

# CODE OF CONDUCT

## 1 PREAMBLE

Specialty Brokers is committed to environmentally and socially responsible business practices. We expect the same behaviour from all our suppliers. We also expect our employees to observe the principles of ecological, social, and ethical conduct and to integrate them into their corporate culture. Furthermore, we strive to continuously optimize our business activities and our services in terms of sustainability and ask our suppliers to contribute to this in the spirit of a holistic approach.

For future cooperation, the contractual partners agree on the validity of the following regulations for a common Code of Conduct. This agreement shall apply as the basis for all future deliveries. The contractual partners undertake to comply with the principles and requirements of the Code of Conduct and to endeavour to contractually oblige their subcontractors to comply with the standards and regulations listed in this document. This agreement comes into force upon signature. Our suppliers agree to share our Code of Conduct with appropriate subcontractors and agree to conduct external audits and assessments of standards.

The Code of Conduct is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on Business and Human Rights and the International Labour Standards of the International Labour Organization.

Furthermore, the participation of our shippers in the SEDEX (Supplier Ethical Data Exchange) database provides us with security through an international industry initiative. SEDEX is a platform for sharing information about ethically sustainable products in the supply chain. It enables its members to support supplier management and reduces risk through the exchange of information. This leads to improvements in ethically responsible business practices across the value chain.

We recommend that our trading partners have a SEDEX audit according to SMETA (Sedex Members' Ethical Trade Audit) in order to show their buyers that they respect the principles of ethically and socially sustainable products. Specialty Brokers has the opportunity to effectively manage our supply chain according to these principles and thereby to reduce risk. We recommend that our suppliers be certified according to SMETA 6.1.

Specialty Brokers follows the CSR (Corporate Social Responsibility) roadmap to minimize supply chain risks and breaches of applicable standards with suppliers. Customers increasingly demand certification on social standards and expect companies to do business with respect for people and the environment. Companies are expected to know the risks in the exporting countries and to prevent and avoid them. For this purpose, we use "CSR Risk Management" with our suppliers.

At the first stage, we identify and prioritize the risks in the relevant countries. In cooperation with our suppliers, we address the risks and take remedial action. The results are integrated into all future business processes and communicated to customers.

CSR Risk Management identifies the risks in the respective countries (Turkey 27/China 26 risks), which we analyse with our suppliers and take remedial action if necessary.

## **2 REQUIREMENTS FOR SUPPLIERS**

### **2.1 SOCIAL RESPONSIBILITY**

#### **EXCLUSION OF FORCED LABOUR**

No forced labour, slave labour or work of a comparable nature shall be used. All work must be voluntary, and workers must be able to leave work or employment at any time. In addition, there shall be no unacceptable treatment of workers, such as psychological hardship, sexual or personal harassment.

#### **A BAN ON CHILD LABOUR**

Child labour shall not be used at any stage of production. Suppliers are required to comply with the recommendations from the ILO conventions on the minimum age for the employment of children. According to this, the age should not be less than the age at which compulsory education ends, and in any case not less than 15 years. If children are found at work, the supplier shall document the measures to be taken to remedy the situation and enable the children to attend school. The rights of young workers shall be protected, and special protection rules shall be observed.

#### **FAIR PAY**

Pay for regular hours and overtime must be the higher of the national statutory minimum wage or the industry minimum standards. In any case, the remuneration for overtime must exceed the remuneration for regular hours. Insofar as the remuneration is not sufficient to cover the costs of ordinary living and to build up a minimum level of financial reserves, the supplier shall be obliged to increase the remuneration accordingly. Employees shall be granted all benefits prescribed by law. Wage deductions as punitive measures are not permitted. The supplier shall ensure that workers receive clear, detailed, and regular written information on the structure of their remuneration.

#### **PROHIBITION OF DISCRIMINATION**

Discrimination against employees in any form is prohibited. This applies, for example, to discrimination based on gender, race, caste, skin colour, disability, political conviction, origin, religion, age, pregnancy, or sexual orientation. The personal dignity, privacy and personal rights of each individual are to be respected.

#### **HEALTH PROTECTION, SAFETY IN THE WORKPLACE**

The supplier is responsible for a safe and healthy working environment. Necessary precautionary measures are to be taken against accidents and damage to health that may arise in connection with the activity by setting up and applying appropriate occupational safety systems. In addition, employees are to be regularly informed and trained on applicable health and safety standards and measures. Employees must be provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

#### **GRIEVANCE MECHANISMS**

The supplier is responsible for establishing an effective grievance mechanism at the facility level for individuals and communities who may be affected by any adverse impacts.

## **2.2 ECOLOGICAL RESPONSIBILITY**

### **TREATMENT AND DISCHARGE OF INDUSTRIAL WASTEWATER**

Wastewater from operations, manufacturing processes and sanitary facilities should be classified, monitored, inspected, and treated as necessary prior to discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

### **HANDLING OF WASTE AND HAZARDOUS SUBSTANCES**

The supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a hazard if released into the environment shall be identified and handled in a manner that ensures safety when handling, transporting, storing, using, recycling, or reusing and disposing of them.

### **DEALING WITH ENERGY CONSUMPTION**

Energy consumption shall be monitored and documented. Economic solutions shall be found to improve energy efficiency and minimise energy consumption.

## **2.3 ETHICAL BUSINESS CONDUCT**

### **FAIR COMPETITION**

The standards of fair business, fair advertising and fair competition shall be observed. In addition, the applicable antitrust laws shall be applied, which specifically prohibit collusion and other activities that influence prices or conditions when dealing with competitors. Furthermore, these regulations prohibit agreements between customers and suppliers that are intended to restrict customers' freedom to autonomously determine their prices and other conditions when reselling.

### **CONFIDENTIALITY/DATA PROTECTION**

The supplier undertakes to meet the reasonable expectations of its principal, suppliers, customers, consumers, and employees regarding the protection of private information. The supplier shall comply with data protection and information security laws and government regulations when collecting, storing, processing, transmitting, and disclosing personal information.

### **BRIBERY/PERSONAL GAINS**

The highest standards of integrity shall be applied in all business activities. The supplier shall have a zero-tolerance policy and prohibit all forms of bribery, corruption, extortion, and embezzlement. Procedures for monitoring and enforcing standards shall be applied to ensure compliance with anti-corruption laws.

## **3 IMPLEMENTATION OF THE REQUIREMENTS**

We expect our suppliers to identify risks within supply chains and to take the appropriate action. In the event of suspected violations and to safeguard supply chains with increased risks, the supplier will inform the company in a timely manner and, if necessary, on a regular basis about the identified violations and risks as well as the measures taken. The company will check compliance with the standards and regulations listed in this document with the help of a self-assessment questionnaire

and sustainability audits at the supplier's production sites. The supplier agrees that Specialty Brokers may conduct such audits to verify compliance with the Code at the supplier's production sites during normal business hours after reasonable advance notice by persons appointed by the company. The supplier may object to individual audit measures if these would violate mandatory data protection regulations.

Should a breach of the regulations of this Code of Conduct be identified, Specialty Brokers will notify the supplier of this in writing within one month and set a reasonable grace period for the supplier to bring its conduct into line with these regulations.

#### **4 SUPPLIER AWARENESS AND AGREEMENT**

By signing this document, the supplier undertakes to act responsibly and to comply with the principles/requirements listed. The supplier undertakes to communicate the contents of this Code to its employees, agents and subcontractors in a manner that is understandable to them and to make all necessary arrangements for the implementation of the requirements.

**Specialty Brokers:**

**Name:**

DATE.

PLACE.

**Client/partner:**

**Name:**

DATE.

PLACE.