



SUPPLIER/VENDOR CODE OF CONDUCT

Save Mart Supermarkets (“Save Mart”) is committed to ethical and responsible conduct in all areas of its operations. It maintains a high regard for human rights and respect for the environment. It strives for excellence in its business and the communities in which it operates, and it is dedicated to making continuous improvement in strengthening the implementation of positive labor relations and sustainable environmental practices.

Save Mart only engages Suppliers/Vendors (“Supplier(s)”) who share its values. Save Mart expects its Suppliers to enforce its Code of Standards in their respective operations (to the extent applicable), and to require the operations of any third-party grower, packager, distributor and/or manufacturer used by Supplier to similarly comply.

Conduct of Manufacturing:

Supplier shall meet the following standards in the course of manufacturing, growing, packing and distributing goods and shall require a commitment from its third party suppliers/vendors to meet the standards:

Child Labor: Supplier will not use child labor.

The term “child” refers to a person younger than the local legal minimum age for employment or the age for completing compulsory education, but in no case shall any child younger than fifteen (15) years of age (or fourteen (14) years of age where local law allows) be employed in the manufacturing, packaging or distribution of goods. A system should be in place to detect forged and false identity documents.

Forced Labor: Supplier will not use any forced or involuntary labor, whether prison, bonded, indentured or otherwise. Each employee must be informed that employment and overtime is voluntary.

Treatment of Workers: Supplier will treat each employee with dignity and respect, and not use corporal punishment, illegal cash fines, threats of violence, or other forms of physical, sexual, psychological or verbal harassment or abuse.

Nondiscrimination: Supplier will not discriminate in employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, ethnicity, orientation or age (except with respect to retirement).

Wages and Working Hours: Supplier will comply, at a minimum, with all applicable wage and hour laws, including minimum wage, overtime, maximum hours, piece rates and other elements of compensation, and to provide legally mandated benefits. Overtime work must be voluntary. Wages must meet or exceed legally mandated minimum wages. Piece-rate pay systems must guarantee earnings based on the applicable hourly minimum wage rates. All normal and overtime work hours must be accounted for by a verifiable recordkeeping system. All wages, overtime pay and benefits must be paid in a timely fashion as mandated by local laws.

Hiring Practices: Supplier will inform each employee of his or her work hours, wages and wage calculations, benefits, costs for food and living, and length of employment contract.

Health and Safety: Supplier will provide employees with a safe and healthy workplace (including any employer provided housing) in compliance with all applicable laws, ensuring, at a minimum, reasonable access to

potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Hazards must be eliminated where possible, and employees must be provided and trained on the use of Personal Protective Equipment where hazards cannot be fully eliminated. Employees must be trained on emergencies and evacuation procedures.

Environment: Supplier will comply with all applicable environmental laws and regulations. Without limiting the foregoing, Supplier will operate each factory or facility in compliance with all local laws regarding water, air, ground contamination and proper disposal of hazardous waste materials.

Association: Supplier will respect the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference, in accordance with applicable laws.

Monitoring and Compliance:

Supplier agrees to (i) adopt and be bound by any generally accepted code of conduct developed by a reputable industry organization that incorporates, at minimum, the provisions contained in this Supplier Code of Conduct, or a substantially similar code of its own; and (ii) require Supplier's suppliers/vendors to develop, implement and maintain a similar code of conduct. If Supplier becomes aware that any supplier/vendor is in violation of its Code of Conduct, and such supplier/vendor thereafter fails to remedy the cited failure(s) within a reasonable time after notice to take corrective action, Supplier shall not thereafter use such supplier/vendor in connection with goods provided to Save Mart. Supplier shall notify Save Mart of any material violations of its own Code of Conduct which violates Save Mart's Supplier/Vendor Code of Conduct. In the event Save Mart becomes aware of any Supplier violation, upon request of Save Mart, Supplier shall provide a report containing the following information: allegations of violation, findings of fact, statements of witnesses, and any other material information reasonably requested by Save Mart plus a corrective action plan demonstrating that Supplier has corrected the violation and such corrective action will ensure compliance on an ongoing basis.

If Save Mart becomes aware of any violation of its Code of Conduct by Supplier which has not be reported in a timely manner, such failure to report shall constitute a material breach of the terms and conditions contained in Save Mart's Supplier and Vendor agreements and Save Mart shall have the right to immediately terminate them without liability.