



ROTKÄPPCHEN-MUMM

# CODE OF CONDUCT FOR BUSINESS PARTNERS IN COOPERATION WITH ROTKÄPPCHEN-MUMM

## I. SUBJECT, PURPOSE, SCOPE

In this Code of Conduct for Business Partners in cooperation with Rotkäppchen-Mumm (for short: "Business Partner Code"), Rotkäppchen-Mumm Group (RM) and its affiliates summarise their expectations for their business partners. Besides Rotkäppchen-Mumm Sektkellereien GmbH, the companies within the RM Group that are included here are Eggers&Franke Holding GmbH, Geldermann Privatsektkellerei GmbH, Nordbrand Nordhausen GmbH, and Ruggeri & C. SRL, among others. The Business Partner Code defines the minimum standards that every business partner, including its group affiliates and subcontractors, must observe in the cooperation with RM. RM makes the requirements for its business partners subject to the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains, which is called the German Supply Chain Due Diligence Act ("LkSG") for short. The requirements for respecting human rights, the prohibition of child labour, fair wages, and sustainability as well as environmental protection, which have already been established so far by RM since the introduction of the Code of Conduct for Suppliers are hereby given a formal framework.

On commencement of the cooperation with RM, the business partner undertakes to ensure that its processes comply with the provisions of this Business Partner Code. The standards of the Business Partner Code supplement the legal agreements and/or contracts between RM and the business partner.

RM reserves the right to adjust this Business Partner Code to the legal or actual conditions. RM will inform the business partner of this.

## II. REQUIREMENTS FOR THE BUSINESS PARTNER

### 1. BUSINESS INTEGRITY

#### A. COMPLIANCE WITH LAWS AND REGULATIONS (COMPLIANCE)

The business partner shall observe all laws and regulations. It is responsible not only for passing on this Business Partner Code to its employees, representatives, and upstream suppliers, but also for its implementation and compliance with this Code. Where national laws require higher standards than the ones defined in this Code, the higher standards shall take precedence.

RM reserves the right to verify the implementation of and compliance with the Business Partner Code and thereby also compliance with the requirements of the German Supply Chain Due Diligence Act by means of internal and/or external measures, in particular by audits.

## **B. PREVENTION OF BRIBERY AND CORRUPTION**

The business partner is prohibited from offering, whether directly or through third parties, any personal or impermissible benefits, and from extending or receiving such in order to influence business transactions with RM or to create obligations and dependences. Any form of bribery with money, non-cash benefits or valuables is prohibited.

Gifts, entertainment, and other gratuities of the business partner must be appropriate and must not be suitable for influencing a business decision by the recipient or affect the recipient's judgment. Exclusively gratuities considered to be courtesy and consistent with business practices or the customs prevalent in society or in the relevant country may be regarded as appropriate.

## **C. FREE AND FAIR COMPETITION**

The business partner commits to fair and undistorted competition and to compliance with all national and supra-national competition regulations and anti-trust laws. It shall maintain relations characterised by fair competition with other companies. It shall refrain from any constraint of competition.

## **D. CONFLICTS OF INTEREST**

The business partner shall disclose any economic or family relation that is suitable to give cause for a conflict of interest to RM immediately as soon as such becomes known.

## **E. COMMUNICATION AND DATA PROTECTION**

The business partner shall transmit all information, which relates to this Code and which is relevant to RM, promptly, correctly, and in accordance with legal requirements. The business partner shall take appropriate measures for the confidential treatment of information arising from the business relationship with RM and only disclose such information to third parties upon RM's prior and explicit agreement.

## **F. QUALITY AND INNOVATION**

The business partner manufactures high-quality products and shall assure a functioning recall system. It shall inform RM without delay of any emerging quality problems and supply bottlenecks. The business partner shall use innovative products and services in an appropriate manner in order to continuously improve the quality and efficiency of the deliveries to RM.

## 2. ETHICAL CONDUCT AND WORKING CONDITIONS (DUTIES RELATING TO HUMAN RIGHTS)

### A. GENERAL PROHIBITION OF DISCRIMINATION

The business partner shall treat all people equally and accept their differences. In particular, it shall not tolerate any discrimination based on ethnic origin, skin colour, language, religion or belief, political or labour union affiliation, gender, sexual orientation, age or disability.

employment, promotions, and remuneration of the business partner's employees, and awards of contract to subcontractors shall be solely based on objective and performance-related criteria.

### B. PROTECTION AGAINST MISCONDUCT AT THE WORKPLACE AND RESPECT OF PRIVACY

The business partner shall ensure that no mental, physical or sexual abuse, harassment, racism, other derogatory treatment, punishment, insults or the threat of such modes of behaviour by supervisors, other employees or third parties occur at the workplace.

The business partner shall respect its employees' privacy.

### C. PROHIBITION OF FORCED AND CHILD LABOUR

The business partner shall neither use nor benefit from forced labour. Forced labour also includes any form of debt bondage, physical punishment, arrest, surveillance measures such as withholding identification documents and passports, and the threat of such modes of behaviour.

The business partner shall neither use nor benefit from child labour. It shall observe in particular ILO Convention 138<sup>1</sup> on the Minimum Age for Admission to Employment and ILO Convention 182<sup>2</sup> on the Elimination of the Worst Forms of Child Labour. Child labour also includes, in particular, such activities that compromise the mental, physical or social development of children.

The rights of adolescent employees shall be protected. Employees below the age of 18 years must not be engaged for works that are potentially damaging to the health, safety or morals of children or adolescents, in particular, they must not perform any work at night. Their working times must not interfere in their attendance of school and officially recognised vocational education programmes.

### D. FREEDOM OF ASSOCIATION AND EMPLOYEE INTERESTS

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<sup>1</sup> Convention No 138 of the International Labour Organization of 26 June 1973 on the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II, pp. 201, 202) (ILO Convention No. 138)

<sup>2</sup> Convention No 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II, pp. 1290, 1291) (ILO Convention No. 182)

The business partner shall respect the right to education and membership in labour unions in accordance with the respectively applicable laws. Employees have the right to express their interests openly to supervisors and the employer, without threats of repercussions, intimidation or harassment.

The business partner shall observe the respectively applicable labour protection laws.

## **E. SAFETY AND HEALTH**

The business partner shall create a safe and healthy work environment for its employees, including compliance with the required safety standards, required access to sanitary facilities and to drinking water. It shall protect its employees from hazardous substances, provide information about hazardous substances, and assure emergency medical care. The business partner shall ensure the protection of its employees against fatigue by means of a suitable organisation of work with regard to working times and breaks.

## **F. WAGES AND OVERTIME**

The business partner shall remunerate all employees according to applicable negotiated wage agreements, if any, and/or in accordance with the prescribed minimum wages. It shall observe the regulations on maximum working times and pay the social benefits that are to be borne by employers under the law. The business partner shall comply with the applicable country-specific laws on working times and holiday leave periods.

## **G. USE OF SECURITY SERVICES**

The business partner shall refrain from contracting or using private or public security services for the protection of a business project if, due to insufficient instruction or control by the business partner, torture or inhumane treatment, injury to life of limb, or infringement on the freedom of assembly and association is threatened when security services are used.

## **H. PRESERVATION OF THE NATURAL BASES OF LIFE**

The natural bases of life shall be protected and specifically, the business activities must not cause any harmful soil modifications, pollution of waters and the air, harmful noise emissions or excessive water consumption, leading to the destruction or an excessive or potentially health-damaging encroachment on a person's natural bases of life, access to drinking water, or access to sanitary facilities.

## **I. RIGHTS OF LOCAL COMMUNITIES, FORCED EVICTIONS**

The rights of local communities to resources, especially to land, forests, and water must be respected. Before a potential acquisition or use, the protection and preservation of resources as the bases of life must be considered and the agreement of the affected community must be obtained. Illegal forced evictions must not take place.

### 3. ENVIRONMENT AND SUSTAINABILITY (DUTIES RELATING TO THE ENVIRONMENT)

#### A. GENERAL PROVISIONS

The business partner shall keep all required environmental permits up to date. It shall comply with the internationally applicable environmental standards, besides the locally applicable environmental regulations. It is committed to limit the consumption of resources and energy, and to limit emissions to the absolutely necessary minimum throughout the entire supply chain and work toward continuously optimising its consumption to this effect. It shall make it its goal to promote the circular economy and preserve biodiversity.

#### B. WASTES, TREATMENT OF DANGEROUS MATERIALS

The business partner warrants that it neither manufactures products containing quicksilver nor uses mercury or mercury bonds in its manufacturing processes. In this regard, reference is made to the Minamata Convention<sup>3</sup>. The same applies to chemicals harmful to health and the environment as defined by the Stockholm Convention (POPs Convention)<sup>4</sup>.

Dangerous materials, chemicals, and substances must be labelled and their safe storage, use, and disposal must be ensured. The relevant employees must be trained in the professional handling of the substances.

The export of hazardous wastes as defined by the Basel Convention<sup>5</sup> is prohibited if the state of importation is not a signatory state to the Basel Convention, or if the state of importation has not issued a written agreement, or if it must be assumed that the wastes will be treated not in line with environmental standards in the state of importation or elsewhere. The export of such hazardous wastes is furthermore prohibited from states listed in Annex VII of the Basel Convention into states that are not listed in Annex VII, as well as imports of the same from a state that is not a signatory state to the Basel Convention.

#### C. CLIMATE PROTECTION

RM is aware of its responsibility for reaching the goals defined within the framework of the UN Climate Conference of Paris and is therefore committed to the continuous reduction of its CO2 footprint.

In order to achieve the greatest possible effect, RM also expects its business partners to find efficient and sustainable solutions to jointly induce positive changes as relates to the climate and the preservation of resources.

An effective climate strategy also includes the protection of forests and the preservation of biodiversity. The business partner assures that its products conform to the EU Deforestation

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<sup>3</sup> Minamata Convention of 10 October 2013 regarding Mercury (Federal Law Gazette 2017 II, pp. 610, 611) (Minamata Convention)

<sup>4</sup> Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II, pp. 803, 804) (POPs Convention), most recently amended by resolution of 6 May 2005 (Federal Law Gazette 2009 II, pp. 1060, 1061)

<sup>5</sup> Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal of 22 March 1989 (Federal Law Gazette 1994 II, pp. 2703, 2704) (Basel Convention), most recently amended by the third ordinance of the German Federal Government of 6 May 2014 on the modification of annexes to the Basel Convention of 22 March 1989 (Federal Law Gazette II, pp. 306/307)

Regulation (EU Regulation No 2023/1115). It shall promote net-zero deforestation and aim to prevent deforestation of primary forests for the production of raw materials.

#### **D. ENVIRONMENTALLY FRIENDLY PACKAGING AND TRANSPORT**

The business partner shall work toward continuously advancing the development of the packaging it uses and to design it to be more sustainable. This involves, among other, the closing of recycling cycles and the reduction of material usage ratios and the amount of waste.

It must be aimed for the most efficient utilisation possible and the optimisation of logistics, in order to thereby continuously lower emissions and make a significant contribution to climate protection.

### **III. IMPLEMENTATION AND CORPORATE DUE DILIGENCE OBLIGATIONS**

#### **1. GENERAL PROVISIONS AND RISK ANALYSIS**

The business partner shall ensure that no violations of the due diligence duties named under II occur within its sphere of business.

The business partner shall communicate the regulations and obligations underlying this Business Partner Code to its own business partners and require them to comply with them in order to prevent violations along its upstream supply chain.

To assure the implementation of this Business Partner Code, the business partner shall implement an appropriate risk management within its sphere of business, which satisfies the national and/or European regulations that apply to it. This risk management must be capable of identifying, analysing, and categorising the effects of its own business activity and those of its suppliers on human rights and the environment. For this purpose, the business partner shall make corresponding human resources, processes, and guidelines available, and train its employees according to the contents of this Business Partner Code.

To enable RM to verify compliance with the duties standardised in this Business Partner Code, the business partner shall provide RM with a certificate of origin for the raw materials it uses, which shall include traceability back to the origin.

#### **2. REPORT OF VIOLATIONS**

The business partner shall report any and all violations of the duties standardised in this Business Partner Code that come to its knowledge. Besides its own sphere of business, the reporting obligation also covers violations that come to its knowledge from any point in its upstream supply chain.

The report can be made directly to RM or alternatively, via the RM whistle-blower system ([link](#)), under protection of the employees' and suppliers' interests and protection of data privacy, and under protection of business secrets. Employees filing reports must not be sanctioned or discriminated against for this reason.

### 3. DUTY TO INFORM, AUDITS

To enable RM to fulfil its own duty to organise and implement a risk analysis within the scope of the risk management pursuant to Sec. 5 LkSG, the business partner shall provide RM with all information necessary for this purpose on its request.

The business partner declares its agreement that RM or contracted third parties may perform risk-based audits at the business partner's production site for specific reason, in order to verify compliance with the standards and provisions documented in the Business Partner Code. The business partner may object to particular audit measures, if these are opposed by compelling statutory provisions or data protection regulations.

On request, the business partner shall require suppliers to grant it corresponding audit rights.

### 4. PREVENTIVE MEASURES

If a risk with regard to the duties standardised in Section II 2. (human rights) is identified in the course of the risk analysis by RM or the business partner itself, the business partner shall take appropriate preventive measures without request, whereas at the latest upon request by RM.

Among other, it is obligated to tolerate the introduction of suitable control mechanisms by RM at operating sites that have been identified as subject to high risk and allow it to access the relevant documents.

### 5. REMEDIES

If one of the duties named under Section II (2) and (3) has been violated by the business partner or if a violation is directly impending, the business partner shall be obligated, following to the report of the violation according to Section III (2) to initiate remedial measures without delay, which are suitable to stop or prevent the violation or minimise its effects. If violations cannot be stopped immediately, the business partner shall present a plan including the planned measures. The measures taken shall be proven to RM on request.

The same applies to (impending) violations in the upstream supply chain with the stipulation that the business partner shall work toward remediation of the violation. If necessary, the business relationships must be suspended.

## IV. ENFORCEMENT MECHANISMS AND CONSEQUENCES OF FAILURES TO COMPLY

### 1. SETTING OF DEADLINES, SUPSPENSION OF BUSINESS RELATIONSHIPS

If RM becomes aware of any breach of the duties defined in this Business Partner Codex within the business sphere of the business partner or its upstream supply chain, RM can set an appropriate deadline for remedial measures to be taken. If this should not be expedient based on the nature of the breach, the setting of the grace period can be replaced by a warning.

During the remediation phase, RM may suspend the business relationships with the business partner. Business shall be resumed again when the business partner demonstrates the successful remediation or the measures plan.

## 2. WITHDRAWAL OR TERMINATION

If the business partner lets the set deadline pass and if no milder means are available, RM reserves the right to terminate the contractual relationship. In the event of persisting or repeated violations with significant gravity, RM reserves the right of extraordinary termination of the contractual relationship without setting a deadline.

Further rights of RM, in particular any claims to damage compensation, shall remain unaffected by this.