

## I.K. HOFMANN USA Code of Conduct for Suppliers and Business Partners

### 1. Introduction

I.K. HOFMANN USA is an independent and responsible family business. I.K. HOFMANN USA and its employees are committed to the principles set out in this Code of Conduct. At the same time, I.K. HOFMANN USA places an obligation on its suppliers and service providers to comply with the principles set out in this Code of Conduct and to demand the same from their direct suppliers and service providers.

In accordance with the United Nations Guiding Principles on Business and Human Rights, I.K. HOFMANN USA is committed to the principles of the following internationally recognised human rights frameworks and standards:

- The United Nations Universal Declaration of Human Rights
- The United Nations International Covenant on Civil and Political Rights
- The Conventions and Recommendations of the International Labour Organisation (ILO) on Labour and Social Standards
- The ILO Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The Principles of the United Nations Global Compact (UNGC)
- Charter of Fundamental Rights of the European Union
- UN Sustainable Development Goals

### 2. Scope of application

The currently valid version of this Code of Conduct applies to all suppliers and service providers of I.K. HOFMANN USA who have a direct business relationship with us (hereinafter: "business partners").

The currently valid version of this document can be found on our company website at:

<https://www.hofmannusa.com/about-hofmann/ik-hofmann-usa/>

#### 2.1 Compliance with laws

All applicable laws and regulations, both nationally and worldwide, as well as minimum standards in the industry, conventions of the International Labour Organisation (ILO) and the UN, and all other relevant statutory provisions must be observed, whereby the regulations that impose the strictest requirements must be applied.

Compliance with this Code of Conduct and the above standards must not be circumvented by ancillary agreements, such as contractual arrangements or comparable measures.

#### 2.2 Bribery and corruption

I.K. HOFMANN USA stands against corruption and bribery and requires its business partners to observe the statutory anti-corruption regulations. The business partners assure that they do not offer, pledge or grant any undue advantages to employees of I.K. HOFMANN USA or to persons closely associated with our employees. The same shall apply to any party acting under the instruction of the business partner.

Indications of corrupt practices must be reported to the independent contact person (Ombudsman, see *Complaints procedure below*). As part of a regulated procedure, the Ombudsman contacts the Management of I.K. HOFMANN USA directly and, if necessary, protects the anonymity of the reporting party vis-à-vis the company.

#### 2.3 Antitrust and unfair competition law

I.K. HOFMANN USA observes all applicable domestic, EU and applicable foreign antitrust laws as well as laws against unfair competition, and it expects the same from its business partners.

Agreements on prices or conditions with competitors are therefore prohibited, as are other anti-competitive arrangements. Indications of anti-competitive practices must be reported to the independent contact person (Ombudsman, see *Complaints procedure below*). As part of a regulated procedure, the Ombudsman contacts the Management of I.K. HOFMANN USA directly and, if necessary, protects the anonymity of the reporting party vis-à-vis the company.

## **2.4 Occupational health and safety**

Here at I.K. HOFMANN USA, we strongly believe that a safe and healthy working environment is crucial to the success of a company. Business partners are required to ensure a safe, healthy and hygienic working environment and must take the necessary measures to prevent accidents, damage to health and to avoid dangerous occurrences that may arise in connection with work duties.

It must be ensured that occupational health and safety standards are observed. For this purpose, the business partners will take suitable and verifiable measures and operate systems (e.g., based on DIN EN ISO 45001 or comparable systems) in order to identify and avoid potential hazards to the health and safety of their employees.

In respect of all matters not covered by the foregoing, wherever relevant, additional regulations of the companies and business locations must also be observed, for example, those on occupational safety and hygiene, as well as other relevant regulations.

## **2.5 Together against sexism**

Sexism can manifest itself in a variety of forms and can often become embedded in systems. This usually gives rise to structures in which sexism readily facilitates sexual harassment and perhaps also the use of violence. I.K. Hofmann USA is committed to combating sexism. All employees are entitled to a safe workplace and protection against sexism in any form whatsoever. We believe that it is our managerial duty to take action against sexual violence. This also includes the continuous promotion of women into all positions and managerial duties, raising awareness of the issue of sexual violence, as well as having firmly installed guidelines in the company which are suitable for recognising and eliminating sexism, so that all employees can participate in the success of the company in equal measure.

## **2.6 Working hours**

Working hours shall comply with applicable national law, industry standards or relevant ILO Conventions.

## **2.7 Remuneration**

The business partners of I.K. HOFMANN USA guarantee that the wages paid to their employees correspond to at least the statutory minimum wage or the minimum wage prescribed in the industrial sector, whichever is higher. The applicable minimum wage laws must be observed. Illegal and undue deductions from wages, especially those in the form of direct or indirect disciplinary measures, are prohibited. Wages must be paid in a way that is practical for the employee. The employees must be informed, regularly, in detail and in a way that is comprehensible to them, about the various components of their remuneration.

## **2.8 Freedom of organisation and association**

I.K. HOFMANN USA respects the rights of all employees to form or become a member of a trade union, as well as the right to collective bargaining, and ensures that these rights are not infringed. I.K. HOFMANN USA also demands this from its business partners. In the event that national norms should restrict the right to organise and the right to collective bargaining, the business partners must at least enable and permit the free and independent association of employees for the purpose of conducting negotiations.

## **2.9 Work of children and adolescents**

I.K. HOFMANN USA will not tolerate any exploitation of children and adolescents. Child labour as defined by the ILO, United Nations Conventions and national regulations is prohibited. The age limit for permissible employment must not be below the age up to which children are required to attend school and must in no case be less than 14 years of age. Adolescents must not be exposed to dangerous, unsafe or unhealthy situations.

## **2.10 Forced labour**

I.K. HOFMANN USA opposes any form of forced labour. In accordance with the ILO Conventions, all forms of forced and compulsory labour, as well as involuntary prison labour, which constitutes an infringement of human rights, are prohibited. The business partners may only employ employees who have made themselves available for employment voluntarily.

## **2.11 Disciplinary action**

I.K. HOFMANN USA believes that all employees should be treated with dignity and respect. Consequences of violations, fines, other penalties or disciplinary action may only be imposed in accordance with applicable national and international standards, and internationally recognised human

rights. The business partners must ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion or harassment.

## **2.12 Discrimination**

I.K. HOFMANN USA and its business partners undertake to refrain from engaging in any form of discrimination in employment and work. In particular, no person should be discriminated against, excluded or given any preference based on their:

- ethnicity, or national and social origin,
  - race,
  - skin colour,
  - gender,
  - age,
  - nationality,
  - religion,
  - political views,
  - membership of a professional organisation,
  - physical or mental disability,
  - sexual orientation,
- or any other personal characteristics.

## **2.13 Environment protection**

I.K. HOFMANN USA designs its processes with the environment in mind and undertakes to comply with applicable laws and minimum regulations for climate and environmental protection. I.K.

HOFMANN USA expects its business partners to comply with legal requirements and to operate in an environmentally conscious manner, which involves:

- » efficient management of resources (energy, water, raw materials, consumables and supplies),
- » the use of environmentally friendly materials wherever possible,
- » avoiding and reducing emissions as well as reducing and recycling waste, and
- » an environmentally friendly design of logistics processes.

I.K. HOFMANN USA recommends its business partners to take suitable and comprehensible measures and to operate recognised systems to ensure environmental protection. These are, for example, management systems according to DIN EN ISO 14001, DIN EN ISO 50001 or comparable systems.

## **2.14 Confidentiality and data protection**

I.K. HOFMANN USA expects its business partners to handle all business data in a confidential manner. Confidential information, such as personal data of employees, customers and/or business partners of I.K. HOFMANN USA and/or business information, may not be passed on to third parties or used for any purposes other than the direct cooperation with I.K. HOFMANN USA.

## **3. Implementation**

The business partner undertakes to comply with the above principles. Compliance with the aforementioned environmental and social standards must be documented in a verifiable manner. I.K. HOFMANN USA recommends using a suitable system (one in which responsibilities, procedures, goals and measures are defined and documented) to facilitate continuous improvement. I.K. HOFMANN USA expects its business partners to impose these minimum standards on their direct suppliers and service providers and to verify their compliance.

## **4. Information and communication**

The business partner is required to make the regulations contained in this Code of Conduct accessible to all its employees. The business partner is also permitted to communicate a corresponding set of its own rules to its employees and suppliers, provided that the respective set of rules contains all the minimum standards set out in I.K. HOFMANN USA's Code of Conduct for Suppliers and Business Partners and that it requires at least the same level of compliance from the suppliers. This Code of Conduct can be accessed and printed out online at any time at: <https://www.hofmannusa.com/about-hofmann/ik-hofmann-usa/>

## **5. Verification of compliance**

The business partner agrees that its compliance with the above requirements may be verified either by I.K. HOFMANN USA itself or by an independent third party commissioned by I.K. HOFMANN USA

subject to appropriate prior notification. The results of such an inspection will be made available to the respective business partner.

#### **6. Complaints procedure**

Complaints or indications of any violations of this Code of conduct can be reported to I.K. HOFMANN USA in writing at any time by contacting the independent contact person (Ombudsman) named below. At the request of the reporting party, their identity will be kept confidential. As part of a regulated procedure, the Ombudsman contacts the Management of I.K. HOFMANN USA directly. The complaints procedure must not be abused to deliberately provide false reports or information.

I.K. HOFMANN USA German Ombudsman for the complaint's procedure:

[ikhusainfo@hofmannusa.com](mailto:ikhusainfo@hofmannusa.com)

#### **7. Consequences of violations; corrective action**

Should any violations of this Code of Conduct be identified, the business partner is obliged to inform I.K. HOFMANN USA thereof in writing immediately and must take appropriate corrective action. I.K. HOFMANN USA will grant the business partner sufficient time to conduct corrective action. In the event of violations, depending on the severity of the violation and the respective individual case, I.K. HOFMANN USA reserves the right to terminate the respective contract for good cause without being required to observe a notice period.

Where a business relationship with a business partner has been discontinued in the past due to its non-compliance with this Code of Conduct, in principle, the respective business relationship may be resumed at a later date, provided that the business partner can prove that it is now in a position to fully comply with the requirements.