

SUPPLIER CODE OF CONDUCT

This Code of Conduct applies to all suppliers, its management and its employees. It should be the basis for all business relationships of the supplier.

The basis of this Code of Conduct are especially the principles of the UN Global Compact, the ILO guidelines, the UN general declaration of human rights, the UN conventions of children's rights and to eliminate discrimination against women and OECD guidelines for international companies.

I. General terms

The supplier undertakes to comply to its social responsibility. The supplier undertakes to regard all applicable laws and other rules of the countries he is active. Business partners have to be treated in a fair way, contracts have to be adhered.

The supplier obliges its employees to keep confidential operational and business secrets. Confidential information as well as confidential documents may not be passed on to third parties or in any other way be made accessible, unless authorization has been granted or it is publicly available information.

II. Bribery/Corruption

LIVING CRAFTS recognises its responsibility to adhere the principle of fair competition. Therefore the supplier is required to comply with the following:

- 1.** Interests of the company and private interests of the employees will be strictly separated from each other. All actions and (purchase) decisions will be made free of irrelevant considerations.
- 2.** The granting of personal benefits (in particular of a monetary nature such as payments and loans including granting of small gifts over a longer period of time) by the supplier and its employees to public officials (such as civil servants or employees in the public service) with the aim of gaining advantages for the supplier or himself or third parties are not allowed.
- 3.** Monetary personal benefits in return for a favor in business traffic may not be offered, promised, granted or approved. Personal benefits of value must not be required or be accepted. The supplier must obligate its employees to this rules.
- 4.** Management and employees of the supplier are not allowed to do business transactions by offering, promising, demanding, granting or accepting gifts, payments, invitations or services with the intention to influence a business relationship in an inadmissible manner or when there is a risk of endangering the professional independence of the business partner. This is generally not the case for gifts and invitations that are in the frame of normal business hospitality, custom and courtesy.
- 5.** The supplier respects fair competition. Therefore, the supplier complies with the applicable laws that protect and promote competition, in particular the applicable antitrust laws and other laws to regulate competition. When dealing with competitors, these regulations prohibit in particular agreements and other activities that affect prices or conditions, sales areas or customers allocate or impede free and open competition in an inadmissible manner.
- 6.** When dealing with competitors, these regulations prohibit in particular agreements and other activities that affect prices or conditions, allocate sales areas or customers or impede free and open competition in an inadmissible manner. Further these regulations prohibit agreements between customers and suppliers which have the intention to restrict customers in their freedom to determine

their prices and other conditions autonomously in the case of resale (determination of price and conditions).

III. Social Responsibility

LIVING CRAFTS recognises its responsibility to the people involved in the production of the products we sell. All workers involved in the production of products we sell should therefore be entitled to fair wages, decent working conditions and the fundamental standards set out by the International Labour Organisation. As such, the supplier is required to comply with the following:

- 1.** Employment is freely chosen. There must not be any use of forced, bonded or prison labour. Workers must not be required to lodge 'deposits' or their identity papers with their employer.
- 2.** There is no discrimination in employment. Equality of opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or other distinguishing characteristics will be provided.
- 3.** Child labour is not used. There must not be any use of child labour. Only workers above the age of 15 years or above the compulsory school-leaving age must be engaged. Adequate transitional economic assistance and appropriate educational opportunities must be provided to any replaced child workers. NEW SUPPLIER FORM 2025
- 4.** The right to effective consultation between employers and employees is respected. Employers must adopt best available practice to provide representation and engage in consultation with employees. Consultation includes any request to change labour, wages or working conditions.
- 5.** Wages and benefits paid for a standard working week must meet at least legal or industry minimum standards. They must always be sufficient to meet basic needs of workers and their families and provide some discretionary income. Deductions from wages for disciplinary measures must not be permitted. Any illegal deduction from wages is not allowed either; i.e. if an unachievable target is set for an employee and their wages are deducted as a result of the deadline not being met. All workers must be provided with written and understandable information about the conditions in respect of wages before they enter employment. This also covers the particulars of their wages for the pay period concerned each time that they are paid.
- 6.** Hours of work are not excessive. Hours of work must comply with applicable laws and industry standards. In any event, workers must not, on a regular basis, be required to work in excess of 48 hours per week and must be provided with at least one day off for every 7-day period.
- 7.** Working conditions are decent. A safe and hygienic working environment must be provided and best occupational health and safety practice must be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited.
- 8.** The employment relationship is established. Regular employment must not be avoided or replaced with labour-only contracting arrangements or apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Workers must be given the opportunity to participate in education and training programmes upon request.
- 9.** No subcontracting. Inclusion of further external production facilities requires prior agreement and approval by LIVING CRAFTS.

IV. Environmental responsibility/Product Standards

LIVING CRAFTS recognises its responsibility to protect the environment. Therefore the supplier is required to comply with the following:

- 1.** The supplier is committed to environmental protection for today and future generations. Laws that protect the environment have to be observed. The supplier supports environmentally conscious behavior of its employees.
- 2.** The supplier must adhere the strict compliance with the requirements of the EU regulation REACH as well as product standards that apply to LIVING CRAFTS sustainable product standards that are clearly defined and can be accessed here: <https://www.livingcrafts.de/prinzipien>

SUPPLIERS ARE EXPECTED TO IMPLEMENT THE CODE OF CONDUCT BY:

- Communicating the contents of the Code of Conduct to all employees so that they are aware of their rights and obligations.
- Keeping and maintaining employment records and providing information concerning their operations.
- Permitting workplace inspections.
- Under no circumstances are employees to suffer disciplinary action, dismissal or discrimination for providing information in compliance with the Code of Conduct.
- The company is requested to convey the principles of this Code of Conduct to its direct suppliers and to promote the compliance with the content of this Code of Conduct by its suppliers. The company is also requested to recommend its suppliers to ask their suppliers to follow the content of this Code of Conduct.

WE WILL FACILITATE THE IMPLEMENTATION OF THE CODE OF CONDUCT BY:

- Empowering our buying team to oversee and support the Code of Conduct successful execution.
- Enforcing the Code of Conduct as a condition of trade.
- Periodically reviewing the Code of Conduct operation and success.

ANY BREACH OF THE CODE WILL BE MET WITH THE FOLLOWING ACTIONS:

- Recognisable and unmistakable violations of the Code of Conduct will be ceased immediately.
- Where a corrective action can be reasonably expected, parameters and a time frame for implementation will be set.
- Suppliers found to be committing the same violation of the code on more than one occasion will be considered for dismissal.