

GG 29 - Supplier Code of Conduct

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I. Code of Conduct Statement

This document is Schmidt + Clemens Group’s (hereafter referred to as “Schmidt + Clemens” or “we”) Supplier Sustainability Code of Conduct.

Schmidt + Clemens is committed to conducting business in a sustainable manner. As a company operating globally, we take care to enact responsible business practices that do not negatively impact the societies and environments in which we operate. However, without the collaboration of our suppliers on these matters, we recognise that our impact is limited. By aligning with our standards and principles, our suppliers enable us to extend our commitment to sustainability, ensuring that together we can drive meaningful change and foster positive impact.

This Code of Conduct reflects our alignment with universally recognised normative standards such as the United Nations Universal Declaration of Human Rights¹, the core conventions of the International Labour Organization (ILO)², the ILO Declaration on Fundamental Principles and Rights at Work³, and the United Nations Guiding Principles on Business and Human Rights⁴.

To fulfil the responsibilities and commitments outlined above, we expect that our Suppliers comply with and embody the standards established in this Code of Conduct. Where local and national laws cover topics like those outlined below and are more stringent than this Code of Conduct, we expect that our suppliers will abide with the stricter standard.

II. Scope and Responsibility

This code applies to all suppliers working on behalf of Schmidt + Clemens. Suppliers can be defined as suppliers, contractors, freelancers, employees of (sub)contractors, and other business partners engaged in work, collaboration, or the provision of services on behalf of Schmidt + Clemens. We expect suppliers to comply with the requirements and responsibilities described in this document on environmental and labour aspects. This code applies to every supplier of Schmidt + Clemens, irrespective of their size.

It is the supplier’s responsibility to ensure that this Code of Conduct is disseminated appropriately within the organisation and to ensure ongoing monitoring and compliance.

III. Compliance with applicable laws and regulations

We expect our suppliers to strictly adhere to all applicable local, national, and international laws and regulations in the countries where they operate. Suppliers must ensure that their managing officers, directors, shareholders and employees are aware of and comply with relevant legal requirements and internal guidelines pertinent to their roles. This commitment to legal and ethical compliance should extend throughout the supplier's entire operation and supply chain. Suppliers are responsible for

¹ <https://www.ohchr.org/en/universal-declaration-of-human-rights>

² <https://www.ilo.org/international-labour-standards/conventions-protocols-and-recommendations>

³ <https://www.ilo.org/about-ilo/mission-and-impact-ilo/ilo-declaration-fundamental-principles-and-rights-work>

⁴ <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>

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staying informed about current legal obligations and implementing robust systems to maintain compliance.

IV. Environment

1. Environmental protection and resource management

Schmidt + Clemens is committed to protecting the environment, and we expect our suppliers to demonstrate a strong commitment to environmental protection and sustainable resource management. Suppliers must integrate environmental considerations into all business decisions, implement systems to minimise their environmental footprint, and comply with or exceed applicable environmental regulations. We expect our suppliers to strive for continuous improvement in their environmental practices and encourage similar standards throughout their supply chain, ensuring responsible and sustainable business operations.

2. Energy and greenhouse gases

Schmidt + Clemens is committed to reducing energy consumption and greenhouse gas (GHG) emissions across all aspects of our operations. We expect our suppliers to take proactive measures to reduce their energy usage, improve energy efficiency, and transition to renewable energy sources wherever possible. Suppliers must track and report their GHG emissions and take actions to minimise them, in line with global efforts to fight climate change. We encourage suppliers to set ambitious targets for reducing their carbon footprint and to integrate these goals into their overall sustainability strategies. Additionally, suppliers are expected to cooperate fully when Schmidt + Clemens requests relevant metrics and data on energy usage and GHG emissions, providing accurate and timely information to support our efforts in monitoring and improving sustainability performance.

3. Waste

Schmidt + Clemens is committed to reducing waste to protect natural resources and minimise our environmental impact. We expect our suppliers to properly manage their waste, through the adoption of sustainable and appropriate waste management practices, and prioritise reduction, reuse and recycling in their operations to reduce their contribution to landfills.

4. Water management

Suppliers should be mindful of their water sourcing, particularly when drawing from regions experiencing water stress, and take proactive steps to ensure that water is sourced responsibly and sustainably. We expect suppliers to properly manage their wastewater, helping to minimise their environmental impact. We expect our suppliers to responsibly and efficiently use water across all their operations, as water conservation and the sustainable use of water is needed to minimise environmental impacts.

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5. Air pollution

Schmidt + Clemens is dedicated to reducing air pollution and minimising the environmental impact of our operations. We expect our suppliers to focus on controlling and reducing air emissions, beyond just carbon emissions, and to limit air pollutants such as dust and particulate matter from production or operations with appropriate technologies.

V. Social

1. Equal opportunity and respect

We expect our suppliers to respect human rights in accordance with the United Nations Universal Declaration of Human Rights, dignity, and privacy by actively promoting equal opportunities and diversity in the workplace. This includes prohibiting discrimination based on ethnic origin, culture, religion, age, sexual identity, gender, or disability, and fostering an inclusive environment free from harassment and offensive behaviour. Suppliers are required to encourage open and fair dealings with all stakeholders and provide opportunities for personal and professional growth. These principles must be consistently upheld throughout their operations.

2. Health and safety

Prioritising employees' health, safety and wellbeing is fundamental for Schmidt + Clemens and should be prioritised by all companies with whom we collaborate. We expect our suppliers to share this commitment and provide their employees with a safe and healthy working environment. Suppliers must adhere to all applicable health and safety laws and regulations, ensuring that their practices meet or exceed local and international standards. Furthermore, we expect our suppliers to actively foster a culture of well-being, providing ongoing training, support, and resources to protect the physical and mental health of their workforce.

3. Social dialogue

At Schmidt + Clemens, we are committed to maintaining a dialogue with our employees. We strive to foster a culture of openness among our employees and management staff, and to empower staff to contribute to continuously improving Schmidt + Clemens. We expect our suppliers to share the same commitment, allowing their employees the right of freedom of association and collective bargaining. Suppliers must ensure that employees can freely express their views, voice concerns, and engage in discussions without fear of retaliation or discrimination.

4. Child labour, forced labour and modern slavery

Schmidt + Clemens condemns all forms of child labour and recognises that children have a right to education, safety, health and child-led development. We are committed to ensuring that child labour is not present in our business or supply chain. Our suppliers must also share this commitment and comply with national laws and regulations applicable at the respective location on the protection of children and the fight against forced labour.

5. Working conditions

We expect our suppliers to provide their employees with fair and respectful working conditions, ensuring that all work environments are conducive to both physical and mental well-being. Suppliers must ensure that working hours are reasonable, and that employees are compensated fairly and promptly for their labour, in accordance with local and international labour laws. We also expect suppliers to provide their employees with access to necessary facilities, such as clean water, sanitation, and rest areas, ensuring that the dignity and basic rights of all workers are always upheld.

VI. Governance

1. Fair competition and compliance with antitrust law

We require our suppliers to strictly adhere to all applicable antitrust and competition laws. Suppliers must not engage in any practices that impair fair competition. This includes but is not limited to price fixing, customer or market, territories, or customer allocation, anti-competitive boycotts, limit or otherwise control production, or other unfair methods. Agreements or information exchanges with competitors that could influence market behaviour are prohibited. At no time may price lists, discounts, bid ranges or any other information concerning the pricing of Schmidt + Clemens' products or services be discussed shared in any way with competitors. Similarly, agreements which restrict customer's resale pricing or which require tie-in sales are strictly prohibited. Reciprocal transactions that involve "I'll buy from you only if you buy from me" consideration are also prohibited if they are conducted with an intent to coerce. Suppliers are expected to implement appropriate measures to ensure compliance with these principles throughout their operations and supply chain.

2. Protection against bribery and corruption

Suppliers must adhere to the anti-corruption rules of the OECD-Anti-Bribery Convention (officially the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions)⁵, a leading standard on tackling bribery and corruption in the world. Suppliers and their employees are prohibited from engaging in any form of bribery or corruption. All business transactions should be conducted ethically and transparently, with clear internal guidelines on bribery and corruption.

3. Combating money laundering and fraud

All Schmidt + Clemens suppliers must strictly comply with anti-money laundering laws and regulations. They are required to implement robust procedures to detect and prevent tax evasion, bribery, kickbacks or any illegal or improper payments or receipts, or which might support an inference of wrongdoing, financial crimes, train employees to recognise suspicious activities, and promptly report any potential money laundering risks to appropriate authorities. Suppliers must conduct thorough due diligence on business partners and transactions, ensuring their entire supply chain remains transparent and legally compliant.

⁵ <https://legalinstruments.oecd.org/public/doc/205/205.en.pdf>

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4. Data security and protection

We expect our suppliers to have robust data security and data protection measures in place. Personal and sensitive data must be reliably protected against unauthorised access. All relevant data protection regulations must be complied with.

5. Reports and records

We expect our suppliers to maintain accurate, complete, and truthful records and reports. All financial and non-financial information, including accounting records, must be prepared and maintained in accordance with applicable laws and recognised accounting principles. Suppliers must ensure timely and transparent reporting when applicable to all relevant stakeholders. Any falsification or deliberate misrepresentation of information is strictly prohibited. Suppliers should implement robust systems to safeguard data integrity and maintain an auditable trail of all significant business transactions and decisions.

VII. Monitoring

By agreeing to the standards outlined in this Code of Conduct, you commit to actively working to fulfil these requirements both in your operations and throughout your supply chain. You are expected to collaborate with Schmidt + Clemens in an honest and transparent way to ensure our shared compliance with the standards established in the Code of Conduct.

Please be aware that violations of this Code of Conduct may lead to contract termination.

VIII. Reporting

Any (suspected) breaches of this Code of Conduct should be reported to the appropriate channel immediately. We expect our suppliers to have a grievance mechanism in place to enable their workers to voice grievances anonymously and without fear of retaliation on any of the topics in this Code of Conduct. All grievances should be investigated promptly and impartially, and suppliers must ensure the provision of appropriate, adequate, and effective remedies. When relevant, information about raised and investigated concerns should be communicated to Schmidt + Clemens when the outcome results in misconduct against the stipulations set out in this Code of Conduct.

Breaches of this Code of Conduct can also be reported directly to Schmidt + Clemens. We treat all reported breaches seriously through investigation mechanisms. These can be reported to our global whistleblowing channel (website) or the Global Compliance team.

Acknowledgement and Commitment

By accepting the PO, the supplier declares, that the company will operate in compliance with the expectations described above.

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