

## CODE OF CONDUCT

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In order to improve social standards in supplier countries as an integral part of corporate social responsibility in a globalised economy, August Pohli GmbH & Co. KG asks all its suppliers to comply with the following criteria. POHLI confirms at once to all customers that all standards will be fulfilled by POHLI as well.

### I. Human rights

- **Compliance with all applicable national laws and regulations**, industrial minimum standards, ILO and UN conventions and all other relevant legal provisions, whereby those regulations are to be applied which impose the strictest requirements.
- The **freedom of assembly** and the **right to collective bargaining**. In situations or countries where the right to freedom of association and collective bargaining is restricted by law, alternative opportunities must be created for employees to be able to organize themselves freely and independently and to conduct negotiations (in compliance with ILO Conventions 87, 98, 135 and 154).
- **Any discrimination** in respect of recruitment, remuneration, access to training, promotion, the termination of a contract of employment or the entry into retirement on the grounds of sex, age, religion, caste, social background, disabilities, ethnic or national origin, nationality, membership in employee organizations, including trade unions, political belief, sexual orientation or other personal characteristics, is prohibited (in accordance with ILO Conventions 100, 111, 143, 158 and 159).
- Wages shall meet or exceed **legal minimum wages** or industry standards. Illegal or unauthorised deductions from wages or salaries as punitive measures are prohibited. Companies are encouraged to pay their employees a reasonable remuneration, which covers basic needs. In cases where the statutory minimum wages or industrial minimum standards do not cover the cost of living and do not leave any additional disposable income, companies will be encouraged, to pay an adequate compensation which covers these basic requirements (in accordance with ILO Conventions 26 and 131).
- **Working hours** must meet the applicable national laws and industry standards on working hours. The maximum weekly working hours shall apply in accordance with the national legislation, however, 48 hours may not regularly be exceeded. No more than 12 hours of overtime may be worked per week. Overtime may only be worked on a voluntary basis and shall be remunerated separately. Each employee shall have the right to at least one free day after six successive working days (in accordance with ILO conventions 1 and 14).
- **Health and safety at work:** clear rules and procedures for ensuring the health and safety at work must be set up and complied with, in particular with regard to the provision and use of personal protective equipment, clean toilets and access to drinking water; hygienic facilities for storing food shall be provided if required. Practices and conditions in the workplace as well as in dormitories that violate fundamental human rights are prohibited. In particular young

workers must not be exposed to dangerous, unsafe or health-damaging situations (in accordance with ILO Convention 155 and ILO recommendations 164 and 190).

- **Prohibition of child labour** in accordance with the provisions of the conventions of the ILO and the UN and/or national legislation. Of these various standards the one with the strictest requirements shall be applied (in accordance with ILO Conventions 79, 138, 142 and 182 and Recommendation 146).
- **Prohibition of forced labour and disciplinary measures**, for example, obtained by lodging deposits or by holding back identity papers of workers at the beginning of the employment relationship, are prohibited. The application of corporal punishment, of mental and physical coercion as well as of verbal abuse is prohibited (in accordance with ILO Conventions 29 and 105).
- **Environmental and safety issues:** procedures and standards for waste management, the handling of chemicals and other hazardous substances and their disposal as well as for emissions and for the treatment of wastewater must meet or exceed the minimum legal requirements.
- All new suppliers have to guarantee in writing that they will comply with the criteria. This declaration shall remain valid for the entire period of cooperation with August Pohli GmbH & Co. KG.
- **A management system** for ensuring that the requirements of the BSCI Code of Conduct can be met is necessary. Furthermore, it shall introduce an anti-bribery and anti-corruption policy that is to be observed in all business areas. Management is responsible for the correct implementation and continued improvement of the implementation of the code of conduct.
- **Prohibition of unlawful eviction and deprivation of land:** the supplier shall avoid unlawful eviction or deprivation of land, forests and waters, the use of which secures the livelihood of a person, when acquiring, developing or otherwise using such land, forests and waters.
- **Security Forces:** the supplier warrants that it will not engage or use private or public security forces to protect a business project if, due to lack of instruction or control on the part of the supplier, the use of security forces violates the prohibition of torture and cruel, inhuman or degrading treatment, causes injury to life or limb, or interferes with the freedom of association and labor.

## II. Responsibility as a market participant

- **Product responsibility:** Insofar as the product specifications do not originate from us, the supplier is responsible for ensuring safe handling of its products and / or services. They shall not entail any disadvantages or risks for the safety and health of people and for the environment.
- The supplier shall comply with the applicable legal and regulatory requirements for product conformity or product safety. For this purpose, the supplier shall use methods, processes and production facilities that correspond to the state of the art. The supplier shall maintain high

quality standards through its quality assurance. The supplier shall ensure that these standards are maintained in the long term through continuous product monitoring. In the event of any deviations from these standards occurring, the supplier shall immediately take the necessary measures to restore them.

- **Fair competition:** The provisions of competition and antitrust law ensure fair and free competition, which is the guarantor of entrepreneurial freedom of action and effective consumer protection. In particular, they are directed against concerted, anticompetitive practices between competitors and the abuse of a dominant market position.
- The supplier shall strictly comply with the provisions of competition and antitrust law. In particular, the supplier shall refrain from unlawful agreements or concerted practices with competitors. Likewise, the supplier shall not enter into any anti-competitive agreements with customers. The supplier shall observe fair business practices and respect the intellectual property rights and trade secrets of third parties.
- **Prohibition of corruption:** The supplier shall strictly comply with all applicable laws against bribery and corruption. It is strictly prohibited to offer, accept or even discuss improper payments (bribes, kickbacks) to public officials and other persons from the free economy.
- **Data protection:** The supplier takes the protection of personal data (e.g. name, address, birthday) of its employees, business partners, customers and third parties very seriously. The supplier collects, stores, processes and uses personal data only in accordance with legal requirements. The supplier also always processes other (non-personal) data in a responsible manner and in accordance with the applicable laws. The supplier undertakes to be fully transparent when handling data.
- **Money Laundering:** The supplier will not allow itself to be misused for illegal purposes. The supplier shall comply with all applicable anti-money laundering laws. In dealing with its customers and business partners, the supplier shall ensure that it does not enable the concealment of funds of illegal origin through its business activities.  
Before entering into business relationships, the supplier shall verify the identity and seriousness of its business partners. When making or receiving payments to business partners, the supplier shall look for warning signs of money laundering. All business processes are properly documented.
- **Export control, taxes and customs duties:** The supplier is subject to various foreign trade regulations. These regulate the import, export or transfer (e.g. also by e-mail) of goods, services, technologies or capital and payment transactions across certain national borders. These can extend to a complete ban on trade with certain countries (embargo).  
The supplier shall comply accordingly with the export, tax and customs regulations in all countries in which it operates.