

# The Freshfields Supplier Code

Addendum for Germany

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## I. Introduction

Freshfields PartG mbB (‘Freshfields’) is committed to environmentally and socially responsible corporate governance. Accordingly, it expects that its Suppliers, service providers, platform partners, distributors, consultants, intermediaries and other Suppliers (collectively ‘Suppliers’) will comply with the principles of Freshfields ‘Supplier Code’ amended where required by this Addendum.

The Supplier Code, including this Addendum, reflects the requirements of national laws and regulations in the field of supply chain compliance such as the German Supply Chain Duty of Care Act (LkSG). Accordingly in addition to the principles detailed in the Supplier Code, the following requirements of this Addendum shall also apply to our Suppliers providing either goods or services to Freshfields PartG mbB.

## II. Requirements for Suppliers

### 1. Social responsibility

- The Suppliers must comply with all the prohibitions set out in section 2(2) LkSG (a list of the prohibitions can be found in Annex 1), in particular with the following requirements and prohibitions:
- **Prohibition of child labour (section 2(2) nos. 1 and 2 LkSG)**  
Child labor is strictly prohibited. Employment practices must comply with the ILO conventions and national law, whichever is stricter, relating to minimum age, child labor and employment of underage workers. Suppliers shall not employ a child under the age at which compulsory schooling ends according to the law of the place of the employment, provided that the age of employment is not less than 15 years, except where the law of the place of the employment differs in accordance with Art. 2 (4) and Art. 4-8 of Convention No. 138 of the ILO. Suppliers must also comply with Art. 3 Convention No. 182 of the ILO concerning the prohibition and immediate action for the elimination of the worst forms of child labor such as all forms of slavery or slavery-like practices and work which, by its nature or the circumstances in which it is carried out, is likely to harm the physical and emotional well-being of children.

Employees under the age of 18 must be granted additional protection compared to adult employees, particularly with regard to overtime and hazardous work. Proof of age must be checked and documented before employment.

- **Exclusion of forced labour (section 2(2) nos. 3 and 4 LkSG)**

No forced labour, slave labour and/or comparable labour may be used. In particular, Suppliers shall act in accordance with  
*Art. 2 (2) of Convention No. 29 of the ILO and Art. 8 (3) (b) and (c) of the International Covenant on Civil and Political Rights.*

All labour must be voluntary and without threat of punishment. Employees must be able to end their work or employment relationship at any time. In addition, there must be no unacceptable treatment of workers, such as psychological hardship, sexual harassment or humiliation.

- **Health protection; safety in the workplace (section 2(2) no. 5 LkSG)**

The Supplier is responsible for providing a safe and healthy working environment. By setting up and applying appropriate occupational safety systems, the necessary precautionary measures shall be taken to guard against

accidents and injury to health that may arise in connection with the work. Appropriate measures must be taken to prevent excessive physical or mental fatigue. In addition, employees shall be regularly informed and trained on applicable health and safety standards and measures. Employees shall be given access to sufficient quantities of drinking water and clean sanitary facilities.

- **Fair working hours (section 2(2) no. 5 LkSG)**

The right to work and local national law on working time, or the ILO standards, if no national law exists, shall be respected. Overtime hours of workers shall be voluntary and shall not be requested on a regular basis. The Supplier shall have in place guidelines and processes to record working hours, which shall be compensated in full.

– **Freedom of association (section 2(2) no. 6 LkSG)**

Suppliers shall encourage open communication and direct engagement with workers to resolve workplace and compensation issues. Suppliers shall also respect the legal rights of employees to form and join worker organisations of their own choosing, including labour organisations or trade unions, and shall not discriminate based on an employee’s decision to join or not join a labour organisation. Prohibition of discrimination (section 2(2) no. 7 LkSG)

Unequal treatment of employees in any form is prohibited unless warranted by the requirements of the job. unless warranted by the requirements of the job. This applies, for example, to discrimination based on gender, national, ethnic or social origin, skin colour, disability, health status, political opinion, religion or belief, age, pregnancy or sexual orientation or any other status protected by applicable law.

Physical abuse, corporal punishment, harassment of any kind, mental or physical assault, and verbal abuse of employees shall be strictly prohibited.

Suppliers shall ensure that employees are not discriminated against in hiring practices including applications for jobs, promotion, rewards, access to training and senior positions, job assignments, conditions of employment including wages, benefits, discipline, or termination based on non-work-related personal characteristics.

– **Fair wages (section 2(2) no. 8 LkSG)**

Suppliers shall pay fair wages (minimum wage) and social benefits in accordance with the practices and laws applicable at the place of employment. Wages include local statutory entitlements (eg national insurance, paid leave). Wages and benefits shall be paid regularly, on time and in full and should provide an adequate standard of living for employees and their families. Equal compensation for work of equal value shall be provided. Payment shall be recorded.

– **Preservation of the natural livelihoods (section 2(2) nos. 9 and 10 LkSG)**

The Supplier may not, in violation of legitimate rights, withdraw land, forests or waters whose use secures a person’s livelihood. It must refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this harms human health, significantly impairs the natural basis for food production or prevents access to safe drinking water or sanitary facilities.

– **Use of security services (section 2(2) no. 11 LkSG)**

If Suppliers hire or make use of security services, it must be ensured that they do not violate the prohibition of torture and cruel, inhuman or degrading treatment, do not cause harm to life and limb and do not affect the right to freedom of association or assembly.

**2. Environmental responsibility**

Suppliers shall strive to use a precautionary approach with regard to environmental protection.

- The Supplier must comply with the prohibitions set out in section 2(3) LkSG. A list of the prohibitions can be found in Annex 2.
- Notwithstanding the obligations set out in Annex 2, the Supplier must comply with the following requirements and prohibitions:

– **Treatment and discharge of industrial wastewater**

Wastewater from operational procedures, production processes and sanitary facilities must be typified, monitored, checked and, if necessary, treated prior to discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

– **Dealing with air emissions**

General emissions from operations (air and noise emissions) and greenhouse gas emissions must be typified, routinely monitored, checked and, if necessary, treated before they are released. The Supplier is also responsible for monitoring its exhaust gas purification systems and is required to find economical solutions to minimise any emissions.

– **Handling waste and hazardous substances**

The Supplier shall follow a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. The prohibitions of the export of hazardous waste in the Basel Convention of 22 March 1989, as amended from time to time, must be observed.

Chemicals or other materials that pose a risk if released into the environment must be identified and handled in such a way that safety is ensured when handling, transporting, storing, using, recycling or reusing and disposing of these substances. Mercury shall be used in accordance with the prohibitions of the Minimata Convention of 10 October 2013 and persistent organic pollutants in accordance with the Stockholm Convention of 23 May 2001, as amended from time to time.

– **Reduce consumption of raw materials and natural resources**

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through processes and measures, such as by changing production and maintenance processes or procedures within the entity, by using alternative materials, by making savings, by recycling or by reusing materials.

– **Dealing with energy consumption/efficiency**

Energy consumption must be monitored and documented. Economical solutions must be found to improve energy efficiency and minimise energy consumption.

# III. Preventative measures and corrective action

▪ **Duty to inform/management systems**

In relation to supply chains, we expect our Suppliers to identify risks within these chains and within their own entity and to take appropriate action. In the event of suspected violations of the Supplier Code and/or this Addendum and violations within the Supplier’s supply chain, the Supplier shall inform the firm promptly (via Speakingup-Germany@freshfields.com) and, if necessary, regularly about the violations and risks identified and the action taken. Freshfields reserves the right in individual cases to require its Suppliers to provide evidence of suitable management systems that ensure compliance with the obligations set out in the Supplier Code and/or this Addendum.

Upon Freshfields’ request, the Supplier shall provide information about its own supply chain, to the extent legally permissible.

▪ **Audit rights**

The Supplier agrees that the client may carry out such audits once a year or on an ad hoc basis to verify compliance with the Supplier Code and/or this Addendum at the Supplier’s premises during normal business hours after reasonable notice in advance by persons appointed by the client. The Supplier is required to cooperate with us and is entitled to take appropriate steps to protect its business and trade secrets and to protect confidentiality.

▪ **Complaints mechanisms**

Suppliers may report information concerning compliance violations, including suspected corrupt practices, anti-competitive behaviour or violations of the obligations set out in the Supplier Code and/or this Addendum via our Freshfields Global Speak-up Hotline (run by an independent service provider). Further information and channels for raising concerns can be found on our website [Complaints]. The Supplier must inform its employees about the possibility to use our complaints mechanisms.

▪ **Right to termination**

If a violation of the provisions of the Supplier Code and/or this Addendum is detected, Freshfields will immediately notify the Supplier in writing and set a reasonable grace period for the Supplier to bring its conduct into compliance with these provisions. If a remedy is not possible in the foreseeable future, the Supplier must notify Freshfields immediately and, together with Freshfields, draw up a plan with a timetable for ending or minimising the violation. If the grace period expires without success or if implementation of the measures contained in the plan does not remedy the situation after the expiry of the timetable, and no milder remedy is available, Freshfields may break off the business relationship and terminate all contracts. The statutory right to extraordinary termination without setting a grace period, particularly in the case of very serious violations, remains unaffected, as does the right to compensation.

▪ **Awareness and consent of the Supplier**

By signing this document, the Supplier undertakes to act responsibly and to comply with the principles/ requirements outlined. The Supplier undertakes to communicate the content of this Code to its employees, agents and subcontractors in a manner that is comprehensible to them and to take all necessary precautions to implement the requirements.



# Annex 1

The Business Partner undertakes not to violate the following prohibitions:

1. the prohibition of employment of a child under the age at which compulsory schooling ends under the law of the place of employment, with the age of employment being no less than 15 years; this does not apply if the law of the place of employment deviates from this in accordance with Article 2(4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the minimum age for admission to employment (Federal Law Gazette 1976 II p. 201, 202);

2. the prohibition of the worst forms of child labour for children under the age of 18; this includes Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II p. 1290, 1291):

a) all forms of slavery or practices similar to slavery, such as the sale of children and child trafficking, debt bondage and servitude, and forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflict,

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, in particular for the production of and trafficking in drugs,

d) 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;

3. the prohibition of the employment of persons in forced labour; this includes any work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily, for example as a result of debt bondage or human trafficking; excepted from forced labour are work or services which are in conformity with Article 2(2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning forced or compulsory labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 letters b and c of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II p. 1533, 1534);

4. the prohibition of all forms of slavery, slavery-like practices, servitude or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation;

5. the prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment if this results in the risk of accidents at work or work-related health hazards, in particular due to:

a) obviously inadequate safety standards in the provision and maintenance of the work site, workplace and work equipment,

b) the lack of suitable protective measures to prevent the effects of chemical, physical or biological substances,

c) the absence of measures to prevent excessive physical and mental fatigue, in particular through inappropriate work organisation in terms of working hours and rest breaks; or

d) inadequate training and instruction of employees;

6. the prohibition of disregarding freedom of association, under which

a) employees are free to form or join trade unions,

b) the establishment, joining and membership of a trade union may not be used as grounds for unjustified discrimination or retaliation,

c) trade unions may operate freely and in accordance with the law of the place of employment; this includes the right to strike and the right to collective bargaining;

7. the prohibition of unequal treatment in employment, such as on the basis of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless warranted by the requirements of the job; unequal treatment especially includes payment of unequal remuneration for work of equal value;

8. the prohibition of withholding an appropriate wage; the appropriate wage is at least the minimum wage stipulated by the applicable law and is otherwise determined by the law of the place of employment;

9. the prohibition of causing harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption which

a) significantly impairs the natural basis for the preservation and production of food,

b) denies a person access to safe drinking water,

c) impedes or destroys a person’s access to sanitary facilities or

d) harms the health of a person;

10. the prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters whose use secures the livelihood of a person;

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5

11.

the prohibition of hiring or using private or public security forces to protect the entity’s project if, due to a lack of instruction or control on the part of the entity when deploying the security forces

a)

the prohibition of torture and cruel, inhuman or degrading treatment is disregarded,

b)

there is injury to life or limb, or

c)

the freedom of association and freedom of association are impaired;
12.

the prohibition of an act or omission in breach of duty that goes beyond numbers 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question.

Protected legal positions within the meaning of no. 12 above are those arising from the conventions for the protection of human rights listed below:

I.

Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) (ILO Convention No. 29)

II.

Protocol of 11 June 2014 to Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 2019 II p. 437, 438)
- III.

Convention No. 87 of the International Labour Organization of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organise (Federal Law Gazette 1956 II p. 2072, 2071) amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II p. 1135, 1136) (ILO Convention No. 87)

IV.

Convention No. 98 of the International Labour Organization of 1 July 1949 concerning the Application of the Principles of the Right to Organize and to Bargain Collectively (Federal Law Gazette 1955 II p. 1122, 1123) amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II p. 1135, 1136) (ILO Convention No. 98)

V.

Convention No. 100 of the International Labour Organization of 29 June 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (Federal Law Gazette 1956 II p. 23, 24) (ILO Convention No. 100)

VI.

Convention No. 105 of the International Labour Organization of 25 June 1957 concerning the Abolition of Forced Labour (Federal Law Gazette 1959 II p. 441, 442) (ILO Convention No. 105)

VII.

Convention No. 111 of the International Labour Organization of 25 June 1958 concerning Discrimination in the Field of Employment and Occupation (Federal Law Gazette 1961 II p. 97, 98) (ILO Convention No. 111)
- VIII.

Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II p. 201, 202) (ILO Convention No. 138)

IX.

Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II p. 1290, 1291) (ILO Convention No. 182)

X.

International Covenant of 19 December 1966 on Civil and Political Rights, (Federal Law Gazette 1973 II p. 1533, 1534)

XI.

International Covenant of 19 December 1966 on Economic, Social and Cultural Rights (Federal Law Gazette 1973 II p. 1569, 1570)
- FRESHFIELDS
- 6

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