

# Markert Code of Conduct

## Code of Conduct for Suppliers

### Foreword

It is our aspiration to implement the highest possible ethical standards and legally compliant actions in practice and thus to be successful in business. The Markert Group strives to continuously optimize and further develop production processes in terms of sustainability. We encourage our suppliers to contribute their part to this.

The Markert Group is committed to ecologically and socially responsible corporate governance. We expect the same conduct from our suppliers.

We also expect our employees to observe the principles of ecological, social, and ethical conduct as well as to integrate them into the corporate culture. Furthermore, we strive to continuously optimize our corporate actions and our products in terms of sustainability and ask our suppliers to contribute to this in terms of a wholesome approach.

This **Code of Conduct for Supplier** sets binding minimum standards for socially, ethically and environmentally responsible behavior by our suppliers and their employees and subcontractors. **Suppliers** are all companies from which the Markert Group purchases goods or services.

For future cooperation, the contracting parties agree on the validity of the following regulations for a joint code of conduct. This agreement shall be the basis for all future deliveries. The contracting parties undertake to comply with the principles and requirements of the Code of Conduct and to endeavor to contractually oblige their subcontractors to comply with the standards and regulations set out in this document. A breach of this Code of Conduct may be grounds and cause for the Markert Group to terminate business relationships, including any related supply contracts.

The Code of Conduct is based on national laws and regulations, such as the German Supply Chain Sourcing Obligations Act (LkSG), as well as international conventions such as the United Nations Universal Declaration of Human Rights, the ILO (International Labor Organization) Conventions, the UN Conventions, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the ILO's International Labor Standards, as well as the principles of the United Nations Global Compact and the respective national laws applicable at the supplier's place of business.

A Code of Conduct cannot conclusively set out the legal requirements for supplier behavior. We therefore expect every business partner to actively assist in the investigation and clarification or seek competent support for clarification in the event of doubts regarding their conduct or indications of doubtful processes in their working environment.

### Requirements to the Supplier

#### 1. Social Responsibility

The Markert Group attaches great importance to respect and tolerance. We acknowledge internationally recognized human rights and support their observance. Occupational safety is a top priority for the Markert

Group. With regard to the above framework, the following principles are to be observed by the supplier:

### **1.1 Exclusion of Forced Labor**

Any use of forced labor, slave labor or comparable work is prohibited. Any form of work must be voluntary and without threat of punishment. Employees must be able to terminate the work or employment relationship at any time. In addition, there shall be no unacceptable treatment of workers, such as psychological harshness, sexual and personal harassment and degradation. The contracting or use of security forces is not permitted if, in the course of their use, persons are treated or injured in an inhumane or degrading manner or if freedom of association is impaired.

Supply chains as well as subcontracting agreements must be carefully reviewed in this regard.

### **1.2 Prohibition of Child Labor**

Child labor may not be used in any phase of production. Suppliers are required to comply with the recommendation from the ILO conventions on the minimum age for the employment of children. Accordingly, the age may not be less than the age at which compulsory education ends and, in any case, not less than 15 years.

In countries that fall under the developing country exception to ILO Convention 138, the minimum age may be reduced to 14 years, and to 12 years for light work.

If children are found at work, the supplier must document the measures taken. Children must be allowed to attend school. The rights of young workers shall be protected and special protective regulations shall be observed. Workers under the age of 18 shall not be employed in work that is harmful to their health, safety or morals; in addition, on-site protective regulations shall be followed.

Child labor by subcontractors, suppliers and other business partners shall not be tolerated.

### **1.3 Fair Remuneration**

The remuneration for regular working hours and overtime must correspond to the locally applicable, statutory minimum wage or the minimum standards customary in the industry, whichever is higher. Insofar as the remuneration is not sufficient to cover the costs of a reasonable standard of living and to guarantee a minimum level, the remuneration shall be increased accordingly. Elements of an adequate standard of living include food, water, shelter, education, health care, transportation, clothing, and other basic needs, including provisions for unexpected events for self and dependents.

The remuneration for overtime worked must in any case exceed the remuneration for the regular working hours to be worked. Employees shall be provided with all benefits required by law. Wage deductions as punitive measures are not permitted. The supplier shall ensure that the employee receives clear, detailed and regular written information on the composition of his remuneration.

### **1.4 Fair Working Hours**

Work hours must comply with applicable laws and industry standards of the state.

Overtime is permitted only if it is performed on a voluntary basis and does not exceed 12 hours per week, while employees must be granted at least one day off after six consecutive working days. The weekly working time may not regularly exceed 48 hours.

### **1.5 Freedom of Association**

The right of employees to form and join organizations of their choice and to bargain collectively in accordance with their respective national laws and to strike shall be respected. In cases where the freedom of association and the right to collective bargaining are restricted by law, alternative possibilities of independent and free association of employees for the purpose of collective bargaining shall be granted.

Employee representatives must be protected against discrimination. Employees may not be given

preferential treatment or discriminated against on the basis of their founding, joining, membership or participation in such an organization. They must be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

### **1.6 Prohibition of Discrimination**

Discrimination and unequal treatment of employees in any form is prohibited, including discrimination based on gender, race, caste, national, ethnic or social origin, skin color, disability, political opinion, origin, health status, religious or political beliefs, ideology, religion, age, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual shall be respected.

### **1.7 Health Protection, Safety at Work, Complaints Mechanisms**

The supplier is responsible for a safe and healthy working environment and for compliance with the occupational health and safety obligations applicable in the place of employment. By setting up and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and health damage that may arise in connection with the work. Physical or mental fatigue must be prevented by appropriate measures. Employees are also regularly informed and trained about applicable health and safety standards and measures. Employees are provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

The supplier is responsible at the facility level for establishing an effective grievance mechanism for individuals and communities who may be affected by adverse impacts.

### **1.8 Preservation of the Natural Habitat**

The unlawful deprivation of land, forests or waters, the use of which secures the livelihood of persons, is prohibited. Harmful soil alteration, water and air pollution, noise emissions, and excessive water consumption shall be refrained from if it significantly affects or could affect the health of persons or the natural basis for the production of food or prevents the access of persons to drinking water or sanitary facilities.

### **1.9 Handling Conflict Minerals**

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the company is establishing processes in line with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guiding Principles for Promoting 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.

## **2. Ecological Responsibility**

Environmental protection must be observed with regard to legal norms and international standards.

### **2.1 Treatment and Discharge of Industrial Wastewater**

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

### **2.2 Dealing with Air Emissions**

General emissions from operations (air and noise emissions) and greenhouse gas emissions shall be typed,

routinely monitored, verified, and treated as needed prior to release. The supplier is also responsible for monitoring its emission control systems and is required to find economical solutions to minimize any emissions.

### **2.3 Handling Waste and Hazardous Substances**

The supplier follows a systematic approach to identify, handle, reduce, and responsibly dispose of or recycle solid waste. The prohibitions on the export of hazardous waste according to the Basel Convention of 22 March 1989 in its current version must be observed. Chemicals or other materials that pose a hazard when released into the environment shall be identified and handled in a manner that ensures safety during their handling, transportation, storage, use, recycling or reuse, and disposal.

### **2.4 Consumption of Raw Materials and Natural Resources**

The use and consumption of resources during the value-added process and the generation of waste of any kind, including consumption of water and energy, are to be reduced as far as possible or avoided altogether whenever possible. This can be achieved either directly at the point of origin or through processes and measures, such as, in particular, by changing procedures in the company's production and maintenance processes, by using alternative materials, by making savings, by recycling or with the help of the reuse of materials.

### **2.5 Dealing with Energy Consumption/Efficiency**

Energy consumption is to be monitored and documented. Economic solutions must be found to improve energy efficiency and minimize energy consumption.

## **3. Ethical Business Conduct**

### **3.1 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 when dealing 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 terms and conditions for resale.

The respective applicable laws on fair business, fair advertising and fair competition shall be complied with. In addition, the antitrust laws in force in each country for the prevention of price-fixing and other agreements restricting competition shall apply.]

### **3.2 Confidentiality and Data Protection**

The Supplier is committed to meeting the reasonable expectations of its customers, suppliers, customers, consumers and employees with respect to the protection of private information and trade secrets. The Supplier shall comply with data protection and information security laws and regulatory requirements when collecting, storing, processing, transmitting and disclosing personal information.

### **3.3 Intellectual Property**

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

### **3.4 Integrity, Bribery and Taking Advantage**

The highest standards of integrity must be observed in all business activities. All forms of bribery, corruption, extortion and embezzlement are prohibited. We expect a zero-tolerance policy from our business partners/suppliers in this regard. To comply with this, appropriate procedures for monitoring and enforcing anti-corruption standards shall be implemented and applied.

# Declaration of consent of the supplier

Hereby \_\_\_\_\_

represented by \_\_\_\_\_ (hereinafter referred to as "Supplier")

declares to the Markert Group that it agrees with the validity of the **Markert Code of Conduct – Code of Conduct for Suppliers** and, by signing the declaration, that it will comply with and implement the principles and requirements therein. The Supplier also undertakes to communicate the content of the Code of Conduct in a comprehensible manner to its employees, agents and its upstream value chain and to take all necessary precautions for the implementation of the requirements.

We expect our suppliers to implement the above minimum standards in their own business operations as well as in the upstream value chains and to identify any risks in this respect with regard to the requirements of this Code of Conduct and to take appropriate measures. The supplier will inform the Markert Group about the identified risks as well as the remedial measures taken.

In the event of a suspicion of violations, as well as in the event of actual violations, the Supplier shall immediately inform the Markert Group thereof as well as of the remedial measures taken. This requires that the supplier must be able to present its entire value chain to the Markert Group at any time, right up to its origin. Upon request, the supplier is obliged to provide the Markert Group with appropriate evidence of the value chain of its raw materials. Furthermore, the supplier is requested to support the Markert Group in the risk analysis to the best of its ability and, if necessary, also to work towards supporting its upstream suppliers.

The Supplier agrees that the Markert Group may, if necessary, conduct audits to verify compliance with the Code of Conduct at the Supplier's premises during normal business hours after reasonable advance notice by an authorized person of the Markert Group. The supplier may object to individual audit measures if these would violate mandatory data protection regulations.

Should a violation of the regulations of this Code of Conduct be identified, the Markert Group will notify the supplier and set a reasonable grace period for the supplier to bring its conduct in line with this Code of Conduct. If a remedy is not possible within a reasonable period of time, the Supplier shall notify the Markert Group without delay and, in consultation with the Markert Group, prepare a concept with a time schedule for ending or minimizing the violation.

If such a violation occurred culpably which makes a continuation of the contract until the ordinary termination unacceptable for the client, the client may terminate the contract after the fruitless expiration of the set deadline if he has threatened to do so when setting the grace period. A statutory right to extraordinary termination without granting a grace period shall remain unaffected, as shall the right to claim damages.

Violations of the human rights and environmental obligation by the supplier in its business area shall be compensated by the supplier. The supplier shall require its upstream supply chain to compensate for damages within their business area.

By signing the **Markert Code of Conduct – Code of Conduct for Suppliers**, the supplier undertakes to act responsibly and to comply with the listed principles/requirements. The Supplier undertakes to communicate

the contents of this Code of Conduct to employees, agents and subcontractors in a manner that is comprehensible to them and to take all necessary precautions for the implementation of the requirements.

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Place, Date

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Name, Function, Stamp, Signature