



Supplier Code of Conduct

For business partners of
VNG Handel & Vertrieb GmbH

Supplier Code of Conduct for Business partners of VNG Handel & Vertrieb GmbH

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1. Our approach to sustainability

1.1 Our aspiration

We aim to conduct all our business activities in a responsible manner and to create economic, ecological and social benefits. For our customers, shareholders, employees, business partners and society at large - today and in the future.

We are aware that there are negative effects on people and on the environment throughout VNG Handel & Vertrieb's (hereinafter VNG H&V) entire supply chain. We endeavour to limit these effects and, together with our partners, to fulfil our responsibility. We therefore incur obligations that arise from this responsibility for us and our business partners.

In doing so, we act in accordance with the United Nations (UN) Global Compact, the UN's guiding principles for business and human rights, and the Paris Climate Change Convention. These and other internationally recognized standards form the basis of the following principles of conduct. An overview and explanation of the guidelines and standards to which we refer can be found in the Appendix.

1.2 Values and cooperation

Trusting and long-term relationships with our business partners are an essential component of our success. This Supplier Code of Conduct is an expression of the fact that our cooperation with business partners is based on shared values. We want to create a binding framework for these values, because lawful and responsible conduct is of central importance for our corporate success and the trust of our customers.

When selecting, assessing and supporting new and existing business partners, business ethics, integrity, acting in accordance with the law, compliance with labour standards and environmental protection are of great importance to us in addition to economic criteria. The Supplier Code of Conduct reflects this understanding of good business practice. To this end, it sets binding minimum requirements for social and environmental standards for our business partners.

At the same time, we are convinced that we cannot solve the ecological and social challenges of our time on our own. We therefore seek dialogue on the subject of sustainability with all stakeholder groups and especially with our business partners. Their expertise and commitment make an important contribution to making our operations more sustainable. The Supplier Code of Conduct is meant to serve as a basis for jointly and continuously pursuing this goal.

2. Principles of the Supplier Code of Conduct

2.1 Scope of application

For the purposes of this Supplier Code of Conduct, the definition of business partners includes all companies not belonging to the VNG Group from which VNG H&V purchases goods and services. The values set forth in our Supplier Code of Conduct form the basis of our business relationships and are therefore a binding part of our contracts with business partners. We expect our business partners not only to follow the principles of this Supplier Code of Conduct themselves, but also to communicate them to their suppliers and business partners and to take reasonable measures to ensure that suppliers and subcontractors adhere to these principles.

2.2 Communication

To ensure that the principles of this Supplier Code of Conduct are put into practice, we expect our business partners to make the Supplier Code of Conduct available to all employees through appropriate channels.

The business partner shall pass on the information received from VNG H&V on accessibility, responsibility and the implementation of the complaints procedure to its employees, subcontractors and suppliers in an appropriate manner.

2.3 Compliance with laws

Compliance with all applicable laws and regulations of the countries in which we operate is a matter of course for us. We expect the same from our business partners.

If national or local legislation deviates from the requirements of this Supplier Code of Conduct, the stricter regulations for the protection of people and nature must always be followed.

3. Social standards and human rights

For VNG H&V, compliance with human rights as well as good and safe working conditions are essential prerequisites for responsible business management. Together with our business partners, we assume responsibility for the protection of the employees in our entire value chain and the associated communities.

3.1 Health and safety at work

The business partner commits to protect the health and safety of his employees. Where services are performed in or on the plants or construction sites of VNG H&V, the requirements set out in detail and comprehensively in the "Additional Occupational Health and Safety Conditions of Supply" shall apply.

Furthermore, the business partner is obliged to regularly assess hazards and potential health risks, to take the necessary protective measures and to document both in a risk assessment. In doing so, the principles of an occupational health and safety management system shall be taken into account: Hazards are to be avoided as far as possible and, where this is not possible, protective measures need to be taken and employees need to be instructed accordingly.

3.2 Prevention of child labour

The national laws setting the minimum age for employment in the country of operation must be adhered to. Young employees must not be subject to compulsory education in any circumstance. This must be ensured by robust age verification measures before the start of the employment relationship.

Approved on-the-job training programmes that comply with all laws and regulations are strongly encouraged. However, employees under the age of 18 are subject to special protection. Dangerous work and work that has a negative impact on their health, safety or development is therefore prohibited.

3.3 Prevention of forced labour

All work must be done on a voluntary basis. Business partners must not engage in, participate in or benefit from forced labour, modern slavery or work carried out under threat of punishment or coercion. Debt bondage or involuntary prison labour must not be used.

3.4 Equal opportunities and non-discrimination

Employees are to be treated fairly and with respect. Therefore, no form of direct or indirect discrimination in the workplace that is contrary to the idea of equal opportunities and equal treatment will be tolerated. In particular, gender, race or ethnic origin, religion, age, family relationships, sexuality, origin or membership of an employee representative body must not be a reason for differentiation, exclusion or preferential treatment at the workplace.

3.5 Remuneration

The remuneration of the employees must at least correspond to the national minimum wage. Where there are no statutory or collectively agreed regulations, remuneration is based on the industry-specific, local and collectively agreed remuneration. It must be ensured that the wages paid for a standard week are sufficient to cover the basic needs of employees and their families.

3.6 Compliance with working hours

Working hours may not habitually exceed 60 hours per week including overtime. Overtime must be voluntary.

Sufficient breaks and rest periods in accordance with laws, industry standards or collective agreements must be ensured. This includes at least one day off per working week. If an exception is made to this rule for special reasons, the employee must be granted an appropriate number of substitute rest days within a reasonable period of time. The conditions of cooperation, including working hours and remuneration, must be known to every employee - usually in the form of a written employment contract.

3.7 Appropriate disciplinary measures

Disciplinary action must in no way diminish the dignity and rights of employees and must be in accordance with applicable law. Humiliating treatment, corporal punishment, and psychological or physical coercion are not permitted. Disciplinary measures must be recorded in writing. In addition, they must be explained orally to employees in clear and understandable terms.

3.8 Freedom of association and right to collective bargaining

The business partner respects the right of his employees to freedom of association and collective bargaining in accordance with national laws. Employees or their representatives should be able to communicate openly and without fear of discrimination or reprisals with management and to express their ideas and concerns regarding working conditions. This also applies in countries where the right to freedom of association and collective bargaining is restricted.

3.9 Complaints from employees and third parties

The business partner is expected to establish or participate in an effective complaints mechanism for employees, individuals and groups affected by negative impacts from the business partner's operations.

In doing so, the business partner shall ensure that persons providing information, such as its employees, can expect their information or complaints about potential compliance violations or violations of the principles of this Supplier Code of Conduct to be handled confidentially. The business partner shall protect the persons involved in the complaint and refrain from reprisals. The business partner shall inform VNG H&V without being asked about complaints that are relevant for the collaboration with VNG H&V.

3.10 Special duty of care for conflict minerals

The business partner commits to exercise special care in the procurement of tin, tungsten, tantalum and gold, as well as other raw materials such as cobalt from conflict and high-risk areas, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

3.11 Protection of indigenous population

In case that the business partner's activities could adversely affect the land rights, culture, customs and religion of indigenous people, these must be respected.

4. Environmental standards

The protection of the environment is a central task for VNG H&V and its business partners. Accordingly, we are jointly committed to use resources efficiently and responsibly, avoiding damage and reducing the emission of climate-damaging gases.

4.1 Environmental legislation

All laws, regulations and standards for the protection of natural resources and the environment must be complied with. In addition, the business partner must obtain all necessary permits and licenses and must comply with the conditions and ancillary provisions of these permits and licenses.

4.2 Environmental management systems

The business partner commits to continuously minimize environmental pollution and risks as well as the consumption of resources. Business partners shall systematically pursue these goals and be able to demonstrate this through a certified environmental management system. This applies in particular to business partners with their own productions facilities.

If the business partner does not have a certified environmental management system, a responsible person should be named who is in charge of the implementation of environmental objectives and programmes within the business partner.

4.3 Handling of hazardous substances

To protect employees and the environment, the business partner ensures that hazardous substances and chemicals are safely procured, stored, used and disposed. Employees must be instructed regularly accordingly. Where possible, hazardous substances should be replaced by less hazardous substances. The business partner shall check this continuously.

4.4 Reduction of resource use

The use of production materials must be minimized, and processes must be continuously worked on in order to optimize them. The use of resource-saving technologies is an essential key to this. Resources should be used efficiently, and material cycles should be closed as far as possible. Waste that cannot be avoided must be recycled adequately.

4.5 Climate protection and reduction of pollutants

The business partner commits to continuously reduce climate-damaging emissions. In order to pursue this in a comprehensible and transparent manner, clear CO₂ reduction targets shall be formulated and documented. This greenhouse gas inventory should include Scope 1, Scope 2 and Scope 3 emissions.

The business partner shall share product emissions data on the business partner's products or services relevant to the business relationship, including but not limited to, Bill of Materials (BOMs), Environmental Product Declarations (EPDs), Life Cycle Assessments (LCAs), and/or Product Carbon Footprints (PCFs) with VNG H&V.

The business partner should participate in the development and application of climate-friendly products and processes in order to contribute to the reduction of greenhouse gas emissions.

Other harmful emissions to air, water or soil must also be prevented or reduced as far as possible.

The business partner commits to offer more climate-friendly products and processes when they are available and should inform VNG H&V of any new climate-friendly products and services that will become available in the future, with a timeline of the expected date of release. Ongoing discussions on reducing emissions within the supply chain should be made throughout the relationship to encourage a more climate-friendly supply chain.

5. Compliance and fair cooperation

Honesty, fairness and integrity guide our actions. We expect the same from our business partners.

5.1 Business integrity and compliance measures

The business partner shall ensure to have in place an effective system to prevent in particular corruption, antitrust violations, money laundering and economic offences, and that this system is suitable to take precautions for employees to act in accordance with the rules. This system is based on a risk assessment of the company and is subject to continuous improvement with regard to the measures, structures and processes taken.

5.2 Anti-corruption and prevention of money laundering activities

Corruption and economic crime (e.g. breach of trust or fraud) will not be tolerated in any form. Our business partners and the persons acting on their behalf do not actively offer, promise or grant advantages (bribery, granting of advantages), nor do they passively request, allow themselves to be promised or accept advantages (bribery, acceptance of advantages) with the aim of obtaining an order or other preferential treatment. Invitations or gifts are not misused as a means of exerting influence.

Our business partners comply with the applicable legal obligations to prevent money laundering and do not participate directly or indirectly in money laundering activities.

5.3 Taxes and correct accounting

Compliance with tax regulations is consistently implemented by our business partners. Furthermore, truthful and complete accounting is carried out for all business activities.

5.4 Antitrust and competition law

Our business partners omit any unlawful conduct, such as agreements with competitors to restrict or distort fair competition or the free market and comply with all antitrust and competition laws.

5.5 Customs and foreign trade law

Our business partners comply with national and international customs laws as well as foreign trade, anti-terrorism and embargo regulations. They commit to follow the respective applicable restrictions and

prohibitions on foreign and domestic trade in certain goods, technologies or services as well as countries and persons.

5.6 Avoiding conflicts of interest

All actions and decisions must be based on objective criteria. For this purpose, our business partners create the necessary conditions, by avoiding conflicts of interest with private or other economic activities and by countering any appearance of such conflicts with maximum transparency. If a conflict of interest arises in the context of collaboration with VNG H&V, it must be reported to VNG H&V and eliminated immediately after discovery.

5.7 Protection of confidential information, third-party property rights and data protection

Our business partners commit to respect company secrets and other property rights of third parties and to protect personal data. This also includes handling shared documents with care and keeping data and non-published information safe and protecting it against unauthorized access by third parties. The corresponding applicable data protection regulations must be followed.

6. Monitoring compliance with the Supplier Code of Conduct

Our aim is to establish long-term supplier relationships based on trust. Therefore, we work together with our business partners and in the supply chain to develop approaches and solutions for compliance with the Supplier Code of Conduct, which will secure our cooperation and make it more sustainable.

6.1 Checking compliance with the Supplier Code of Conduct

VNG H&V can verify compliance with the Supplier Code of Conduct at any time by measures such as self-assessments by suppliers, presentation of certificates and information by third parties. Furthermore, the business partner permits VNG H&V to verify compliance with the principles of the Supplier Code of Conduct by means of an on-site audit (on the business partner's site, on construction sites or at any locations where services are provided on behalf of the business partner). The audit can be conducted during normal business hours, If necessary, also without prior notice. Audits may be carried out by VNG or by third parties commissioned by VNG.

6.2 Mechanism in case of non-compliance

If violations of the present principles and requirements of this Supplier Code of Conduct are discovered, the business partner commits to take remedial or improvement measures in coordination with VNG H&V within a reasonable period of time.

Violations by the business partner against the principles and requirements of this Supplier Code of Conduct are considered a significant breach of the contractual relationship. In the event of non-compliance with the Supplier Code of Conduct and failure to agree to remedial or improvement measures, VNG is entitled to suspend the business relationship in whole or in part and, in the event of continued non-compliance, to terminate it extraordinarily after setting a reasonable deadline.

7. Contact and complaint option

Purpose	Channel	Details
Complaints pursuant to the German Supply Chain Due Diligence Act	<p>Online reporting channel</p> <p>E-Mail: Menschenrechtsbeauftragter@vng.de</p> <p>Postal address: VNG H&V FAO Human Rights Officer Ms Mareike Tondar 7 Braunstraße 04347 Leipzig Germany</p>	<p>We expect the business partner to report to VNG any indications of potential human rights violations or environmental violations, violations of the principles of this Supplier Code of Conduct or other compliance violations that are related to the business relationship with VNG or its supply chain. The reporting channels listed below are available to the business partner for this purpose. VNG's regulations define clear responsibilities and processes for clarifying information, guarantee confidentiality and provide the greatest possible protection for all parties involved.</p> <p>The business partner warrants that it will neither disadvantage nor punish the person providing the information on the basis of the information. This does not apply in the event of an abusive complaint.</p> <p>Information can be reported in various languages, also anonymously, via a confidential and protected system. All reports received are treated confidentially and reviewed and processed in accordance with the applicable responsibilities and procedures.</p>
Complaints pursuant to the Whistleblower Policy	<p>Online reporting channel</p> <p>E-Mail: compliance@vng-handel.de</p>	<p>Please note that, even in the case of a personal submission, your reports and information will be treated in strict confidence. Access to this email inbox is restricted to a limited number of authorized individuals. Any follow-up measures will be undertaken exclusively by the Compliance department.</p> <p>In the case of a personal report, you benefit from the protection against retaliation provided for under the applicable policy. You are therefore kindly requested to formulate your report in a comprehensive and exhaustive manner. Furthermore, where a report is submitted personally, you will be informed about the progress and the outcome of the procedure.</p> <p>In addition to the channels described above, you may also contact the competent authorities and, where</p>

		applicable, bodies, institutions or other entities of the European Union. Protection against retaliation also applies if you choose to contact an external body directly. The competent authorities are yet to be designated by the Member States.
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Imprint

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Version 2.1

Annex

Overview of standards and guidelines

Universal Declaration of Human Rights	The Universal Declaration of Human Rights is the basis for the worldwide recognition of human rights and for the requirement of their implementation.
ILO Core Labour Standards	The International Labour Organization (ILO), a specialised agency of the United Nations, has set itself the goal of promoting social justice as well as human and labour rights worldwide. The minimum requirements for decent working conditions are summarised in the ILO core labour standards. These core labour standards describe the following basic principles: freedom of association and the right to collective bargaining, the elimination of forced labour and the abolition of child labour, and the prohibition of discrimination in employment and occupation. More than 140 countries worldwide have transposed the eight core labour standards into national law.
OECD Guidelines for Multinational Enterprises	The OECD Guidelines are one of the most important international instruments for promoting good governance. The Guidelines describe what is expected of companies in their global activities when dealing with trade unions, environmental protection, fighting corruption or protecting consumer interests
United Nations Guiding Principles on Business and Human Rights	The UN Guiding Principles on Business and Human Rights are based on three pillars for the protection of human rights: these include the duty of states to protect human rights, the duty of companies to respect human rights, and the right to reparation for those affected by human rights violations by economic actors
UN Declaration on the Rights of Indigenous Peoples and ILO Convention 169 – Convention on Indigenous and Tribal Peoples in Independent Countries	The International Labour Organization (ILO) Convention 169 on "Indigenous and Tribal Peoples in Independent Countries" (Indigenous and Tribal Peoples Convention) and the United Nations Declaration on the Rights of Indigenous Peoples are the world's most important reference frameworks for the protection of the rights of indigenous peoples.
10 principles of the Global Compact	The United Nations Global Compact is the world's largest initiative for responsible corporate governance. Member companies commit themselves to ten universal guiding principles on human rights, labour standards, the environment and the prevention of corruption.

Paris Climate Change Agreement	The Convention includes a global action plan to limit global warming to considerably below 2°C in order to counteract dangerous climate change
Sustainable Development Goals (SDGs)	Throughout Agenda 2030, the international community wants to enable a humane life worldwide and at the same time preserve the natural foundations of life in the long term. The Agenda includes 17 global goals for sustainable development - the Sustainable Development Goals (SDGs).

Glossary

Complaint Mechanism	An easily accessible and transparent procedure for submitting (anonymous) complaints, tips or suspicions, which serves to identify potential or existing violations of laws and internal company regulations. Companies can either set up this procedure themselves or participate in external procedures. The procedure must be made accessible to internal persons (including employees) as well as to third parties.
Carbon Footprint / CO2 Balance	Total amount of greenhouse gases and in particular carbon dioxide emitted as a result of the activities of a particular individual, an organisation or a community during a given period.
Discrimination	Unequal treatment and denial of the equivalence of people based on individual or group-specific characteristics, leading to systematic social disadvantage. Measures taken to remove previous discrimination (e.g. severely disabled quota, mentoring of women) are excluded.
Hazardous substances	Substances, mixtures or products with hazardous properties that cause acute or chronic damage to human health, are flammable, explosive or dangerous for the environment.
Basic needs	Minimum requirements to live in dignity, including basic goods such as food, clothing and shelter, as well as access to sanitation, education, health facilities and public transport.
Antitrust Law	Prohibition of agreements between companies which could impair free competition, e.g. price fixing or agreements on production volumes.
Conflict Minerals	Raw materials - in particular tin, tantalum, tungsten, gold, cobalt and mica - originating from conflict and risk areas according to the OECD definition. These include areas where armed conflicts are being conducted or which are in a fragile situation after conflicts.
Circular economy	A circular system that provides for a reduction in the use of resources, a long service life, reuse

	and, as a last option, recycling. It is in contrast to the traditional linear economic system with the sequence of production, use and disposal.
Management system	Systematic approach to the realisation of the company policy for structuring, controlling and optimising processes in the company with documentation of responsibilities and procedures.
Debt bondage	Slave-like dependency relationship between debtor and creditor, in which the debtor must provide his labour as security for the credit and the creditor has arbitrary power to decide on the nature or duration of the dependency.
Property rights	Intellectual property rights and prohibition of use by others, such as trademark law, patent law, utility model law, design protection and copyright law.
Duty of care for conflict minerals	Requirements for companies (EU regulation) to procure metals and minerals responsibly from areas of political conflict where human rights violations, corruption and money laundering occur more frequently; these requirements have been laid down in the OECD Due Diligence Guidance and include, for example, traceability of minerals to the mine of origin, audits and cooperation with (local) actors to prevent human rights violations.
Scope 1, 2, 3 emissions	Scope 1, 2, and 3 emissions classify a company's greenhouse gas emissions, in accordance with the Greenhouse Gas Protocol, into direct and indirect emission sources in order to enable their measurement, comparability, and reduction
Standard working week	Usual working hours per week in full time without overtime or holidays.



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