

beeline Policy

Zero-tolerance policy

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Merchandise and product presentation suppliers	1	01.01.2024
responsible unit / author:	reviewed by:	approved by:
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reviews of and revisions in this document ¹		
rev. no.	date	description of revision
0	2022	New document.
1	2024	General adjustments to the structure of the policy and adaptation of the basic principles.

1. Introduction

beeline is continuing efforts to become a more sustainable company, taking a holistic approach to governance, social and environmental issues. Among other things, beeline is working hard to make its supply chain more transparent, to safeguard human rights and to make manufacturing safer. The German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) obliges German companies to conduct due diligence on their supply chains and to take necessary measures to identify and minimize human rights and environmental risks. To comply with this law, German companies will extend due diligence obligations to their suppliers. beeline has implemented The German Supply Chain Act accordingly and understood the gravity of this law. To meet the demands of the German Supply Chain Act, beeline has defined certain incidents as zero tolerance. According to our zero-tolerance policy these zero tolerance incidents may lead to stop production and might finally result in terminate the business relationship with the respective supplier/suppliers.

2. Objectives

This policy describes beeline's approach to be compliant with the mentioned regulations, subsequent sales partner requirements, and to assure the transparency in beelines supply chain.

The goal of this policy is the definition and commitment of zero tolerance incidents which may lead to sanctions such as production stop and terminating business relationships and the processes and investigations which will be taken in advance before such sanctions finally will be taken.

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3. Applicability

All merchandise and product presentation suppliers and their production premises producing goods for beeline.

4. Definitions

Incidents are rated according to their risk for human beings, animals, environment as well as for the business as such. The higher the risk of irreversible damages the higher the rating. The most severe violations against the beeline Supplier Code of Conduct need to be handled with a certain immediate process and might lead to end of the business relationship. These incidents may have fatal consequences, such as, but not limited to:

- Fatal accidents with lethal consequences
- Irreversible pollution
- Negative public influence on beeline's or beeline's partners reputation such as but not limited to worst form of child labor and forced labor, lethal accidents.
- Serious incidents which cannot be/have not been improved in a certain time frame, such as but not limited to missing building safety certificate, missing fire safety certificate.

5. Roles & responsibilities

Corporate Sustainability Department

The Corporate Sustainability Department is responsible for the risk handling as outlined in section 6 as well as for the operative management of this policy.

In suspected cases of zero tolerance incidents the Corporate Sustainability Department may also involve the legal department as well as third party auditing bodies referring to section 6. Risk Handling.

Above that the internal roles and responsibilities regarding zero-tolerance incidents are defined in the following RASCI model:

RASCI: Zero-tolerance Policy	
Responsible	Manager Corporate Sustainability
Accountable	Head of Purchasing & Corporate Sustainability
Support	Corporate Sustainability Team, Auditors, Relevant Stakeholders
Consulted	Legal Department
Information	CEO

6. Risk handling

In order to ensure the application of and compliance with this policy, the suppliers are trained regularly, but at least once a year. Failure to comply with this policy may result in sanctions, debits or might finally end in termination of business.

The risk management of this policy is based on the three-line model of the Institute of Internal Auditors (IIA):

1. The governing body
2. The management
3. The testing body

The governing body

The role of the governing body is fulfilled by the Head of Purchasing and Corporate Sustainability. The governing body is accountable. Within the framework of this policy, its tasks include delegating responsibility, providing resources to implement this policy and establishing suitable monitoring functions.

The management

The role of management is fulfilled by the Manager Corporate Sustainability. Within the framework of this policy, the tasks include implementing this policy and supporting risk management.

The testing body

The role of the independent internal auditing body is fulfilled by internal auditors of beeline GmbH. The auditors are bound by instructions, such as audit guidelines. Within the framework of these guidelines, the tasks include internal auditing of the implementation of this policy and reporting to the management and governing body.

In line with the culture of trust, all employees are encouraged to report any breaches of this policy openly and honestly as part of the whistleblowing process. Managers, employees in the HR department and the Group Compliance Officer are available for this purpose. Reports can also be made completely anonymously via the Supplier Complaint Line.

7. Policy statement

beeline believes and commits to do business ethically. We always remain progressive in this direction and motivate our suppliers for continuous improvement and implementing the regulations related to ILO conventions, the German Supply Chain Act, local law and beelines Supplier Code of Conduct. Our first objective is to analyze the root cause of the issues and recommend best solution to them to ensure remedial measures are taken immediately . For this

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reason beeline has implemented the 'Zero tolerance policy'. Owing to this policy, beeline is prepared to suspend the relationship with suppliers if it is evident that either the supplier itself or (one) of their production units or subcontractors are in deliberate breach of this policy.

The incidents defined zero tolerance and to be listed as follows are to be found in beeline's Audit Requirements as well as in the Guidelines to beeline's Supplier Code of Conduct.

Section	Sub-Requirement
I Child Labor & Minor Workers	Suppliers have not to engage a child younger than 15 years of age in occupational activities dangerous for life and limb or immoral activities.
I Child Labor & Minor Workers	Supplier have to ensure the prohibition of the worst forms of child labour for children under 18 years of age in accordance with the ILO Convention 182; this includes a) all forms of slavery/practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts, b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances, c) the use, procuring or offering of a child for illicit activities such as extraction of or trading with drugs or any other work which, by its nature or because of the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children.
II Involuntary Labor, Prison Labor & Disciplinary Measures	Suppliers have to ensure that workers are employed voluntary, the prohibition of the employment of persons in forced labour; this includes any work or service that is required of a person under threat or punishment and for which he or she has not made himself or herself available voluntarily i.e., debt bondage or trafficking in human beings.
II Involuntary Labor, Prison Labor & Disciplinary Measures	Suppliers have to ensure the prohibition of all forms of slavery, practices akin to slavery, serfdom or other form of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation.
II Involuntary Labor, Prison Labor & Disciplinary Measures	Suppliers have not to be engaged in any activities related to Human Trafficking which has been defined by the UNODC as including three basic elements: action (e.g., recruitment), means (e.g., threat, force) and the purpose of exploitation.
II Involuntary Labor, Prison Labor & Disciplinary Measures	Suppliers have not to employ prison labour.
III Discrimination & Harassment	It is strictly forbidden to offer or to force contraception or abortion.

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V Occupational Health and Safety

Suppliers have not to use abrasive blasting, such as wet abrasive blasting, bead blasting, wheel blasting, hydro blasting, micro-abrasive blasting, automated blasting, dry-ice blasting, bristle blasting, vacuum blasting or sand-blasting. All abrasive techniques are a massive risk for the health of the workers, thus, it is not only forbidden to use abrasive blasting techniques for beeline products, but for the whole production unit involved in the production of beeline goods, unless a dust-free cabinet is provided.

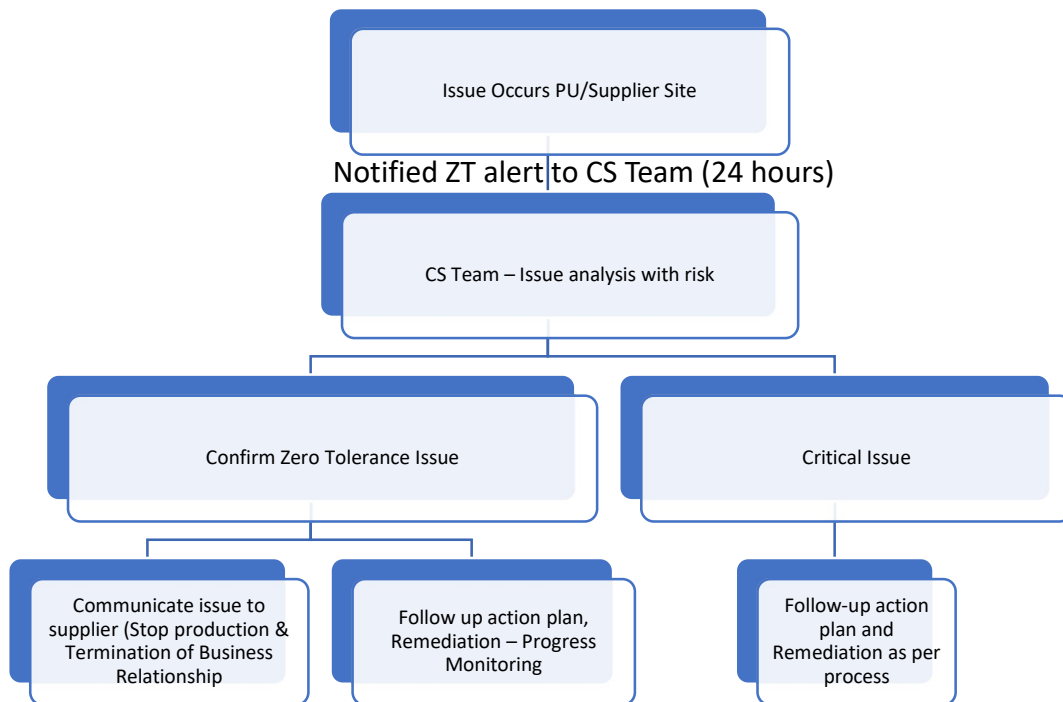
Each of the above mentioned zero-tolerance incidents may have a high negative and partly irreversible impact on physical and mental health of the human beings involved throughout the supply chain.

To highlight these among all incidents which may happen and to improve the impact on the awareness and omission of such incidents, beeline reserves the right to impose the following sanctions:

- Penalty fees
- Remediation
- Production stop
- End up the business relationship
- For some cases: criminal charge in respective production country

In case of suspicion of a zero-tolerance incident the following process will start immediately, within 24 hours at the latest. Further investigations will be made to prove a reasonable suspicion of the incident and actions will be taken by beeline and requested from our supplier and its production unit accordingly.

In case further investigations will lead to the conclusion that the suspicion was unsubstantiated the incident will be documented and closed.



8. Communication

The policy is shared with all suppliers along the supply chain. It is part of the beeline Supplier Code of Conduct Guidelines and is shared with both new and existing suppliers. In case of changes within the policy those will be communicated via beeline's monthly Supplier Newsletter. Onsite/web trainings are arranged for all our suppliers for the better understanding about beeline's standard and policies at regular intervals. beeline's auditors are well trained about the standard and provide decent amount of information related to the policy during onsite assessments.

9. Monitoring and improving

These guidelines are subject to an annual effectiveness review and adjusted if necessary.

Zero-tolerance cases and its progress need to be reported to beeline's Legal Department.

In case of the evidence of a zero-tolerance incident the Corporate Sustainability Team and the Legal team will monitor the business termination with the respective production unit or the respective supplier.

10. Appendices

Situation Assessment template

11. References

LkSG – German Supply Chain Act

UN Rights of the Child

UN Human Rights

UN Global Compact

UN Palermo Protocol

UNODC

ILO C (29), 105 & 122

ILO C 138 & 182 & 183

ILO R

ILO R 146 & 190

OECD

ISO 26000

ISO 45001

SA8000

ETI

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The IIA's Three Lines Modell by The Institute of Internal Auditors