



The Trailer Company.



# Supplier Code of Conduct

## Introduction from the COO and Director of Procurement and Supply Management

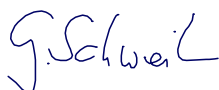
Schmitz Cargobull follows its core brand values of RELIABLE and INNOVATIVE, and is also committed to the highest of ethical, social and ecological standards, which are also incorporated into this Supplier Code of Conduct (SCoC). We aim to achieve business success while complying with all internal and external guidelines. To achieve this, we need the support of all our business partners.

Schmitz Cargobull selects suppliers who run their business with professionalism and integrity, while also adhering to all valid environmental, health-related, quality, social and safety standards and all legal requirements that apply to their business around the world. The same also applies to their own suppliers. As a supplier for Schmitz Cargobull, you work hard to ensure that human rights and fair working conditions are upheld and also promote diversity and good corporate citizenship. You support a sustainable, social and transparent supply chain, including responsible procurement practices for primary products, minerals and materials from conflict regions or high-risk areas. You employ appropriate management systems and processes to document adherence to this Supplier Code of Conduct (SCoC). As our business partner, you are an integral part of our ethical responsibility as well as our professional success.

This Supplier Code of Conduct forms a binding basis for successful cooperation with Schmitz Cargobull. Compliance with the SCoC is therefore a key requirement for your business relationship with Schmitz Cargobull. We also expect you to pass on the rules and principles of this SCoC on to your own suppliers.

We look forward to a successful future together.

With best regards,



Günter Schweitzer, May 25, 2023 09:57:19 AM UTC  
**Dr. Günter Schweitzer**  
Chief Operations Officer



Dominik FERDINAND Henne, May 11, 2023 12:16:15 PM UTC  
**Dominik Henne**  
Director of Procurement and  
Supply Management

## Overview of Topics

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## 1. Working Conditions and Human Rights

As a business partner to Schmitz Cargobull, you undertake to protect your employees' human rights and treat them with dignity and respect, adhere to the United Nations' Universal Declaration of Human Rights, observe the relevant laws and legal systems in the relevant countries, and follow the core labour conventions published by the International Labour Organisation (ILO). The latter applies for all employees, including temporary workers, migrant workers, students, contract workers, direct employees and all other types of worker. However, our business partners' obligation to observe and protect internationally recognised human rights is not limited to employees in this context but extends to all people who are or could be affected by our suppliers' economic activity in their legal position protected by human rights. Schmitz Cargobull does not tolerate any conduct that could harass or disturb another person or impair their ability to work.

We require our suppliers to support Schmitz Cargobull in the performance of human-rights-related due diligence processes to an appropriate extent and to provide complete and accurate responses to queries. Furthermore, we expect our suppliers to apply their own appropriate and equivalent measures for the early identification, prevention or reduction of human rights violations in their own field of business and along the supply chain.

For the protection of human rights, our suppliers must observe, in particular, the rules and prohibitions arising from the ILO's core conventions (ILO no. 29, 87, 98, 100, 105, 111, 138, 182), the associated protocols, the Global Pact on Civil and Political Rights dated 16 December 1966 and the Global Pact on Economic, Social and Cultural Rights dated 16 December 1966. The principles described below are particularly valid.

### **Freedom in Profession**

Forced labour, bonded labour and slavery (including all slavery-like practices such as serfdom and forced or compulsory labour, including forced or compulsory recruitment), involuntary prison labour or human trafficking may not be used or financed. This includes the transportation, housing, enrolment, recruitment, movement or intake of vulnerable people by means of threats, violence, coercion, kidnapping or fraud for the purposes of exploitation. All labour is voluntary and every employee is free to leave their work at any time or terminate their employment relationship. Employed persons cannot be required to hand over a government-issued identity card, passport or work permit as a condition for employment. Inflated fees are unacceptable and all fees charged to employees must be disclosed.

### **Prevention of Child Labour**

Child labour must not be used in any phase of the production process. This rule applies for the employment of a child for whom schooling is mandatory according to the laws in the place of employment, whereby the employment age may not be below 15. In certain circumstances, deviations from this rule are permitted in accordance with the laws in the place of employment and the ILO's core conventions. The use of legal training and education programmes at the workplace is supported insofar as they comply with all legislation and regulations. Employees below the age of 18 must not perform any tasks that could present a risk to the health, safety or morality of young employees.

### **Working Times**

Contractual partners undertake to adhere to the relevant national laws on working times. If there are no national laws in place, the maximum daily and weekly working times must be limited to an appropriate extent, allowing for the employee's right to leisure time and rest. The

international standards set out in ILO Convention 1 can be used as a guideline here, for example. According to this convention, maximum working hours of 48 hours per week apply, with a rest period of at least 24 successive hours every seven days. Deviations are permitted on a temporary basis and in emergencies (e.g. in the event of urgent repair work) with a maximum of 12 hours of overtime per week.

### **Wages and Benefits**

The wages paid to employees must be appropriate and meet all local wage-related legislation, including laws involving minimum wages, overtime and legally required benefits.

### **Humane Treatment**

Employees must not be treated in a harsh or inhumane manner; this includes sexual harassment, sexual abuse, physical punishment, mental or physical coercion or abuse, as well as any threats of this nature. The disciplinary measures and processes that apply in the event of violations against this principle must be clearly defined, comply with local legislation at the very least, and communicated with employees.

### **Freedom from Discrimination**

Business partners advocate for a workforce that is free from harassment and illegal discrimination. Enterprises are not permitted to commit any unfair treatment on the basis of race, skin colour, social background, age, gender, sexual orientation, health status, ethnic group, disability, pregnancy, religion, political beliefs, membership of a trade union, ideology or marital status upon recruitment and during employment practices, such as promotions, remuneration and access to training courses insofar as this is not justified by the requirements of employment. Furthermore, employees or potential employees should not be subjected to any medical tests that could be used for discriminatory purposes.

### **Freedom of Association for Trade Unions**

Open communication and direct engagement between employees and the management team are the most effective tools for resolving issues related to the workplace and remuneration. Employees' rights to associate freely, join a trade union or not, use a representative and join a works council must be respected in accordance with local legislation. Employees must be in a position to communicate freely with senior management about working conditions and management practices without fear of reprisals, intimidation or harassment. Failure to observe the freedom of association is prohibited. Trade unions must be free to operate in accordance with the laws of the place of employment.

### **Ban on Illegal Forced Evictions**

In the scope of their economic activity, our suppliers are obligated to observe the ban on illegal forced eviction and the ban on the illegal revocation of land, forest and bodies of water when purchasing, developing or otherwise using land, forest and bodies of water that protect any person's livelihood.

### **Ban on the Uncontrolled Commissioning or Use of Private or Public Security Forces**

Our suppliers are subject to the ban on commissioning or using private or public security forces for the protection of the entrepreneurial project if – due to a lack of instruction or control by the company when employing security forces – the ban on torture and cruel, inhumane or degrading treatment is not observed, life or limb is injured, or the freedom of association is impaired.

## 2. Health at the Workplace

Business partners are aware that a safe and healthy working environment not only minimises the frequency of work-related injuries and illnesses but also improves the quality of products and services, the consistency of production, and the loyalty and morale of employees. Business partners are also aware that the ongoing cooperation of employees and their training is essential for identifying and resolving health and safety issues at work. Recognised management systems such as OHSAS 18001 and the ILO's guidelines on occupational health and safety were used as a reference when developing this Code of Conduct and may be a useful source of additional information. The occupational health and safety obligations applicable under the legislation in the place of employment must be observed if a risk of accidents could arise at work or if there are any work-related health hazards.

### **Safe Work Place**

Employees' exposure to potential safety risks, e.g. due to electrical and other sources of energy, fire and trip hazards or potential accidents caused by vehicles, must be reduced with appropriate, constructive, technical and administrative checks, regular maintenance and safe working procedures as well as ongoing safety training. If these hazards cannot be tackled suitably in this manner, employees must be provided with suitable, well-maintained personal protection equipment. On the whole, suppliers are required to apply appropriate safety measures to protect employees against safety- and health-relevant effects caused by chemical, physical or biological substances, for example. Employees must not be disciplined for expressing safety concerns.

### **Contingency Planning**

Potential emergency situations and incidents must be identified and assessed, and their effects must be minimised by implementing contingency plans and response measures, including the reporting of emergencies, notification of employees, evacuation procedures, employee training and drills, suitable fire alarm and suppression systems, appropriate escape options and recovery plans.

### **Occupational Accidents and Illnesses**

Processes and systems must be in place to identify, prevent, manage, track and report occupational accidents and illnesses. The regulations in these processes must include the following points: Encouragement of employees to report occupational accidents and illnesses, classification and recording of occupational accidents and illnesses, provision of the requisite medical treatment, examination of cases and implementation of response measures to rectify the causes, and facilitation of employees' return to work.

### **Hygiene at Work**

Employees' exposure to chemical, biological and physical substances must be identified, assessed and checked. Technical or administrative checks must be used to identify or avoid over-exposure. If risks cannot be appropriately reduced or avoided in this way, the health of employees must be protected by way of suitable personal protection equipment.

### **Physically Demanding Work**

The risk to employees arising from physically demanding work, including the manual handling of materials, heavy or repeated lifting operations, long periods of standing and heavily repetitive or exhausting assembly work, must be identified, assessed, controlled and avoided as far as technically possible. Measures are required to avoid excessive physical and mental exhaustion, particularly when caused by inadequate work organisation in relation to working times and

breaks.

### **Machine Protection**

Production machines and other machinery must be examined with regard to safety risks. Physical safety equipment, locks and barriers must be provided and kept in good condition if the machines present a risk of injury to employees.

### **Sanitary Facilities, Catering and Accommodation**

Employees must be provided with access to clean toilets, drinking water and hygienic facilities for preparing, storing and eating food. Any dormitories provided by the contract partner or employment agency must be clean and safe, and have suitable emergency exits, hot water for bathing and showering, sufficient heating and ventilation, and appropriate personal space and appropriate entry and exit options.

## **3. Environment**

The business partners acknowledge that responsibility for the environment is a key component in the manufacturing of world-class products. Protection of the environment is an integral aspect in our business decisions and we are committed to running our business in an environmentally friendly manner. Consequently, our suppliers must take global and local responsibility for the environment and take the steps necessary to protect the environment in the various regions of the world where they are active and to run their businesses in a sustainable and transparent manner. Our suppliers must adhere to all applicable environmental laws and regulations, including but not limited to the laws and regulations on hazardous substances and waste as well as air and water emissions. We also expect resources such as raw materials, energy, water and packaging material to be used in an efficient and responsible manner, and technology to be used to avoid and reduce water, CO<sub>2</sub>, waste water contamination and emissions of hazardous substances. Our business partners are committed to managing their business responsibly with regard to environmental risks and impacts. We expect our suppliers to introduce and maintain processes and procedures to minimise environmental impacts and risks and to continuously improve their environmental performance. They must pass these requirements on to their employees in an appropriate manner and offer training courses so that every person is able to work in an environmentally friendly way. Recognised management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) should be applied. We also expect our suppliers to comply with the rules of any environmental agreements that also serve to protect human rights, such as the Minamata Convention, the POPs Convention and the Basel Accord in their most recent versions.

We also require our suppliers to support Schmitz Cargobull in the performance of environment-related due diligence processes to an appropriate extent and to provide complete and accurate responses to queries. We also expect our suppliers to apply their own appropriate and equivalent measures for the early identification, prevention or reduction of environmental violations in their own field of business and along the supply chain.

For the protection of the environment, we also expect our suppliers to comply with the principles listed below.

### **Environmental Permits and Reporting**

All necessary environmental permits, e.g. input monitoring, approvals and registrations must be obtained, maintained and kept up-to-date and their operating and reporting requirements must

be followed. Suppliers comply with the requirements applicable under the valid environmental legislation.

### **Avoidance of Pollution, Reduction of Resources and Greenhouse Gas Emissions**

Waste of any kind and waste water must be eliminated or minimised at the source and the consumption of water, natural resources and energy must be reduced, e.g. through changes to production, maintenance and operation processes, substitutions of materials, savings, the reuse and recycling of materials. Furthermore, we encourage our business partners to endeavour to minimise greenhouse gas emissions in accordance with the Paris Agreement, use renewable energy, continuously improve their energy efficiency, and track and document their energy consumption and greenhouse gas emissions.

### **Hazardous Substances**

Chemicals and other substances, such as mercury and mercury compounds that are a risk to environment when released, must be identified and administered to ensure their safe handling, movement, storage, use, re-use or recycling and disposal.

### **Waste Water and Solid Waste**

The environmentally sound disposal of waste water and solid waste must be taken into account in development, production, the product life cycle and subsequent reuse at the end of the life cycle, and in other activities. Suppliers must introduce a system for managing waste water, hazardous waste and non-hazardous waste. Oils, chemicals, batteries and other hazardous waste must be kept separately from other types of waste and treated in a way that prevents them from leaking into the air, water or soil. Waste should be sorted so that it can be reused or recycled. Use of landfill sites should be avoided at all times.

### **Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosive substances, particles, ozone-depleting chemicals and combustion by-products from operating processes must be identified, monitored and treated as necessary prior to discharge. Suppliers must check and implement the measures for reducing emissions into the air.

### **Restriction of Product Ingredients**

Business partners must comply with all locally applicable laws, ordinances and customer requirements related to the ban or limitation of certain substances, including their labelling for recycling and disposal. Here, the term customer requirements refers to requirements related to the substance restrictions in the Environmental Responsibility Agreement communicated by Schmitz Cargobull.

### **Biodiversity**

We expect our contractual partners to protect natural eco-systems and to stop the conversion and deterioration of natural eco-systems.

### **Registration, Evaluation and Authorisation of Chemicals (REACH) – Handling of Restricted Substances and/or Substances of Very High Concern**

At Schmitz Cargobull, we take responsibility for the environmental compatibility of our products. An important aspect of this responsibility is the reduction of substances that are hazardous to the environment or health in our products. A number of legal regulations, such as the EU's REACH Regulation, underline our responsibility. Based on the legal regulations and our own requirements, we use the REACH SVHC list as an integral part of our supply agreements with our business partners. The EU's REACH Regulation requires enterprises to



inform their customers about “substances of very high concern” (The Reach SVHC Candidate List) that are used in the production of their products. This obligation applies as soon as a product contains one of these substances in a concentration of more than 0.1 percent by weight. Our suppliers must meet the thresholds in this list of substances of very high concern (SVHC) in full. However, we would also like suppliers to go beyond the scope of responsibility for their products required by law. For this reason, suppliers should – where technically possible – completely avoid using any substances of very high concern as listed in Article 33 of the REACH Regulation. The REACH candidate list can be accessed under the following link: <https://echa.europa.eu/en/candidate-list-table>

#### **4. Elimination and/or Reduction of Conflict Minerals**

The Conflict Minerals Regulation requires EU-based importers of tin, tantalum, tungsten and gold (also known as “3TG”) to ensure that their minerals are procured responsibly and that their supply chains do not contribute to the financing of armed conflicts or other illegal practices. We require our suppliers to adhere to the OECD Due Diligence Guideline for Responsible Supply Chains, fulfil their due diligence obligations along the supply chain in relation to the procurement and transport of conflict minerals, and to

present reports, documents or written approvals on request.

##### **Elimination of Conflict Minerals**

We understand conflict minerals to be columbite-tantalite (tantalum ore), cassiterite (tin ore), gold, wolframite (wolframite ore) or their derivatives (tantalum, tin, tungsten and gold). We expect our business partners to take the steps necessary to identify and assess risks in their supply chains, and to ensure that no conflict minerals are used for Schmitz Cargobull’s products. Schmitz Cargobull’s goal is to eliminate conflict minerals from its supply chain so as not to directly or indirectly finance and benefit armed groups in the Democratic Republic of Congo or a neighbouring country. Schmitz Cargobull expects its suppliers to share this goal and to take systematic steps to achieve and maintain a conflict-free supply chain.

##### **Due Diligence Checks**

Schmitz Cargobull performs due diligence checks in its supply chain to increase transparency and, if necessary, to identify the country of origin and the smeltery/refinery of conflict minerals used in its products. Suppliers must participate in Schmitz Cargobull’s due diligence processes and provide complete, accurate information on request. Suppliers must perform similar due diligence checks in its own supply chain.

#### **5. Ethics and Corruption Prevention**

To live up to its social responsibility and achieve success on the market, business partners and their representatives must adhere to the highest ethical standards and reflect on these on an ongoing basis. This includes the two issues listed below.

##### **Professional Integrity and Compliance with Laws to Tackle Corruption**

The highest standards of integrity must be observed in all business activities. Business partners must pursue a zero-tolerance policy in order to suppress bribery, corruption, blackmail and embezzlement, including the promising, offering, provision or acceptance of bribes. All business transactions must be conducted transparently and recorded accurately in the

supplier's books and business records. Monitoring and enforcement processes must be introduced to ensure compliance with laws to tackle corruption. To avoid conflicts of interest, suppliers must make decisions based exclusively on the basis of objective facts and may not be influenced by personal interests.

### **No Undue Advantage**

Bribes or other means of gaining an unwarranted or undue advantage may not offered or accepted. The integrity benchmarks for dealing with officials are particularly high. The granting of advantages to officials is only permitted with a narrow margin and must always be checked.

## **6. Competition, Intellectual Property and Confidential Information**

### **Disclosure of Information**

Information about business activities, structure, financial situation and performance must only be disclosed in accordance with the valid regulations and conventional industry practice. The falsification of records or the incorrect depiction of conditions or practices in the supply chain are unacceptable.

### **Fair Competition and Customer Information**

Business partners safeguard fair competition and observe the relevant laws, the promotion of competition and the standards of fair advertising. Measures that restrict competition are prohibited. Suitable measures must be in place to protect customer information.

### **Intellectual Property**

Rights to intellectual property must be respected. Technology and expertise must be transferred in a way that protects intellectual property rights.

### **Protection of Trade Secrets**

Contractual partners must require their employees to protect trade secrets. Confidential information must not be published without authorisation, passed on to third parties or made accessible in any other way.

### **Reporting System without Reprisal Measures**

Business partners should have a procedure in place that is known by all employees and enables them and other complainants to express suspected misconduct without any fear of reprisals. The identity of complainants must be protected. Furthermore, these persons must be guaranteed protection from reprisal and unfavourable treatment.

## **7. Accuracy of Business Documents**

Suppliers undertake to keep accurate records that reflect actual, legal transactions and payments. The creation of falsified, inaccurate, incomplete or misleading documents is strictly prohibited.

- All financial documents and records must meet the generally accepted accounting principles.
- Records must be legible and transparent.

## 8. Trade, Imports and Exports

Suppliers undertake to comply with all applicable legislation related to imports, exports, customs, sanctions, embargoes, boycotts and other trade laws.

## 9. Gifts and Entertainment

In rare cases, Schmitz Cargobull employees are able to accept small gifts, hospitality or other business courtesies but only for legitimate business purposes.

The following situations are not legitimate business purposes and are expressly prohibited:

- The granting of gifts, hospitality or preferential treatment with the intention of influencing the objectivity of a decision made by an employee, partner, or staff member at Schmitz Cargobull.
- The offering of a gift, hospitality or preferential treatment during an ongoing procurement or contract awarding process with Schmitz Cargobull (e.g. RFI, RFQ, RFP, RFS).
- A gift in the form of cash, including gift cards or vouchers.
- The offering of extravagant excursions, trips or accommodation.

Schmitz Cargobull employees are not permitted to request gifts, hospitality or other contributions from a supplier. Suppliers are not permitted to offer Schmitz Cargobull employees the chance to purchase products, services or financial investments under conditions that do not apply to all Schmitz Cargobull employees.

Suppliers are not permitted to offer gifts, hospitality or trips on behalf of Schmitz Cargobull in order to win or maintain contracts for Schmitz Cargobull.

## 10. Management System

Suppliers must maintain management systems and processes that are needed to adhere to the valid laws and all elements of this SCoC, including training, monitoring, records, risk assessment, risk management, audits, corrective measures and reporting.

## 11. Misconduct Complaints

Complaints concerning misconduct can be reported to Schmitz Cargobull's ombudsman at any time.

<https://www.cargobull.com/de/unternehmen/supply-chain-management>

Business partners' employees must be informed about the option to submit complaints about misconduct. Complaints can be submitted anonymously. Schmitz Cargobull protects the identity of complainants.

## 12. Privacy Policy

Contractual partners undertake to appropriately protect the personal data of people with whom they have a business relationship, including suppliers, customers and employees. When recording, saving, processing, transferring and passing on personal data, contractual partners adhere to data protection and information security laws and regulations.

## 13. Contact

If you have any further questions, please contact:

Schmitz Cargobull AG  
Supply Management  
Siemensstraße 50  
48341 Altenberge, Germany  
[supplier@cargobull.com](mailto:supplier@cargobull.com)  
[www.cargobull.com](http://www.cargobull.com)

### Declaration of the business partners

With this signature we, the business partners, confirm that we have received and taken note of this Supplier Code of Conduct.

Name Business of Partner:

Date:

Signatory / Signature: