

# HGDF

## HGDF Supplier Code of Conduct

At HGDF Familienholding GmbH & Co. KG, we are strongly committed to ensuring that the products and services we offer are manufactured in a way that respects human rights and the environment and protects the fundamental dignity of employees. Therefore, we only work with suppliers who are committed to the same principles.

We value the relationships with our suppliers and treat them in a fair, open and transparent manner. In return, we expect our suppliers to share our commitment to ethical, safe and responsible business practices. We expect our suppliers to comply with the principles set out in this Supplier Code of Conduct when working with HGDF Familienholding GmbH & Co. KG. Furthermore, we expect our suppliers to implement and promote the same principles in their own supply chains.

We expect all products and services provided to us to be manufactured or produced in accordance with this Supplier Code of Conduct. We also expect all our suppliers of products and services to comply with the Supplier Code of Conduct, even if this Supplier Code of Conduct goes beyond the requirements under applicable law. We expect all suppliers to contractually implement and communicate the requirements of this Code of Conduct in their supply chain. The supplier is entitled to fulfil this obligation on the basis of their own code of conduct, provided that the duties listed therein correspond with this Supplier Code of Conduct.

We expressly reserve the right to amend this Supplier Code of Conduct at any time if this is necessary according to the risk analysis we carry out regularly.

When applying this Supplier Code of Conduct, we expect our suppliers to follow the following principles:

- Child labour: We condemn all forms of child labour. We therefore expect our suppliers not to employ children of compulsory school age under local law. In any case, no employee may be younger than 15 years of age. Furthermore, we condemn the use of children under 18 years of age for the following activities:
  - all forms of slavery or all slavery-like practices, such as the sale of children and trafficking in children, bondage and servitude, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts;
  - the recruitment, provision or offering of a child for prostitution, the production of pornography or pornographic performances;
  - the recruitment, provision or offering of a child for illegal activities, in particular to obtain and trade in drugs; and
  - work that is likely to be harmful to the health, safety or decency of

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children by its nature or by reason of the circumstances in which it is performed.

- Forced labour: We condemn all forms of forced labour; this includes any work or service demanded of a person under threat of punishment and for which they have not voluntarily made themselves available, for example as a result of indentured servitude or human trafficking.
- Slavery: We condemn all forms of slavery, slavery-like practices, servitude or other forms of bondage or oppression in the workplace, such as through extreme economic or sexual exploitation and humiliation.
- Occupational health and safety: We condemn non-compliance with the occupational health and safety obligations applicable under local law if this results in the risk of accidents at work or work-related health hazards, in particular:
  - obviously inadequate safety standards in the provision and maintenance of the workplace, the workstation and the work equipment;
  - the absence of suitable protective measures to prevent exposure to chemical, physical or biological substances;
  - the absence of measures to prevent excessive physical and mental fatigue, in particular due to inadequate work organisation with regard to working hours and rest periods, or;
  - inadequate training and instruction of employees.
- Freedom of association: We reject any disregard for freedom of association. All our suppliers are obliged to respect the right of their employees to establish or join trade unions and not to use the establishment of or membership in a trade union as cause for unjustified discrimination or reprisals. In addition, all our suppliers respect the right of trade unions to operate freely and in accordance with local law.
- Discrimination: All people enjoy equal treatment. We reject any form of unequal treatment, such as on the basis of national and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is based on employment requirements; unequal treatment includes, in particular, the payment of unequal pay for equivalent work.
- Reasonable pay: We reject the withholding of reasonable pay. The appropriateness of pay is measured in accordance with the minimum wage determined in accordance with applicable local law.
- Environmental damage: We expect our suppliers to counteract any harmful soil changes, water pollution, air pollution, harmful noise emissions or excessive water consumption that:
  - significantly impairs the natural basis for maintaining and producing food;
  - denies a person's access to clean drinking water;
  - obstructs or destroys a person's access to sanitary facilities, or;
  - damages a person's health.

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- Respect for land rights: We reject any form of unlawful confiscation and support the prohibition of the unlawful removal of land, forests and waters in connection with the acquisition, development or other use of land, forests and waters whose use secures a person's livelihood.
- Hiring of security forces: We expect our suppliers not to hire or use private or public security forces if, due to a lack of instruction or monitoring on the part of the company, the use of security forces:
  - violates the prohibition of torture and cruel, inhumane or degrading treatment;
  - causes injury to life or limb, or;
  - impairs freedom of association.
- Environmental agreements: We expect you, our suppliers, to comply with the provisions of the Minamata Convention on Mercury, the PoP Convention on the Treatment of Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in the course of your activities.

We expect our suppliers to acknowledge and cooperate with regard to the implementation of our complaints channel. See [www.hgdf.de](http://www.hgdf.de)

Our suppliers undertake to participate in training and further education, whose content concerns human rights and environmental obligations and their appropriate implementation in the extended supply chain. Suppliers are obliged to procure and submit information and documents on request that are necessary for our compliance with all regulatory requirements arising from the contractual relationship in accordance with the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz).

We are continuously committed to minimising risks in our supply chains and eliminating violations. For this reason, we expect our suppliers to inform us immediately about risks and violations related to human rights or environmental obligations in the supply chain and to work with us to develop and implement a step-by-step plan to end or minimise violations. If this does not lead to the end of the violations, we are entitled to suspend the performance of the contract or optionally withdraw from or terminate the contract if the violation is not remedied after a reasonable grace period. If the violation is serious, persistent or recurring, the setting of a reasonable grace period is not required. However, we always consider the termination of the business relationship to be the last resort.

In the event of violations of this Supplier Code of Conduct by the suppliers, the suppliers shall be obliged to pay damages, unless they can prove that they are not responsible for the violation. The damages also include reasonable compensation for reputational damages.