

schleich

where stories begin



code of conduct

2022

What does compliance mean to me?

Compliance is more than just a word, to me it's a ethical promise which allows all consumers, customers, suppliers, the society and all other stakeholders to trust on schleich as a brand, as an employer, as an inspirational source for limitless play and creativity.

Dirk Engehausen (CEO)



In order to protect our consumers/shoppers so that they are not lied to, tricked, or misled, we want and need to adhere to compliance standards in marketing. Compliance laws ensure that a consumers/shoppers privacy rights are protected and that they have an option regarding which type of information a brand collects and how they communicate with us. Especially with our key target group – children – we need to ensure that this vulnerable consumer group is protected to the highest standards

Victoria Sutch (CTO)

Compliance means to me: Following the relevant laws, regulations and internal rules (Code of conduct) for our industry. By following our code of conduct we have a great starting point for a functional and ethical workplace. It is up to all of us to live up to those standards!

David Albert (COO North America)



Continue on the next page!

Quokka (QUO)





For me, the way we conduct ourselves at work should reflect the same values and principles that we wish children to learn through the joy of play. A strong code of conduct ensures as a global company and one of the leading companies in the toy industry compliance with all relevant laws, policies and regulations in the countries that we do business. For our team members it is about displaying daily a culture that is equitable, inclusive and diverse which creates a dynamic atmosphere to contribute, grow personally and professionally.

Annie Laurie Zomermaand (CCO North America)

**Compliance means acting lawfully.
Any time. No exceptions.**
Patrick Krauß (VP HR & Legal)



For me, acting compliant also means not tolerating discrimination. Diversity, Inclusion and Belonging is the higher purpose! If the diverse perspectives are heard, our products become better and better, which lead to satisfied customers. Let's move forward as a good example in the toy industry!

Udo Rother (VP Sales Europe & Distributor Markets & Managing Director)

**Compliance means for me integrity –
it builds trust and honesty which
again is the basis for us all to work
together globally as a strong team!**
Daniel Rupp (CFO)



Laws and regulations are an essential base for a peaceful and fair together both for societies and economies. Even if we sometimes complain about overregulation and complicated laws the advantages and the necessity of having a fair and equal competitive landscape are predominant. Compliance is an essential part of my personal values and there is no other way that compliance is also a fundamental part of schleich's corporate culture.

Dr. Carsten Setzer (COO)

Foreword by the Global Leadership Team

Dear employees,

We inspire imaginative storytelling in children and make it fun for them. Each of our products is made with the highest quality, detail and authenticity to ignite children's limitless imaginations.

In a world characterized by change, we bear a special responsibility – both for the well-being of our employees and for the protection of our children and the environment in which they grow up. We aspire not only to act in accordance with the law, but also to live up to our social responsibility both locally and globally. We want to work together to achieve our business goals and encourage free thinking and individual character development in our children.

For schleich®, the publication of this Code of Conduct is an important milestone. It shows that adhering to the law and internal compliance guidelines is a priority for us. The Code of Conduct is intended above all to provide us with guidance in everyday life and in critical situations, and to help us make the right decisions at all times.

Acting with integrity and a sense of duty are the cornerstones of our corporate success and form the basis for our dealings with each other, our customers, partners and the public. These guidelines are anchored in our Code of Conduct.

As your Global Leadership Team, we stand for an environment characterized by creativity, openness and tolerance, responsibility for each other and with each other, and entrepreneurial thinking and action – in every country, in every division of the company, and by every employee. If we have doubts, they can be expressed with confidence at any time.

Complying with laws, policies and acting with integrity is the responsibility of each of us. We can look back with pride on our company history and the great successes of the past. We have only been able to do this because each new generation at schleich® has risen to the challenges of their time. Let us therefore act in such a way that we can continue to be proud of ourselves and the path that schleich® will successfully take in the future.

Your Global Leadership Team



Content

06

**Our shared commitment
to ethics and compliance**

09

ABAC – Bribery and corruption

14

Diversity, inclusion & human rights

17

Sustainability

19

Health and safety

23

Accounting practices and record retention

25

Inquiries from the media and the public

27

Dealing with social media

29

**Questions and contacts –
schleich® Integrity Line**

32

Management rights



01. our shared commitment to ethics and compliance

Our shared commitment to ethics and compliance

We can only be a globally exemplary company if we also work responsibly on site – whether with our customers, in logistics, production or in the office. In no event will we accept unlawful or inappropriate conduct that is inconsistent with this Code of Conduct.

The provisions and behavioral expectations contained in this Code of Conduct are therefore binding for all schleich® employees under their employment contracts, and compliance with them is mandatory. Likewise, we expect our independent business partners and third parties to apply the same high standards when acting on behalf of schleich® (see “Code of Conduct for Suppliers”).

The Code of Conduct forms the framework for our daily actions. No guidelines can provide definitive answers to every question. Therefore, we act at all times in accordance with its specifications and guidelines, which we jointly support and actively embrace, while also listening to our inner compass. Whenever you have doubts about the right decision or behavior to adopt (from an ethical or legal perspective) or you have questions about the rules contained in the Code of Conduct, you should address them, fully disclose the circumstances and clarify the issue.

For us, good leadership means always acting responsibly. We therefore expect all our managers to set a good example, to place economic success at the center of their actions while respecting the requirements of our Code of Conduct and ensuring that all employees work together in a spirit of trust, thus providing guidance for all employees.

Each and every employee is responsible for the integrity and reputation of schleich® and for compliance with our Code of Conduct. If you become convinced that you have witnessed a violation of the Code of Conduct, you are obligated to report this immediately to the Compliance Officer. This is an essential part of our commitment to ethics and compliance.

We ask for absolute sensitivity and collegiality here. We have respect and appreciation for each other. We live in a culture where suspicions are voiced without hesitation. Nevertheless, not every suspicion ultimately turns out to be an actual violation of the Code of Conduct. Therefore, we always treat every report in strict confidence.

If you have any doubts as to the legality of a proposed activity, please contact the Compliance Officer and ask for advice. In the event of a violation of the rules contained in this Code of Conduct, which schleich® considers to be common obligations, schleich® reserves the right to take disciplinary action if necessary. Deviations from the provisions contained therein and non-compliance with statutory provisions may, depending on the severity of the violation, lead to appropriate disciplinary measures.



What this means for you:

- I follow generally applicable guidelines and laws.
- If I have any questions or doubts, I contact the Compliance Officer for clarification.
- I understand our Code of Conduct to be behavioral guidelines that are aligned with schleich®'s philosophy.
- I am aware of my responsibility to independently familiarize myself with the applicable laws, duties and rules of my place of employment, in addition to undergoing training. This includes, in addition to myself, the auditing of business partners and accruing invoices.
- If I become aware of a possible violation of laws, guidelines or the obligations described in this Code of Conduct, I will promptly report my observations to the Compliance Officer.

Practical example:

- As a leader, I want to be committed to first-class results and be an inspiring role model for my team at all times. Since I know that this requires the appreciation and promotion of a sense of togetherness within the team, I am committed to the ongoing development of my employees. In doing so, I give them confidence, empower them to take responsibility and to make decisions independently.
- In a meeting, I observe questionable behavior that I perceive to be a violation of the provisions of the Code of Conduct. I report this situation by immediately contacting the schleich® Integrity Line (see below), or the Compliance Officer.





02. abac – bribe ry and cor ruption

ABAC – Bribery and corruption



Personal financial interests must never influence our business and social decisions. We must, therefore, at all times avoid situations in which our own financial interests collide with the interests of our company or our business partners. Anti-Bribery & Anti-Corruption (ABAC) is our approach to this, offering no place for bribery and corruption.

Bribery, corrupt practices and money laundering

Our actions are characterized by integrity – always and everywhere. We do not do business at any price. We do not take bribes and do not bribe others. We put our product and our message at the center of what we do – this is the only way to convince our customers and partners. We do not give anything of value, directly or indirectly, to holders of public office, members of government or political parties, nor do we promise such gratuities to obtain or retain business or secure an improper advantage.

Therefore, to avoid any appearance of bribery or corruption, you will not, under any circumstances, solicit, request, accept or offer bribes, discounts, exchanges, improper payments, services or favors (gratuities). You will refuse all gratuities if even the **mere appearance of improper influence** could arise.

In dealings with business partners and customers, gifts, invitations and hospitality (including gratuities) are customary and permissible within reason. To prevent our assets and reputation from being damaged in any way, our decisions on whether to accept such gratuities are always based on objective and comprehensible reasons, taking into account all the circumstances of the individual case.

In doing so, you must always observe the following principles:

Only accept invitations from business partners or customers to meals or events if they are appropriate. In particular, you must check that the invitations are

unsolicited, serve a business purpose, do not occur too often and are in proportion to the business purpose and your position. The limits for accepting gifts provide you with an initial idea of what is considered appropriate. Nonetheless, higher value invitations may be appropriate as long as they are commensurate with the business purpose and your position.

Gifts must always be in reasonable proportion to the position of the contact person and schleich® employee, as well as to the duration and intensity of the relationship between schleich® and the business partner, and must not occur too often. The acceptance of gifts from persons or business partners with whom no business relationship exists (yet) is generally not permitted.

In any case, subject to mandatory consideration of the above principles, the following **value limits** apply to the acceptance of gifts:

- Voluntarily granted, low-value typical promotional gifts: Acceptance permissible, Compliance Officer information not required – Example: Accepting pens, flashlights, umbrellas at a trade show.
- Value not exceeding EUR 50: Acceptance permissible in principle – Example: Invitation to a “normal” lunch with customers.
- Value over EUR 50 but not exceeding EUR 150: Acceptance generally permissible, but acceptance requires prior written approval from the Compliance Officer. The final decision is based on the above principles – Example: Accepting an invitation to a music event, soccer game, etc.
- Value over EUR 150: Acceptance is inadmissible in any case and without exception.

If you are unsure of the value to be considered, contact the Compliance Officer. He shall make a binding and final decision in this respect at his reasonable discretion.

Depending on the culture, it may be advisable and legally permissible not to reject a gratuity in order to save face, but to accept it, report it to the Compliance Officer and, for example, donate it, or divide it among schleich® employees. In these individual cases, the Compliance Officer shall make a final decision based on reasonable discretion.

Even in the case of **gifts and invitations from us to our business partners** and customers, we always adhere to the principle that even the mere appearance of undue influence must be avoided in all cases. Such contributions are only permissible in reasonable amounts and within the scope of ordinary business activities and practices, taking into account the above principles and value limits. In cases of doubt, you should contact the Compliance Officer in confidence to make a decision. Many countries, including those of the EU, have enacted laws against money laundering. schleich® ensures that employees do not violate domestic or foreign **money laundering** regulations, either alone or in cooperation with third parties. "Money laundering" within the meaning of these provisions is, in particular, the smuggling into the legal economy (e.g. by means of exchange or transfer) of funds or other assets derived directly or indirectly from criminal acts. If in doubt about the permissibility of financial transactions involving the transfer of cash, please contact the Head of Finance and the Compliance Officer at an early stage.

With regular mandatory training programs and audits, we ensure that bribery, corrupt behavior and money laundering are prevented, detected and punished.

Competition

We want to act with confidence in the market – and do so fairly! Free competition is one of the fundamental principles of our global economic system. Only through unhindered competition can companies operate sustainably and jobs be preserved and created in the long term. It is therefore one of the most important drivers of innovation and global prosperity.

We at schleich®, as a company and as employees, also benefit and participate in the advantages of free competition, as it protects us from illegal price fixing, excessive prices and ultimately from economic disadvantages.

It is therefore all the more important for each of us to act sensitively in our daily work and to always be on the lookout for signs of an obstruction to free competition, for example, in the context of cooperations and shareholdings, the necessary exchange of information with (potential) competitors and suppliers, the provision of sales support services in sales and customer service, or even in our work in associations and interest groups. In this sense, we do not tolerate unfair advantages that market participants may obtain, in particular through manipulation, concealment, misuse of privileged information, misrepresentation of material facts or other unfair business practices. We respect the confidentiality and privacy of our suppliers and customers. Information about suppliers, customers, competitors and employees must be used ethically and in accordance with the law. Under no circumstances may information be obtained through theft, illegal intrusion, extortion and eavesdropping, or through the pretense of false employment and false identity. You should not use confidential or proprietary information if you suspect that the information was obtained illegally.

Disclosure of confidential information is legitimate only to the extent necessary to comply with legal requirements, witness subpoenas, court orders or other lawful process, and duly authorized government investigations. In particular, after you leave the company, you may not disclose confidential or proprietary information about schleich® as your former employer. Not even if you are asked to do so by an employee or supervisor.

(Potential) customers have a right to accurate information about prices, options, conditions and deadlines. In this



regard, schleich® will only provide quotes and make statements that are fair, accurate and lawful. False or misleading statements regarding the sale or marketing of products are to be strictly avoided. Immediate efforts should be made to correct any misunderstanding with a (potential) customer.

Our claim is to compete exclusively on the basis of our convincing and innovative products. To do so, we rely on our collective efforts and the avoidance of improper actions that would unduly restrict trade. You are expected to support schleich®'s efforts while complying with all applicable antitrust laws.

In particular, to avoid even the appearance of unlawful conduct and to comply with the basic principles of fair competition, you must not do the following:

- talk to a competitor about prices, discounts, costs, production, products and services, bidding practices, other private business matters, territories, distribution channels or customers; and
- restrict the right of a customer to sell a product or service at any price.
- Furthermore, the requirements and guidelines of our Code of Conduct for Suppliers regarding prohibited collusion with competitors shall apply. This includes, among other things, agreements on prices and conditions and the binding of a reciprocal agreement. You will not participate in this under any circumstances.

In your position at schleich®, if you set prices or other sales, marketing or purchasing terms, participate in trade associations or standards bodies, or work on acquisitions, divestitures, joint ventures or licensing, you have a special obligation to familiarize yourself with antitrust compliance and trade practices. To this end, schleich® holds appropriate, advanced antitrust law training programs for the employees concerned.

Cooperation with third parties

Business transactions

As a globally active company, we comply with national and international economic sanctions and support the international community in the fight against terrorist financing. We constantly and systematically check all sanctions and anti-terror lists that are relevant to us and prevent any form of white-collar crime.

Employees involved in business transactions must be familiar with and strictly comply with all applicable foreign and domestic laws and regulations, as well as schleich®'s policies on export controls and economic sanctions, including the Work Instruction on Dealing with Embargoed Countries.

If external personnel assignments are planned or carried out at schleich®, it is important to adhere to the guideline 'Process Description for the Assignment of External Personnel' and in any case to have the assignment approved in advance by the Compliance Officer

Cooperation with suppliers

We value a long-term partnership with our suppliers. All products and materials to be procured must meet the required quality standards. Procurement is always based on economic conditions, with the aim of selecting the best source of supply. All contracts must therefore comply with the specified guidelines. In this regard, schleich® and each employee always adheres to our Supplier Code of Conduct, which explains in more detail the provisions governing cooperation with suppliers.



Conflicts of interest

You should take special care to avoid any appearance of conflict with schleich®'s personal or business interests. Conflicts are obvious, for example, if you (or an immediate family member of yours or a company with which you are closely associated):

- have a financial interest in competitors, customers, suppliers or third parties associated with schleich®;
- a consulting, management or employment relationship exists with a competitor, customer, supplier or third party associated with schleich®;

Furthermore, ancillary business activities – which may, for example, involve a violation of the 'Arbeitszeitgesetz' (Working Hours Act), or compete with schleich® – can easily lead to conflicts of interest or impair productivity and effectiveness. For these reasons, you should avoid outside business activities that distract you from company business. You will therefore disclose all intended sideline activities before they begin and have them approved in writing by Human Resources.

What this means for you:

- I do not accept any benefits or bribe anyone, e.g. by accepting or giving (monetary) gifts, invitations or hospitality outside the limits specified in this Code of Conduct.
- When accepting and giving gifts, I always adhere to our applicable value limits and corresponding guidelines
- I do not share or accept any information with competitors that would allow conclusions to be drawn about schleich®'s business conduct.
- I carefully check the integrity of potential business partners and third parties before issuing instructions and, if necessary, involve Legal or Finance to ensure that the contracts for which I am responsible stand up to legal and commercial scrutiny.
- I do not take unfair or illegal advantage.
- I always treat all information confidentially and for a specific purpose. I am bound to secrecy, even after I leave schleich®.

- I never talk to competitors about prices, discounts, costs, production, products and services, bidding practices, other private business matters, territories, distribution channels or customers.

- Conflicts of interest of any kind are to be avoided at all times. If I suspect potential conflicts of interest, I notify HR. Even if the employer does not wish to prevent secondary employment in principle, I need written approval from HR before I enter into planned secondary employment.

Practical example:

- A distributor writes to me and wants to discuss another distributor's pricing and the purchase prices given to them. I do not comment on this and refer to our compliance requirements.
- I do not share information about schleich® product development or materials at a trade show unless the supplier in question has signed our Non-Disclosure Agreement and Code of Conduct.
- At an external training course or at a trade fair in conversation with employees of a competitor, I am asked about topics that could concern trade secrets, including prices. I avoid distorting competition by not responding to this and end the conversation immediately.
- A business partner offers me a low-value gift or promotional item at a meeting (e.g., writing set with the business partner's company logo). I know that I am welcome to accept this, but accepting a luxury ballpoint pen would be prohibited.





03. diversity, in clusion & hu man rights

Diversity, inclusion & human rights

We stand for introducing children to their environment and the uniqueness and diversity of nature through play. This also applies to us at schleich®, in that we foster a culture of tolerance in which you can freely express and develop yourself as an individual. We are convinced that this is the only way that you and all of us together can reach our full potential at work. Diversity and inclusion are therefore elementary components of our long-term corporate strategy.

In essence, this means that we respect the individual rights of our employees and that any form of bullying, harassment or mobbing violates this Code of Conduct. By this we mean, for example, physical and verbal bullying, cyberbullying and extortion. There is never a place for this at schleich®.

Diversity and inclusion are firmly anchored in our corporate culture. schleich® products are diverse and individual, and this is supported and internalized to the same extent by our employees. Your age, your gender, your physical and/or mental limitations, your sexual orientation and identity, your political, social or trade union activities, your ethnic background as well as your cultural or ideological as well as religious affiliation and conviction – At schleich®, you can contribute just as you are, without having to change. At schleich®, however, we do not tolerate extremist or anti-constitutional views. Your individuality particularly enriches our schleich® family, schleich® products and schleich®'s good educational influence on children. As a global company, it is also crucial for us to achieve equal opportunities for all. This also means that we do not tolerate discrimination. For this reason, schleich® proactively supports your development and encourages you to bring your strengths, experience and background to the table at all times. To achieve this, the criteria for hiring you are already fully in line with our philosophy.

As an international company, we are aware of our special responsibility to uphold human rights. We are committed to upholding the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and

Human Rights. As a company, schleich® has a responsibility to uphold respect for human rights within the company as well as to provide you with support through access to the schleich® Integrity Line. In all of schleich®'s business activities, we demand and encourage dealings with people that meet international labor and social standards. This naturally also applies throughout our supply chain and is therefore also an integral part of our **Code of Conduct for Suppliers**.



What this means for you:

- Diversity and inclusion are firmly anchored in our corporate culture – equal opportunities apply to all.
- I do not tolerate any form of discrimination, neither on the basis of ethnic origin, religion, age, gender, sexuality, disabilities or political or social affiliation, nor on the basis of other characteristics.
- I base my actions on the UN Guiding Principles on Business and Human Rights and therefore do not tolerate child labor or other inhumane working conditions.

Practical examples:

- Through a misdirected email, I learn that child labor is being used in remote parts of our supply chain. I report this immediately.
- The HR department provides me with application documents – I base my assessment on professional criteria that are comprehensible to third parties.
- An executive asks me to develop a proposal for putting together a product development team. In addition to the professional suitability of the candidates, I pay attention to diversity and a fair distribution of tasks as well as the associated professional opportunities.





04. sustainability

Sustainability

It is also part of our business policy to actively support the principle of sustainable development and its implementation. In order to satisfy the basic needs of people today without compromising the quality of life of future generations, environmental, economic and social progress are necessary at the same time:

- schleich® sees environmental/health protection as a special obligation. Accordingly, our goal is not only to fully comply with legal requirements, but also to continuously reduce the impact of our operations on the environment and health.
- schleich® contributes significantly to the economy of those countries and communities in which we operate. This contribution is reflected in the jobs we create and the taxes we pay.
- schleich® has made it our goal to make our social contribution at the locations in which we are rooted. We are always mindful that wasting resources affects our business profits and can also lead to serious reputational damage. The responsible and economical use of resources and the implementation of measures for the environmentally friendly and energy-efficient design of processes are therefore always a priority for us and take into account the entire product life cycle from design, production and logistics to disposal and recycling.

What this means for you:

- I use resources sparingly and efficiently in my work.
- I make sure that my activities have as little negative impact on the environment as possible (e.g. by only taking business trips that are absolutely necessary, switching off screens overnight, only printing out documents that are really necessary, using environmentally friendly production options, etc.).
- I am diligent in ensuring that I comply with applicable environmental laws and regulations.

Practical examples:

- My workday is coming to an end. When I leave my desk, I shut down my laptop and turn off my monitors.
- A supervisor wants documents to be compiled regularly in a mail folder. I suggest she makes them available electronically in a secure folder. If this is not practical or acceptable, I will print the documents in black and white (not color) and double-sided, if necessary, after consulting with the supervisor.



A miniature scene set on a wooden surface. In the center, a female figure with dark curly hair, wearing a white polo shirt with a small red heart emblem, red riding pants, and dark boots, stands next to a brown horse. The horse has a light blue halter and a silver chain lead. A green, textured object, possibly a toy bush or pile of grass, is on the floor near the horse's front legs. In the foreground, a grey plastic toy crate or container is partially visible. In the background, a white toy truck with a blue frame and a red wheel is parked. The scene is lit with warm, indoor lighting.

05. health and safety

Health and safety

Maintaining a safe and healthy workplace

Our corporate goal is to create a professional and health-promoting work environment. To achieve this, we rely on cooperation based on mutual trust, cooperative behavior on the part of managers and all employees, the best possible support for all employees in terms of their personal abilities, a market-based remuneration policy, and fair, honest, appropriate and direct problem-solving strategies.

You must report any accidents, injuries or concerns to the Occupational Safety Specialist immediately, especially regarding unsafe equipment, practices, conditions or other potential hazards.

Confidential information/privacy/data protection

Honesty and integrity in the performance of their work is a top priority for all employees. Employees who commit or participate in dishonest acts such as fraud, theft, embezzlement or unlawful use of company property will be held accountable.

schleich®'s assets may be used only for business purposes and those purposes authorized by schleich®. You may not take away, use, or knowingly misappropriate schleich®'s assets (such as real property, ideas, and innovations) for your personal use, the use of others, or for any improper or illegal purpose. You may not remove, dispose of or destroy any of the Company's valuables without schleich®'s express prior written consent. This applies to physical objects as well as to electronic information and information technologies.

If you are entrusted with information of a confidential or proprietary nature (about schleich®, our suppliers, customers or other items), you are not authorized to disclose it outside the scope of your duties at the Company. This applies to both the public domain and social media channels – even after you no longer work for schleich®.

In addition, most countries have data protection laws that regulate the collection and use of personal data (in Europe, for example, the General Data Protection Regulation (GDPR)). Any information that directly or indirectly identifies a natural person is considered "personal". Our customers, business partners and employees should always be able to trust that we will only process their personal data to the extent permitted by applicable laws and our own regulations. All employees are responsible for ensuring compliance with data protection regulations in accordance with the laws, rules and regulations of their respective locations. To maintain the trust of our stakeholders, we process personal data only to the extent necessary and treat it confidentially and discreetly.

schleich® regularly develops valuable ideas, strategies and other business information not intended for public use, which is referred to as "intellectual property". This intellectual property, like any other type of property, is part of our company's assets and must be protected by us.

Just as we protect our intellectual property at schleich®, employees are obligated to respect the business information of others. You must protect and respect schleich®'s intellectual property, the intellectual property of others that has been entrusted to you in the course of your work, and other confidential information of our business partners and third parties. Our employees are obligated to do so both during the time they work for us and after they have left our company.

Information security & IT systems

At schleich®, information security and data protection are respected as personal rights. Data from employees, customers and third parties are secure with us and are subject to responsible and legally compliant handling.

To ensure secure and responsible handling of schleich®'s IT systems, mandatory cyber security training is conducted

on a regular basis. These sensitize us to maintain a mindful approach to schleich®'s systems and to always keep our IT systems up to date and secure. As an employee, we expect you to regularly participate in the mandatory cyber security training programs and to integrate the contents of this training into your daily work. This also includes implementing a so-called "clean desk" policy, i.e. you are only allowed to keep sensitive information on your desk if you are actually present.

Your access to schleich®'s systems may be withdrawn if there is concrete suspicion that you have used or are using the systems to commit illegal acts or to violate the provisions of this Code of Conduct. Furthermore, you are prohibited from using any software that could interfere with or damage schleich®'s property, such as a virus or other malware. In order to maintain the integrity of schleich®'s systems and to protect the company network, you must never disclose passwords to access any company computer or database.

Production safety and quality

We are responsible for complying with rules on health and safety and for taking appropriate measures. We report unsafe conditions to our manager or the Occupational Safety Specialist. To ensure schleich®'s high standards of quality, safety and productivity, you as an employee must always be in an appropriate physical and mental condition during working hours.

We attach great importance to product quality and safety, because countless children come into contact with our products every day while playing. We see it not only as our legal duty, but in particular also as our social duty to assume responsibility for the legal and regulatory compliance of our processes and products throughout the entire product life cycle.




What this means for you:

- I never endanger the health and safety of my colleagues or business partners and third parties. To this end, I take all appropriate and legally required precautions.
- I ensure that personal data is only processed in a lawful manner. I comply with all relevant legislation (e.g. GDPR).
- I handle all of schleich®'s information with care and do not disclose it to unauthorized persons, especially information regarding technical know-how, patents, design patents, trademarks or trade and business secrets. I comply with the applicable IT security regulations.
- Similarly, I make sure that no confidential information is visible to third parties at my desk, especially when I leave work.
- I am aware that the unencrypted exchange of data (e.g. by e-mail) is not a secure means of communication.
- I consistently ensure that appropriate measures can be taken in good time if there is any doubt about the safety or quality of our products.

Practical examples:

- I leave my desk for a brief moment to get a refreshment in the coffee kitchen. But before that, I lock my laptop/ computer to protect it from unauthorized access.
- At the end of the working day, I leave the factory building. Before I leave, I tidy up my desk and store confidential documents in secure containers/cabinets.
- I receive an invitation to a mandatory cyber security training session. I will actively participate at the next possible date and put my acquired knowledge into practice straight away.
- I search the Internet for information on a new business partner overseas. When searching, I make sure that websites are trustworthy before I visit them and use common security certificates to minimize the risk of downloading malware unnoticed.
- When choosing raw materials for our figurines, I make sure that no substances are chosen that could endanger children's health. As a research & development team, we ensure children's health by permanently monitoring raw materials and production processes



A small, detailed figurine of a mandrill stands on a red, star-shaped object. The mandrill has a black body, a large red nose, and blue and yellow facial markings. It is surrounded by two orange spheres. The background is a blurred indoor setting.

06. accounting practices and record reten tion

Accounting practices and record retention

It is schleich®'s policy to keep fair and accurate books and records. Our financial statements and the books and records on which they are based accurately reflect all corporate transactions and comply with all legal and accounting requirements.

In addition to compliance with statutory provisions and company law regulations, it is also necessary to comply with generally accepted accounting principles. This applies to the timely, accurate and correct documentation of financial transactions, as well as product development stages including expenses, research results, or expense reports of each employee.

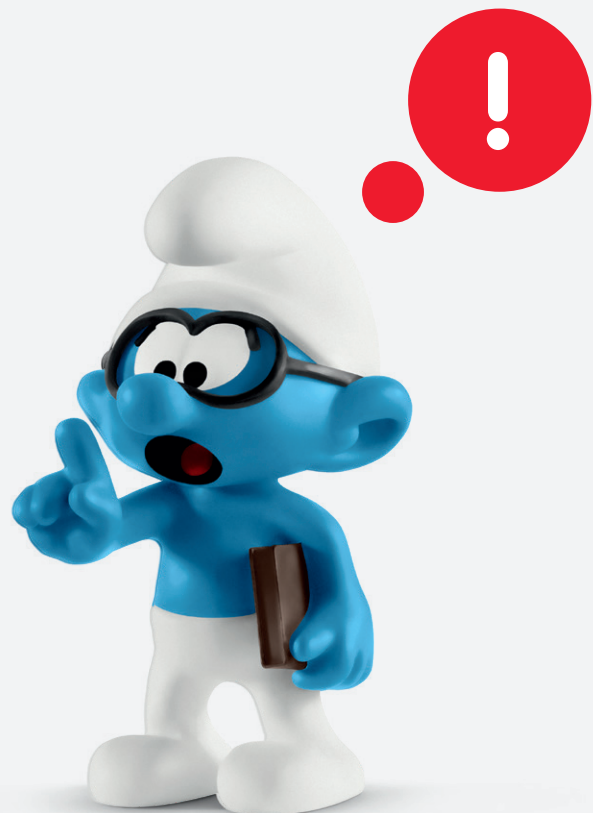
Influencing independent auditors, or any Internal Audit employee, is strictly prohibited, as is destroying, falsifying or tampering with business records.

What this means for you:

- In my area of responsibility, I ensure that all business data are documented correctly and in a timely manner.
- If I have any questions about correct data entry, I contact my manager or the relevant department (especially Finance and HR & Legal).

Practical examples:

- A colleague asks me to clock-in for her at the factory gate and offers to do the same for me in the future if needed. I refuse and instead record my work and absence times properly and for just myself – I do not clock-in for other employees under any circumstances.
- Recently I returned home from a business trip that lasted several days. I submit reimbursable expenses in a timely manner.
- In my area of responsibility, I authorize payments from schleich® to business partners. There is always a receipt for each payment.





Inquiries from the media and the public

Externally, the schleich® family acts with a common goal, namely to fill a child's room with cheer, joy and imagination, always keeping the quality of our products and their educational benefits at the forefront. schleich® is committed to providing full, fair and accurate information in all public communications and to complying with all applicable laws, rules and regulations in order to project this image to the outside world. In accordance with this commitment, employees are not authorized to answer questions from the media, analysts, investors not previously involved with the company or other members of the public. If you receive such a request, please note the name of the person and the key points of the request and forward this immediately to the Head of PR & Corporate Communications, who will then take care of the external communication..

All employees, without exception, must coordinate in advance with the Head of PR & Corporate Communications if they wish to publish in external media, or make statements in lectures or interviews, etc.

The right of the Works Council to establish appropriate contact with the media and the public, in compliance with the principle of cooperation based on trust and this Code of Conduct, shall remain unaffected.

What this means for you:

- I do not make public statements for schleich® unless I am authorized to do so.
- For media or public inquiries, I refer to the Head of PR & Corporate Communications.
- Should I belong to the group of people who are allowed to make public statements about schleich®, I am always aware that this is always done in the best interest of schleich® and is always preceded by an internal agreement to ensure a uniform and coordinated appearance (One Voice Policy).

Practical examples:

- In conversations with neighbors, acquaintances, etc., I always represent schleich® in an appreciative manner without divulging company information. If I am asked by the media or in a public debate to comment on schleich®'s business practices, I kindly refer the matter to the Head of PR & Corporate Communications.
- I have recently been authorized to represent schleich® externally with respect to certain media inquiries. I work closely with the Head of PR & Corporate Communications to ensure complete, fair and accurate reporting.





Dealing with social media

Social media – whether Twitter, LinkedIn, Facebook, Instagram or the like – is playing an increasingly important role. We also use these channels to market our products but also to market ourselves as a company and employer, to strengthen our networks or to communicate with partners and third parties. We always make sure that we act with respect and tolerance and do not incite hatred or insult or discriminate. Employee privacy and data protection considerations have the highest priority for us.

Even as private individuals, many of us use social media. When expressing personal views on social media, make sure they are clear. However, if you share or comment on content in the name of schleich® or as a private individual who is recognizable as a schleich® employee, you must always comply with your ancillary duties under employment law and act neutrally in the interests of the company and in accordance with the above-mentioned basic rules.

Communication on social media on behalf of schleich® and the decision on who may communicate in person is limited to GLT, Global Human Resources, the Head of PR & Corporate Communications and the Global Social Media Team.

What this means for you:


- I am aware that my appearance on social networks carries responsibility. In my position at schleich®, I also dutifully represent our company on social networks.
- I know that for schleich®, violating the dignity of employees or third parties, reproducing anti-constitutional content, endangering peace in the company or insults, false suspicions or defamation are always unacceptable. I also make this principle my own and will refrain from doing so in any case, even in a private context with a recognizable connection to schleich®.

- If I am allowed to comment on schleich® products in public networks, I am always aware that I am not allowed to reveal any company information. In general, due diligence applies here. This includes trademarks, copyrights, patents and trade secrets.
- I behave on social media the way I behave with friends and family, and with schleich®. In doing so, I observe the Code of Conduct and attach great importance to professional appearance.

Practical examples:

- I get involved (though possibly unintentionally) in social media discussions that are compromising or subjective for schleich®. In a short and concise reply, I mark my point of view as a personal contribution or make it clear that I will not comment on any further subjective discussions. At the same time, I avoid having my posts interpreted as statements by schleich® – for example, by saying something like, “We don’t need to do this/that”.
- I share a personal post on social media. In doing so, I avoid ambiguous or conflicting statements.
- I phrase my posts sympathetically, e.g. “We are continuously working on making our production more and more sustainable”.



A photograph of four Schleich horse figurines on a wooden floor. In the background is a light brown horse. In the middle ground are a white horse with pink clips in its mane and a black horse with yellow and blue clips. In the foreground is a brown horse with white, yellow, and blue clips. The text '09. questions and contacts – schleich® In tegrity line' is overlaid in white on the bottom left.

09. questions and contacts – schleich® In tegrity line

Questions and contacts – schleich® Integrity Line

Violating laws, directives and other regulations can put the company in economic danger, seriously damage its image and reputation, exclude it from national markets, and put the company and our employees at risk of being fined or prosecuted.

schleich® wants to make children's eyes light up in the long term. We therefore encourage you to report potential violations at an early stage and in confidence. Please do not hesitate to raise this in confidence with the Compliance Officer if you observe possible breaches of the rules.

With the schleich® Integrity Line, we put integrity at the forefront. The schleich® Integrity Line is an online whistleblowing system open to all employees, business partners and third parties who wish to anonymously report violations of rules that are high risk for the company and our employees. The Compliance Officer deals with all incoming tips and follows them through until concluded. We maintain the highest level of confidentiality and fairness as a matter of course – both in dealing with whistleblowers and with employees who are affected by an allegation. Our schleich® Integrity Line represents a confidential and anonymous medium for reporting potential violations. In this context, we attach the highest priority to the principle of proportionality and the examination of the consequences that are suitable, necessary and appropriate in each individual case.

schleich® Integrity Line

Who can I contact if I need help or want to report a possible violation?

If you believe you have identified a situation that involves, or could lead to, a violation of applicable law or this Code of Conduct, please seek guidance and report your concerns through our schleich® Integrity Line. You can access the schleich® Integrity Line at any time via the following link:

<https://schleich.eqs-integrity.org>

This Code of Conduct cannot provide concrete answers to all situations. If you have any questions, you can of course always contact the Compliance Officer directly:



Name: Robert Marx
E-Mail: robert.marx@schleich-s.com
Phone: +49 7171 8001 316



What this means for you:

- I know that any violation of the schleich® principles is subject to disciplinary action. I therefore report such violations to the Compliance Officer via the Integrity Line.
- I am aware that schleich® is doing everything in its power to fully clarify the facts. My information is very important in case of a (suspected) problem. I need to communicate these openly and honestly as part of a survey.
- I know that the schleich® Integrity Line always handles concerns of all kinds with the utmost discretion and professionalism. I therefore have no fear or reservations about reporting (potential) violations.

Practical examples:

- I feel discriminated against or disadvantaged in the workplace. I take the initial step of contacting the schleich® Integrity Hotline
- A difficult staff meeting is looming that could have legal implications for schleich®. I coordinate my behavior in advance with the Compliance Officer.
- Employees ask me for advice because they don't know how to act in a difficult situation. I encourage acting with integrity at schleich® by referring to the Code of Conduct, describing the schleich® feeling and referring to the Integrity Line





10. management rights

Management rights

The Code of Conduct does not limit the Company's ability to determine the size and nature of its workforce, to determine employee qualifications and performance, to establish policies and practices, and to manage, supervise or terminate employees when necessary.

This Code of Conduct is not an employment contract. Employment is discretionary unless otherwise agreed to in a contract signed by you and an authorized representative of schleich®.

What this means for you:

- I participate in the annual Code of Conduct training.
- I regularly keep myself informed about changes to the Code of Conduct so that my knowledge is always up to date and my conduct is aligned with our Code of Conduct guidelines. schleich® will inform me in case of adjustments to the Code of Conduct. I therefore read this information carefully and familiarize myself with the changes. If I have any questions, I contact the Compliance Officer.
- If I have any questions about changes to the Code of Conduct, I know that I can contact the Compliance Officer in confidence at any time.

