

Supplementary Agreement to the Framework Supply Contract

Code of Conduct for Suppliers and Business Partners

- Corporate duty of care in the supply chain -

Preamble

We, KODi Diskontläden GmbH, are aware of our special social responsibility. Therefore, we have set ourselves the goal of continuously improving our sustainability performance in close cooperation with our business partners. The basic demand of KODi Diskontläden GmbH on itself as well as on all (contractual) partners are regulated in this **Code of Conduct**. The principles are in line with, among others, the Business Social Compliance Initiative (BSCI), the fundamental principles and rights of the International Labour Organisation (ILO) and the ten principles of the United Nations Global Compact (Davos, 1999). KODi also strives to exceed these minimum standards whenever possible.

Scope

This Code of Conduct forms the basis of all business relationships. It also applies in particular to all suppliers as well as to their agents and subcontractors, hereinafter collectively referred to as "business partners". The contractual partner shall pass on the content of this Code of Conduct to its business partners in a comparable manner by means of suitable contractual regulations and shall make every effort to regularly check compliance with the obligations.

Notification of infringements - Complaints procedure

Should contract partners become aware of serious human rights or environmental risks in the supply chain which are likely to materialise or have already materialised, they will inform KODi immediately.

Complaints or indications of violations of this Code of Conduct or applicable law can be reported to KODi at any time by all employees - also in anonymous form - to the contact persons named below. All business partners guarantee to inform all employees about this complaint mechanism and to provide easy access to it. Disciplinary measures against the reporting person are to be refrained from.

Contact person: whistleblowing@kodi.de

For reasons of better readability, the masculine form is used for designations and nouns. However, in the interest of equal treatment, the corresponding terms apply to members of all genders. The abbreviated form of language does not imply any valuation.

Sanctions and remedies for non-compliance

KODi is authorised to verify the principles set out in this Code of Conduct. Business partners enable this by providing written information for the purpose of the audit and by allowing announced on-site inspections at the company. Third parties commissioned by KODi (e.g. auditors) may be commissioned with the audit. Business and trade secrets of business partners or third parties are excluded from the obligation to provide information and the possibility of inspection. On-site inspections shall be announced by KODi at least two weeks in advance and shall be carried out during normal business hours. In the event of infringements, warnings may be issued to the contractual partner. If appropriate remedial measures are not immediately initiated and/or the provisions of this Code of Conduct continue to be violated, KODi shall be entitled to terminate the contract with the contractual partner extraordinarily and without notice.

A) Which laws must be complied with?

1. Compliance with laws

All business partners of KODi must comply with national and international regulations, in particular labour and social laws and environmental regulations. Labour agreements or comparable measures may not circumvent this Code of Conduct.

B) Which social standards must be complied with?

2. No child labour



Child labour and any exploitation of children and young people is not tolerated in accordance with ILO Convention No. 138. The minimum age of employment shall not be less than the age at which compulsory education ends. In no case may employees be younger than 15 years of age, unless exceptions recognised by the ILO apply.

If business partners employ young workers, they shall ensure that (a) the nature of the work does not negatively affect their safety, health, development or morale; (b) their working hours do not interfere with participation in vocational training programmes recognised by competent bodies.

3. No forced labour



All forms of forced and compulsory labour according to ILO Convention 29, bonded labour, serfdom or slave labour are not tolerated. No employee may be forced to work, directly or indirectly, by force or intimidation. Employees have the right to terminate their employment.

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4. No discrimination



According to ILO Convention 111, no discrimination in employment and/or occupation will be tolerated. In particular, any distinction, exclusion or preference based on race, colour, sex, age, confession of faith, political opinion, membership of a workers' organisation, physical or mental disability, marital status, ethnic or social origin, nationality, sexual orientation or other personal characteristics is prohibited.

5. Wages and social benefits



Business partners are obliged to compensate their employees at least in accordance with the statutory minimum wages or, if higher, on the basis of industry standards approved in collective bargaining. Business partners shall respect the right of their employees to adequate remuneration, which, in accordance with ILO Convention 131, is sufficient to enable them and their families to live in dignity, and shall provide statutory social benefits. Remuneration shall be paid in a timely, regular and full manner in a legal tender. Overtime shall be paid in addition to regular wages at the rates prescribed by law.

Where accommodation is provided, it shall be clean and safe and meet the basic needs of the employees.

6. Regulated working hours and written employment contracts



Employees shall not work longer than the legally permissible working hours and legally regulated rest days shall be observed. Within a period of 7 days, employees shall be granted a rest period of 24 hours. As a rule, the average daily working time of 8 hours and the average weekly working time of 48 hours must not be exceeded.

The business partners guarantee the written documentation of the working conditions (e.g. start and duration of the employment relationship, working hours, wages and bonuses) of their employees and the employees of their contractual partners.

7. Freedom of association and the right to collective bargaining



All workers have the right to join and form associations of their choice and to bargain collectively at any time, within the limits of applicable national laws and in accordance with ILO Conventions 87 and 98.

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8. Prohibited disciplinary measures

Disciplinary measures against employees may only be taken in accordance with applicable national and international regulations. Inappropriate disciplinary measures shall be refrained from, such as unlawful withholding of salary, benefits or documents (e.g. identity cards) and prohibition to leave the workplace.

No employee shall be subjected to verbal, psychological, physical, sexual or physical violence, coercion, harassment or other abuse.

9. Occupational safety and health

All employees shall be provided with a safe and healthy working environment at all times. Appropriate precautions shall be taken against accidents at work and occupational diseases and adequate personal protective equipment shall be provided. Employees shall be protected from fire and toxic substances. Adequate lighting, ventilation, heating and sanitary facilities shall be provided.

All employees shall receive regular training in health, safety and workplace emergencies. The training courses shall be documented.

C) Which environmental standards must be met?

10. Environmental permits

Business partners shall ensure that all required environmental permits and approvals are obtained, kept up to date and followed.

11. Climate & resource protection

Environmental pollution is to be avoided and reduced. The aim is to avoid or continuously reduce the environmental impact of resource and energy consumption, air pollutants, water consumption, spreading in the soil and water, as well as the resulting waste, to preserve biodiversity and to promote recycling management.

Business partners are encouraged to record and reduce their CO₂ footprint. Business partners are required to ensure that no clearing of primary forests and other high conservation value (HCV) areas takes place within the supply chain and that cultivation on land cleared after July 2008 is prohibited.

12. Hazardous substances

Business partners shall ensure clear labelling of hazardous substances, chemicals and materials and their safe handling, movement, storage, recycling, reuse and disposal.

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13. Packaging



Business partners are encouraged to use more environmentally friendly packaging. To this end, packaging must be avoided, reduced or improved in terms of its environmental effects wherever possible. These principles are to be applied in the order of priority given here - the best packaging from an environmental point of view is that which can be avoided completely. Packaging is considered more environmentally friendly if it is reusable, uses as little material as possible, is recyclable and consists of secondary raw materials or alternative materials or certified paper.

D) Which economic standards must be met?

14. Bribery and corruption



Any form of bribery or corruption will not be tolerated. Business partners and their employees must behave in such a way that no personal dependence, obligation or influence arises. Business conduct based on fairness and compliance with applicable national and international standards is expected from everyone. Furthermore, the business partner shall implement an anti-bribery and anti-corruption policy to be followed in all areas of business. If gifts are customary and courteous in a country, it must be ensured that no obligatory dependencies are created and that the applicable national standards are observed. Any indications of corrupt behaviour should be reported to KODi.

15. Rights of local communities



Business partners respect applicable local, national, international and traditional land, water and resource rights, especially those of indigenous communities. Legally permitted land use changes require the documented consent of the affected communities.

Place, Date	
Supplier Stamp/Signature	Signatory in block letters

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