

# CODE OF CONDUCT



# CONTENTS

<b>Foreword</b>	3
<b>1. Ethical Principles</b>	
Integrity and Anti-Corruption _____	4
Fair Competition _____	4
Protection of Confidential Data and Intellectual Property _____	4
Reporting Wrongful Conduct _____	4
<b>2. Human Rights and Working Conditions</b>	
Avoiding Child Labour _____	5
Free Choice of Workplace _____	5
Discrimination _____	5
Fair Treatment _____	5
Working Hours, Wages and Other Benefits _____	5
Freedom of Association and Collective Bargaining _____	5
Safety at Work and Health Protection _____	5
<b>3. Sustainability</b>	
Environmental Protection _____	6
Sustainable Development _____	6
<b>4. Implementation</b>	6
<b>5. edding AG's Commitments</b>	7

Long-term successful and sustainable management is more important to edding AG than short-term profit maximisation and, together with responsible conduct, constitutes a core principle of our corporate philosophy.





Per Ledermann

Sönke Gooß

Thorsten Streppelhoff

## Foreword

As an international company, edding AG produces and sells high-quality products in more than 100 countries worldwide. The edding Group has two brands offering solutions and expertise in different areas. Under the edding brand name, products are developed and sold for the application of permanent colour to surfaces, from permanent markers to spray cans, compact printers and digital codes. Under the Legamaster brand name, traditional and electronic visual communication products are marketed.”

Since being founded in 1960 by Carl-Wilhelm Edding and Volker D. Ledermann, sustainable and responsible conduct has formed a core component of our corporate philosophy. It is our aim for this to be put into practice by our employees and by the company. We strive for continuous improvement.

Long-term successful and sustainable management is more important to edding AG than short-term profit maximisation. Our CR strategy is designed to enable us to fulfil our responsibility towards the world of today and tomorrow. The aim of this CR strategy is to combine economic, ecological and social responsibility with long-term commercial success, and to harmonise these elements. For this reason, our CR strategy is closely linked with our corporate strategy.

The following Code of Conduct was developed to allow our business partners to also become involved in our sustainable processes and to commit them to common values, in particular sustainable business practices.

The edding Code of Conduct is based on the principles of internationally recognised standards for responsible corporate management, such as the United Nations (UN) Global Compact, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the International Labour Organization (ILO) Core Labour Standards.

Thank you for joining us in championing responsible and ethical conduct.

Ahrensburg, September 2019

<sup>1</sup> For this purpose, we define business partners as all those parties who carry out business for, on behalf of or jointly with edding AG, e.g. suppliers, distributors, logistics and trade service providers, agencies, consultancies, etc.

## 1. Ethical Principles

**E**thical and fair conduct is of great importance to us, and we expect our business partners to agree to our principles, which are documented below. The requirements involve the following aspects:

### **INTEGRITY AND ANTI-CORRUPTION**

Our business partners are expected to prohibit, not to practise and not to tolerate corruption, extortion, fraud, embezzlement and money laundering in any form. We expect our business partners not to offer (active corruption) or accept (passive corruption) any bribes or other unlawful payments. It is also expected that they shall not offer any gifts or other personal benefits to edding Group employees.

We expect our business partners to observe the applicable laws and ethical standards.

### **FAIR COMPETITION**

It is important to us that we deal with our customers and business partners in an open, fair and reliable manner. edding understands the importance of complying with antitrust and competition laws as these protect both performance-oriented companies such as edding and the common good, thereby enabling markets to develop freely.

We expect our business partners to act fairly in business dealings and to observe the applicable antitrust and competition laws.

### **PROTECTION OF CONFIDENTIAL DATA AND INTELLECTUAL PROPERTY**

Our business partners are obliged to treat data belonging to edding AG, its associated subsidiaries and affiliated companies responsibly and confidentially. Such data, including product details, pricing policies, costs, customer data, employee information and other information about the joint business relationship, working methods and organisation, must be protected against unauthorised access and dissemination and may, if at all, only be used and communicated with written agreement.

Personal data may only be collected by the business partner for legitimate business purposes and may only be used in legal, transparent and secure ways. Data may be transmitted exclusively to persons who are authorised to access them. The business partner must protect the information in accordance with the security provisions, keep it only for as long as is necessary and place third parties who have access to personal data under an obligation to protect such data.

We expect our business partners to observe the applicable data protection laws.

### **REPORTING WRONGFUL CONDUCT**

We expect our business partners to put in place reporting procedures for their employees that can be used to report any potentially wrongful conduct. All reports must be treated confidentially. Our business partners should carry out investigations on the basis of any such reports and take any measures if necessary.

We expect our business partners to inform edding AG in writing and without delay of any breach of this Code of Conduct if legal action, administrative investigations or criminal prosecution has been or could be taken. Please send any notifications to: [compliance@edding.com](mailto:compliance@edding.com)

## 2. Human Rights and Working Conditions

**W**e expect our business partners to observe human rights, to treat their employees fairly and with respect and also to request the same of all of your business partners (along the supply chain). This includes the following aspects in particular:

### **AVOIDING CHILD LABOUR**

We reject child labour in our supply chain. We expect the business partner to prohibit all forms of child labour in its companies. The definition of child labour complies with the ILO Core Labour Standards (Conventions 138 and 182).

### **FREE CHOICE OF WORKPLACE**

We do not tolerate slavery, servitude, forced labour - of any kind whatsoever - or human trafficking. Debt bondage or contractual bondage and involuntary prison labour are also not acceptable.

We expect our business partners to ensure that this principle is not breached.

### **DISCRIMINATION**

The dignity of each individual must be fully respected. We expect our business partners to ensure that there is no discrimination on the ground of ethnic or social origin, gender, religion or belief, culture, disability, age, sexual identity or other personal characteristics, or on the grounds of political opinions.

### **FAIR TREATMENT**

We expect our business partners to treat their employees with dignity and respect. There should not be any sexual harassment, sexual abuse, physical punishment or torture, mental or physical violence, verbal abuse or the threat of such treatment.

### **WORKING HOURS, WAGES AND OTHER BENEFITS**

We expect our business partners to comply with applicable labour law provisions such as daily and weekly maximum working hours. Additional work and overtime must be undertaken on a voluntary basis and must be remunerated with at least the usual hourly wage in accordance with national law.

The agreed wages and salaries must correspond to at least the statutory minimum wage or the minimum wage usually prescribed for the relevant industry sector and must comply with applicable laws. The wage or salary paid should allow employees and their families to enjoy an adequate standard of living.

Sanctions, fines, penalties and disciplinary measures may only be applied within the framework of applicable national and international rights and laws and in accordance with recognised human rights.

### **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

Our business partners' employees must be granted the right to freedom of expression.

Employees' rights must be respected; it must be possible for employees to form associations and organisations that they deem appropriate in order to support and protect their interests. The employees must also have the right and the opportunity to join or leave such associations or organisations and to work for them as long as this does not affect the employees in carrying out their employment.

### **SAFETY AT WORK AND HEALTH PROTECTION**

A safe and healthy working environment is important to us. It should therefore be ensured that our business partners' employees are protected from any dangers, activities that are excessively physically demanding or that are harmful to health and any risks associated with the workplace.

Applicable relevant safety guidelines from government provisions, laws and regulations for the respective activity or from contractual regulations must be observed.

We expect that everything will be done to prevent accidents, damage to health and illnesses that may arise in connection with the respective activity.

As a minimum, employees must be guaranteed the availability of drinking water, adequate lighting, a comfortable room temperature, good ventilation and clean sanitary facilities.

Employees must be informed and instructed / trained regularly about applicable health protection provisions, laws, etc. Written evidence must be produced about this and also any training and instruction given.

The medical treatment of work-related injuries and illnesses must be guaranteed. Ill or injured employees should be treated with respect.

The business partner must identify risks to public health that may be caused by the business activity and take appropriate measures in order to exclude such risks.

## 3. Sustainability

It should be ensured that sustainability and sustainable development form part of all business transactions carried out by our business partners and that they are firmly established as part of the everyday working life of all employees. We expect the highest commitment from all parties to make our world habitable for future generations.

### ENVIRONMENTAL PROTECTION

We expect our business partners to comply with statutory environmental and environmental protection provisions at both a national and a local level. In addition, continuous efforts must be made towards the prevention and reduction of environmental impacts. All waste management must comply with applicable policies, regulations and laws. In particular, the treatment of toxic and hazardous chemicals and materials and the disposal of such must be arranged in such a way that the environment is not damaged.

Our business partners should use natural resources sparingly. Negative effects on the environment and the climate should be avoided as far as possible or reduced using appropriate procedures. Our business partners should commit to developing and using products and procedures that are more climate-friendly in order to reduce the use of energy and greenhouse gases.

### SUSTAINABLE DEVELOPMENT

In the long term, business partners should strive for environmentally and socially responsible conduct throughout the supply chain and in the respective business activity.

## 4. Implementation

Edding AG expects its business partners to develop and expand a system in order to be able to implement, comply with, review and continuously improve the above points.

Our business partners are expected to develop, implement and use management systems such as DIN ISO 9001, 14001, 50001, 45001, etc., and to carry out appropriate reviews in connection with this Code of Conduct.

Clear responsibilities, procedures and appropriate documentation should form part of this system / these systems. Annual reviews and the identification of measures for improvement must be documented and provided to us upon request. We reserve the right to check or to instruct authorised third parties to check that this Code of Conduct is being complied with.

In the event of any deviations from this Code of Conduct or a failure to observe it, edding AG or one of its subsidiaries shall place the business partner under an obligation to take appropriate remedial action without delay.

The edding Code of Conduct should be observed as part of the overall value-adding process; we therefore also expect our business partners to familiarise their own business partners who are appointed for or on behalf of edding AG with the requirements of this Code of Conduct and to ensure that these requirements are fulfilled.

## 5. edding AG's Commitments

**L**egal certainty, efficiency and transparency are important elements of a mutually beneficial business relationship. We take seriously our responsibility towards suppliers, customers, employees and the environment.

Information about business partners is treated confidentially.

We do not accept or offer unlawful gifts, payments, invitations, etc.

We treat differing opinions and views with respect and are open to other new ideas.

Everybody is treated with respect and dignity - irrespective of their position or their role.

Agreed conditions and terms of payment are always observed.

Any indications of corrupt conduct, breaches regarding the handling of confidential data and data protection must be notified to edding AG in writing and without delay, as must any complaints or notifications of breaches of this Code of Conduct.

This shall not give rise to any prejudicial or disciplinary measures for the notifying person / company. Reports may also be given anonymously.

For this purpose, please contact:

**Compliance officer:** Lars Klein

Email: lklein@edding.de

Tel: +49 (4102) 808 - 351

**External investigation bodies:** Kai-Oliver Rittner

Email: edding\_compliance@peersperspective.de

Tel: +49 (176) 822 671 70

### Declaration of Agreement

We have read and taken note of the contents of the Code of Conduct for edding AG business partners. We agree with the points in full and undertake to meet the requirements and to observe the principles.

(Date, company stamp and signature)