

**sikla**

# Supplier Code of Conduct





## Sustainability is an essential point of our strategy

Sikla GmbH is committed to ecologically and socially responsible corporate management. Only in a world that comes as close as possible to the optimum of the circular economy will long-term growth and prosperity be possible for us and our children. We are committed to contributing to this.



This voluntary commitment creates a framework for our day-to-day activities and guides our decision-making.

We expect this spirit to be reciprocated by our suppliers. The same applies to our employees and their respect for the principles of ecological, social, and ethical conduct. These are an integral part of our corporate culture. Furthermore, we endeavor to continuously optimize the

sustainability of our economic activities, our products, and services. Our suppliers, and subcontractors, must agree with this Code of Conduct and implement its standards within the downstream supply chain.

The Code of Conduct is based on national laws and regulations such as the German Supply Chain Sourcing Obligations Act (LkSG) 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 labor standards of the International Labor Organization. Following the adoption of the European Supply Chain Due Diligence Act, this Code of Conduct will be updated as required.





# 1. Requirements for suppliers

## Social Responsibility

We expect suppliers to behave fairly and treat employees with respect.

This includes the following aspects:

### **Exclusion of forced labor**

It is expected that no forced labor, slave labor or similar workforce will be used.

All labor must be performed voluntary and without threat of punishment. In addition, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment, and humiliation.

### **Prohibition of child labor**

We reject child labor in our supply chain. No child labor is allowed at any stage of the value chain. We expect suppliers to adhere to the recommendation from the ILO conventions on the minimum age for the employment of children. The definition of child labor is based on the principles of the United Nations Global Compact, as well as the core labor standards of the ILO (International Labor Organization).

### **Fair pay and working hours**

Pay for regular working hours and overtime must be in line with the national statutory minimum wage or industry minimum standards, whichever is higher. Suppliers are expected to pay their employees on time. Suppliers are expected to maintain working hours in accordance with applicable laws or industry standards.

### **Freedom of Association**

Suppliers are expected to respect the right of workers to form and join organizations of their choice, to negotiate collectively and to go on strike. Workers shall not be discriminated based on forming, joining or being a member of a Trade Union. These shall



be granted free access to the workplaces of their colleagues to ensure that they can exercise their rights in a lawful and peaceful manner.

#### **Prohibition of discrimination**

Discrimination and unequal treatment of employees in any form is prohibited. This applies, for example, to discrimination based on gender, national, ethnic or social origin, skin color, disability, health status, political conviction, origin, ideology, religion, age, pregnancy or sexual orientation.

The personal dignity, privacy and personal rights of each individual are respected. Sikla motivates suppliers to behave in an inclusive manner and supports diversity in the workforce.

#### **Health and safety in the workplace**

The supplier is responsible for providing a safe and healthy work environment. The supplier is expected to prevent excessive physical or mental fatigue by taking appropriate measures. Employees are also expected to receive regular information and training on the relevant health and safety standards and measures. Employees will be provided with access to drinking water in sufficient quantities, as well as access to clean sanitary facilities.

#### **Grievance mechanisms**

It is expected from the supplier to appropriately pass on the information received from Sikla GmbH to its employees. This concerns accessibility, responsibility, and the implementation of a complaint's procedure.

#### **Dealing with conflict minerals**

Regarding the conflict minerals tin, tungsten, tantalum, and gold, as well as other raw materials such as cobalt, the supplier must have established processes in place. These shall comply with the Organization for Economic Cooperation and Development (OECD) Guiding Principles on Due Diligence to promote responsible supply chains for minerals from conflict and high-risk areas. The same is expected from the supplier's suppliers.



## Ecological responsibility

Suppliers are expected to act in an environmentally responsible and in a resource-saving manner.

### **Treatment and discharge of industrial wastewater**

Suppliers are expected to type, monitor, review and, if necessary, treat wastewater from operations, manufacturing processes and sanitary facilities prior to discharge or disposal. In addition, it is expected that measures will be implemented to reduce the generation of wastewater.

### **Managing air emissions, waste and hazardous substances**

Suppliers are expected to implement processes that ensure safety in the handling, transportation, storage, and recycling of waste, exhaust fumes, and wastewater. In addition, the supplier is expected to find economical solutions to minimize emissions. Activities that have a negative impact on human health, or the environment, shall be adequately controlled and managed.

### **Consumption of raw materials and management of energy consumption**

Suppliers are expected to use natural resources modestly. Negative impacts on the environment and climate are to be minimized at the point of origin or through process changes. Activities with negative environmental impacts and noise emissions as well as excessive water consumption are expected to be refrained from if harmful. This includes human health and maintaining the integrity of food resources. It is expected that energy consumption will be monitored and documented. Energy efficiency must be regularly reviewed and continuously improved. Energy consumption must be minimised.



## Ethical Business Conduct

We expect suppliers to conduct business with integrity and honesty.  
This includes the following aspects:

### **Legal requirements**

Suppliers are expected to comply with applicable laws and contractual agreements.

### **Fair competition**

Suppliers are expected to comply with fair business, fair advertising and fair competition standards.

### **Confidentiality/Data protection**

With respect to the protection of private information, the supplier is expected to comply with applicable laws and the reasonable expectations of its principal, suppliers, customers, consumers and employees.

### **Intellectual Property**

The supplier is expected to respect intellectual property rights; technology and know-how transfers are made in a manner that protects intellectual property rights and customer information.

### **Integrity/Bribery**

The supplier shall adhere to the highest standards of integrity in all business activities. A zero-tolerance policy, prohibiting all forms of bribery, corruption, extortion, and embezzlement must be in place. Procedures for monitoring and enforcing standards shall be applied to ensure compliance with anti-corruption laws.



## 2. Supplier Relationship

We expect suppliers to communicate the principles and requirements described in the Code of Conduct with their own subcontractors and suppliers. For the duration of our business relationship, it must be taken into account as part of the selection process.

## 3. Compliance with the Supplier Code of Conduct

The compliance of suppliers with the principles and requirements of this Supplier Code of Conduct is regularly reviewed. For this purpose, onsite audits can be carried out by Sikla, or a third party commissioned by Sikla, in coordination with the supplier.

