

# **Supplier Code of Conduct by Books on Demand GmbH**

## **Introductory remarks**

Books on Demand GmbH commits itself to a lawful, ecological and socially responsible conduct. In the spirit of an integrated approach, we also expect our suppliers to behave correspondingly. Thus, all suppliers are within the framework of their activities obliged to comply with the applicable statutory provisions and with this Supplier Code of Conduct.

Books on Demand GmbH gives high priority to the sustainability of its own activities. Within the supply chain, BoD makes an important contribution in order to come up to its own social, ecological and ethical responsibility. We always strive to optimise our corporate activities and our products in terms of sustainability and call upon our suppliers to contribute to this approach.

The principles detailed in this Supplier Code of Conduct constitute a significant criterion for the selection and assessment of suppliers. Likewise, the principles form the basis for all future deliveries. The suppliers undertake to comply with the principles in their own companies, to implement them and to endeavour to oblige the supply chain to observe and implement these standards.

This Supplier Code of Conduct is based upon the most important international standards and regulations for human rights and environmental standards as well as on the German Act on Due Diligence Obligations in Supply Chains ("LkSG"; Federal Law Gazette [BGBl], part I no. 24, p. 2959 et seqq.).

Sustainability, climate protection and corporate responsibility are issues of vital importance for the development of our society. With this in mind, BoD feels committed to help to shape the future.

A responsible and lawful conduct is the responsibility of every individual person and should be a matter of course. This is why this Supplier Code of Conduct does not present new rules, but illustrates the requirements relating to the conduct of our suppliers.

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## 1. Scope of the Supplier Code of Conduct

The Supplier Code of Conduct applies both to work and service companies (hereinafter together referred to as “Supplier”).

## 2. The fundamental principles

### a) Social responsibility

BoD has great interest in a responsible organisation of its supply chain and respects internationally recognised human rights. Hence, the Supplier shall be obliged to respect the global human rights-related and environmental standards, as defined in Section 2 of the LkSG, and to firmly establish them in its own company as well as in the supply chain to its direct subcontractors.

In the event that the LkSG is not applicable to the Supplier, the latter shall nevertheless be obliged to respect the prohibitions of the LkSG and to carry out the risk analyses, prevention measures and remedial measures defined in the LkSG.

### Exclusion of forced labour

In particular, BoD does not accept any kind of slavery, slavery-like practices, serfdom or any other exercise of dominion or oppression in the environment of the workplace, for instance by means of sexual or extreme economic exploitation and degradations. BoD does not accept, forced labour and human trafficking in its supply chain. Likewise, debt bondage and contract bondage or involuntary prison labour will not be accepted. Practices such as an unreasonable withholding of personal property, passports, wages, certificates of employment or other documents are unacceptable. Physical punishment, threats of bodily harm, sexual and other forms of harassment and intimidation are prohibited. The commissioning of security forces or the use of their services has to be avoided if due to a lack of instructions or supervision on the part of the company the security forces, when deployed, disregard the prohibition of torture and cruel inhuman or degrading treatment, body or life are injured or the freedom of association and coalition is impaired.

### Prohibition of child labour

BoD does not tolerate child labour in its supply chain. The definition of child labour follows the requirements of the International Labour Organization (ILO), particularly the Convention no. 138 of 26 June 1973 on the Minimum Age for Admission to any Type of Employment (Federal Law Gazette 1976 II p. 201, 202) as well as the Convention no. 182 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 p. 1290, 1291). In the event that a local law requests a higher legal minimum age for labour or a longer compulsory school education, the higher age / stricter regulations will be applicable.

### Fair pay

The remuneration must without any restrictions be paid to the employees regularly, punctually, to the full extent and in compliance with applicable laws on minimum wage. Remunerations and other benefits shall ensure a reasonable

minimum standard of living for the employees and their families. Payroll deductions as disciplinary measure are not tolerated.

#### **Fair working time**

Applicable local statutory provisions and the regulations specified by ILO with respect to working hours must be complied with. Sufficient break times are to be ensured.

#### **Ban on discrimination**

BoD expects that the principles of equal opportunities and equal treatment of employees are promoted and that discrimination of any kind is strictly rejected. No employee may be disadvantaged or harassed due to his or her national or ethnic origin, social background, state of health, a disability, his or her sexual orientation, age, sexual identity, political opinion, religious affiliation or ideology. Unequal treatment particularly includes the payment of different remunerations for equivalent work. Instead, care is taken to create an inclusive and supportive work environment by attaching importance to diversity when selecting employees.

#### **Health protection, safety at work**

BoD requests compliance with local statutory requirements on health protection and safety at work. Infringements in this context are unacceptable. Employees must be appropriately protected against chemical, biological and physical dangers. In the supply chain, all parties involved should take care that an adequate occupational safety management system is established and implemented. This should include both the mitigation of actual and potential occupational safety risks and the education and training of employees in order to prevent accidents and occupational diseases in the best possible way. Production plants and other machinery must at any time comply with the safety standards and be properly maintained and serviced. A safe working place also includes corresponding sanitary facilities and access to clean drinking water.

#### **Freedom of association**

In accordance with local laws, the employees' right to freely unite to form trade unions or to join them. Establishing, joining or member of trade unions must not be used as reason for unjustified discriminations or retaliatory measures. It has to be ensured that trade unions may act freely and in compliance with the law applicable at the place of employment; this includes the right to strike and the right to collective bargaining.

#### **Preservation of the natural basis of life**

The Supplier must not deprive land, forests or waters or evict anybody from such areas in breach of applicable law when the use of such resources secures the livelihood of persons.

Harmful soil changes, water and air pollutions, noise emissions as well as an excessive consumption of water must be refrained from by the Supplier if this is harmful for the health of human beings, access to perfect drinking water or impedes or destroys access to sanitary facilities or if it has a considerable impact on the natural bases for the production of food.

**b) Ecological responsibility**

Likewise, the Suppliers undertake to protect environment and human health and comply with the prohibitions in clause 2 (3) and (4) LkSG.

**Handling of waste**

In the context of the production, storage, disposal and recycling of waste, exhaust gases and waste water, Suppliers have to ensure compliance with local requirements and statutory provisions. In particular, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II p. 2703, 2704) in the version valid at the time being has to be complied with. Activities which may have a negative impact on human health or on the environment and climate must be adequately performed, measured and monitored. If possible, the production of waste, exhaust gases and emissions should be minimised.

**Handling of hazardous substances**

The production of products containing mercury as well as the use of mercury and mercury compounds in manufacturing processes within the meaning of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II p. 610, 611) is prohibited. Likewise, we expect that no persistent and organic pollutants or chemical substances prohibited on a national or international basis, particularly by the Stockholm Convention on Persistent Organic Pollutants of 23 May 2001 (Federal Law Gazette 2002 II p. 803, 804) in the version valid at the time being, are produced or used.

**Consumption of raw material and use of natural resources**

Natural resources must be used sparingly and, if possible, must be preserved. The use of natural resources shall be reduced by following practices such as material reduction and substitution, shared use, maintenance, reuse, reprocessing and recycling as well changes of production procedures. All parties involved in the supply chain shall stand up for the continuous further development and use of environmentally sound and climate-friendly products, procedures and technologies. Applicable laws and provisions dealing with the prohibition and limitation of certain substances in production procedures must be strictly adhered to and markings for recycling and disposal shall be affixed. Self-inflicted negative impacts on environment and climate must be identified and stopped as quickly as possible.

**Environmental aspects**

Locally applicable environmental laws, regulations and standards must be complied with by the Supplier. Apart from that, all parties involved in the supply chain are required to check the own business in terms of considerable environmental effects and to establish effective guidelines and procedures aimed at using natural resources as efficiently as possible.

**c) Ethical conduct****Corruption and integrity**

Corruption, bribery, blackmail, fraud or disloyalty, insolvency offences and acceptance of undue advantages are not tolerated. Suppliers must not offer, promise or grant gifts or other donations to employees or third parties closely connected to them with the intention to obtain an advantage in business transactions.

**Conflicts of interest**

Conflicts of interest of any kind in the context of the cooperation with BoD have to be avoided, i.e. Suppliers have to take their decisions during the cooperation with BoD exclusively on the basis of factual consideration and must not be controlled by personal interests in this respect. The same analogously applies to BoD. This is particularly true in case of close personal relationships between Suppliers and employees of BoD. Suppliers shall be obliged to give BoD proactively and immediately notice of any situation that might result in a conflict of interests in order to give BoD the chance to take adequate measures. Private orders placed by employees of BoD may be accepted by Suppliers only after having received the prior written consent of BoD's management.

**Auditing and appraisal services**

Auditing and appraisal services must be rendered in an objectively verifiable, transparent manner by applying the necessary expertise and professionalism.

**Fair competition**

In competition, all parties involved in the supply chain are requested to behave fairly and to adhere to all applicable antitrust and competition laws and must not take part in agreements contrary to antitrust laws or take unfair advantage of their dominant position in the market.

**Money laundering and terrorist financing**

Domestic and foreign regulations for the prevention of money laundering and terrorist financing must be complied with and business transactions serving the purpose of money laundering and terrorist financing must be refrained from.

**Foreign trade and customs regulations**

BoD expects from all parties involved in its supply chain that they observe the foreign trade and customs regulations applicable in the respective country where they are doing business and give immediate notice if a delivery/service is either in part or in total subject to export restrictions under national law, EU regulations or other international embargo and export provisions.

**Data protection**

Any and all information obtained or made available, particularly also personal data obtained or made available, must exclusively be processed for legitimate business purposes, for a specific purpose and in a manner that guarantees an adequate security of the information or personal data, including a protection against unauthorised or illegal processing and against accidental loss, accidental destruction or accidental damage, by using appropriate and state-

of-the-art technical and organisational measures. All relevant statutory requirements for data protection and information security must be complied with.

#### **Protection of intellectual property**

All parties involved in the supply chain have to respect the know-how, the patents, the trade and business secrets of BoD and third parties. Such information must not be disclosed towards third parties without the prior explicit written consent of BoD or in any other inadmissible manner. Suppliers shall not be permitted to use confidential information placed at their disposal for any other purpose than for the purpose for which it was delivered; in particular, they must not imitate it.

### **3. Implementation of the Supplier Code of Conduct**

The Supplier shall impose the obligation to comply with human rights and environmental prohibitions also upon its own suppliers and employees by preparing including contract clauses and monitor compliance with this Supplier code of Conduct by means of appropriate training courses and random testing.

In the event of a violation of this Supplier Code of Conduct, BoD reserves the right to take measures against the Supplier which might, for instance, consist of a blocking of the Supplier or a termination of the business relationship.

To demonstrate compliance with the principles, requirements and recommended practices included in this Supplier Code of Conduct, Suppliers may be requested to submit a reasonable evidence of their compliance with the requirements.

In addition, BoD shall be entitled to carry out or to have designated third parties carried out remote audits or audits at site in the premises of Suppliers at its own costs in order to assess the measures taken in order to comply with this Supplier Code of Conduct.

By means of this Code of Conduct, every Supplier shall be obliged to support BoD when carrying out such audits, particularly by providing all documents and rendering any information necessary for carrying out the audit, and to grant access to its operating facilities. As a rule, audits will take place during usual business hours. BoD shall announce the date of the audit in due time in advance. During the audit, BoD shall adhere to data protection provisions and ensure a confidential treatment of the Supplier's trade secrets by concluding specific non-disclosure agreements, where appropriate.

If they are obliged to do so by law, BoD expects its Suppliers to offer a possibility to complain to all employees in order to enable them to report infringements of the standards included in this Supplier Code of Conduct. Repressive measures against persons making use of the reporting possibility are inadmissible. If a Supplier becomes aware of infringements of the Supplier Code of Conduct or deviations from it in the own company or within the supply chain, BoD must be given immediate notice of said incidents, and remedial measures must be developed and initiated together with BoD.

For its internal and external partners, BoD has a reporting channel for giving notice of compliance breaches in place. This whistleblowing system offers a secure possibility to report non-compliances in different languages on an anonymous basis. Reports can be made via the following channel ([https://sicher-melden.de/whistle/#!/mainpage/icm51267/Books\\_on\\_Demand\\_GmbH](https://sicher-melden.de/whistle/#!/mainpage/icm51267/Books_on_Demand_GmbH)).

#### **4. No third party protection**

This Supplier Code of Conduct exclusively relates to the relationship of BoD to its Suppliers. Third parties are not included in the scope of protection of this Supplier Code of Conduct and shall not be allowed to assert any rights hereunder.