2. allow Walter Matter or a third-party contractor to conduct audits in respect to the requirements of this Policy and disclose the necessary information to demonstrate conformance to this Policy upon request and accept to implement the agreed remedial measures in case of non-conformity with this Policy.

D. Raising ethical concerns

The Business Partner shall:

1. report any suspected violation to laws, regulations and to this Policy to the contact person at Walter Matter or confidentially by e-mail (ethics@wama.ch).



Agreement with the Walter Matter Responsible Business Policy

We hereby acknowledge the Walter Matter Responsible Business Policy.

As a Business Partner, we commit to doing our best efforts to comply with the requirements contained in this Policy and putting in place the necessary actions to continuously improve the value chain.

Date and place

Business Partner signature

Stamp