

# Code of Conduct

for Suppliers, Marketplace-Sellers  
and Business Partners of the  
Conrad Group

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# 1 Introduction

The Conrad Group is committed to environmentally and socially responsible corporate governance and complies with all relevant laws, rules and regulations as well as the following Group-wide guidelines:

- Code of Conduct for Employees of the Conrad Group
- Declaration on Human Rights and Fair Working Conditions
- Environmental Policy.

These documents are available in German and English on our website at <https://www.conrad.de/de/ueber-conrad/nachhaltigkeit/compliance-lieferkette.html>.

This “Code of Conduct for Suppliers, Marketplace-Sellers and Business Partners“ frames all alliances and cooperative activities between the Conrad Group and all stakeholders across its supply chains worldwide. Conrad hereby declares its commitment to the principle of sustainable supply chains and takes its social and environmental responsibilities very seriously. Conrad is committed to the right to freedom from discrimination, to freedom of association, and to collective bargaining. All of the employees who work in our supply chains do so voluntarily. We reject child labour.

This Code of Conduct defines the requirements that must be met by Conrad itself as well as by all stakeholders across its supply chain, including service providers and – more specifically – suppliers.

We expect our business partners to uphold these requirements among their own direct and indirect suppliers and that the latter, in turn, all apply the same standards and the same enforcement measures. Compliance with said standards shall be contractually agreed among all relevant parties. All parties understand and acknowledge that compliance with the social and environmental standards set out herein forms the basis for successful and long-term co-operation.

This Code of Conduct is based on the most widely used international standards on human rights and working conditions, including

- the Universal Declaration of Human Rights of the United Nations,
- the conventions of the International Labour Organization (ILO),
- the UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines for Multinational Enterprises,
- the ten principles of the United Nations Global Compact, which Conrad Electronic SE has signed up to,
- the German National Action Plan for Business and Human Rights (NAP)
- the German Supply Chain Due Diligence Act (LkSG).

In addition, the relevant and applicable national and local laws and regulatory requirements must also be respected. The Conrad Group may regard a breach of this Code of Conduct as sufficient grounds to terminate a business relationship.



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## 2 Human rights and fair working conditions

### 2.1 No forced labour or human trafficking

Forced labour, slave labour and similar compulsory work practices are forbidden. All work must be undertaken voluntarily and without the menace of any penalty. Employees must be able to end the work arrangement or employment relationship at any time. In addition, unacceptable treatment of workers must not be tolerated, for example mental cruelty, sexual and personal harassment or humiliation. The hiring or use of security personnel must be avoided if this results in the inhumane or degrading treatment or violation of individuals or interferes with their freedom of association.

Legal basis: ILO 29, ILO 105, LkSG Section 2 para. 2 No. 3, 4, 11

### 2.2 No child labour and management of young employees

The use of child labour is forbidden at all steps along the supplier's/seller's value chain. Suppliers/Sellers are called on to follow the recommendation in the ILO conventions regarding the minimum age for the employment of children. These state that the age should not be lower than the age at which compulsory school attendance ends by law in the country of employment, and should never be below 15 regardless. If it does transpire that children are in fact employed, the supplier/seller must document the measures required to remedy this situation and facilitate school attendance for the children in question. Young employees under 18 years of age must not be engaged to perform work activities that may be dangerous to the health, safety or morals of children. Compliance with special protective regulations must be ensured. The supplier/seller shall further ensure that employees who are younger than 18 do not work nights or overtime and that they are protected against work conditions that may be harmful to their health, safety or development. The supplier/seller shall ensure that there is no conflict between the work commitments of young employees and their school attendance.

Legal basis: ILO 79, ILO 138, ILO 142, ILO 182, LkSG Section 2 para. 2 No. 1, 2

### 2.3 Occupational health and safety

The supplier's/seller's occupational safety and health measures must comply with the local legislative requirements. The supplier/seller must ensure that all workplaces, machinery and equipment, tools and work processes under their control are safe and without risk to health. Company management is responsible for providing adequate protective clothing and protective equipment to prevent risk of accidents or of adverse effects on health and for ensuring continuous improvement to the system through regular risk assessments and reports.

Legal basis: ILO 155, ILO 164, LkSG Section 2 para. 2 No. 5

## **2.4 Regulations governing hours of work and pay**

We expect our suppliers/sellers to assume responsibility for providing fair working conditions and respecting the applicable regulations governing working hours and holiday entitlement. Overtime is subject to the statutory provisions as applicable locally.

Employees must be allowed at least one day off in every seven-day period. The supplier/seller is obliged to comply with the statutory provisions governing maximum hours of work and holiday entitlement. The supplier/seller must pay adequate contractually agreed remuneration in line with the respective minimum wage guaranteed by law and the national labour market conditions. The deduction of pay as a penalty is not permitted. The supplier/seller must ensure that the employee receives clear, detailed and regular written information on how their pay is calculated.

[Legal basis: ILO 1, ILO 14, ILO 26, ILO 131, LkSG Section 2 para. 2 No. 8](#)

## **2.5 Freedom of association and protection of the right to collective bargaining**

We expect our suppliers/sellers to allow their employees the opportunity to associate, organize and assemble peacefully, in particular to address political and civil matters and organise employee representation. This also includes the right to establish trade unions to protect their interests and conduct collective pay negotiations, provided this is allowed by law. Otherwise, alternative measures must be put in place so that employees can freely and independently assemble for the purpose of collective bargaining.

[Legal basis: ILO 87, ILO 98, ILO 135, ILO 154, LkSG Section 2 para. 2 No. 6](#)

## **2.6 Ban on discrimination**

The supplier/seller must take all necessary measures to prevent all kinds of harassment, including sexual harassment, sexual abuse, corporal punishment, psychological or physical intimidation and verbal abuse. All individuals and groups must be treated equally without distinction as to personal attributes or characteristics, including sex, colour, ethnic or social origin, genetic characteristics, language, religion or ideology, political or other views, membership of a national minority, wealth, birth status, disability, age or sexual orientation.

[Legal basis: ILO 110, ILO 111, ILO 159, LkSG Section 2 para. 2 No. 7](#)

## **3 Environmental protection**

### **3.1 General**

The Conrad Group expects its suppliers/sellers to minimise the negative impact of their business activities on the environment and the climate, and to conserve natural resources.

Legal basis: [LkSG Section 2 para. 2 No. 9, 10, 12](#)

### **3.2 Compliance with environmental laws**

The Conrad Group expects its suppliers/sellers, as a minimum requirement, to comply with the national and international environmental standards and laws in accordance with the Environmental Policy of the Conrad Group.

### **3.3 Environmental management system**

Suppliers/Sellers are required to monitor and continuously reduce their carbon footprint. Suppliers with production facilities should have suitable environmental management systems in place.

### **3.4 Use of natural resources and air pollution**

Suppliers/Sellers must continuously reduce or avoid the use and consumption of natural resources, including raw materials, water and energy. Cost-effective solutions to improve energy efficiency and minimise energy consumption must be put in place. General emissions from operations (air and noise pollution) must be avoided as far as possible.

### **3.5 Climate protection and reduction of greenhouse gas emissions**

The Conrad Group employs an extensive range of measures to reduce greenhouse gas emissions from its own production sites. We also engage our suppliers/sellers in this process and support them in similarly abating their greenhouse gas emissions. We encourage suppliers/sellers to find cost-effective solutions to reduce their greenhouse gas emissions and promote the use of renewable energies.

### **3.6 Waste, wastewater and hazardous substances**

All damage to the environment caused by business or industrial operations must be avoided. As well as air pollution and harmful noise emissions, this includes in particular harmful changes to the soil and water

pollution. Suppliers/Sellers shall adopt a systematic approach for identifying, handling and reducing solid waste, and disposing of it or recycling it in a responsible manner. Unlawful evictions, illegal deforestation, and unlawful degradation of land or water must be excluded. The manufacture of products containing mercury and the use of chemicals that are banned by national or international organizations are prohibited.

### **3.7 Product quality, safety and transparency**

We expect our suppliers/sellers to deliver high-quality products that meet all applicable product safety and environmental protection standards.

Conrad aims to create and maintain full transparency in relation to the environmental impact of its products. To support this aim, we expect our suppliers/sellers to be knowledgeable about the origin, composition and environmental properties of the materials used in the delivered products and to be able to report this information. If no such data exists, we ask suppliers/sellers to make a concerted effort so that environmental performance data on their activities can be collected and made available.

Suppliers/sellers must guarantee product safety through their compliance with all relevant legislative requirements and restrictions that apply in the region to which the products are delivered, including but not limited to:

- the European Union's RoHS Directive (restriction of the use of certain hazardous substances),
- the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals)
- the Directive on waste including the information requirements set out for substances of concern in products (SCIP) database (substances of concern in articles as such or in complex objects)
- the German Packaging Act, the German Electric and Electronic Equipment Act and the German Battery Act (registration, verification and proof, extended producer responsibility or EPR)

### **3.8 Conflict minerals**

Suppliers/Sellers shall undertake not to purchase any materials from illegal sources. They must take proactive measures to avoid using any conflict minerals in their products. This applies in particular to tin, tantalum, tungsten, gold, mica and cobalt acquired from countries that are either suffering from armed conflict, such as civil war, a state of fragile post-conflict, or witnessing weak or non-existing governance and systematic violations of international law, including human rights abuses.

## 4 Corporate ethics

### 4.1 Combatting corruption and bribery

All business partners are expected to refrain from engaging in criminal activities.

The Conrad Group has zero tolerance for corrupt practices and takes active measures to combat them.

Suppliers/Sellers must not participate in or tolerate any kind of corruption, bribery, giving or accepting of undue advantage, blackmail or embezzlement.

Any direct or indirect form of bribery or the acceptance of unjustified advantage is prohibited. This includes the granting or acceptance of payments, gifts or contributions of any kind over and above what is customary and/or permitted by law.

We also expect our suppliers/sellers to take an active role in the prevention of corruption and fraud.

### 4.2 Prevention of money laundering and terrorist financing

Our suppliers/sellers shall only maintain business relationships with business partners if they are satisfied as to their integrity. They shall ensure compliance with the applicable legislation on the prevention of money laundering and the combatting of terrorist financing and report suspicious transactions or issues to the competent authorities.

### 4.3 Data protection and data security

Personal data of employees, customers and business partners may only be collected, processed, i.e. stored, modified, transmitted, blocked or erased, and used in compliance with the applicable legislation. Suppliers/Sellers must handle all information and personal data appropriately and, in particular, protect it by means of suitable technical and organisational measures (TOM). Data and information must be used exclusively in accordance with its classification. Suppliers/Sellers shall take appropriate measures to ensure that personal data is collected, processed and used in the duly appointed way. In addition, suppliers/sellers shall ensure that their technical information systems are adequately protected against cyber-attacks by putting the customary standards and mechanisms in place (e.g. anti-virus software, encryption, segmentation, management of roles and rights). The Conrad Group recommends that its suppliers/sellers document their efforts in this area by means of a certified information security management system.

### 4.4 Fair competition and anti-trust law

Suppliers/Sellers undertake to support the principles of fair and open competition. The Conrad Group expects its suppliers/sellers to comply with the applicable fair competition and anti-trust legislation. These laws set out provisions that prohibit business practices that unlawfully restrict competition, the inadmissible exchange of information on competitors, price fixing, tender agreements and fraudulent market segmentation. All agreements or concerted go-to-market approaches aimed at or with the effect of restricting fair competition are forbidden.



## **4.5 Conflicts of interest**

Suppliers/Sellers are obliged to avoid conflicts of interest of relevance to the Conrad Group and reveal if these are liable to adversely affect the business relationship. Decisions must be made solely on the basis of objective considerations.

## **4.6 Tangible and intellectual property**

Suppliers/Sellers undertake to respect the tangible and intangible (IP) assets of the Conrad Group and its business partners to which they gain access in the context of their co-operation with Conrad, such as confidential information, personal information that is protected under data protection laws, and intellectual property, and to protect such assets at every step of their supply chains. This also applies to the tangible and intellectual property of the Conrad Group which must be protected against loss, theft or misuse. Suppliers/Sellers must respect the intellectual property rights of third parties.

## **4.7 Export control and economic sanctions**

Suppliers/Sellers must strictly comply with all applicable regulations and laws on the import and export of goods, services and information as well as on the handling of payment transactions. Existing sanctions and embargos must be observed in the context of the applicable laws and regulations in all business activities.

## **4.8 Whistleblowing and protection against retaliatory measures**

The Conrad Group expects that employees of suppliers or sellers are able to express themselves freely and without fear of retaliatory measures if they suspect that any of the provisions of this Code of Conduct have been infringed.

## 5 Whistleblower system

The Conrad Group has set up an internal complaints procedure which enables employees, customers, suppliers and other persons to point out human rights and environmental risks as well as violations of human rights or environmental obligations, if these have arisen as a result of economic activities by the Conrad Group in its own business area or its supply chain..

Anonymous reports may be submitted to the Conrad Group:

- via our online whistleblowing system (<https://www.conrad.com/about-us/about-us/infocentre/whistleblower-hotline>),
- by post to the following address: Ratisbona Compliance GmbH, Trothengasse 5, 93047 Regensburg or
- by contacting our hotline +49 941 2060384-2

Whistleblowers will receive notification of receipt while maintaining their confidentiality. The Conrad Group guarantees that the reported facts will be discussed and examined with the whistleblowers impartially, independently and not bound by instructions.

All incoming reports are evaluated and documented confidentially within the framework of the legal obligations under §10 LKSG. The submission of substantiated reports does not lead to any legal sanctions or measures, in particular under labour law. The presumption of innocence applies to the persons concerned as long as they have not been convicted of a violation.

The supplier/seller encourages its employees to communicate their concerns regarding compliance with this Code of Conduct to Conrad and/or the business partner in order to identify and counteract or remedy any violations at an early stage. The supplier/seller is responsible for implementing a safe and confidential environment and a compliant and sanction-free whistleblowing system for such reports, including within its company.

## 6 Compliance with requirements

The Conrad Group reserves the right to apply suitable measures to verify compliance with this Code of Conduct. Such measures can include questionnaires, assessments or on-site audits. On-site audits at the business partner's premises shall always be announced in advance and shall be conducted together with representatives of the business partner in accordance with the applicable laws, including the provisions on data protection, and with the contractual obligations, such as those governing confidentiality.

If any divergences from the principles of this Code of Conduct are identified, we will consult with the supplier to determine how sustainable remedial action can be implemented in an appropriate timeframe. The supplier/seller is responsible for implementing the measures and this must not result in any costs being incurred by the Conrad Group.

## 7 Legal consequences of non-compliance

The Conrad Group considers the requirements imposed on our suppliers/sellers in this Code of Conduct to be important. The Conrad Group may take corresponding legal action in the event of non-compliance. In particular, the Conrad Group reserves the right to terminate the business relationship in the event of serious or repeated infringements of this Code of Conduct. The Conrad Group could refrain from taking such action, however, if the supplier/seller provides credible assurance and proof that it has initiated timely countermeasures to avoid future infringements.

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