

Supplier Code of Conduct – Due Diligence within the supply chain

Stick and lembke are committed to socially and ecologically sustainable corporate governance. We expect our employees to observe our corporate principles (Code of Conduct) on ecologically, socially, and ethically fair behavior. The same we expect from our business partners. In the context of sustainable cooperation, we would like to ask you to comply with the following principles and requirements of the Code of Conduct for Suppliers. These requirements are also to be passed on to their subcontractors. All subcontractors are contractually obliged to comply with the standards and regulations listed here. Where local laws are less stringent than stick & lembke Supplier Code of Conduct, we expect companies and employees to apply the higher standard, provided it does not contravene local law.

The Code of Conduct for business partners based on the following legal regulations and guidelines:

- Lieferkettensorgfaltspflichtengesetz (LkSG)
- OECD-FAO Guidance for Responsible Agriculture Supply Chains
- UN Guiding Principles on business and human rights
- ETI Base Code <https://www.ethicaltrade.org/resources/eti-base-code>
- ILO Fundamental Principles and Rights at Work
- United Nations Global Compact (UNGC)

Risk management

All business partners (except for farmers) are obliged to identify, assess, mitigate, and prevent the actual and potential human rights and environmental risks arising from their business activities. The human rights and environmental risks identified in this risk analysis are to be prioritized according to their nature and extent. Handling the identified risks preventive or remedial actions are to be defined and implemented. When establishing the risk management system, all stakeholders of the company should be considered. In a risk-based manner, employees should be informed that such a risk analysis has been carried out, the corresponding measures should be communicated and, if necessary, training of employees should be carried out. The analysis should be conducted at least annually or on an ad hoc basis.

Grievance mechanism

You must implement a grievance mechanism within the company that is always free accessible, transparent, reliable, anonym and protecting reporting persons from disadvantages. The grievance system must work for all employees, individuals, communities, and all other stakeholders that may be affected by adverse impacts from your business activities. Clear responsibilities must be defined for the implementation of the risk analysis and the grievance mechanism.

Dokument	FB 64-01 Supplier Code of Conduct-EN	gültig ab	05.09.2022
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1. Forced labour

Any form of forced labour, work for which the person has not volunteered, as a result of debt bondage or human trafficking. Slavery, slavery-like practices, servitude, or other forms of oppression are prohibited. All work must be done freely and without the threat of violence. Workers are not required to leave a "deposit" or their identity documents with their employer and are free to leave their employer after a reasonable period of notice.

2. No child labour

The use of child labour is prohibited. Suppliers shall comply with ILO Standard 138 on the minimum age for admission to employment and ILO Standard 182 on the prohibition and immediate action for the elimination of the worst forms of child labour. Where young workers are employed before they reach the age of majority, it shall be ensured that national legal provisions on the employment of minors are fully complied with and that safeguards are in place for the specific protection of young workers. If children are found at work, this should be documented and stick & lembke should be informed without being asked to jointly find the cause and take corrective measures to prevent future incidents.

3. Freedom of association and the right of collective bargaining

Workers have the right, without exception, to assemble and form a trade union/representation of their choice and to bargain collectively. The supplier shall have an open attitude towards the activities of trade unions in their organizational activities. Workers' representatives are not discriminated against and can carry out their functions in the workplace. Where legislation restricts the right to organize and bargain collectively, the employer shall allow and not impede the development of equitable means for the establishment of independent and free representation for workers.

4. Anti-Discrimination

In all areas of the company and in all decisions, any form of direct or indirect discrimination is prohibited. For example, no one may be discriminated against on the grounds of age, gender, sexual orientation, pregnancy, disability, nationality, ethnic origin, skin colour, religion or belief, political opinion, social background, or marital status, unless this is justified by the requirements of the employment. Unequal treatment also includes employment, training, social benefits, and the payment of unequal remuneration for work of equal value. The personal dignity, privacy and personal rights of everyone shall be respected.

5. Wages, working hours and employment contracts

The Supplier shall pay its employees the national statutory minimum wage or the industry minimum standard wage, whichever is higher. Employees shall also be provided with all benefits required by law. The supplier shall ensure that workers receive full, easily understandable, and regular written information on the composition of their remuneration and that remuneration is paid in a legal tender. Deductions from wages as a punitive measure are

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not permitted. Every worker must be provided with a written contract of employment in accordance with ILO Convention 64.

The statutory working time regulations, including overtime, break, rest, and holiday periods, as well as paid sick days and parental leave, must be observed. Overtime must be voluntary or regulated by a contract or collective agreement and remunerated at a higher rate than regular working hours.

6. Health and safety

The supplier shall provide a safe and healthy working environment. By establishing and applying adequate occupational safety measures, necessary precautionary systems are taken against potential accidents, injuries and illnesses of employees caused by the related activities. The minimum requirements include the provision of drinking water, adequate sanitary facilities, personal protective equipment, adequate organisation of working hours and adequate lighting, temperature control and ventilation. In addition, employees are regularly informed and trained on applicable health and safety standards.

If staff accommodation is provided, it must be clean, safe, and meet the basic needs of the people.

7. Environment

All business partners observe the respective applicable norms and standards for the protection of the environment and always strive to improve environmental protection measures. The company complies with all regulations and requirements regarding waste legislation, immission and water protection as well as hazardous substances. Responsible and efficient use of resources is practised at all stages of the value chain. Environmental and climate protection are a continuous topic, and the promotion of biodiversity is also to make an important contribution.

To make our contribution to the Paris Climate Agreement and the Green Deal, all business partners are required to implement suitable climate protection measures in their companies.

8. Land use

Suppliers are prohibited from violating applicable law to acquire or cultivate land, forests or waters, the use of which secures the livelihood of persons. Other harmful impacts on soil, water, air or noise or excessive water consumption that significantly affect the basis for food preservation and production, prevent access to clean drinking water and sanitation or harm the health of any person are prohibited.

9. Business with integrity

All business partners comply with applicable antitrust and competition laws and respect existing intellectual property rights (patents, trademarks, designs, copyrights, etc.). Furthermore, all have installed a process for dealing with corruption, bribery, gifts and other possible conflicts of interest.

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10. External auditing

Employees of or companies commissioned by stick and lembke are entitled to check whether the business partner complies with the requirements set. For this purpose, these representatives are entitled to inspect the company premises and the company facilities within business hours and to question employees of the company on compliance with the Code of Conduct.

11. Contract compliance

In the event of a breach of this Code of Conduct, the business partner shall be given a reasonable period of time to remedy the situation. If no remedy is found, the supplier will first be warned. If the business partner also fails to remedy the situation within this period or if further violations occur, the contractual relationship may be terminated without notice. Serious or repeated violations can also result in termination without setting a deadline/issuing a warning. Possible claims from this process as well as claims for damages remain unaffected by this.

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