

# **CODE OF CONDUCT FOR BUSINESS PARTNERS**

For the BIRKENSTOCK Group B.V. & Co. KG and its subsidiaries (hereinafter referred to as "BIRKENSTOCK" or "the Company"), conducting business in a responsible manner goes hand in hand with our long heritage and tradition. We also expect such conduct from our business partners, which may include suppliers, resellers and other B2B partners [hereinafter referred as business partners].

This Code of Conduct outlines the minimum standard we expect. It is informed by international standards including the Business Social Compliance Initiative (BSCI), the Conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights by the United Nations, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic Social and Cultural Rights (ICESCR), the UN Conventions on the Rights of Children and on the Elimination of All Forms of Discrimination against Women, the Principles of the UN Global Compact, the Basel Convention, the Dhaka Principles for Migration with Dignity and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. and the requirements outlined in the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).

## **SCOPE & LEGAL REQUIREMENTS**

This Code of Conduct applies to all business relationships related to the manufacture, sales, marketing, and distribution of our products. It outlines the minimum requirements for compliance with environmental, social and governance standards. It applies to our entire value chain. It applies to all affiliated companies within BIRKENSTOCK and to all business partners of the companies within BIRKENSTOCK. Our business partners are obliged to abide by the principles of this Code of Conduct, and we expect them to conduct business with integrity, transparency, and in compliance with all laws and regulations applicable in each country where we operate.

The current national and international laws and regulations, Conventions of the ILO and the UN as well as any other relevant provisions (hereinafter jointly referred to as "standards") must be observed. Compliance must also take place according to the actual spirit of these standards and not only according to the letter merely for form's sake.

Where national laws contradict or are stricter than this Code of Conduct, national laws shall apply. If national laws fall short of international human rights, labor standards and other topics covered in this Code of Conduct, we require our business partners to comply with the terms of this Code of Conduct.

## ETHICAL BUSINESS PRACTICES & INTEGRITY

### (1) CHILD LABOR

Child labor and the exploitation of children are prohibited. The minimum age for employment must not be below the age at which compulsory school attendance ends and must not be below the age of 15 unless this is explicitly permitted by national law in line with the exceptions provided by the ILO.

Suppliers must ensure compliance with the prohibition of child labor. Additionally, they should take measures to rehabilitate and socially integrate affected children, enabling them to attain a general school leaving qualification in line with local standards. If a violation occurs, business partners must immediately take appropriate remedial measures on behalf of the children, documenting these measures.

### (2) THE PROTECTION OF YOUNG WORKERS

Young workers between 15 and 18 years of age shall be employed only for work that is not harmful to their health and development and does not interfere with their education. The restrictions regarding the employment of young people must be ensured. Young people must not be exposed to any situations that are dangerous, unsafe or harmful to their health, in particular overtime, night work or hazardous work. In the event of a violation of the prohibition, the business partners must immediately take suitable remedial measures on behalf of young people. The remedial measures must be documented.

### (3) FORCED LABOR

All forms of forced and compulsory labor, any form of debt bondage, servitude or any form of modern slavery and slavery-like practices are prohibited. All forms of prison labor or illegal labor are inadmissible. No employee may be directly or indirectly compelled to work through force and/or intimidation. Employees may only be employed if they have voluntarily declared their availability for work.

In this context, we require our business partners to ensure that workers/candidates

- are not required to pay fees, deposits or bonds to secure employment.
- are not required to lodge their passports or identity documents or personal document or other belongings with the company.
- are free to leave the employment after giving reasonable notice and at the end of their shift.
- are not obliged to work excessive hours or days beyond the limits prescribed by national law or collective agreement and
- do not work excess hours under some form of threat (e.g., dismissal) or in order to earn at least the minimum wage, and that no deposits are taken from workers for workplace essentials.

Where a migrant workforce is present, we expect our partners to treat them equally and without discrimination and make sure they enjoy the protection of employment law, as outlined in the *Dhaka Principles for Migration with Dignity*.

When recruitment agencies or any other intermediaries are involved in the recruitment, selection or hiring process of workers, we expect our business partners to screen labor recruiters to ensure fair recruitment practices. These include, at a minimum, the following:

- Recruitment agencies must operate under a valid business license according to national law.
- No recruitment fees or costs are borne in whole or in part by workers or jobseekers.
- The terms of employment presented at the time of recruitment do not differ from what is provided at the company (including type of work stated).
- Workers are informed prior to employment (including, if applicable, before leaving their home country/region) of the key aspects regarding employment terms and conditions in writing via an employment letter or contract as required by law in their local language.
- Migrant workers are provided with contracts equal to those of their co-workers and are treated equally.
- The recruitment agencies have agreed to comply with this Code.

#### **(4) CORRUPTION, TRADE CONTROL, MONEY LAUNDERING**

We reject all forms of bribery and corruption and are committed to avoiding any semblance of these unethical practices, such as granting or accepting unfair advantages. All business partners and their employees shall conduct themselves in a manner that does not give rise to any personal dependencies, obligations or influence. The basis of the business relationship should be characterized by fairness and adherence to the national and international standards in force at any given time. Furthermore, the business partner shall introduce an anti-bribery and anti-corruption policy in all areas of business with which compliance is expected. If it is customary and polite to bestow gifts in certain countries, care shall be taken to ensure that this does not give rise to any situations of binding dependency and that the standards in force in the country are observed.

In the event of the suspicion of corrupt conduct, this must be immediately reported to BIRKENSTOCK (see number 17).

We expect our business partners to act in accordance with the applicable import and export control regulations and comply with legal requirements for the prevention of money laundering.

## **(5) FAIR COMPETITION**

Our business partners are expected to endorse the principles of free and fair competition. We strictly prohibit any anti-competitive agreements and are committed to adhering to applicable antitrust laws. We reject competitive advantages due to unfair business practices and expect our business partners to act in accordance with this.

## **(6) PERSONAL DATA, PROTECTION OF CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY**

We respect the privacy rights of our employees, business partners and customers and adhere to the applicable data protection and security requirements and regulations when handling personal information and expect our business partners to also comply with these.

The business partners shall ensure that commercial secrets and other confidential information that other business partners and customers entrust them with are adequately protected from unauthorized acquisition, use and disclosure, at least in accordance with the relevant legal provisions for the protection of business secrets.

We respect the intellectual property of our business partners, customers and other third parties. We ensure that sufficient precautions are taken to protect intellectual property rights when transferring expertise and technologies and expect our business partners to act in accordance with this.

## **(7) ENVIRONMENTAL PROTECTION**

The business partners shall ensure compliance by applicable environmental standards. It is expected that ongoing efforts will be made to prevent and mitigate environmental burdens. Any applicable procedures and standards in force for waste management, handling chemicals and other hazardous substances and their disposal and those pertaining to emissions and wastewater treatment shall be ensured. Particular attention shall be paid to the protection and the preservation of the natural basis of life, including the risk of deforestation and forest degradation. Actions that may cause harmful changes to soil, air pollution, harmful noise emissions, water pollution, and excessive usage of water that negatively impact resources needed for the preservation and production of food, access to potable water and sanitary facilities, or harm the health of an individual, shall be prohibited.

Where applicable, we expect our business partners to respect the prohibition on exports and imports of hazardous wastes and other wastes under the Basel Convention; the prohibition on the production and use of mercury in products and the prohibition of improper treatment of mercury waste under the Minamata Convention and to comply with the ban on non-environmentally sound management of persistent organic pollutants (POPs) pursuant to the Stockholm Convention.

## **(8) RESPECT FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES**

The rights and livelihoods of local communities and indigenous peoples shall be respected. We expect our business partners to refrain from undergoing unlawful eviction and unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person. In this respect, we expect our business partners to ensure prior to any activity that may affect indigenous peoples' and local communities' rights, land, resources, territories, and/or food security, that their free, prior, and informed consent (FPIC) is obtained in line with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).

## **WORKERS RIGHTS AND PROTECTIONS**

### **(9) HEALTH AND SAFETY AT THE WORKPLACE**

The statutory provisions on safety and health at the workplace shall be observed. The business partners must ensure that the working environment is safe and healthy.

Business partners shall take any measures required to prevent any accidents and damage to health from occurring in relation to the work. With this in mind, the business partner shall set up systems capable of detecting and preventing any potential hazards to the health and safety of its employees or of reacting thereto. Moreover, they shall see to it that the employees are regularly informed and trained regarding current workplace health and safety regulations and safety measures. Protective measures to avoid exposure to chemical, physical or biological substances shall be ensured. Emergency exits must remain unlocked and unobstructed, and fire extinguishers and emergency equipment must be available when needed. In addition, we expect our business partners to appropriately address work organization in terms of working hours and rest breaks in order to prevent excessive physical and mental fatigue. The business partner must document the foregoing aspects.

Clean toilets and access to clean drinking water in sufficient quantities shall be ensured. If sleeping quarters are provided, they must be clean and safe and fulfil the basic requirements.

### **(10) SECURITY PERSONNEL**

In the event of hiring public or private security forces, business partners shall ensure that their security personnel follow the principles established in this Code of Conduct. When exercising the use of force, security personnel shall not physically harm workers and local communities, shall refrain from any form of harassment or degrading treatment, and shall not impair the exercise of freedom of association.

## **(11) DOCUMENTATION OF THE EMPLOYMENT RELATIONSHIP**

The business partners shall guarantee the written documentation of the conditions of employment (e.g., the commencement and end of the employment relationship, working hours, salary and bonuses) of their employees directly concerning them. Employees must also have access to this information which shall be in a language they can read or understand. They shall be informed about and understand their employment conditions. The name, date and place of birth and, if possible, the home address of the employee shall be recorded. Business partners shall ensure that the work performed is done based on recognized employment relationships established through national law and practice. The circumvention of current domestic employment regulations and social security regulations is prohibited.

In addition, this Code of Conduct must be displayed in the corresponding national language at the very least in a freely accessible and clearly visible manner for the benefit of all the business partners' employees. In cases of illiteracy, the Code of Conduct must be explained by word of mouth.

Business partners shall ensure that the temporary employment agencies or (sub-) contractors with which they work comply with the documentation obligations and that the business partners also document themselves for which periods and how many temporary workers are deployed. Business partners shall have an overview of and, upon request, provide a list of all sub-contracting involved in the production of Birkenstock's products, materials, components or services.

## **(12) WORKING HOURS**

Working hours, including overtime, rest breaks and annual leave, must comply with the strictest requirements in force at any given time under current laws, industrial standards or relevant ILO Conventions. The maximum number of weekly working hours under national legislation shall apply. However, the number of working hours must not exceed 48 hours per week and a maximum of 60 hours per week if overtime is included. In addition, the relevant national and international standards, in particular the ILO exceptions, shall apply to individual trades and forms of employment and in the case of serious disruptions to normal operations.

The employee is entitled to at least one day (24 consecutive hours) off after working for six days in a row. Public or religious holidays and annual leave shall be respected in accordance with applicable law and/or local context. Any overtime work shall be remunerated in accordance with local standards. Overtime work must take place on a voluntary basis.

## **(13) REMUNERATION**

The business partners shall guarantee that the salary paid to the employees is at least equal to the statutory minimum salary or the minimum salary that is

customary in the industrial sector, whichever is higher. The salary paid shall ensure the respective livable wage minimum.

Illegal and unjustified wage deductions, particularly in the form of direct or indirect disciplinary measures, are prohibited. The payment of the salary must take place regularly (at least once per month), on time and in a manner that is practical from the point of view of the employees (e.g., in cash or by check. Employees must be informed in a comprehensible and detailed manner about the breakdown of their salaries.

## **(14) RIGHT OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING**

The employees shall be protected from any discriminatory treatment in connection with their employment and which is directed against the freedom of association. Their right to set up associations or organizations of their own choice for the purpose of promoting and protecting the interests of the employees, to join or leave such associations or organizations and to work for them shall be accepted. In this respect, the performance of their employment duties must not be affected. In addition, the performance of the workers' representatives while carrying out their duties in a manner that is not disruptive to the company's operations shall be respected. We also expect our business partners to respond, where applicable, to a bargaining request in good faith, consistent with relevant law, and to provide, where relevant, workers' representatives with appropriate facilities for the development of effective collective agreement, such as allowing them to take the necessary time off work.

In cases where domestic laws restrict the right of association and collective bargaining, we expect, at a minimum, the right of employees to associate for negotiation purposes freely and independently to be guaranteed.

## **(15) DISCRIMINATION**

All workers must be treated equally and without discrimination. Discrimination when hiring and employing is prohibited, particularly any active or passive discrimination, exclusion or preference based, for example, on national or ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief or membership in an employee organization. In this respect, we also expect our business partners to respect the principle of equal remuneration for work of equal value. According to ILO, equal pay for work of equal value covers not only the cases where men and women do the same or similar work (equal pay for equal work), but it also encompasses the cases where men and women do different work of an equal value, when evaluated based on objective criteria and free from discrimination based on sex.

## **(16) DISCIPLINARY MEASURES**

All employees shall be treated with dignity and respect. Sanctions, fines, other penalties, or disciplinary measures may only be taken in line with current national and international standards and with internationally recognized human rights.

No employee may be subjected to verbal, mental, physical, sexual and/or bodily force, coercion, or harassment at their workplace.

## **(17) COMPLAINTS PROCEDURE**

We take any violation of the Code of Conduct seriously. We expect our business partners to implement appropriate complaint mechanisms for workers and community members who may be adversely affected by the company's operations. Practical actions for an appropriate complaint mechanism may involve:

- Easily accessible, trustworthy and fair complaints mechanisms
- Information for all employees about the existence of complaints mechanisms
- Transparent process for handling complaints
- Possibility for employees to submit complaints anonymously
- Involvement of employee representatives if necessary
- Written documentation of complaint cases and their resolution
- No sanctions against employees for filing complaints.

In addition, we encourage our business partners to communicate to their workers the possibility of submitting complaints through our mechanism. Complaints or information concerning violations of this Code of Conduct can be reported to BIRKENSTOCK – even anonymously – via the Reporting System of BIRKENSTOCK SpeakUP Line, which is accessible on the BIRKENSTOCK Group website.

The person filing the complaint shall only submit those complaints and information in respect of which it has every reason to believe that the corresponding notification is accurate.

All business partners guarantee that they will abstain from taking any disadvantageous or disciplinary measures against a person filing a complaint. Additionally, they shall work towards ensuring that their suppliers also establish complaints mechanisms.

## **MANAGEMENT SYSTEMS**

### **(18) RISKS MANAGEMENT**

The business partners shall introduce an adequate risk management system in order to implement, comply with and examine the principles laid down in this Code of Conduct within their own operations. At the same time, they are also required to

pass on these expectations to their suppliers and business partners. The adequate management system must contain clear responsibilities and procedures and a suitable documentation. The documentation, implementation, observation, and ongoing improvement of the principles laid down in this Code of Conduct must be assessed on a regular basis. These checks must be documented. The direct business partner shall see to it that the other authorized persons engaged by it adhere to the principles laid down in this Code of Conduct.

## **(19) MONITORING COMPLIANCE WITH THE CODE OF CONDUCT**

BIRKENSTOCK is entitled to monitor and verify compliance with the requirements outlined in this Code of Conduct using appropriate means. This verification may, at BIRKENSTOCK's discretion take the form of e.g., questionnaire, self-assessments or on-site audits by BIRKENSTOCK itself or third parties authorized by it. The direct business partner guarantees that, if need be, BIRKENSTOCK itself or third parties authorized by it are entitled to monitor compliance with the principles laid down in this Code of Conduct by those directly or otherwise engaged by it. The business partner will also give BIRKENSTOCK or authorized third parties unrestricted access to all its production sites and plants and related records.

## **(20) SANCTIONS AND REMEDIAL MEASURES**

We strive for long-standing business relationships, and for open, transparent and constructive dialogue with our business partners to enhance cooperation for continuous improvement, where needed and possible. If non-compliance is detected, we expect our business partner to inform BIRKENSTOCK with no further delay, to create an incident report and take appropriate remedial measures.

We deem termination of the business relationship to be a last resort. In this context, BIRKENSTOCK reserves the right to reassess and terminate the contractual business relationship with their business partners if they are unwilling to act in line with this Code of Conduct to improve the situation. This particularly applies in cases where the implementation of a plan with measures and a concrete timetable does not remedy the situation (after the deadline has elapsed) or where there is no realistic prospect of change, and violations of the Code of Conduct persist.

The undersigned partner undertakes to comply with this Code of Conduct.

(Place, date)\_\_\_\_\_

Company:

\_\_\_\_\_(Company name)  
\_\_\_\_\_(Street/no.)  
\_\_\_\_\_(City/postal code)  
\_\_\_\_\_(Country)  
\_\_\_\_\_(represented by/job title)

\_\_\_\_\_  
(Signature)