

Code of Conduct for Suppliers of Schulz Farben- und Lackfabrik GmbH

We, Schulz Farben- und Lackfabrik GmbH, see the sustainability of our products and solutions as a decisive building block for combining our social responsibility and environmental protection with our economic success. Accordingly, we are committed to ecologically and socially responsible corporate management and feel obliged to internationally recognised standards for health and environmental protection, occupational safety, labour and human rights as well as responsible corporate management ("ESG standards"). We expect our suppliers not only to comply fully with all applicable laws, but also to follow and, where possible, enforce these ESG standards with their own suppliers.

For this reason, in addition to the obligation to comply with all applicable legal regulations (including national and international trade laws and regulations of antitrust law, trade control and sanction rules), the following regulations apply to the cooperation between us and our contractual partners. The contracting parties agree that the following provisions shall apply to future cooperation. This agreement shall apply as the basis for all deliveries agreed from the date of application of the conditions. We shall be entitled to check compliance with the ESG standards or to demand corresponding evidence either ourselves or through third parties commissioned by us. In addition, the other rules set out in this Code of Conduct must also be complied with. A breach of the Code of Conduct and the rules contained therein may be grounds and cause for us to terminate the business relationship including all associated supply contracts.

1. Ecological responsibility

a) Product quality

The safe and environmentally compatible development and manufacture of products shall be promoted and the quality and safety of products shall be ensured by means of suitable management systems.

b) Treatment and discharge of industrial waste water

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

c) Dealing with air emissions

General emissions from operations (air and noise emissions) as well as greenhouse gas emissions shall be typified prior to release, routinely monitored, verified and treated as necessary. The supplier is also responsible for monitoring its exhaust gas cleaning systems and is required to find economic solutions to minimise any emissions.

d) Handling 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 during their handling, transport, storage, use, recycling or reuse and disposal.

e) Reduce consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of waste of all kinds, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through procedures and measures, e.g. by changing production and maintenance processes or procedures in the company, by using alternative materials, through savings, through recycling or with the help of the reuse of materials.

f) Dealing with energy consumption/efficiency

Energy consumption must be monitored and documented. Economic solutions must be found to improve energy efficiency and minimise energy consumption, for example through the use of new, energy-efficient technologies.

g) carbon footprint

A carbon footprint shall be monitored and documented. Economic solutions must be found to minimise CO2 efficiency and emissions.

2. Social responsibility

a) Minimum Wage Act and Posted Workers Act

The contractor undertakes to pay its employees at least the minimum wage applicable for the performance of the service, which is set by the Minimum Wage Act (MiLoG) or a collective agreement declared to be generally binding, which is subject to the scope of the Employee Posting Act (AEntG) in the respective valid version or by a legal ordinance according to § 7 or § 11 AEntG, when executing the delivery and service contracts concluded with Schulz within the territory of the Federal Republic of Germany. Furthermore, he undertakes to comply without restriction with mandatory obligations to pay contributions to social insurance institutions, employers' liability insurance associations and other institutions as listed in § 8 AEntG.

b) Applicability to temporary employment

The obligations of the contractor pursuant to clause 2 a) also extend to employees who are hired out within the meaning of the Gesetz zur Regelung der Arbeitnehmerüberlass (AÜG - German Personnel Leasing Act) and are deployed in the performance of the contractual agreement with us. In this case, the contractor is obliged to agree with the temporary employment agency that the employees are paid the minimum wage applicable to the performance of the service within the meaning of the AEntG and that the payments specified in section 2 a) sentence 2 are made. The contractor shall ensure compliance with this obligation.

c) Applicability for subcontractors used

The Contractor shall also be obliged to impose the obligations set out in Clause 2 a) on the subcontractors it employs or on subcontractors employed by it and to agree the submission of the corresponding declarations of obligation with them. The declarations shall be requested before the respective subcontractor is used and shall be submitted to the Client upon request.

d) Release from claims

In the event that we are entitled to claim from an employee of the contractor or from an employee of a subcontractor used, irrespective of the degree, or from a personnel service provider, like a guarantor, payment of the statutory minimum wage or industry minimum wage or one of the minimum wages set out in

If a claim has been made against Schulz for payment of contributions by the institutions of the collective bargaining parties named in § 8 AEntG, the contractor shall indemnify Schulz against these claims.

e) Right of termination

We shall be entitled to terminate the contract with the contractor without observing a period of notice if we are justifiably held liable under the guarantor's liability pursuant to MiLoG or AEntG. Furthermore, the contractor shall be liable to us for any damage incurred by Schulz as a result of culpable non-compliance with the obligations of the above clauses.

f) Illegal employment

Illegal employment of any kind is to be refrained from.

g) Prohibition of discrimination

All employees shall be treated with respect and protected from harassment or abuse in their workplace. Discrimination against employees in any form is not permitted. 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 every employee must be respected.

h) Health protection; safety at work

The supplier is responsible for a safe and healthy working environment. By setting up and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and damage to health that may arise in connection with the activity. In addition, employees are regularly informed and trained about applicable health and safety standards and measures. The employees are

Employees are provided with access to drinking water in sufficient quantities as well as access to clean sanitation facilities.

i) Prohibition of child labour

Child labour must not be used in any phase of production. Suppliers are requested to adhere to the recommendation of the ILO conventions (here: ILO Convention 138) on the minimum age for the employment of children. This minimum age should ensure the full physical and mental development of young people and should be at least 15 years. For activities that endanger the development of young people, the Convention requires a minimum age of 18. Persons between the ages of 13 and 15 may only engage in light work if it is not harmful to their health or development and if it does not interfere with their school attendance or vocational training. (ILO Convention 138).

j) Exclusion from forced labour

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

k) Freedom of association

The supplier shall respect the right of workers to freedom of association, to join trade unions, to call on workers' representation or to be members of such representation (e.g. works councils) in accordance with local laws. Workers must be able to communicate openly with management without fear of reprisals or harassment.

l) Complaints mechanisms

The supplier is responsible for establishing an effective grievance mechanism at company level for individuals and communities who may be affected by negative impacts.

3. Ethical responsibility

a) Fair competition

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

b) Dealing with conflict materials

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt or other materials that directly or indirectly finance or support armed groups and cause human rights abuses, processes shall be established in accordance with the Organisation for Economic Cooperation and Development (OECD) Guiding Principles on Due Diligence to promote responsible supply chains for minerals from conflict and high-risk areas. Smelters and refiners without adequate, audited due diligence processes should be avoided.

c) Confidentiality/data protection

The Supplier undertakes to meet the reasonable expectations of its Customer, suppliers, customers, users and employees with regard to the protection of private information. The supplier shall observe the applicable laws on data protection and information security and the corresponding official regulations when collecting, storing, processing, transmitting and forwarding personal information. The supplier shall conclude all legally required data protection agreements, such as order processing agreements, with us and all of its sub-suppliers.

d) Intellectual property

Intellectual property rights shall be respected; technology and know-how shall be transferred in a way that protects intellectual property rights and customer information.

e) Integrity, bribery, taking advantage

The highest standards of integrity shall be applied in all business activities. The supplier shall have a zero tolerance policy in prohibiting all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be in place to ensure compliance with anti-corruption laws. Gifts to private or public officials that are intended to influence business decisions or otherwise encourage them to violate their duties shall be refrained from.

4. Final comments

- a)** The implementation of these standards requires a long-term learning and development process. We will work with our suppliers towards full compliance with these principles and will continuously review and revise them as necessary.

- b)** Suppliers can report any concerns regarding non-compliant behaviour, either in relation to applicable laws or to internal Schulz-Farben regulations, via our digital whistleblowing system, accessible at <https://schulz-farben.hintbox.de/>, or via our complaints address beschwerdemanagement@schulz-farben.de.