



**Supplier Code of Conduct
(SCoC)
the
Heidemark Group**

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For better readability, the generic masculine is used.

The personal designations used refer to all genders.

1 Introductory remarks

1.1 Objective

This Supplier Code of Conduct (SCoC) was drawn up by the Heidemark Group for suppliers, co-packers and licencees in order to ensure social and ecological compliance and the associated corporate responsibility along the entire supply chain in addition to existing agreements with regard to the requirements of the Supply Chain Duty of Care Act (LkSG) in its currently valid version.

The SCoC of the Heidemark Group is binding for suppliers, co-packers and licencees, whereby provisions already made in existing contracts remain unaffected.

1.2 Scope of application

The SCoC of the Heidemark Group applies to suppliers, co-packers, licencees as well as their upstream suppliers and their business partners across all stages along the entire supply chain - regardless of whether the upstream supplier is directly or indirectly connected to the supplier, co-packer, licencee or other business partners. The extent to which the upstream companies are included in the responsibility and liability for compliance with the SCoC depends on the contractual requirements of the suppliers, co-packers and licencees. In the following, the Heidemark Group is referred to as "Heidemark" and the suppliers/subcontractors, co-packers and licencees as well as their upstream companies as "supplier" or "suppliers".

2 Governance

2.1 Responsibilities

The implementation of all activities relating to the supplier's sustainability issues is ensured by a management department or staff unit responsible for this. It is expected that the implementation of socio-ecological requirements will be ensured through suitable measures.

2.2 Reporting

Supplier is required to provide Heidemark, upon request, with information on non-financial aspects related to employee and social matters, human rights, corruption, diversity, environmental matters and related risks and policies pursued. If required, Heidemark shall be provided with all information about the supplier's own business and its suppliers, co-packers and licencees that Heidemark and its affiliated companies need to carry out risk analyses, take preventive and remedial measures within the meaning of the LkSG and for non-financial reporting in this context.

3 Social responsibility

Heidemark is aware of its social responsibility in its own business area and along the supply chain. In addition to compliance with national laws, internationally applicable guidelines and national and international industrial standards, the supplier is expected to ensure that production and working conditions are in line with the requirements of the internationally recognised ILO conventions, the UN Global Compact and the OECD Guidelines for Multinational Enterprises. Heidemark and the supplier aim to continuously improve social standards and the human rights situation along the jointly responsible supply chain.

Heidemark is entitled to carry out appropriate inspections at the supplier's premises or through an external service provider to the extent necessary to fulfil its own due diligence obligations. If, in Heidemark's opinion, a violation has occurred, the supplier, in cooperation with Heidemark, must immediately implement and document suitable remedial measures and provide Heidemark with evidence of their effectiveness.

In the following, the binding obligations to be complied with by the supplier in the areas of child labour, forced labour, discrimination, employment contracts, remuneration, working hours, disciplinary measures, freedom of association, health and safety, unlawful eviction and unlawful land confiscation as well as related grievance mechanisms are explained in more detail.

3.1 Child labour

Heidemark fundamentally rejects any kind of child labour. It is assumed that the minimum age for admission to work in accordance with ILO Convention No. 138 is not less than the age of completion of compulsory education in the respective country and in no case less than 15 years. Employees under the age of 18 are excluded from work that is considered dangerous, unsafe or harmful to health.

3.2 Forced labour

Forced or compulsory labour is any type of work or employment that is not voluntary and is performed under threat of punishment. No one may be employed or forced to work against their will, not even in the context of prison labour.

The ban includes all forms of slavery-like practices, servitude and oppression.

3.3 Discrimination

Equal opportunities and equal treatment are a cornerstone of social sustainability at Heidemark. Therefore, discrimination, whether based on gender, age, religion, ethnicity, origin, disa-

bility, marital status, sexual orientation, political opinion, membership in a workers' organisation and trade union or other personal characteristics (e.g. skin colour), is inadmissible and must be avoided. Decisions on the type and manner of employment are made solely on the basis of the employee's abilities.

3.4 Employment contracts

The supplier is obliged to provide employees with a written employment contract, where required by law. It is not permitted to withdraw or withhold personal identification documents of any kind from employees.

3.5 Remuneration

The remuneration of employees may not be below the statutory minimum wage or - in the case of collective bargaining - the collectively agreed minimum wage. Employees must be allowed to freely dispose of part of their remuneration and the respective statutory social benefits must be complied with. Deductions from wages as a disciplinary measure are not permitted. Wages must be paid in a manner that is practical for the employees. Employees must be regularly informed of the composition of their remuneration in a form that they can understand.

3.6 Working hours

Working hours must comply with the applicable law or - in the case of collective bargaining - the applicable collective agreement. Work breaks must be granted in accordance with the applicable local law. The working hours of employees must be documented and remunerated in accordance with the applicable statutory provisions. Overtime must be voluntary or regulated by a contract or collective agreement. In addition, the prescribed rest periods between working hours (in accordance with local law) must be observed.

3.7 Disciplinary measures

All forms of harassment, infliction of physical or psychological harm, abuse and intimidation are prohibited. Only disciplinary measures that are in accordance with national laws and internationally recognised human rights will be tolerated. All employees are to be treated with dignity and respect.

3.8 Freedom of association

It is a firm condition that the supplier recognises and upholds the freedom of association of employees. Employees may, in accordance with local law, join or form employee representative organisations or trade unions of their choice. Membership of such an association must not result in employees being favoured or disadvantaged.

3.9 Health and safety

The health and safety of employees in the workplace must not be jeopardised. The supplier must ensure that the working environment is safe and that health hazards are excluded as far as possible. Fundamental to this are, as far as practicable, clean sanitary facilities, sufficient lighting, ventilation and heating systems, sufficient drinking water and regular safety assessments, instructions and training. This also includes protection against fire, extreme heat or cold and toxic substances. Employees have the right to be absent from work in the event of illness (with appropriate proof). In addition, access to health care must not be denied. Where there are sources of danger, it must be ensured that employees are equipped with appropriate protection (e.g. protective clothing, hearing protection) when working. If dormitories are provided, hygienic and safe conditions must be ensured in accordance with the circumstances. If private or public security forces are commissioned or used, it must be ensured that their deployment does not violate environmental or human rights obligations.

3.10 Unlawful eviction and unlawful land confiscation

Land, forests and waters that are used to secure livelihoods may not be unlawfully taken from the persons concerned, nor may this area be unlawfully evicted. The supplier is obliged to exclude this when acquiring, building on or otherwise utilising land, forests and waters in accordance with the applicable local law.

3.11 Complaints mechanisms

The supplier shall ensure that effective and confidential grievance mechanisms are established at the factory level and throughout the supply and production chain for individuals and associations that become aware of violations of the obligations set out in this SCoC. It must be ensured that all employees of the supplier have access to this grievance mechanism. Alternatively, reference can be made to Heidemark's complaints mechanism (under the homepage www.heidemark.de). It must be ensured that the person or organisation making the complaint is not disadvantaged or penalised. The responsibilities within the complaints system must be clearly assigned. The person or organisation making the complaint must be informed that the complaint has been received. The complaints system must fully document all complaints received and maintain the confidentiality of the information and the identity of the person or organisation making the complaint at all times. The supplier should take appropriate measures to ensure that persons who complain or provide information are not disadvantaged or penalised. The complaints system should be multilingual (at least in English and the local language) and be accessible, free of charge and publicly accessible via suitable channels such as e-mail, telephone, website or similar. If the supplier receives complaints or information on one of the human rights or environmental issues mentioned in chapters 3 and 4 and if these

are credible or substantiated from the point of view of an unbiased third party, the supplier is obliged to report them to Heidemark immediately without being asked.

4 Ecological responsibility

The protection of nature and the environment is an integral part of Heidemark's actions, both in its own business area and at its suppliers. The supplier must comply with the applicable legal requirements for nature and environmental protection and endeavour to continuously reduce and avoid environmental pollution and to continuously improve environmental protection measures. Applicable procedures and standards for waste management, the handling of chemicals and other hazardous substances and their disposal, as well as for emissions and waste water treatment must be complied with. Environmentally and socially compatible production is to be promoted. With the aim of continuously reducing the consumption of resources, a responsible and efficient use of resources is required at all stages of the value chain and in all phases of the product life cycle.

Heidemark is authorised to carry out appropriate inspections of the supplier itself or through an external service provider on an ad hoc basis. If, in Heidemark's opinion, a violation has occurred, the supplier must immediately implement and document suitable remedial measures and provide Heidemark with evidence of their effectiveness.

Only ingredients and materials that comply with the relevant standards and legal requirements applicable to production may be used. The current state of scientific knowledge and the recommendations of the relevant national and European scientific institutions must always be taken into account. Ingredients and materials are carefully selected, taking a holistic approach.

Hazardous substances, chemicals and materials must be labelled and safe handling, storage, transport, recycling and disposal must be ensured in compliance with all applicable laws and regulations relating to hazardous substances, chemicals and materials. The supplier must ensure that applicable substance restrictions and product safety requirements are observed.

Negative environmental impacts, in particular possible deforestation, water pollution, air pollution, soil pollution or threats to biodiversity, must be taken into account when selecting and using ingredients and materials.

5 Risk management measures

The supplier is obliged to continuously identify, monitor and document possible sustainability risks and the requirements from chapters 3 and 4, both in its own business area and along its

supply chain, and to provide Heidemark with information on this upon request. For this purpose, the supplier shall set up an appropriate risk management system. The supplier is obliged to implement targeted and appropriate measures throughout its supply chain to ensure that the requirements listed in this SCoC are met. Depending on the level of risk, suitable preventive and, if necessary, corrective measures must be taken. The corresponding measures must be implemented at regular intervals and on an ad hoc basis and their effectiveness reviewed. The results of the implementation and review must be reported to Heidemark on request. In the event of a concrete occurrence of damage, this must be reported to Heidemark and, if necessary, a concrete schedule for the implementation and evaluation of further measures must be drawn up together with Heidemark. The review can be carried out by Heidemark or by an external service provider commissioned by Heidemark.

The supplier must record its ethical principles and behaviour in a Code of Conduct (CoC). This CoC is binding for all employees of the supplier and must be presented to Heidemark upon request. The requirements set out in this SCoC are to be integrated into the supplier's own CoC and must be kept up to date at all times. The same applies to the supplier's subcontractors.

Employees must receive regular training on environmental and social risks. All training should be documented in a binding manner.

The supplier's procurement strategies and purchasing practices must be designed in such a way that environmental and social risks are minimised. This includes a risk-based review of the supply chain and ongoing monitoring of existing suppliers.

Heidemark reserves the right to sanction violations, for example by temporarily suspending the supply relationship, to the extent permitted by law and contract.

Heidemark reserves the right to demand certifications that ensure a social or ecological standard for certain raw materials and countries that are associated with an increased sustainability risk or where a negative impact in terms of sustainability is to be expected.

The supplier shall verify compliance with the requirements of this SCoC by means of a self-audit. In addition, Heidemark is authorised, after consultation and notification, to randomly audit the supplier itself or have it audited by an external service provider commissioned by Heidemark. Corresponding internal audit reports must be submitted to Heidemark upon request. If there are deviations or violations of the contents listed in this SCoC, the supplier must inform Heidemark immediately and propose appropriate measures to remedy the situation. An action plan must be drawn up, documented and checked for effectiveness accordingly.

If the specifications listed in this SCoC are violated or a measure is not complied with, Heidemark has the right to sanction the supplier. The type and extent of the sanction depends on the type and extent of the supplier's violation of a requirement or measure. It is at Heidemark's discretion to assess the extent of a violation and the associated sanctions. The sanctioning measures include the imposition of additional requirements, an increase in the inspection intervals, the temporary suspension of the supply relationship and/or the cancellation of the supply relationship. The actual determination of the implementation of individual measures is made by those responsible at Heidemark, taking into account the identified risks, existing, event-related complaints and requirements as well as the severity of the offence. The legal consequences are based on the contractual and legal possibilities. The specifications and measures of this SCoC may be adapted at any time at the discretion of Heidemark, but in accordance with the requirements of the LkSG in its currently valid version.