



## **THOMAS SABO Code of Conduct for Suppliers**

THOMAS SABO GmbH & CO. KG with its affiliated companies (hereinafter referred to as THOMAS SABO) is committed to ecologically and socially responsible corporate governance. We expect the same behaviour from all our suppliers. We also expect our employees to observe the principles of ecological, social and ethical conduct and to integrate them into the corporate culture. Furthermore, we strive to continuously optimise our business activities and our products in terms of sustainability and ask our suppliers to contribute to this in the sense of a holistic approach.

For future cooperation, the contractual partners agree on the validity of the following regulations for a common code of conduct. This agreement shall apply as the basis for all future deliveries. The contractual partners undertake to comply with the principles and requirements of the Code of Conduct. Suppliers are requested to contractually oblige their subcontractors to comply with the standards and regulations set out in this document. This agreement comes into force upon signature. A breach of this Code of Conduct may be grounds and cause for the company to terminate the business relationship including all related supply contracts.

The Code of Conduct is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on "Business and Human Rights", the international labour standards of the International Labour Organisation and the United Nations Global Compact. We expect our suppliers to comply with all relevant laws and regulations as well as the requirements of standards.

### **1. Dealing with employees**

We expect our suppliers to comply with basic workers' rights in accordance with the core labour standards of the International Labour Organisation (ILO), taking into account the laws and legal standards applicable in the various countries.

- **Exclusion from forced labour**

No forced labour, slave labour or work comparable to forced labour may be used. All work must be voluntary and workers must be able to leave work or employment at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment.

- **Prohibition of child labour**

Child labour must not be used at any stage of production. Suppliers are requested to adhere to the recommendation from the ILO conventions on the minimum age for the employment of children. According to this, the age should not be less than the age at which compulsory education ends and in any case not less than 15 years.



- Fair pay

The remuneration paid to the workers shall comply with all applicable laws on remuneration, including, for example, laws on minimum wage or overtime. If the legal minimum wage is not sufficient to cover the cost of living, the business partner is obliged to pay remuneration that covers basic needs. Wage deductions as a punitive measure are not permitted. The basis on which workers are remunerated shall be made known to the employees on an ongoing basis by means of a wage slip.

- Fair working time

Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is worked on a voluntary basis and does not exceed 12 hours per week, while employees must be given at least one day off after six consecutive working days. The weekly working time shall not regularly exceed 48 hours.

- Freedom of association

The supplier shall respect the right of workers to freedom of association, to join trade unions, to call on labour representation or to join works councils in accordance with local laws. Workers shall be able to communicate openly with management without fear of reprisal or harassment.

- Prohibition of discrimination

Discrimination against employees in any form is inadmissible. This applies, for example, to discrimination based on gender, race, caste, skin colour, disability, political conviction, origin, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual are respected.

- Health protection; safety at work

The supplier is responsible for a safe and healthy working environment. By setting up and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and damage to health that may arise in connection with the activity. In addition, employees are regularly informed and trained on applicable health and safety standards and measures. Employees are provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

- Complaints mechanisms

The supplier is responsible for establishing an effective grievance mechanism at *farm* level for individuals and communities that may be affected by negative impacts.

## 2. Environmental protection and sustainability

We expect all suppliers to comply with applicable national environmental laws, regulations and standards by establishing and implementing an appropriate environmental management system to minimise environmental impacts and hazards and to improve environmental protection in daily business operations.

- Dealing with raw materials

For conflict minerals as well as for other raw materials, the company establishes processes in accordance with the Organisation for Economic Cooperation and Development (OECD) Guiding Principles on Due Diligence to Promote Responsible Supply Chains for Minerals from Conflict



and High-Risk Areas and expects the same from its supplier. Smelters and refineries without adequate, audited due diligence processes should be avoided.

- Treatment and discharge of industrial waste water

Wastewater from operations, manufacturing processes and sanitary facilities should be typed, monitored, inspected and, if necessary, treated before discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

- Dealing with air emissions

General emissions from operations (air and noise emissions) as well as greenhouse gas emissions shall be typified, routinely monitored, verified and treated as necessary prior to their release. The supplier is also responsible for monitoring its exhaust gas cleaning systems and is required to find economic solutions to minimise any emissions.

- Handling waste and hazardous substances

The supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a hazard if released into the environment shall be identified and handled in a manner that ensures safety during their handling, transport, storage, use, recycling or reuse and disposal.

- Reduce consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of waste of all kinds, including water and energy, shall be reduced or avoided. This is done either directly at the point of generation or through procedures and measures, e.g. by changing production and maintenance processes or procedures in the company, by using alternative materials, through savings, through recycling or with the help of the reuse of materials.

- Dealing with energy consumption/efficiency

Energy consumption shall be monitored and documented. Economic solutions must be found to improve energy efficiency and minimise energy consumption.

### **3. Ethical business conduct**

- Fair competition

The standards of fair business, fair advertising and fair competition shall be observed. In addition, the applicable antitrust laws must be applied, which in particular prohibit agreements and other activities that influence prices or conditions in dealings with competitors. Furthermore, these regulations prohibit agreements between customers and suppliers that are intended to restrict customers' freedom to autonomously determine their prices and other conditions when reselling.

- Confidentiality/data protection

The supplier undertakes to meet the reasonable expectations of its client, suppliers, customers, consumers and employees with regard to the protection of private information. The Supplier shall comply with data protection and information security laws and government regulations when collecting, storing, processing, transmitting and disclosing personal information.



- Intellectual property

Intellectual property rights shall be respected; technology and know-how transfers shall be made in a way that protects intellectual property rights and customer information.

- Integrity/Bribery, Taking Advantage

The highest standards of integrity shall be applied in all business activities. The supplier shall have a zero tolerance policy in prohibiting all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be in place to ensure compliance with anti-corruption laws.

#### **4. Implementation of the requirements**

We expect our suppliers to identify risks within supply chains and to take appropriate measures. In the event of suspected violations and to safeguard supply chains with increased risks, the company requires disclosure of the supply chains.

The company checks compliance with the standards and regulations listed in this document in an appropriate manner.

The company reserves the right to take appropriate measures against suppliers who do not meet these requirements, which may ultimately lead to the suspension or termination of a supply relationship.

#### **5. Acknowledgement and consent of the supplier**

By signing this document, the supplier undertakes to act responsibly and to comply with the principles/requirements listed. The supplier confirms that it effectively communicates the contents of this Code to workers, agents, subcontractors and suppliers and assures that all necessary arrangements are properly implemented.

#### References

United Nations Global Compact

[www.unglobalcompact.org](http://www.unglobalcompact.org)

Universal Declaration of Human Rights

<http://www.un.org/en/documents/udhr/>

International Labour Standards (ILO)

<http://www.ilo.org/global/standards/lang--en/index.htm> OHSAS 18001

Healthy & Safety Standard

[www.ohsas-18001-occupational-HEALTH-and-safety.com](http://www.ohsas-18001-occupational-HEALTH-and-safety.com)