

**SCHWARZ**



# **Business Partners<sup>4</sup> Code of Conduct Schwarz Group**

# BUSINESS PARTNERS' CODE OF CONDUCT

## PREAMBLE

The Schwarz Group considers social and environmental sustainability to be of great importance when cooperating with business partners and across the entire supply. The Business Partners' Code of Conduct therefore sets out the basic principles governing the cooperation with business partners.

The principles enshrined in this Code of Conduct are minimum standards for our business relationships. The Code is based on the following international guidelines and principles:

- Universal Declaration of Human Rights
- United Nations Global Compact (UNGC)
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- OECD Guidelines for Multinational Enterprises
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- Paris Climate Agreement

The national and other relevant laws and requirements applicable in the countries in which business is conducted as well as the principles contained in this Code of Conduct must be complied with. Whatever applicable rules or regulations are best suited to achieve the protective purpose, those shall always be controlling.

The aforementioned standards shall be implemented and monitored by corresponding company-internal procedures.

Bribery and any other forms of corruption are prohibited. The business partner shall furthermore comply with all professional standards applicable in the industry in which it operates.

## 1. WORK

### 1.1. PROHIBITION OF DISCRIMINATION

The business partner shall refrain from any form of discrimination. In particular, no person shall be disadvantaged on the grounds of their age, gender, sexual orientation, disability, nationality, ethnic background, race, skin color, religion or ideology, political persuasion, social background or marital status. Discrimination occurs if a person is disadvantaged on the grounds of the above or for other objectively illegitimate reasons.

Equal opportunity for women and men must be ensured in all aspects of training and personal and professional development.

### 1.2. FAIR TREATMENT

Under no circumstances may the business partner impose forced labor or involuntary prison labor.

It shall ensure that no rough or cruel treatment occurs in the workplace. This particularly includes sexual harassment, corporal punishment, mental and physical coercion and the verbal abuse of employees. No such conduct may be threatened against employees either.

### 1.3. WAGES AND WORKING HOURS

The business partner shall comply with all applicable laws, requirements and industry standards relating to wages and working hours. Wages and other benefits must, at the very least, comply with statutory provisions and the standards applicable to the local production industry. They must be clearly defined and paid out and/or provided at regular intervals. The aim is to pay wages and other benefits that will cover the cost of living to the extent that the statutory minimum wage is insufficient in this regard. Any deductions for non-cash benefits shall only be permitted provided they are limited in scope and reasonable compared to the value of the non-cash benefit. The business partner shall pay the social security contributions required by law and the benefits to which employees are entitled under national law (e.g., insurance benefits, overtime pay and paid leave).

Furthermore, employees shall receive clear and regular notification of the composition of their remuneration. The obligations arising out of the employment relationship must be set out in text form and provided to the employee in the form of an employment agreement. The business partner shall not withhold any amounts for work equipment or resources.

Employees shall not work for longer than the working hours permitted by law. Official public holidays shall be observed. In addition, employees may not be regularly asked to work more than 48 hours per week and, including overtime, more than 60 hours per week. Overtime must be performed voluntarily and must be remunerated separately in accordance with national law or with compensatory time. Every employee is entitled to at least one day off after six consecutive workdays.

### 1.4. FREEDOM OF ASSOCIATION

The business partner guarantees its employees freedom of association. Employees have the right to hold meetings in accordance with applicable laws and to establish or join unions and representative bodies. Employees also have the right to engage in collective bargaining in order to resolve workplace and wage issues.

Under no circumstances may the exercise of such rights be met with threats of reprisal.

### 1.5. SAFETY AND HEALTH

The business partner shall ensure a safe working environment. Workplaces and work equipment must comply with applicable laws and requirements. Any violations of fundamental human rights in the workplace and in operational facilities shall be prohibited. In particular, fire safety and emergency care standards must also be complied with.

Young workers in particular shall not be exposed to any situations that are hazardous or unsafe to their physical and mental health and development. Employees shall be provided health and safety training in the workplace on a regular basis. It must also be ensured that workplaces are sufficiently hygienic. If the business partner provides accommodation to employees, the same requirements shall apply to such accommodation.

A management representative shall be appointed to be responsible for ensuring a safe and healthy workplace environment for all employees and for introducing and implementing health and safety standards in the workplace.

### 1.6. DISCIPLINARY ACTION

Disciplinary action must be in accordance with national law and internationally recognized human rights. No unreasonable disciplinary action may be taken, particularly including withholding pay, social security contributions or documents (e.g., identification cards) or placing a ban on leaving the workplace.

The business partner shall also respect its employees' right of termination.

## 1.7. CHILD LABOR AND THE PROTECTION OF MINORS

The business partner shall not use child labor and shall comply with requirements relating to the protection of minors. The minimum employment age may not be lower than the legal school leaving age. Under no circumstances may employees be younger than 15 years of age, or 14 years of age if permitted under national law pursuant to ILO Convention 138.

National laws and international standards on the protection of minors must be complied with. Nor may young workers work during night hours.

## 2. ENVIRONMENT

### 2.1. ENVIRONMENTAL PROTECTION LAWS

The business partner shall comply with applicable environmental laws and regulations, as amended from time to time.

The business partner's operations shall meet waste law, emission control and water protection standards and requirements. The business partner shall comply with all regulations relating to hazardous substances. This particularly concerns the storage, handling and disposal of hazardous substances. Employees shall be instructed on how to handle hazardous materials and substances.

### 2.2. RESOURCES AND POLLUTION OF THE ENVIRONMENT

Pollution of the environment shall be avoided to the extent reasonably possible, or at least minimized. Protection of the environment and climate and promoting biodiversity is an ongoing challenge which can only be met by consistently improving the level of protection, achieved by permanently reducing the consumption of resources and reducing waste. The business partner shall make a reasonable effort to do this in the course of its business activities.

## 3. COMPLIANCE

### 3.1. SUBCONTRACTORS

Subcontractors engaged by the business partner to provide the services must comply with standards equivalent to those set forth in this Code of Conduct. The business partner shall inform them of the provisions of this Code of Conduct and shall require them to meet the requirements and standards set forth herein.

### 3.2. REPORTING OF BREACHES AND DUTY OF COOPERATION

The business partner shall report any suspected, not insignificant breach of this Code of Conduct of which it becomes aware without undue delay. The business partner shall provide a written report of breaches upon request. The report must include a detailed description of the breach, the persons involved and the actual or potential consequences of the breach (e.g., regulatory action). The business partner shall cooperate with investigative measures taken relation to any breach. Such notification shall preserve the legitimate interests of the business partner and have regard to the rights of employees, particularly data protection and the protection of trade secrets. The foregoing also applies to breaches at the subcontractor level.

A company-internal system for reporting violations of these standards shall also be established; employees who report any violations may not be disciplined or discriminated against as a result.



### 3.3. AUDITS

The business partner will allow its compliance with the Code of Conduct to be audited. For this purpose, it shall provide written responses to queries and shall allow on-site inspections of its business to be conducted. The business partner shall grant access to relevant documentation to the extent required for the purpose of the respective audit. Third parties (e.g., auditors) may be engaged to carry out the audit. Upon request, the business partner shall require subcontractors it engages to provide the services to grant corresponding rights of audit.

### 3.4. TERMINATION

In the event of any breach of the obligations set forth in this Code of Conduct, the business partner may be given a reasonable period within which to remedy the breach or, if this is not possible due to the nature of the breach, may be issued with a notice of breach. If the business partner fails to remedy the breach within the set period or repeatedly breaches the Code of Conduct, the agreement may be terminated without notice for good cause. In the case of repeated or serious breaches, the agreement may be terminated without notice, even without setting a grace period or issuing a notice of breach. Further rights, particularly any potential claim for damages, shall remain unaffected.