



MYCELIUM MATERIALS

EUROPE

CODE OF CONDUCT

April, 2020



Mycelium Materials Europe B.V. (MME) has adopted the following standards as part of our operating practices.

LEGAL REQUIREMENTS

MME meets the legal requirements for labor, safety and environmental law of our region. We commit to ensuring that employees have the required legal documents to work in the country of The Netherlands.

FORCED LABOR

MME does not use, nor engage in forced labor, including bonded labor, human trafficking, contract substitution, indentured labor, political coercion, slave or modern slave labor, prison labor, or any labor whose freedom of movement, speech or political view is restricted.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We recognize and respect the right of workers to join and organize associations of their own choosing and to bargain collectively. MME is committed to mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with workers and their representatives.

SAFE AND HEALTHY WORK ENVIRONMENT

MME provides a safe and hygienic working environment, taking into account the prevailing knowledge of the industry and of any specific hazards.

..



Occupational health and safety practices are implemented to prevent accidents and injury to health arising out of, associated with, or occurring in the course of, work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. This includes protection from fire, accidents and toxic substances, and providing adequate lighting, heating and ventilation systems within the work environment. MME has health and safety policies that are clearly communicated to its workers.

MME ensures operations include provisions for worker with disabilities per national laws. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Workers receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. MME has assigned responsibility for health and safety to a senior management representative.

NO USE OF CHILD LABOR

MME ensures no child labor occurs and will not hire any employee under the age of 16.

MME has an age verification policy/procedure at the hiring stage to identify a candidate's eligibility to work and any legal limitations.

MME is committed to developing or participating in and contributing to policies and programs that provide for the transition of any child found to be performing child labor to enable him/her to attend and remain in quality education until no longer a child.

YOUNG WORKERS

MME complies with applicable laws and regulations with regards to young workers (individuals who are 16-18 years of age or otherwise receive protected status under local law, whichever is stricter), including but not limited to: type of work, hours of work, health checks, registration to authorities, wages, benefits and prioritization of education.

MME ensures that young workers do not carry out work that, by its nature or the circumstances under which such work is carried out, is likely to jeopardize their health, safety, education, or emotional, and/or physical development.



MIGRANT WORKERS

MME ensures that migrant workers are protected and recruited ethically. Migrant workers are recruited through fair and transparent processes. Costs associated with recruitment and hiring of migrant workers are covered by MME and not the employee. All original documentation of workers like passports, resident cards, and other such identification remains with the employee.

WORKERS RECEIVE FAIR WAGES AND BENEFITS

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards or the minimum wage set by the collective bargaining agreements, whichever is higher. In addition to compensation for regular working hours, workers must be compensated for overtime hours at the rate legally required in the country of manufacture.

MME has taken it upon itself to ensure that wages should always be enough to meet basic needs and to provide some discretionary income. Where compensation does not meet workers' basic needs and provide some discretionary income, MME will take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services.

All workers are provided with written and understandable information about their employment with respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

WORKING HOURS ARE NOT EXCESSIVE

MME ensures that working hours comply with national laws, collective bargaining agreements, and the provisions below, whichever affords the greater protection for workers. Provisions below are based on current international labor standards:

Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week (International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced).

..



All overtime is voluntary. Overtime is used responsibly taking into account all the following: the extent, frequency, and hours worked by individual workers and the workforce as a whole. Overtime is not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

The total hours worked in any 7-day period are not to exceed 60 hours, except where covered by clause below, or the local legal requirement, whichever is less.

Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law.
- this is allowed by a collective agreement freely negotiated with workers' organization representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety;
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks or emergencies.

Workers are to be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

NO DISCRIMINATION IS PRACTICED

Recruitment and employment practices must be based solely on ability to perform the job. There is 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, association membership, parental status, personal characteristics or beliefs, or any other factor which does not directly relate to that person's skills or ability to complete their assigned work.

MME takes active steps to ensure and demonstrate equal treatment, opportunity, promotion and pay between men and women, in their workplace and supply chain.

Additionally, should MME hire any migrant workers, we will implement effective measures to protect migrant workers against any form of discrimination and to provide appropriate support services that reflect their special status.



REGULAR EMPLOYMENT IS PROVIDED

To every extent possible work performed must be on the basis of recognized employment relationship established through national law and practice.

Obligations to workers under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

NO HARASSMENT OR ABUSE

MME commits to a work environment where workers must be treated with respect and dignity. Physical abuse or discipline, the threat of physical abuse, psychological, social or emotional abuse, sexual or other harassment and verbal abuse or other forms of intimidation or bullying is prohibited.

Monetary fines or wage withholdings are not be used as a means to maintain labor discipline.

MME commits to a non-retaliation policy that permits factory workers to express their concerns about workplace conditions directly to factory management or to a trusted third party without fear of retribution or losing their jobs.

MME commits to no retaliation against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm.

INFORMED WORKPLACE

MME ensures workers are aware of their responsibilities, salaries/wages, payment schedules, rights to benefits, and work schedules. Employment conditions have been provided in writing.

MME has an established grievance mechanism in place. This allows workers to provide feedback, comments and complaints in a safe way.

..



MME has an open-door policy where any employee can bring forward complaints or feedback without retaliation. Additionally, the company has a suggestion box that is checked so that workers can share anonymously. The company commits to providing feedback to ensure that the communication was heard, and share the action that is being taken to address what was raised.

NO UNAPPROVED FACILITIES OR SUBCONTRACTORS

Where required, MME will disclose and receive partner approval in writing prior to initiating any supply chain production using a subcontractor.

The subcontractor is defined as an individual or company that is not employed by the partner or a company that directly provides a partner supplier with production processes. All authorized subcontractor must comply with partner's Code of Conduct.

ENVIRONMENTAL REQUIREMENTS

MME commits to meeting local, national and international laws pertaining to environmental requirements.

MME will integrate principles of environmental sustainability into business decisions, ranging from responsible use of natural resources to utilizing clean production processes in design and development of products and technologies. Partners must require the same of their partners, suppliers and subcontractors.

MME will establish an environmental plan and set improvement goals consistent with that plan.