

# Code of Conduct for Suppliers / Employees





## Code of Conduct for Suppliers/Employees

Our corporate culture is a reflection of our deeply ingrained values. We place significant emphasis on Hanseatic reliability and the associated responsibility across all our business domains. Trust, both within the company and in our external relationships, is a fundamental part of our values. We are dedicated to fostering a culture of accountability and leading by example, marked by high performance, social competence, and openness.

We prioritize the active involvement of all managers in supporting the continuous training, development, and knowledge sharing within their teams. This approach not only nurtures innovation and creativity but is also essential for our long-term success and our capacity to effectively address the challenges of the future.

We promote a working atmosphere characterized by humanity, helpfulness and appreciation. Our managers are role models in terms of performance, social competence, and openness.

This Code of Conduct is a voluntary agreement by which the signatory company seeks to ensure that the global requirements for ethical and moral behavior, as well as the requirements for proper conduct in competition and antitrust law, are met. This also includes the promotion of fair and sustainable standards in dealing with suppliers and customers as well as the employees of their own company.

The signatory company shall inform its employees at regular intervals about the ethical goals and principles of conduct laid down in this Code of Conduct. Furthermore, they strive to ensure that their suppliers are also guided by these principles. The following national and international standards are recognized and applied by the SUND Group and are to be observed by our production partners:

- the United Nations Universal Declaration of Human Rights (UN-UDHR)
- the ILO Declaration on Fundamental Principles and Rights at Work
- the ten principles of the UN Global Compact
- the UN Guiding Principles on Business and Human Rights
- the German Supply Chain Due Diligence Act (LkSG)
- 27 principles of the Rio Declaration on Environment and Development, decided upon by the United Nations Conference on Environment and Development (UNCED), Rio de Janeiro, 1992

This Code of Conduct was drafted in accordance with the GKV Code of Conduct and enhanced regarding environmental commitments. The BSCI CoC applies to designated risk countries.



## I. GENERAL REGULATIONS

### 1. Validity

This Code of Conduct is a voluntary commitment and applies to the SUND Group and its suppliers.

### 2. Laws, standards and ethic behaviour

The company adheres to the valid laws and standards of the respective countries it is active in. It takes guidance from the general ethic values and principles, especially integrity, righteousness as well as human dignity.

### 3. Business partners, authorities and consumers

The company practices according to the generally recognised business practices of fairness and honesty. It deals truthfully with authorities. Standards protecting consumers are adhered to. The company avoids conflicts of interest, whether internal or external, if they can influence the business relationship in an unobjective way. Unavoidable conflicts are disclosed to the business partner without being asked.

### 4. Trade secrets

Trade secrets of business partners will be treated strictly confidentially by companies and their members. Passing on confidential information to third parties or making this information publicly available is forbidden. This continues to be the case for company members even after the employment has been terminated.

### 5. Reporting and transparency

Internal and external reports and documents of the company, in particular also financial information, represent complete, appropriate and timely as well as comprehensible representations about the company. They are prepared in accordance with recognised accounting principles as well as appropriately recognized control systems.

### 6. Responsibility in the supply chain

The company is aware that responsible behaviour is becoming increasingly important within supply chains. The selection of our suppliers takes into account, as far as possible, whether they are also committed to acting responsibly and apply either this or an equivalent code of conduct.

## II. ANTITRUST AND COMPETITION LAW GUIDELINES

### 1. Antitrust law

The company is committed to a fair competition. Laws protecting fair competition, particularly antitrust law and other competition regulating laws, are adhered to. Collusion on prices or other conditions, sales areas or customers as well as misuse of market power contradict the principles of the company.

### 2. Bribery, bribability and corruption

The company opposes bribery and corruption and does not tolerate such behaviour. The employees are to take care not to create personal dependencies or obligations towards customers or suppliers. In particular, employees are not allowed to accept or make gifts which, under reasonable



contemplation, could influence business decisions. In case gifts are part of a country's custom, it is important to note that no binding dependencies are created and local legal standards are adhered to. Contravention will routinely have legal consequences.

### 3. Money laundering

The company complies with the legal obligations to prevent money laundering and does not participate in transactions that serve to conceal criminal or illegally acquired assets. Before entering into business relationships, the company checks the identity and seriousness of its business partners. When making payments to or from business partners, it looks for warning signs of money laundering. Business processes are dutifully documented.

## III. GLOBAL GUIDELINES

### 1. Human Rights

Internationally recognised human rights<sup>1</sup> are supported explicitly and consistently. Equally, in the case of disciplinary measures, all company personnel are to be treated with dignity and respect. Such measures must only take place in accordance with the current national and international standards and internationally recognised human rights.

### 2. Child Labour

Child labour and any kind of exploitation of children and adolescents is rejected. The corresponding laws are adhered to.

### 3. Forced labour

Any kind of forced labour, debt bondage, slave work or slavery or similar situations are rejected. Company members must not be forced to work through means of violence or intimidation, neither directly nor indirectly.<sup>2</sup>

### 4. Wages

All employees in full time employment shall receive a fair salary covering at least their basic needs. The wages are to be paid in a practical way (cash, cheque, bank transfer) and payroll accounting has to be made available to a reasonable extent.<sup>3</sup> The right of employees to freedom of association, freedom of assembly and collective bargaining in as far as this is legally admissible and possible in the respective country, shall be respected.<sup>4</sup>

### 5. Working hours

Working hours correspond to valid national laws, industry standards or relevant ILO conventions. Extra work has to be done on a voluntarily basis.<sup>5</sup>

### 6. Health and employment protection

The national and international regulations for securing health and safety at work are adhered to. Relevant systems to avoid risks for health and safety are to be set up.<sup>6</sup>

## IV. ETHICAL AND SOCIAL PRINCIPLES

### 1. Non-discrimination

The company opposes discrimination on employment or occupation, in particular a discrimination because of race, ethic or national origins, colour of skin, gender, or mental and physical disability, age, creed, membership of a trade union or any other personal traits.<sup>7</sup>

### 2. Molestation

The company disapproves of physical, psychological or sexual violence.

### 3. Freedom of opinion

The right to freedom of opinion and free expression of opinion is warranted.

### 4. Privacy

Privacy is respected.

<sup>1</sup>United Nations Universal Declaration of Human Rights (UN-UDHR) – UN-Doc. 217

<sup>2</sup>See ILO Conventions 29 and 105

<sup>3</sup>See ILO Conventions 26 and 131

<sup>4</sup>See ILO Conventions 87 and 98

<sup>5</sup>See ILO Conventions 1 and 14

<sup>6</sup>See ILO Convention 155

<sup>7</sup>See ILO Conventions 100, 111, 158 and 159 (CoC 14. 09. 2011)



## V. ENVIRONMENTAL PRINCIPLES

The signatory company supports the Sustainable Development Goals in accordance with the requirements of the IPCC report<sup>8</sup> to limit global warming to 1.5°C or 2°C above pre-industrial levels. Environmentally friendly production methods are pursued in this context. To this end, the company is committed to environmentally friendly production methods. In accordance with the principles of the Rio Declaration of the United Nations<sup>9</sup>, the supplier uses natural resources responsibly.

### 1. Emissions into the atmosphere

Emissions from operations (air and noise emissions) as well as greenhouse gas emissions shall be monitored and reduced.

### 2. Waste water releases into water bodies

Waste water from operations or manufacturing processes shall be tested before discharge or disposal and treated if necessary.

### 3. Soil contamination

The introduction, release or disposal of substances into the soil that may harm the health of another person, animals, plants or a body of water shall be avoided and stopped immediately if it occurs.

### 4. Consumption of raw materials and natural resources

The use and consumption of resources in the production processes, including water and energy, shall be monitored and reduced. The signatory company shall use production processes that save resources and protect the environment and shall use alternative materials, recycle or reuse materials where possible.

### 5. Energy consumption/efficiency

Energy consumption shall be monitored and documented. The company shall find economic solutions to improve energy efficiency and minimise energy consumption.

### 6. Generation of waste

The company must take a systematic approach to reducing waste generation and dispose of or recycle waste responsibly. The storage, use and disposal of chemicals or other toxic substances shall comply with relevant regulations.

<sup>8</sup>IPCC, 2022: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: 10.1017/9781009157926

<sup>9</sup>27 principles of the Rio Declaration on Environment and Development, decided upon by the United Nations Conference on Environment and Development (UNCED), Rio de Janeiro, 1992



### 7. Biodiversity

The company shall establish systems to ensure that production emissions do not have a negative impact on biodiversity (animal, plant, fungal, bacterial species), their various habitats (ecosystems) and biological diversity (genetic diversity) at the production sites. It also ensures that resources are used responsibly and provides for the restoration of depleted resources.

## VI. Observance of the code of conduct

### 1. Measures

The company presents the code of conduct to company members in a suitable form and given intervals, and ensures that it is adhered to.

### 2. Consequences of compliance violations

Compliance violations may have the following consequences:

- Request to prepare and implement an improvement and prevention plan.
- Termination of the business relationship

### 3. Procedure in case of violations

If employees or other persons become aware of compliance violations of our Code of Conduct or laws and standards:

- they are obliged to inform the Compliance Officers (the management of the SUND Group) immediately, confidentially and, if they wish, anonymously.

### 4. Scope of duties, responsibilities and contact information

The Compliance Officer's area of responsibility includes all matters related to the compliance with our Code of Conduct, laws and standards. Compliance Officers are responsible for responding to enquiries and reports and investigating violations.

Reports of corrupt conduct or violations of the law can be made (also anonymously) via the following e-mail address:

**[compliance@sund-group.com](mailto:compliance@sund-group.com)**

A handwritten signature in dark ink, reading 'Martin Klostermann'.

**Martin Klostermann**  
CEO SUND Group  
Hamburg, 08.12.2023

