

**FC Gelsenkirchen-Schalke 04 e.V.**

# **CODE OF CONDUCT FOR SUPPLIERS**

**Business Partners**



**FC Schalke 04**

# CODE OF CONDUCT FOR SUPPLIERS

## A. Introduction

FC Schalke 04 recognises its social and environmental responsibilities, and is committed to ensuring a legal as well as an ecologically and socially responsible type of corporate governance. FC Schalke 04 endeavours to promote sustainability, both in terms of its business practices and its products. The integrity of Schalke suppliers is an essential precondition for this. Schalke therefore expects suppliers to also fulfil all the relevant legal and ethical requirements, and comply with the recognised environmental, social and corporate governance (ESG) standards.

This Code of Conduct for Suppliers summarises the requirements that Schalke expects its suppliers to meet and also those relating to responsible procurement practices. This will enable Schalke to fulfil its obligations under the Supply Chain Due Diligence Act and as a result ensure that any human rights and environmental risks in its supply chain are detected, remedied and prevented.

## B. Principles and scope

This Code of Conduct for Suppliers is based on internationally recognised principles from the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the core labour standards of the International Labour Organisation (ILO) and the United Nations Global Compact.

FC Schalke 04 is committed to the principles outlined in this Code and makes its suppliers accountable for compliance with and implementation of these principles to the same extent. Furthermore, Schalke demands that its suppliers also make their respective suppliers and service providers, who directly or indirectly provide products or services for Schalke (collectively “subsuppliers”), accountable for complying with these or comparable principles. Suppliers must forward the requirements from this Code to their subsuppliers in suitable form and take the legally required measures for implementation in their own supply chains.

## C. Requirements for suppliers

### SECTION 1 Human rights and fair working conditions

#### 1. No child labour

Child labour is strictly forbidden and is not supported under any circumstances. The supplier shall not employ children under the legal age of employment in the relevant country or under the applicable jurisdiction. The supplier shall not employ children under the age of 15 years in cases where no minimum age for employment applies. Workers under the age of 18 shall only perform work in accordance with legal requirements, e.g. with regard to working time and conditions applicable to the relevant country.

# CODE OF CONDUCT FOR SUPPLIERS

## **2. No forced labour, modern slavery and human trafficking**

All labour must be voluntary. The supplier shall not use forced labour, servitude or involuntary labour. Before commencing the employment relationship, all employees shall receive freely agreed work documents that are written in a language they understand and that respect their legal and contractual rights. Employees must be allowed to retain control over their identification documents.

The freedom of workers must not be impaired by the employer. The supplier shall be responsible for payment of all fees and expenses incurred over the course of the employment relationship. Punishments as well as physical and psychological coercion are forbidden. Disciplinary guidelines and procedures must be clearly defined and communicated to employees.

## **3. Fair remuneration and working time**

The supplier shall adhere to national laws and binding industry standards on working time, overtime, wages and salaries, as well as other benefits. The supplier must ensure that overtime is performed voluntarily. The working time and remuneration of its employees should be recorded.

The supplier shall pay its employees on time, regularly and in full in the legal currency of the country of employment, and shall communicate to them in a clear and comprehensible way the basis on which they are paid. Deducting amounts from wages and salaries as a disciplinary measure is forbidden unless this is permitted under local law. Where the minimum wage is not sufficient to meet a worker's basic needs, the wage provided should be above the statutory minimum wage. If there are no statutory standards in the relevant country, remuneration shall be set to cover basic needs in accordance with the ILO's Minimum Wage Fixing Convention (No. 131).

## **4. Ban on discrimination**

Suppliers shall promote diversity, equality and inclusion. The supplier shall foster a respectful working environment. The supplier shall not discriminate or tolerate discrimination on the basis of gender or gender identity, race, skin colour, religion, age, disability, sexual orientation, national origin, caste, marital status or maternity status, political affiliation, trade union membership, nationality, social or ethical origin, or any other characteristic protected by law.

A policy of equal opportunity shall be implemented with respect to recruitment, employment, remuneration and the granting of other benefits, as well as in matters concerning promotions, dismissals and retirement. Any form of psychological, physical, sexual or verbal abuse, intimidation, threatening behaviour or harassment shall not be practised or tolerated. Employees' privacy must be respected.

Bullying in the form of systematic and repeated hostility towards an individual, including the victimisation and ostracism of said individual with the goal or consequence of upsetting, demeaning or excluding this person from the working environment shall not be tolerated by Schalke. FC Schalke 04 strongly opposes any form of unacceptable treatment of employees, in particular sexual or verbal harassment.

# CODE OF CONDUCT FOR SUPPLIERS

## 5. Freedom of association and collective wage negotiations

Suppliers must respect the right of employees to freedom of association and assembly. Employees or their representatives must have the opportunity to assemble, organise and communicate openly with corporate management about working conditions. The supplier acknowledges that collective wage negotiations are to take place under applicable local laws.

## 6. Health and safety in the workplace

FC Schalke 04 demands that its suppliers implement a workplace health and safety policy of the highest standards. The supplier shall comply with the applicable provisions on workplace health and safety and ensure a safe and healthy working environment in order to preserve the health of employees, protect third parties and to prevent accidents, injuries and workrelated illnesses.

In particular, employees shall have access to sufficient drinking water as well as appropriate lighting, heating/cooling and ventilation, adequate sanitary facilities and personal protection equipment. All employees must receive regular and appropriate training on matters concerning health, safety, accident prevention and emergencies in the workplace. Any accommodation provided to employees must meet basic requirements.

## 7. Rights to land

Suppliers must respect rights to land, including the collective and traditional rights of women, indigenous peoples and local communities affected by their activities and procurement practices.

## 8. Security personnel

The supplier may not use private or public security personnel to protect its business if, due to a lack of instruction or control by the supplier, there is a risk that the use of the security personnel will violate the prohibition of torture and cruel, inhuman or degrading treatment, or that life or body will be injured, or that freedom of association and trade union membership will be impaired.

When commissioning security personnel to protect a project or site, measures shall be taken to minimise the risk of human rights violations.

# CODE OF CONDUCT FOR SUPPLIERS

## SECTION 2 Ethical business practices

### 1. Preventing corruption

FC Schalke 04 demands that its suppliers comply with the legal regulations on combating corruption. The supplier undertakes to conduct its business in an ethical manner and in accordance with all applicable rules and regulations. It shall not promise or grant any benefits in order to improperly influence actions or gain an improper advantage. All of the supplier's business activities shall be documented in its books in accordance with the legal provisions.

### 2. Fair competition

The supplier shall comply with applicable competition and antitrust laws. In particular, it shall refrain from agreements and concerted practices which have as their object or effect the prevention, restriction or distortion of competition.

### 3. Preventing money laundering

The supplier shall comply with applicable laws and regulations on combating money laundering and financing terrorism. It shall keep financial records and compile reports in accordance with international laws and standards.

### 4. Data protection

When collecting, storing, processing and transmitting personal data, the supplier shall comply with national laws applicable to the respective country on data protection and information security, as well as official requirements.

### 5. Export and customs regulations

FC Schalke 04 expects its suppliers to carefully check and comply with applicable foreign trade provisions. In particular, the supplier shall not violate any embargoes imposed by the European Union, the United Nations or the United States of America.

# CODE OF CONDUCT FOR SUPPLIERS

## SECTION 3 Environment

### 1. Environmental protection

The supplier shall be committed to environmental protection and shall perform its activities in an ecologically responsible manner. This shall apply in particular to resource conservation, reducing emissions and complying with applicable legislation in the area of environmental protection. The supplier shall take appropriate and transparent measures to ensure environmental protection. In this regard, suppliers shall be encouraged to implement the latest technical standards in order to maximise resource efficiency.

### 2. Reducing environmental impact

To the extent possible, the supplier shall reduce its emissions in line with the latest technological advances. Waste is to be avoided or recycled where possible. Recyclable materials should be used.

When developing products and services, the supplier should endeavour to be as economical as possible in its consumption of energy and natural resources. The supplier should aim to find cost-effective solutions to improve energy efficiency and minimise energy consumption. Renewable resources should be used if possible.

The supplier should evaluate and optimise the carbon footprint of its business activities and products. It must ensure that it does not cause any harmful soil contamination, water pollution, air pollution, harmful noise emissions or excessive water consumption that have a negative impact on the health of people, their access to clean water or sanitary facilities or that significantly and adversely affect the natural resources required for food conservation and production.

### 3. Handling hazardous substances

The supplier must label, monitor and check hazardous materials, chemicals and substances and ensure that these are handled, transported, stored, recycled and disposed of safely. Employees in key positions must be familiar with product safety practices and must be trained accordingly. Suppliers must not produce or use persistent organic pollutants (POPs) and must handle, collect, store and dispose of these POPs in an environmentally sound manner. Hazardous waste must be handled and disposed of in a proper manner and in compliance with local, national and international laws.

### 4. Preservation of natural resources

The supplier shall not – in breach of legitimate laws – take away land, forests or waters, the use of which is crucial to the livelihoods of people. It shall refrain from harmful soil changes, water and air pollution, noise emissions as well as excessive water consumption, if this harms human health, significantly impairs the natural basis for the production of food or prevents or impedes access to safe drinking water or sanitary facilities.

# CODE OF CONDUCT FOR SUPPLIERS

## SECTION 4 Implementation

### 1. Obligation

The supplier shall communicate the Code of Conduct rules to employees and maintain a suitable system for monitoring and ensuring compliance with the rules. The parties agree that compliance with this Code of Conduct is a material contractual obligation. This Code of Conduct is not intended to replace the laws and regulations in the countries where the supplier operates. This includes international anticorruption laws such as the US Foreign Corrupt Practices Act and the UK Bribery Act, where applicable.

### 2. Management systems

When selecting and working with its suppliers, FC Schalke 04 attaches importance to the fact that they actively operate a quality management system, an environmental management system, an energy management system, as well as an occupational health and safety management system or equivalent systems.

### 3. Audit

FC Schalke 04 is authorised to demand that suppliers provide necessary information concerning the required implementation of the contents of this Code. Schalke reserves the right to carry out checks as and when appropriate to ascertain that the supplier is in compliance with the Code. If there is reasonable suspicion of a breach, an unannounced audit may take place depending on the severity of the suspected breach.

### 4. Whistleblowing and complaints management

The supplier shall communicate to Schalke any breaches of this Code. FC Schalke 04 has set up a complaints procedure that is available to everyone and through which information about breaches can be submitted. For more information, please visit the official FC Schalke 04 website at <https://www.schalke04.de> or [www.report-tvh.com](http://www.report-tvh.com).

The supplier should establish its own complaints procedure. If it receives plausible information to suggest potential breaches of this Code, it shall communicate this to Schalke without delay.

The supplier must communicate and train its staff on the complaints procedures on a regular basis. Any form of retaliation against workers for raising such a concern in good faith are strictly prohibited.

# CODE OF CONDUCT FOR SUPPLIERS

## 5. Right to suspend or terminate

If the regulations in this Code are not fulfilled, FC Schalke 04 shall reserve the right to demand remedial action and terminate the cooperation if need be.

In the event of repeated or serious breaches, Schalke shall be entitled to suspend or terminate the business relationship with the supplier. Prior to such termination, Schalke shall communicate this intention and set an appropriate deadline for the breach to be corrected or, if this is not possible within an appropriate time frame, for the breach to be minimised.

If the breach is the result of intent or gross negligence on the part of the supplier and it can be deemed unreasonable for Schalke to continue the business relationship, taking into account all the circumstances at hand, Schalke shall be entitled to terminate the business relationship without notice.

---

Place, date

---

Supplier, represented by NN