

## SUPPLIER CODE OF CONDUCT

Sustainable development has always been at the core of our strategy since the early days of our history. Many improvements have been made since then in relation to resource efficiency, health and safety, employee well-being, as well as sustainable innovation. We view our suppliers as strategic partners who would assist us in strengthening our sustainable procurement practices through a continuous dialogue and collaboration. Therefore, we find it very important to engage our valued suppliers and share our mutual interest towards a better future.

Edelmann Group's Supplier Code of Conduct supports our commitment and outlines our expectations towards our suppliers as well as their parent companies, subsidiaries, and subcontractors. Edelmann Group endeavours to choose trustworthy business partners, whose business policy is committed to high ethical standards, health and safety at work, protection of human rights, dignity, environmental protection and observance of laws.

The expectations contained in this Code do not replace specific contractual agreements. Rather, this Code is intended to supplement specific contractual requirements. Where a contractual regulation is stricter than the corresponding regulation in this Code, the stricter contractual regulation must be observed. This Code does not entail an amendment of contractual terms and does not constitute explicit or implied contractual obligations.

Our Supplier Code of Conduct is organized into three parts, following our sustainability approach – economic, social and environmental. Each pillar stands for the corresponding principles that we have developed based on the priorities within our sustainability agenda. Our suppliers are requested to sign the Code as their acknowledgement to follow the core principles.

### ECONOMIC & GENERAL PRINCIPLES

#### Laws and regulations

Our suppliers are expected to comply with applicable laws and regulations depending on their business activities and the countries in which they operate. Whenever there are differences between the regional and national laws as well as this Code, the higher standard prevails.

#### Anti-corruption

Edelmann Group prohibits any form of corruption, including, but not limited to extortion, fraud, embezzlement, and bribery. Our suppliers shall neither accept, nor offer payments and gifts that may lead to binding dependencies or obligations, potentially affecting business decisions. We expect our suppliers to implement appropriate risk management systems for the scope of potential corruption activities. Additionally, our suppliers shall understand the legal aspects of interaction with governmental officials to be able to assess under what circumstances a payment or a gift may be interpreted as an act of bribery.

#### Anti-trust and fair competition

Edelmann Group is committed to the principles of fair competition. Our suppliers shall not enter agreements or participate in business activities that may potentially restrict trade or competition. We expect our suppliers to take precautions related to price arrangements, customer relations and corresponding information exchange.

#### Money laundering

Money laundering refers to the use of funds that directly or indirectly originated from criminal activities and were later introduced into the business cycle. Edelmann Group strictly prohibits any form of money laundering with criminal charges and disciplinary interventions being used as the means to respond to a potential case. Our suppliers shall not finance any illegal activities, including fraud and terrorism.



## Data privacy

Our suppliers must protect Edelmann Group's intellectual property, business secrets and proprietary information. Furthermore, they must protect personal data they store for Edelmann Group against unauthorised access, destruction, alteration, utilisation and disclosure. Sharing confidential information to the third parties is strictly forbidden.

## Conflicts of interests

Our suppliers shall disclose any conflicts of interest. This includes cases where an employee of the supplier (or someone close to an employee of the supplier) has a direct contact with an employee from Edelmann Group, whose opinions and/or decisions may affect the supplier's business or where an employee holds an interest in the supplier's business.

## Business ethics

When supplying goods and providing services, suppliers shall meet their contractual obligations and observe the laws. All information provided to Edelmann Group must be correct and truthful. Furthermore, suppliers must keep accurate records in compliance with the accounting principles. Our suppliers are expected to ensure that their internal conduct contributes to fair business relationships between Edelmann Group and the corresponding supplier.

## Sensitive transactions

Sensitive transactions cover inappropriate or exceedingly generous gifts, payments, entertainment offers or any other offers that may be binding. If there is uncertainty regarding the value or nature of the gifts, offers, or invitations which are directly or indirectly related to Edelmann Group, our suppliers are advised to contact direct representatives of Edelmann Group, if needed. All gifts shall be accepted with caution to avoid cases of binding dependency.

## SOCIAL RESPONSIBILITY

### Occupational Health and Safety

We expect our suppliers to:

- Inform their employees on health and safety standards through regular trainings;
- Provide safe working environment for both administrative and production employees. Our suppliers shall ensure that sufficient measures are implemented to prevent injuries, work accidents or any negative health effects that may potentially arise from the hazards;
- Have a responsible employee/manager taking care of occupational health and safety;
- Implement a communication tool for employees to report on health and safety risks observed by them;
- Comply with the corresponding health and safety laws and regulations, such as fire safety standards, emergency exits, escape routes, and first aid support;
- Conduct applicable audits, in case they are required by law, in relation to the present hazards, machines and/or work activities. If not required by law, we encourage to implement similar audits on a voluntary basis.

### Freedom of association

Our suppliers shall allow their employees to join or form trade unions of their own choice and bargain collectively. We expect our suppliers to comply with applicable laws and collective bargaining agreements, if they are in place. Employees' representatives have freedom to carry out their activities within appropriate limits, not exceeding their representative function. We encourage our suppliers to implement Employee Councils in place, wherever it is possible.



## **Child labour**

We strictly prohibit any form of child labour. We refer to child labour as a subject to ILO Conventions 138 'Minimum Age Convention' and ILO Convention 182 'Worst Forms of Child Labour Convention'. Child labour refers to an abuse, which is not to be confused with 'children working' or with 'young person's working', which may not be abuses as stipulated in ILO Convention 138. Based on the ILO standards and local regulations, employees under 18 years old shall only be employed for training purposes or light work that might be allowed within country-specific regulations. In this case, children and young employees shall not work in hazardous environment and/or take the night shifts.

## **Forced labour**

We strictly prohibit any form of forced or involuntary labour to avoid slavery and human trafficking within our supply chain. Recognized employment relationships are in place to ensure that no identity documents are retained at the company as a condition of employment. All employees shall be free to leave the company at their own will within the agreed notice period.

## **Fair compensation and working hours**

Our suppliers must observe all laws governing wages and working hours, including compensation, social benefits and overtime. That includes, but not limited to:

- Fair compensation that provides a local minimum wage to fulfil the basic needs of employees;
- Structured labour relationships supported by a salary matrix, collective agreements or national legislation;
- Normal working hours not exceeding the standards of legal regulations;
- Compensation of overtime with appropriate conditions (additional payment, days-off);
- Benefits in accordance with the applicable regulations, including paid annual leave, parental leave, weekly rest, and healthcare services.

## **Non-discrimination**

Based on the International Labour Organization's guidelines, discrimination may occur on the grounds of race, colour, sex, religion, political opinion, social origin, or age, to name a few. Our suppliers shall prohibit any type of discrimination in recruitment, compensation, promotion, career development, everyday work practices or termination and retirement. Non-discrimination principle also applies to business relationships, specifically communication with Edlmann Group, but also with the other customers, suppliers, and business partners. We encourage our suppliers to implement a whistleblowing procedure to report on the incidents and investigate any registered cases.

## **Anti-harassment**

Harassment refers to physical or sexual abuse, unfair treatment, coercion and any form of intimidation. Our suppliers shall prohibit any form of harassment and ensure there are mechanisms in place to prevent incidents and investigate any registered cases. Awareness on the subject shall be created among employees and partners as part of the internal training.

## **ENVIRONMENT**

### **Energy consumption**

Our suppliers shall be aware of their energy consumption and report on it, if applicable. We strongly encourage our suppliers to implement measures and projects aimed at reducing their energy consumption. Examples of measures are the use of energy-efficient technologies, employee awareness programs, or the use of energy-saving equipment, to name a few.

### **Water consumption**

The human right of water, declared by the UN Global Compact, insists on clean, safe, accessible and affordable water. Therefore, we expect our suppliers to preserve this vital resource through its efficient use, proper disposal of waste water and monitoring the risk of water pollution in locations adjacent to water bodies.



## **Biodiversity**

Our suppliers shall identify the areas, located within the proximity of key biodiversity areas that might be negatively affected by their business operations. We expect them to monitor and minimize any impacts within protected areas in relation to endangered species, flora and fauna. All cases of non-compliance fines or non-monetary sanctions shall be reported directly to the representatives of Edelmann Group.

## **GHG emissions and climate change**

We expect our suppliers to understand that climate change is partially caused by the companies' business activities coming from heavy manufacturing, energy use, transportation, waste disposal, and business traveling. Therefore, we strongly encourage all suppliers to implement initiatives on GHG reduction, which is linked to the energy use and transport optimization, to name a few. Where feasible, we encourage to launch CO2 compensation projects either internally or for the existing customers.

## **Waste management**

Our suppliers shall ensure implementation of an appropriate waste management system, including handling, storing, transportation, and disposal processes. Hazardous waste shall be disposed of according to the local regulations. If none is in place, suppliers shall ensure that no land or water pollution is caused. We strongly encourage our suppliers to address product development that facilitates recycling through the use of renewable and recyclable materials.



## ACCOUNTABILITY

Suppliers must observe this Code and applicable laws. They are responsible for monitoring and documenting their compliance obligations as well as their efforts to observe laws and regulations within their supply chain. All cases of non-compliance shall be reported directly to the representatives of Edelmann Group. We reserve the right to investigate any instances of non-compliance of which we become aware. Breaches of laws or regulations may be grounds for Edelmann Group to terminate the contractual relationship with suppliers.

Supplier Code of Conduct has been verified on the 28th of March, 2019 by:

**Jochen Kalb**



Director of Procurement  
Edelmann Group  
jochen.kalb@edelmann-group.com

Any questions regarding our Supplier Code of Conduct can be addressed to:

**Elina Iamsia**  
CSR Coordinator  
Edelmann Group  
elina.iamsia@edelmann-group.com

**The terms of Edelmann Group's Supplier Code of Conduct are hereby accepted by:**

Company name:

Address:

Contact person:

Position:

Date and signature:

Company stamp, if applicable:

