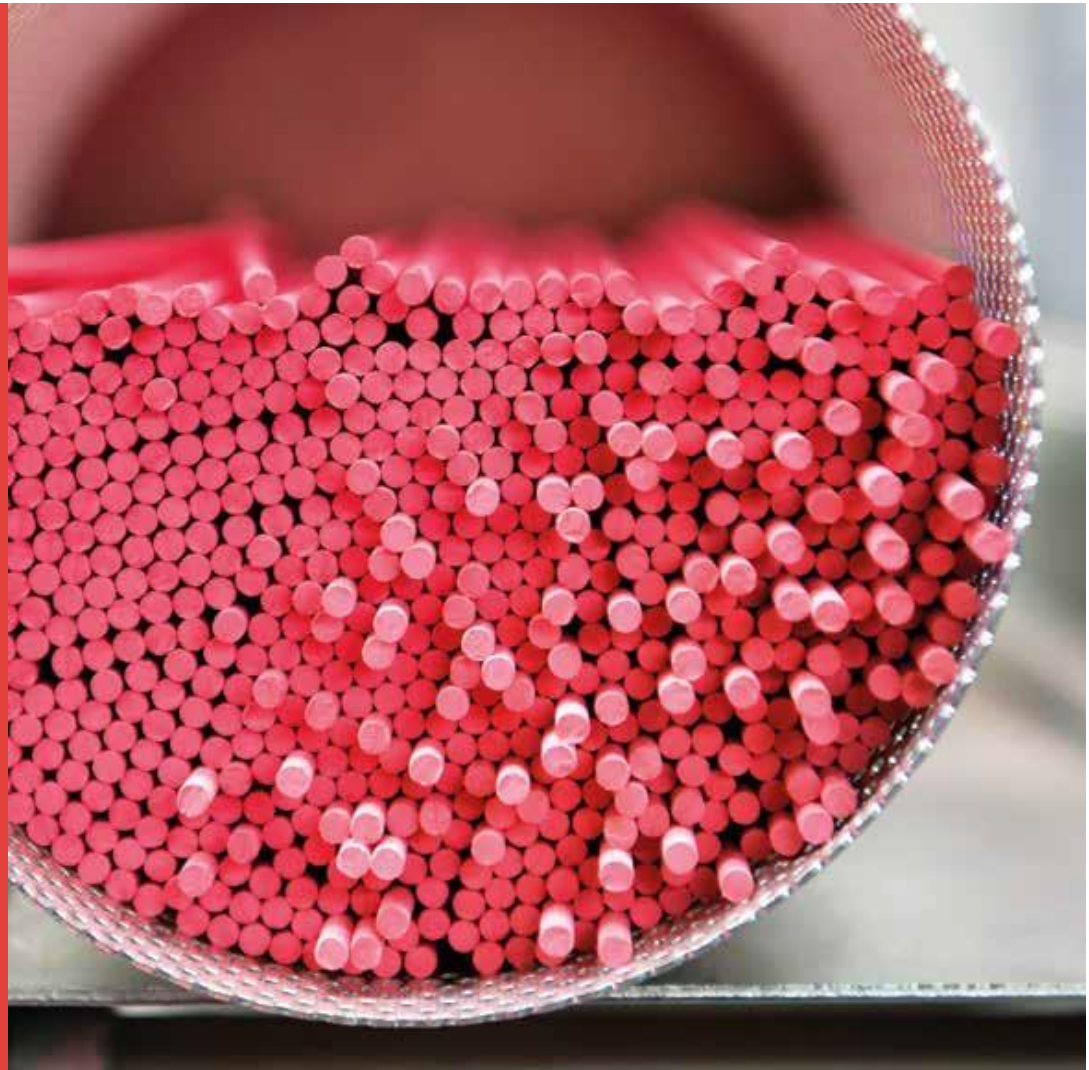


***Code of Conduct for Business Partners  
of the Faber-Castell Group***



*We need you!*

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## Preamble

Faber-Castell AG including the companies affiliated within the meaning of Sections 15 et seqq. AktG [Aktiengesetz, German Stock Corporation Act] (collectively and hereinafter referred to as "Faber-Castell") is a globally operating company which lives up to its ethical, social and ecological responsibility within the company and in dealing with its Business Partners.

The code of conduct specified in this Code of Conduct for Business Partners defines the general requirements demanded by Faber-Castell from its suppliers, customers, service providers and other contractual partners (hereinafter referred to as "Business Partners"). In particular, said requirements relate to the responsibility vis-à-vis people and the environment and are essential for a successful cooperation with Faber-Castell.

Each of Faber-Castell's Business Partners agrees to safeguard and implement the principles stated below, also throughout its own supply chains. Should the Business Partner be subject to rules and regulations arising from a contractual relationship with Faber-Castell which provide for more specific provisions than this Code of Conduct for Business Partners, the contractual rules and regulations shall prevail.

## 1. General Principles

All Faber-Castell Business Partners undertake to comply with the national laws, regulations, directives and guidelines applicable to them as well as the relevant internationally recognized standards, such as - in the area of human rights - in particular the principles of the UN Global Compact, the UN Human Rights Charter, the international conventions on civil and political rights and on economic, social and cultural rights, the core labor standards of the International Labor Organization (ILO) and the principles of the Organization for Economic Cooperation and Development (OECD). In the area of corruption, it is particularly important to comply with the UN and OECD conventions against corruption. In addition, the following non-exhaustive list of basic legal, social and environmental principles must be observed.

## 2. Verhalten im Wettbewerb

Each of Faber-Castell's Business Partners endeavours to take business decisions without consideration of personal concerns and solely based on factual and objective criteria and to avoid any conflicts of interest whatsoever. The Business partner must inform Faber-Castell immediately if a conflict of interest is possible or becomes known.



### **2.1. Avoidance of Corruption**

Each of Faber-Castell's Business Partners agrees not to tolerate corruption and thus to adhere to the international and local anti-corruption laws and standards. This also includes any benefits paid or offered to government officials or other third parties to obtain a commercial advantage. Neither shall appropriate payments or benefits be requested or offered by a Business Partner of Faber-Castell.

### **2.2. Antitrust and Competition Law**

Faber-Castell expects its Business Partners to promote free competition. This includes compliance with all regulations under competition law as well as the corresponding national and/or international antitrust laws and laws against unfair competition. Each of Faber-Castell's Business Partners agrees not to participate in anti-competitive agreements and not to use or abuse a possibly existing dominant position on the market in violation of the respectively applicable rules of competition.

The applicable statutory provisions regarding anti-money laundering must be observed.

### **2.3 Confidentiality and Data Protection**

The Business Partner will comply with the applicable regulatory data protection framework. Data processing will only take place in a transparent manner and to the necessary extent. The right of access and right to rectification as well as, if applicable, the right to object, to restrict processing and to erasure shall be observed.

### **2.4 Export and Import**

The Business Partner undertakes to observe the applicable import and export control laws, in particular, sanctions, embargoes and other regulations and law.







### **3. Corporate Responsibility**

Faber-Castell undertakes to comply with the employment and working conditions as recommended by the International Labour Organisation (ILO).

Faber-Castell expects its Business Partners to adhere to the labour-law regulations applicable to them and also to safeguard the employment and working conditions for their employees and Business Partners as recommended by the International Labour Organisation.

#### **3.1. Dealing with Child Labour**

The Business Partner shall comply with the United Nations Convention on the Rights of the Child and the ILO Core Labor Standards. Every child shall be protected from economic exploitation and from engaging in work that is considered hazardous, interferes with the child's education, or impairs the child's healthy development. According to ILO Convention 138, the minimum age for admission to employment or work is 15 years; in the countries referred to in Article 2.4 of the Convention, it is 14 years. The minimum age for hazardous work is 18 years in all countries.

### **3.2 Dealing with Forced Labour**

Any form of forced or compulsory labour or other forms of domination or oppression in the workplace will not be tolerated. This means that the Business Partner will not use labour that is involuntarily performed under threat of punishment or otherwise through extreme economic or sexual exploitation and humiliation, including forced overtime, debt bondage, forced prison labour, slavery or servitude. In addition, the Business Partner agrees to take action against forced and compulsory labour and comparable forms of oppression and not to use or benefit from them under any circumstances. Employees of the Business Partner may resign at their own discretion, subject to the statutory or individually applicable notice periods.

Accordingly, Faber-Castell expects that each Business Partner treats its employees with dignity and respect. Sanctions, fines, other punishments, or disciplinary measures may only be taken or implemented in accordance with the applicable national and international rules and regulations as well as in respect of human rights.

### **3.3 Discrimination and Harassment**

The Business Partner must ensure equal opportunities and equal treatment and reject any form of injustice and discrimination, for example based on race, ethnic origin or nationality, religion or belief, political or trade union activity, social views, gender or sexual identity, age, disability, health status or other distinguishing features.

The Business Partner shall ensure that no employee is subjected to verbal, psychological, sexual and/or physical violence, coercion or similar harassment. Intimidation by the employer is strictly prohibited. The same applies to paying unequal wages for work of equal value.

### **3.4 Wages and Social Benefits**

Each of Faber-Castell's Business Partners shall pay its employees reasonable wages which correspond to at least the minimum wage of the respective region as provided for according to the law and/or collective agreements and comply with the respectively applicable statutory provisions on working hours and social benefits. In the absence of national legislation on working hours, the international standards of the ILO apply. Deductions from wages without legal justification are not permitted, and overtime must be adequately compensated. In addition, the professional skills of employees at all levels should be enhanced through appropriate training and development. In addition, employees' occupational skills shall be promoted at all levels by means of suitable training measures.



### **3.5 Occupational Health and Safety Protection**

Each Business Partner shall adhere to the provisions regarding occupational health and safety protection applicable to it.

Faber-Castell expects its Business Partners to take all necessary measures required to ensure a safe, healthy and hygienic working environment and to prevent accidents and work-related illnesses. According to Faber-Castell, these measures include, amongst other things, protective measures for dealing with hazardous substances, occupational safety measures for machines and relevant staff training sessions.

In this respect, internationally accepted occupational safety and social standards shall be complied with (amongst other things, the provision of staff rooms and water (drinking water quality)). In addition to this, the Business Partner shall promote a continuous improvement of the working environment.

### **3.6 Trade Unions, Employee Representation and Complaint Mechanisms**

In accordance with ILO Conventions 87 and 98, each Business Partner must accept and safeguard the fundamental right of its employees to form and join trade unions and workers' representative bodies. Forming, joining or being a member of a trade union shall not be a basis for unjustified discrimination or retaliation. This includes the right to strike and the right to collective bargaining. The establishment of reporting and complaints mechanisms is mandatory.



### 3.7 Protecting Livelihoods

Each Business Partner must ensure that no harmful soil alteration, water pollution, air pollution, harmful noise emissions or excessive water consumption is caused that is likely to (i) significantly impair the natural basis for the preservation and production of food, (ii) deny a person access to clean water, (iii) impede or destroy a person's access to sanitary facilities, or (iv) harm a person's health.

### 3.8 Forced expropriation and forced resettlement

Each Business Partner is required to comply with the prohibition of the unlawful appropriation of land, forests and waters, the use of which provides a person with a livelihood.

### 3.9 Security Forces

If private or public security forces are used to protect the company, each Business Partner is required to properly instruct and monitor these security forces to prevent torture and cruel, inhuman or degrading treatment, injury to life and limb, and violations of freedom of association and trade union rights.

## 4. Conduct regarding the Environment

Faber-Castell strives to deliver the best in all product categories and services without disregarding its ecological responsibility in doing so. Bearing in mind that natural resources can only be permanently protected and maintained by sustainable environmental and climate protection in compliance with national and international laws and regulations, Faber-Castell emphasizes an environmentally friendly and sustainable production, as contribution to safeguarding the future.

In general, the Business Partner must comply with all legal requirements for the protection of the environment and must minimize the environmental impact of its business activities. In addition to the requirements of Sections 4.1 - 4.3, this includes compliance with the following:

- the Stockholm Convention on Persistent Organic Pollutants ("POPs Convention"), in particular with regard to the prohibition of the production and use of chemicals pursuant to Art. 3 para. 1 lit. a and Annex A of the POPs Convention as well as the environmentally unsound handling, collection, storage and disposal of waste.
- the Minamata Convention on the management of mercury, in particular (i) the use of mercury and mercury compounds in products/manufacturing processes and through the treatment of mercury wastes, (ii) the use and disposal of persistent organic pollutants and the collection, storage and disposal of resulting wastes, and (iii) the transboundary movement of hazardous wastes and their disposal.
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

#### **4.1 Environment and Climate Protection**

Faber-Castell expects each Business Partner to develop and manufacture products in a safe and environmentally friendly way; this also applies to the packaging and transport of such products. This includes e.g.: an evaluation of the Business Partner's own environmental impacts, management systems (e.g.: according to ISO 14001 or an equivalent system) or an increase in resource efficiency.

It is expected that the Business Partner maintains procedures and systems which effectively optimise the use of all relevant resources such as energy, water and raw materials.

#### **4.2 Waste and Emissions**

It is expected that the Business Partner will establish procedures and systems which guarantee at least the safe handling, transport, storage, recycling, reuse and management of raw-materials, materials and waste.

The Business Partner agrees to avoid and/or minimise negative effects on human health or the environment by means of taking appropriate measures.

#### **4.3 Process Safety**

It is expected that the Business Partner uses a management system to manage working processes, taking into account any accepted safety standards. Where necessary, a specific risk analysis for plants shall be made. With regard to all plants, the Business Partner shall take measures to prevent the occurrence of incidents such as the leakage of chemicals and/or explosions.

### **5. Product Responsibility**

#### **5.1 Product Safety**

The Business Partner undertakes to offer Faber-Castell safe and uncritical products for the intended use and further to provide Faber-Castell with all relevant product information, in particular, on the composition, use (safety data sheets, processing instructions and/or assembly/installation instructions as well as occupational safety measures) and disposal of its products, if applicable, in due time before delivery/performance. Moreover, the Business Partner agrees to make specific documents available upon request.

#### **5.2 Clinical Trials and Animal Protection**

It is expected that the Business Partner will conduct clinical trials and/or animal testing only in accordance with international regulations and applicable national and local provisions, limit such trials or tests to the absolute minimum and fully respect animal welfare.

#### **5.3 Conflict Minerals**

The Business Partner shall ensure that no products are delivered to Faber-Castell which contain metals (in particular tantalum, tin, tungsten, gold), whose base minerals and/or derivatives thereof originate from conflict or high-risk areas, where they directly or indirectly serve to finance or support armed groups, or do not fulfil social expectations. The national and EU-wide requirements for the fulfilment of due diligence obligations in the supply chain are applicable.

## 6. Compliance with the Faber-Castell Code of Conduct for Business Partners

Faber-Castell expects its Business Partners to comply with the Faber-Castell Code of Conduct for Business Partners. At the beginning or upon the renewal of a contractual relationship with Faber-Castell, each Business Partner shall declare its compliance with the code of conduct established in this Code of Conduct for Business Partners.

A violation of the standards of behaviour stipulated in this Code of Conduct by a Business Partner may jeopardise the business relationship with Faber-Castell and lead to the termination of the business relationship.

### 6.1 Information and Communication

This Code of Conduct, respectively its key elements, should be communicated by the Business Partner within its organization.

### 6.2 Monitoring

Faber-Castell reserves the right to verify compliance with the above requirements either by Faber-Castell itself, by independent third parties in the course of audits, or by reviewing official certifications.

## 7. Reporting Channels

The Business Partner shall inform its employees and subordinate Business Partners about the requirements of this Code of Conduct and report (suspected) violations of this Code of Conduct and applicable laws via the complaints procedure for the German Supply Chain Act (LkSG) or to the ombudsperson. Such a report may also be made directly to the Chief Compliance Officer of Faber-Castell.

### 7.1 Complaints Procedure for the German Supply Chain Act (LkSG)

The complaints procedure is a digital tool for the complaints procedure as defined by the German Supply Chain Act (LkSG). It is intended to enable employees or external persons to report violations of human rights and environmental risks or violations at Faber-Castell or its Business Partners confidentially and anonymously.

The digital complaints procedure BDO Legal can be accessed via the Faber-Castell homepage under <https://www.faber-castell.com/legal/compliance/reporting-channels/complaints-procedure>.



## 7. 2 Ombudsperson

To strengthen the compliance system, Faber-Castell has established a global Ombudsperson system (whistleblowing). Business Partners may also report violations of the Code of Conduct for Business Partners, in particular, cases of suspected corruption, white-collar crime or similar severe irregularities to the external Ombudsperson of Faber-Castell. Confidential treatment is guaranteed.

The Ombudsperson shall serve as an external and thus neutral contact person for (also anonymous) reports made by employees of Faber-Castell as well as external third parties.

The ombudsperson ensures availability during normal business hours via a compliance hotline. In addition, the ombudsperson can be contacted by email and post.

The Ombudsperson will immediately inform Faber-Castell's Chief Compliance Officer of the content of the reports made, insofar as they are relevant to compliance and, if so requested by the whistleblower, preserving his anonymity.

### Contact Details

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Vice President of Corporate Legal & Compliance

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