
KARL MAYER Holding SE & Co. KG

CODE OF CONDUCT FOR SUPPLIERS AND SUBCONTRACTORS FOR THE KARL MAYER GROUP (CODE OF CONDUCT FOR CONTRACT PARTNERS)

November 1, 2023



Table of contents

I. Preamble	3
II. Principles	3
1. Social responsibility	3
1.1. Dealing with child labour	3
1.2. Dealing with forced labour	3
1.3. Fair pay	3
1.4. Fair working hours	3
1.5. Freedom of association	3
1.6. Discrimination and harassment	4
1.7. Occupational health and safety	4
1.8. Eviction and expropriation of land	4
1.9. Protection of local communities and indigenous peoples	4
1.10. Natural resources	4
1.11. Protecting human rights when employing security forces	4
2. Environmental responsibility	4
2.1. General requirements	4
2.2. Handling of waste and hazardous substances	4
3. Ethical business conduct	5
3.1. Prevention of corruption	5
3.2. Money laundering	5
3.3. Antitrust and competition law	5
3.4. Confidentiality and data protection	5
3.5. Export and import	5
3.6. Compliance with tax regulations	5
4. Implementation, acknowledgement and agreement of the business partner	5
4.1. Compliance with the Code of Conduct for Business Partners	5
4.2. Monitoring	5
4.3. Whistleblower system	6

I. Preamble¹

The group companies belonging to the KARL MAYER Group (hereinafter "KARL MAYER Group") are companies that fulfill their ethical, social and environmental responsibility to their employees and in their dealings with their business partners. Compliance with the applicable laws and regulations of the countries in which the KARL MAYER Group does business is a matter of course.

The behaviours stipulated in this Code of Conduct define the general requirements placed on suppliers and subcontractors (hereinafter "Business Partners") of the KARL MAYER Group. They refer in particular to the responsibility for people and the environment and are essential for successful cooperation with the KARL MAYER Group.

The KARL MAYER Group reserves the right to update the requirements of this Code of Conduct if this appears necessary and appropriate. Business Partners are obliged to independently and regularly seek information regarding the current version of the Code of Conduct. The KARL MAYER Group is available for open dialogue regarding fulfilling the requirements in this Code of Conduct and improving work-flows along the supply chain.

II. Principles

This Code of Conduct aims to present the basic requirements for Business Partners of the KARL MAYER Group regarding their responsibility for social, environmental and ethical aspects.

The KARL MAYER Group expects its Business Partners to strictly comply with the laws of the respective applicable legal system(s).

The Code of Conduct is based on national laws and regulations including the German Supply Chain Sourcing Obligations Act (LkSG) and the following international conventions:

- Universal Declaration of Human Rights
- Human rights covenants of the United Nations
- Fundamental labour standards of the International Labor Organization (ILO)

1. Social responsibility

The KARL MAYER Group expects its Business Partners to comply with the labour laws that apply to them and to ensure the employment and working conditions recommended by the International Labour Organization (ILO).

1.1. Dealing with child labour

Business Partners of the KARL MAYER Group adhere to the United Nations conventions on human rights and the rights of the child and do not employ any workers under the age of 15. If a national regulation concerning child labour provides for stricter standards, Business Partners of the KARL MAYER Group must observe these as a matter of priority.

1.2. Dealing with forced labour

Any form of forced or compulsory labour will not be tolerated. This means that Business Partners of the KARL MAYER Group will not use any labour that is involuntary under threat of punishment, including forced overtime, debt bondage, forced prison labour, slavery or bonded labour. Business Partners of the KARL MAYER Group furthermore undertake to prevent forced or compulsory labour.

Accordingly, the KARL MAYER Group expects its Business Partners to treat their own employees with dignity and respect. Disciplinary actions or other punishments must be in accordance with applicable national and international standards and internationally recognized human rights.

1.3. Fair pay

Every Business Partner of the KARL MAYER Group must regularly pay its employees a suitable wage that corresponds at least to the minimum wage stipulated by law or, if applicable, to collective bargaining agreements in the respective region. The applicable legal requirements regarding working hours must be complied with. Deductions from wages that have no legal basis are not permitted.

1.4. Fair working hours

Business Partners must comply with the respective applicable national statutory and/or collectively agreed regulations for working hours. The maximum number of hours stipulated by law must not be exceeded.

1.5. Freedom of association

Business Partners must comply with the respective applicable national statutory and/or collectively agreed regulations for working hours. The maximum number of hours stipulated by law must not be exceeded.

¹ This publication uses non-gendered pronouns for clarity.

1.6. Discrimination and harassment

Every Business Partner of the KARL MAYER Group must ensure equal opportunity and equal treatment regardless of gender, national or ethnic origin, social origin, skin colour, disability, health status, political beliefs, ideology, religion, age, pregnancy, or sexual orientation. Business Partners of the KARL MAYER Group must ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion, or similar harassment. Intimidation by the employer is strictly prohibited.

1.7. Occupational health and safety

Every Business Partner of the KARL MAYER Group must comply with the applicable occupational health and safety regulations. We expect our Business Partners to take all actions necessary to ensure a safe, healthy, and hygienic work environment. These actions include, among others, protective actions for handling hazardous substances, occupational safety devices on machines and relevant employee training, and a suitable occupational health and safety organisation regarding working hours and rest periods. Internationally recognized occupational health and safety as well as social standards must meanwhile be complied with (including providing social rooms and water (drinking water quality)).

1.8. Eviction and expropriation of land

Business Partners must refrain from unlawful evictions and unlawful expropriation of land, woodlands and waters when acquiring, developing, or otherwise using land, woodlands, and waters whose use provides a person's livelihood.

1.9. Protection of local communities and indigenous peoples

Business Partners undertake to practice responsible land ownership, i.e. they must respect the legal and customary land rights of local and indigenous people and obtain the free, prior and informed consent of these groups to use their land.

1.10. Natural resources

The activities of Business Partners must not cause excessive harmful changes to the soil, water pollution, air pollution, harmful noise emissions, or excessive water consumption that could:

- significantly impact the natural basis for food preservation and production,
- impede a person's access to safe drinking water and sanitation, or
- harm a person's health.

1.11. Protecting human rights when employing security forces

Business Partners must refrain from hiring or using private or public security forces to protect a business project if there is a risk that security forces will be used in violation of internationally recognized human rights due to lack of instruction or oversight by the business partner.

2. Environmental responsibility

The KARL MAYER Group strives to reduce its long-term environmental impact factors. Therefore, it is committed to improving management systems and energy-related performance as well as to promoting sustainable development in all environmental matters. We comply with environmental and energy laws and conserve energy by balancing economic, technical and environmental aspects in order to meet energy targets. The aim is to minimize environmental risks as well as emissions, waste and scrap materials. The KARL MAYER Group expects corresponding objectives and corporate values from its Business Partners.

2.1. General requirements

The Business Partner must take appropriate steps to minimize the impact of its business activities on the community, natural resources and the environment, and actively implement measures to promote environmental protection. The Business Partner must comply with applicable local and internationally recognized environmental standards and laws, and ensure that all required environmental permits and approvals are obtained, valid, up to date, and in compliance. The Business Partner must avoid or continuously reduce the environmental impacts from the consumption of resources and energy, emissions of greenhouse gases and air pollutants, water consumption, and discharges to soil and bodies of water.

2.2. Handling of waste and hazardous substances

The Business Partner applies a systematic approach to responsibly identify, handle, reduce, and dispose or recycle waste. Chemicals or other materials that pose a hazard if released into the environment must be identified and handled so as to ensure the safety of the environment, employees, and third parties when handling, transporting, storing, using, recycling or reusing as well as disposing of these materials. Prohibitions on the export and transport of hazardous waste as defined in the Basel Convention of 22 March 1989, as amended, must be observed.

Environmentally hazardous or toxic substances must be properly labelled and must be stored, used, and disposed in a manner that prevents leakage. Mercury may only be used in accordance with the prohibitions of the Minamata Convention of 10 October 2013, in its

current version. The requirements of the Stockholm Convention of 23 May 2001 regarding the production and use of persistent organic pollutants (POPs) and their handling and disposal must be complied with in their respective current version.

3. Ethical business conduct

3.1. Prevention of corruption

Business Partners of the KARL MAYER Group undertake not to tolerate any form of corruption and to comply with international and any applicable national anti-corruption laws and standards. In particular, any inducements to government officials, business partners or other third parties for the purpose of obtaining a business advantage are prohibited. As a general rule, such inducements may not be solicited or accepted from Business Partners.

Inducements (e.g. in the form of invitations and gifts) must be reasonable or of low value and may be interpreted as an expression of generally accepted local business practices.

3.2. Money laundering

The KARL MAYER Group only works with reputable Business Partners who act within the framework of the applicable laws and do not employ illegal financial means. Business Partners comply with all laws prohibiting money laundering or the financing of illegal or unlawful activity and only do business with reputable business partners, i.e., business partners who conduct legal business with funds from legal sources.

3.3. Antitrust and competition law

Business Partners are expected to comply with all national or international competition and antitrust laws. Fair competition shall be maintained and promoted in the respective business environment. Agreements and practices that are detrimental to competition shall be avoided: Each Business Partner of the KARL MAYER Group undertakes not to participate in anti-competitive agreements and not to exploit or abuse any existing dominant position in violation of the applicable competition rules.

3.4. Confidentiality and data protection

Business Partners must comply with the applicable data protection regulations. They may only process personal data in a lawful manner and must safeguard the rights of the persons concerned. Appropriate technical and organisational measures must be taken to ensure adequate and lawful data protection.

3.5. Export and import

Business Partners of the KARL MAYER Group undertake to comply with the relevant import and export control laws, in particular sanctions and embargoes. The applicable customs laws and regulations will be observed when exporting and importing goods.

3.6. Compliance with tax regulations

Compliance with all tax laws and obligations is a matter of course for the KARL MAYER Group and is also expected from its Business Partners. These include timely payment of taxes and duties as well as regular training of employees in the relevant areas to ensure timely fulfilment of tax obligations.

4. Implementation, acknowledgement and agreement of the business partner

The KARL MAYER Group expects its Business Partners to identify risks in the supply chain and to take appropriate actions. In case of suspicion of violations as well as to safeguard higher-risk supply chains, the Business Partner will inform KARL MAYER promptly in writing and, if necessary, regularly about identified violations and risks as well as the actions taken.

4.1. Compliance with the Code of Conduct for Business Partners

Business Partners are expected to follow the principles of this Code of Conduct and to pass these on to their supply chain and make reasonable efforts to ensure adherence with these principles. Any Business Partner who fails to comply with the requirements of this Code of Conduct must openly discuss corrective actions with the KARL MAYER Group. If the Business Partner is unwilling or unable to implement corrective actions, the KARL MAYER Group is entitled to terminate the business relationship and relevant contracts with the Business Partner. If the Business Partner is subject to requirements arising from a contractual relationship with KARL MAYER that includes more specific stipulations than this Code of Conduct for Contract Partners, the contractual stipulations shall take precedence.

4.2. Monitoring

The KARL MAYER Group reserves the right to verify compliance with the above-mentioned requirements either by the KARL MAYER Group itself, independent third-party audits, or inspection of official certifications.

4.3. Whistleblower system

Information about human rights and environmental risks or violations within KARL MAYER's own business activities as well as the business activities of our suppliers can be reported through the following channels:

- The Chief Compliance Officer of the KARL MAYER subsidiaries: Ms. Angela Weiland,
Contact: Compliance@karlmayer.com
- The ombudspersons of the KARL MAYER subsidiaries: Bakertilly, Nymphenburger Strasse 3b, 80335 Munich.
Office hours Mon–Fri 8.00 am–6.00 pm,
Contact: +49 89 550 66-554 / Ombudsperson.karlmayer@bakertilly.de
- The complaints system of the KARL MAYER subsidiaries:
<http://whistle-blowing-system.karlmayergroup.com>

In addition to these channels, employees are also free to contact the responsible Human Rights Coordinator locally or the KARL MAYER Human Rights Officer globally.

The complaint procedure ensures impartial, independent and confidential action.

The instructions for our complaints procedure are publicly available on our website and also posted in all our companies.

The complaints procedure is evaluated and its effectiveness is reviewed annually.