

Thomann Code of Conduct Supplier

th•mann

Introduction

Dear supplier,

In 2024, our company will be celebrating the seventieth anniversary of its foundation by my father, Hans Thomann Senior. Starting out as a small, owner-managed company, sustainability has been a prerequisite for our continued existence and success since the very beginning – even if that’s not what we were calling it at the time.

Long-term customer loyalty, close relationships with suppliers, employee satisfaction – these were early indicators of sustainable business practices.

However, over time and as the economy has become increasingly global, the scope of our actions has expanded immensely, and the definition of “sustainability” has also been constantly expanded over the past decades. If we want to act sustainably, we must respect and uphold human rights and the responsible use of resources in production and distribution.

This set of rules ensures that we comply with an obligation imposed by legislators, and reinforces our commitment as a company to continue exercising responsibility for people and the environment.

I thank you in advance for carefully studying and conscientiously implementing our Code of Supplier Conduct.

Yours sincerely,

Hans Thomann





Preamble

Thomann is committed to ecologically and socially responsible corporate governance. Our sustainability model includes adhering to ethical business practices, implementing environment-friendly processes and promoting social responsibility. We believe that working closely with our suppliers is essential for an ethical, sustainable supply chain.

This Code of Conduct aims to ensure that our supply chain is designed in line with our values and principles. To this end, it defines minimum requirements for our suppliers.

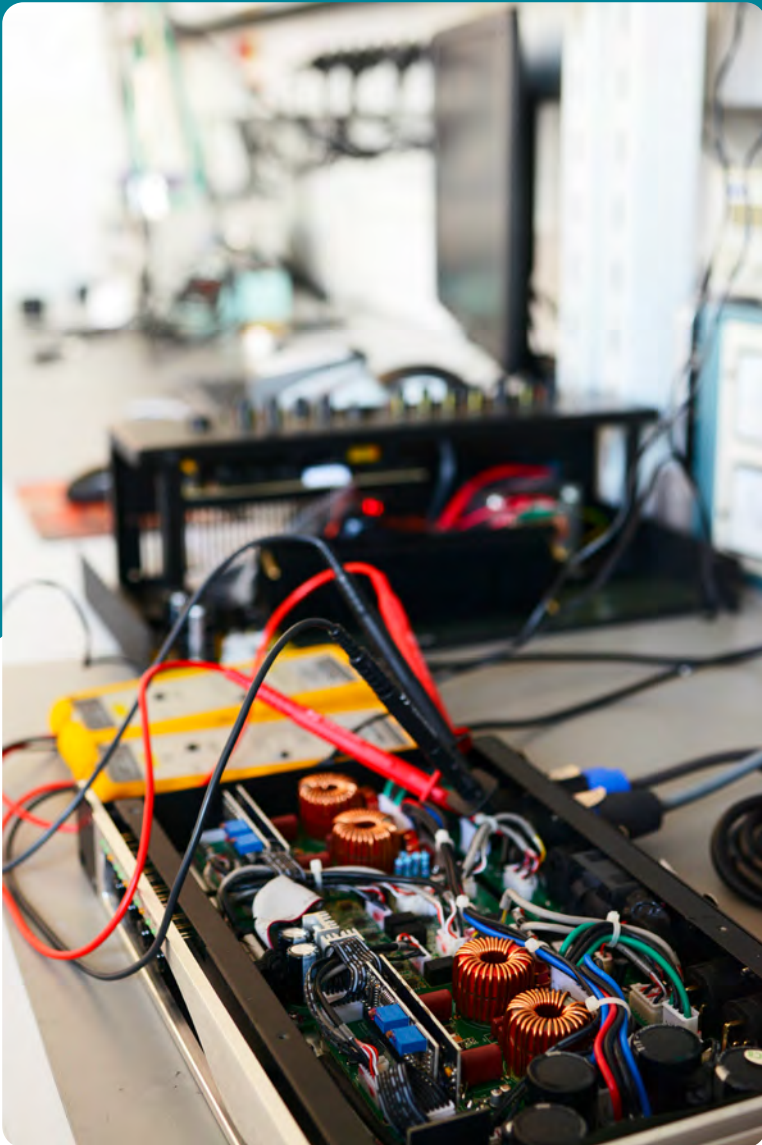
The expectations for our suppliers set out below must be implemented appropriately. The appropriateness of their implementation will be assessed with particular attention paid to the respective company size and probability of occurrence of the risk.

Section 1

Compliance with laws

Our suppliers must comply with all laws and regulations applicable to their business, including the local laws and regulations of any country outside their home country in which they conduct business or provide services.





Responsible sourcing of minerals (conflict minerals)

We expect our suppliers to offer products made from materials, including the minerals they contain, that are responsibly sourced, and to support efforts to eliminate the use of minerals that directly or indirectly fund or benefit armed groups that commit serious human rights abuses.

We expect our suppliers to conduct appropriate due diligence and provide supporting information on their sources and supply chain for these minerals upon requested.

If the supply chain of the delivered material is “indeterminable” or otherwise unknown, the supplier is expected to either obtain the relevant certifications or phase out the material and inform THOMANN of this circumstance immediately and unasked.



Principles and Code of Conduct

We expect our suppliers to adopt and comply with their own written appropriate Code of Conduct, which should include the expectations of this Code as a minimum standard, and to communicate these principles to all suppliers with whom they work in the provision of goods and/or services. We expect our suppliers to maintain effective programmes that encourage their employees to make ethical, values-based decisions in their business dealings, including developing an employee code of conduct and related training.

Help and advice

We expect our suppliers to provide appropriate reporting channels for their employees and third parties to seek advice or raise legal or ethical concerns without fear of retaliation, including the ability to report anonymously. If the supplier cannot implement its own reporting channels due to the size of the company, it must always pass on the information about THOMANN's reporting system to its employees and third parties.

We expect our suppliers to take steps to prevent, detect and remedy retaliatory actions.



Risk management

We expect our suppliers to actively manage their risks and not pass them on to subcontractors or third parties in an inappropriate manner. Our suppliers should share information on relevant risks to ensure that these can be mitigated.

Human rights

We expect our suppliers to respect human rights in their business and operations by treating their own and their suppliers' employees with dignity and promoting fair employment practices. These include fair, competitive wages, the prohibition of harassment, bullying and discrimination, the prohibition of child labour, forced labour, compulsory labour or servitude, and the prohibition of human trafficking for any purpose.

Our suppliers are expected to identify risks and actual adverse human rights impacts related to their operations and business relationships. They should take appropriate measures to reduce the risk and ensure that their operations do not contribute to human rights violations, and to address adverse impacts directly caused or contributed to by their operations or business relationships.

Child Labour

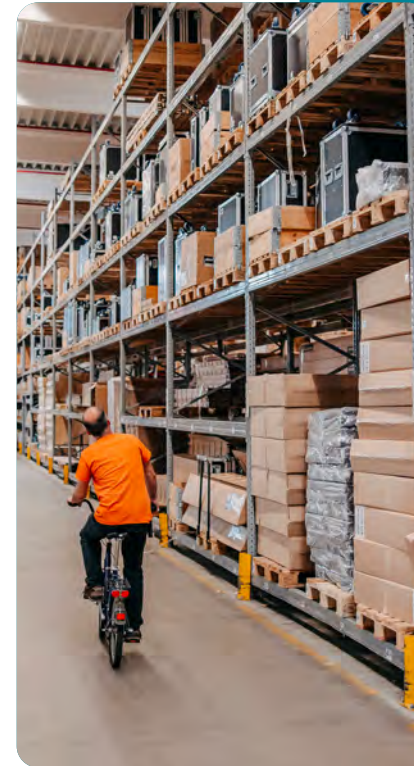
Our suppliers are expected to ensure that no unlawful child labour is used in the performance of the work. The term “child” includes all persons below the legal minimum age of employment applicable in the country where the work is performed and/or below the minimum age of employment set by the International Labour Organization (ILO), whichever is higher.

Modern slavery including human trafficking, forced labour, compulsory labour or servitude

Suppliers must prevent any involvement in all forms of modern-day slavery, including human trafficking, forced labour, compulsory labour or servitude. All work should be performed freely by the worker. We expect our suppliers to provide all workers with a written contract in a language they can easily understand, which clearly sets out their rights and obligations in terms of wages, working hours, social benefits and other terms and conditions of employment. Suppliers must not withhold, destroy or deny access to workers' identity documents (passports or work permits) or make this a condition of employment, unless required by law.

Our suppliers must not directly or indirectly charge workers fees, recruitment costs or deposits as a condition of work.

Our suppliers must respect the right of workers to terminate their employment after a reasonable period of notice and to receive the full wages owed. Our suppliers must respect the right of workers to leave the workplace after their shift (see also Wages, social benefits and working hours).





Diversity and integration

We expect our suppliers to foster a diverse, inclusive work environment where employees are treated with respect and fairness.

Our suppliers are expected to provide equal employment opportunities to all employees and applicants without discrimination, and to comply with all applicable anti-discrimination laws and regulations.

Our suppliers must ensure that employment, including hiring, pay, benefits, promotion, termination and retirement, is based upon skills and not on personal characteristics (such as gender, origin, nationality, religion, union membership, etc.).

Harassment and bullying

We expect our suppliers to ensure that their employees have a working environment that is free from physical, psychological, sexual and verbal harassment, intimidation or other abusive behaviour.

Wages, social benefits and working hours

Our suppliers must pay their employees at least the legally required minimum wage and provide all legally required benefits; in particular, all legally required social security contributions (e.g. contributions to pension funds as well as health/nursing care, accident and unemployment insurance) must be paid on time and in full. In addition to being paid for regular working hours, workers must be paid the legally required extra pay for overtime, or at least the regular hourly rate in countries where there are no such laws. Our suppliers must not allow deductions from wages as a disciplinary measure or any other deductions not provided for by local law.

We expect our suppliers to provide their employees with regulated working hours, daily and weekly rest periods and annual leave at least to the extent required by local laws.





Health and safety

We expect our suppliers to establish an appropriate safety management system that includes measures to protect the health, safety and welfare of employees, contractors, visitors and others who may be affected by their operations. The aim is to prevent fatalities, work-related injuries and health impairments, and to limit exposure to safety hazards.

Our suppliers should take reasonable steps to provide a hygienic working environment and must ensure that the performance and safety of employees is not affected by alcohol, controlled substances (e.g. medication), or legal and illegal drugs.

Disciplinary and complaints mechanism

We expect our suppliers to have an employee disciplinary procedure in place to address concerns about employees' work, conduct or absenteeism.

We expect our suppliers to have a complaints mechanism in place for employees to raise workplace issues or concerns or to appeal a disciplinary decision.



Environmental

We expect our suppliers to conduct their business in a way that actively manages environmental risks in their operations, products and supply chain.

We expect our suppliers to establish an appropriate environmental management system that includes policies and procedures aimed at effectively managing their environmental performance, including the integration of environmental aspects into their services or product designs.

The following laws and regulations relating to the environment must be complied with in particular:

- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

Policy statement

The Supplier agrees to comply with THOMANN's human rights and environmental expectations as expressed in the current version of the Thomann Policy Statement on Human Rights Strategy (hereinafter the "Expectations"). In case of doubt, the Expectations take precedence over Part 1 of this Code. The Thomann Policy Statement on Human Rights Strategy is published at www.thomann.de (search for: "Policy Statement on Human Rights Strategy"), is regularly reviewed and is updated in the event of significant changes in the human rights and environmental risk situation. THOMANN will provide its suppliers with a copy of the Expectations at any time and upon request.

The supplier must address the Expectations along the relevant supply chain appropriately in a contractual form. This means that the supplier must contractually oblige its direct suppliers to comply with the Expectations, or at least with standards of an equivalent level, and in turn to pass this obligation on to its suppliers along the supply chain back to the originating manufacturer/supplier.

The supplier shall, if necessary with the support of THOMANN, offer and conduct education and training programmes at its company in order to strengthen the internal enforcement of the aforementioned assurances of the supplier.



Section 2

Inspections and certificates

The supplier agrees that THOMANN or an appropriate third party on its behalf may inspect the supplier's company (including any relevant production facilities) to the extent necessary to verify the supplier's compliance with the described Expectations. THOMANN may, at its reasonable discretion, conduct the inspections based on risk or suspicion of non-compliance, but always when THOMANN receives credible information that the supplier is not meeting the Expectations. The supplier shall cooperate to the extent necessary to confirm compliance with the Expectations. During an inspection, the supplier's business secrets shall be taken into account in an appropriate manner. In the case of a risk-based inspection, this can also be replaced by the supplier proving to THOMANN's satisfaction that it has suitable certification that covers at least the areas of human rights and environmental concerns (e.g. valid and current ISO 37301, ISO 14001 or SA8000 certificate or comparable).

Violation of human rights and environmental expectations

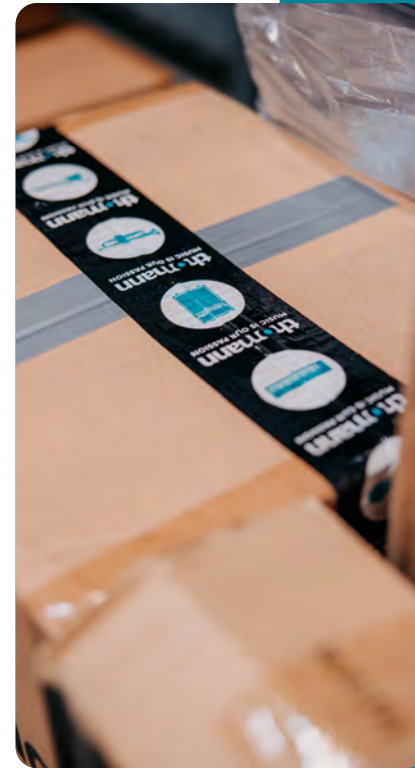
If there is a violation of the Expectations in the supplier's area of responsibility, the supplier must immediately remedy and cease this violation. If the nature of the breach is such that it cannot be remedied immediately, or if the breach takes place along the supplier's supply chain, the supplier must immediately draw up and implement a viable concept with a concrete timetable for ending or at least minimising the breach. If the breach occurs along the supplier's supply chain, then the supplier must additionally cooperate in establishing appropriate preventive measures to be taken against the perpetrator (sub-supplier at any level), such as implementing control measures, supporting the perpetrator in preventing and avoiding risks, or implementing industry-specific or cross-industry initiatives to which the supplier is a party.

The aforementioned measures are to be understood as minimum requirements and are in addition to all rights to which THOMANN is entitled contractually or under applicable law in the event of a breach or non-compliance by the supplier.

Information obligations

Each supplier shall immediately inform THOMANN in writing as soon as it becomes aware of or has sufficient reason to believe that it or one of its sub-suppliers along the supply chain is in breach of the Expectations (Part 2), this Code or its own Code of Conduct (hereinafter referred to as "Infringement"). This duty to inform applies in particular in the event that official investigations or legal proceedings are initiated against our supplier or one of its sub-suppliers and at least one of the reasons for this is non-compliance with standards from the Expectations or this Code or standards that are comparable to them.

In this context, THOMANN would also like to point out the complaint options and the complaint procedure, which are described on www.thomann.de and are open to everyone (search for: "whistleblower system").





Section 3

Other obligations of suppliers and consequences of non-compliance with the Code

Supplier self-disclosure

For evaluation purposes, THOMANN is entitled to require our suppliers to complete a suitable supplier self-disclosure (including updating a self-disclosure already submitted). The supplier shall cooperate and provide the information requested therein to a reasonable extent.

THOMANN advises its suppliers that the supplier self-disclosure may be shared with affiliated companies (e.g. if a supplier has or wishes to establish a business relationship with more than one THOMANN company).

Suspension and termination of contracts

In the event of an infringement, THOMANN shall be entitled to immediately suspend the affected contract(s) and the related services until the infringement is remedied or otherwise resolved. THOMANN is also entitled to terminate all affected contracts with immediate effect for good cause if the case of infringement is such that it cannot be remedied or resolved, the supplier refuses to remedy the situation or does not take remedial action or does not remedy the infringement within a reasonable period of time set by THOMANN, or it is a repeated or serious infringement and THOMANN cannot reasonably be expected to continue the affected contract(s).

The aforementioned rights shall apply without prejudice to and in addition to all rights to which THOMANN is entitled by contract or under applicable law due to an infringement by the supplier, in particular with regard to claims for damages or indemnification.

