

# **GENERAL TERMS OF PURCHASE FOR NETTO APS & CO. KG**

**VERSION: 01.01.2024**

## **I. GENERAL, SCOPE OF APPLICATION**

1. These General Terms of Purchase ("GTP") apply to all contracts concluded by Netto ApS & Co. KG, Preetzer Str. 22, 17153 Stavenhagen ("Netto") regarding the acquisition of goods and services from contracting parties who are not consumers ("Suppliers").
2. The GTP also apply to future contracts regarding the acquisition of goods and services with the same Suppliers, without Netto having to refer to them in each individual case. If Netto amends their GTP, the amended GTP will apply to the relationship with Suppliers from the time of such amendment.
3. The GTP will apply exclusively. Different, contradicting or supplementary General Terms of Business of Supplier will apply only if Netto has expressly consented to them in writing. This also applies if Netto accepts Supplier's goods and services without reservation while being aware of their General Terms of Business.
4. Netto's logistics guidelines are an essential component of every contractual relationship regarding the acquisition of goods and services by Netto. In particular, the logistics guidelines contain requirements that must be met when labelling, packaging, transporting and delivering merchandise. They always apply in the version Netto transmits to Suppliers, for all contracts concluded starting on the date of transmission. Individual agreements and specifications from Netto, in orders as well as agreements on conditions, take precedence over the logistics guidelines. The logistics guidelines take precedence over these GTP.



5. Any legally relevant declarations and notifications which Supplier submits to Netto after the contract has been concluded (e.g. setting of deadlines, overdue notices, or declaration of withdrawal) must be in writing to be valid.

## **II. CONTRACT CONCLUSION, COMMITMENT TO CONTRACTUAL CONDITIONS**

1. A contract is formed when Netto places an order and Supplier accepts it. Any orders made orally by Netto must be confirmed in writing by Supplier vis-à-vis Netto. Orders placed by Netto using other means are deemed accepted by Supplier if Supplier does not object to them immediately after they are received.
2. Agreed contractual conditions will be binding. These include delivery and service times, delivery locations and delivery addresses, delivered quantities, article characteristics and qualities, and prices. This especially applies if these conditions are stipulated in the order documents. Agreed characteristics also include product descriptions which Netto makes about the contractual object—especially by designation or reference in the order. Agreed characteristics also include the characteristics of samples or prototypes of articles which Supplier has presented to Netto for inspection and Netto has accepted as far as their quality is concerned.

## **III. PROCUREMENT RISK, DELIVERY, DELIVERY NOTE, EAN/GTIN CODE**

1. If the service consists of delivering fungible goods, Supplier shall assume the procurement risk.
2. Unless otherwise expressly agreed, Supplier shall deliver according to DDP Incoterms 2010 (especially regarding risk and Supplier costs) to the location specified in the order. If the location has not been specified and nothing else has been agreed, the delivery will be made to Netto's registered office in Stavenhagen. The intended destination is also the place of fulfilment.
3. The delivery will be made during the typical business hours of the intended destination. Besides observing the logistics guidelines of Netto, while on the business premises Supplier shall comply with instructions



regarding plant, environmental and work safety, as well as Netto's work regulations, which Netto will provide to Supplier in writing on request.

4. Each delivery must be accompanied by a delivery note specifying the date of issue, sender and recipient of the delivery, the contents of the delivery (article number, description and number of pieces) as well as its order number and date.
5. The packaging of each individual article must be provided with an EAN/GTIN-Code registered with the GS1 group according to GS1 specifications (size specifications, placement guidelines, legibility, etc.). Beyond the scope of the GS1 specifications, the code must be placed at least 10 mm away from edges, seams, perforations and the like. Each product may bear only one EAN/GTIN code. The first time an EAN/GTIN code is used, and each time it is changed, Supplier must inform Netto thereof in writing immediately, at the latest 24 hours before delivery. Only merchandise items that are sold and resold without packaging (such as loose fruit and vegetables) are exempt from bearing this code. If a required EAN/GTIN code is missing or does not meet the aforementioned requirements, and Supplier is at fault, Supplier shall pay a contractual penalty per faulty article as shown in Appendix 1. 6. If Supplier fails to observe the delivery parameters (especially the agreed delivery dates, timeframes, locations or addresses, or the requirement to attach a delivery note), Netto is entitled to refuse acceptance of the goods.

#### **IV. Readiness for delivery and delay in delivery**

The delivery date specified by Netto in the Purchasing Order, as well as the quantity to be delivered, are binding and must be strictly adhered to. The supplier is always obligated to promptly inform Netto in writing (within 24 hours of receiving the order) if the agreed-upon fixed delivery date and/or the agreed-upon quantity cannot be met.

Partial deliveries are expressly considered unauthorized under the above-mentioned provision and must be expressly approved in writing by Netto before delivery.



Netto's right to withdraw from the contract in accordance with legal requirements (particularly according under § 324 BGB or § 376 HGB) remains unaffected.

In the event of a deviation from the delivery date and/or quantity by the supplier, there is a limited delivery reliability. This limitation of delivery reliability can be either time-based or quantity-based.

In the case of limited delivery reliability (delivery date or quantity), Netto is entitled to a flat-rate damages claim in the form of a penalty in an amount equal to a percentage of the undelivered or late-delivered order value. The percentage of the penalty is based on the degree of deviation from the delivery date and/or quantity. The percentage for limited delivery reliability in terms of the delivery date and quantity is a maximum of five percent of the order value. The following table shows the penalty level associated with each category.



	Fresh Food		Groceries			Non-Food			
<b>Penalty quantity</b>	deviation (%)		Pen- alty value	deviation (%)		Pen- alty value	deviation (%)		Pen- alty value
	>=+50%		5%				>=+50%		5%
	+40%		4%				+40%		4%
	+30%		3%				+30%		3%
	+20%		2%				+20%		2%
	+10%		1%				+10%		1%
	-10%		1%	-10%		1%	-10%		1%
	-20%		2%	-20%		2%	-20%		2%
	-30%		3%	-30%		3%	-30%		3%
-40%		4%	-40%		4%	-40%		4%	
<=-50%		5%	<=-50%		5%	<=-50%		5%	
<b>Penalty time</b>	deviation (in days)		Pen- alty value	deviation (in days)		Pen- alty value	deviation (in days)		Pen- alty value
	Standard delivery	BLOG <sup>1)</sup>		Standard delivery	BLOG <sup>1)</sup>		Standard delivery	BLOG <sup>1)</sup>	
	<=-3	<=-4	5%						
	-2	-3	3%						
-1	-2	1%							
1	2	1%	1	2	1%	1	2	1%	
2	3	3%	2	3	3%	2	3	3%	
>=3	>=4	5%	>=3	>=4	5%	>=3	>=4	5%	

<sup>1)</sup>BLOG = Supply logistics by Netto

Promotionsfaktor 100%

If there is a limited delivery reliability for an order or individual items of an order which are offered by Netto as promotional goods ( MT) or goods on offer (RA), Netto is entitled to charge the supplier damages in the amount of double the penalty described in the table, but no more than ten percent of the order value.

Promotional goods (MT) is merchandise that is not permanently part of the product range and is specially advertised within a certain period of time.



Goods on offer (RA) is merchandise that is permanently part of the assortment and is specially advertised within a defined period of time.

For the non-food category, there is no increase in the claim in the event of a promotion by a corresponding factor.

In cases of limited delivery reliability, Netto expressly reserves the right to assert other or more extensive legal claims in addition to the assertion of the aforementioned penalty and the lump-sum compensation payments. The penalty regulated here is to be offset against the default and/or volume damage to be compensated by the supplier.

Netto is obliged to invoice the penalty to the supplier every month and to provide the supplier with all relevant information to understand the penalty amount. The penalty collection can also consolidate several orders.

## **V. Prices, invoicing and payment conditions**

1. The agreed prices include all of Supplier's services and ancillary services, as well as all ancillary costs (e.g. packaging and transport costs). The distributor will take the packaging back from Netto on request. The prices listed in the order and order confirmation are binding fixed prices and do not include legal VAT.
2. Invoices shall be issued in the currency in which the order took place. Invoices, credits and delivery notes must contain the following information:
  - Every line item of the delivery, of the contractual object, or of both.
  - Netto's order number for the order number or delivery in question.
  - The EAN, UPC or DUN number for each product group.
  - In case of groups of goods, the EAN or the Netto delivery numbers of Netto must be listed in ascending order. No numerical listing is prescribed for the EDI invoice.



- The symbol for Supplier.
- Invoices and credit advances must display the unit cost for each product group, including all agreed discounts. Delivery notes may not contain any price information.
- Invoices and credit advances must contain the invoice date and number, the delivery or service period, and all required tax information.
- Supplier's account number.
- The SWIFT/BIC, the IBAN and the name of the banking institution.
- The company's Commercial Register Number and VAT ID Number in Germany and in other Member States of the European Union.
- The invoices from suppliers domiciled outside the European Union must separately list the net weight and number of goods, as well as the 8-digit customs number for each individual product group. Page

Should this information be missing or incomplete, a proper invoice has not been issued and the claim of the Supplier shall not be due.

3. The claims will become due only after all the goods and properly created invoicing documents have been received, plus an inspection period of ten days, unless the Parties have agreed upon a longer time period. Otherwise, payments will be made according to the agreed payment terms.
4. The place of payment will be Netto's registered office. Unless otherwise agreed, payments will be made by transfer.
5. Netto will enter default only through overdue notices from Supplier
6. Netto is entitled to rights of offsetting or retention as allowed by law. Supplier is entitled to the same rights only due to counterclaims which are uncontested or have been upheld by a court of law.

## **VI. RETENTION OF TITLE**

Netto will accept Supplier's retention of title only to the delivered goods in question and if Netto is entitled to resell them in the ordinary course



of business; in this case, Netto will also accept an assignment of the purchase price claim to Supplier by way of security, provided Netto is entitled to such a claim toward their buyer regarding the delivered goods.

## **VII. DEFECT CLAIMS; REFUSAL OF ACCEPTANCE; PARTIAL SERVICES; OBLIGATION TO INSPECT AND GIVE NOTICE OF DEFECTS; COSTS; RECOURSE AGAINST SUPPLIERS**

1. If the contractual goods exhibit material or legal defects, including incorrect or short delivery, or if Supplier breaches other obligations, Netto's rights will be regulated by statutory provisions unless these GTP stipulate otherwise.
2. If Supplier delivers defective goods, Netto is entitled to refuse acceptance and demand supplementary performance. If Netto has already accepted the goods, Supplier shall take them back when rendering supplementary performance. Only if the defect is insignificant will Netto's right to refuse acceptance and Supplier's obligation to take back the goods be omitted, although Netto's right to reduce the purchase price will remain unaffected in this case.
3. Supplier is not entitled to render partial services, which are deemed defective performance (§§ 266, 434 (3) BGB (German Civil Code)). This notwithstanding, Netto reserves the right to accept partial services.
4. For the commercial obligation to inspect and give notice of defects, the statutory provisions (§§ 377, 381 HGB (German Commercial Code)), will apply with the following proviso: Netto's obligation to inspect is limited to defects that can be visually identified during the incoming goods inspection during an external survey, including the delivery papers (e.g. transport damage, incorrect or short delivery) or can be recognised during quality controls using a sampling procedure. For other defects, it depends on how feasible an inspection would be, considering the circumstances of the individual case within the ordinary course of business. In all the cases mentioned above, a notice of defect will be deemed immediate and timely if it is sent within 4 business days from the discovery of the defect. If acceptance has been Page 5/13 agreed, there is no obligation to inspect. Netto's right to give notice of defects that are discovered later remains unaffected. In these cases, the notice of defect will be deemed immediate and timely if it is sent within 10 business days from





the discovery of the defect. For the delivery of fruit and vegetables, the time limit is reduced to 2 days from discovery of the defect.

5. Supplier shall bear their expenses for inspection and subsequent improvement even if it turns out that no defect was actually present. Netto's liability for damages remains unaffected if requests to remedy defects prove unjustified; Netto is liable in this respect only if they recognized, or failed to recognize due to gross negligence, that no defect was present. In the cases named in Items 2. and 3. above, Supplier shall bear the costs for taking back the goods or sending them back (especially transport costs).
6. Besides claims for defects, Netto is entitled without restriction to the statutory claims to recourse within the supplier chain (recourse against suppliers in accordance with §§ 478, 479 BGB (German Civil Code)). Netto is particularly entitled to demand the type of supplementary performance (subsequent improvement or replacement delivery) from Supplier that Netto owes its buyers in individual cases. Supplier shall fulfil Netto's claim to supplementary performance within two weeks after receiving Netto's demand for such fulfilment, unless a different time limit has been set in individual cases. Supplier shall reimburse Netto for expenses incurred in their relationship to their buyers because Supplier delivered defective merchandise. Supplier shall also owe Netto compensation for expansion and installation costs caused by the defective delivery and asserted by Netto's buyers against them. In the event of supplementary performance, the statute of limitations for the claims which are tied to defective supplementary performance will start over regarding the defect which caused the supplementary performance as soon as the goods are delivered after the supplementary performance has ended (i.e. as soon as Supplier has delivered the replacement product or repaired product).
7. Supplier shall release Netto on first written request from all third-party claims asserted because of the defectiveness of Supplier's service toward Netto. This particularly includes claims asserted by consumers against Netto for reimbursement of installation and dismantling costs incurred because of defective delivery.

#### **VIII. MARKETABILITY OF GOODS AND PACKAGING; REACH; THIRD-PARTY RIGHTS**

1. Supplier shall be solely responsible for ensuring the goods to be delivered are marketable in Germany and possibly other agreed distribution



areas. Above all, Supplier ensures that the goods and any packaging to be delivered along with them adhere to all regulations that apply when placing them on the market, all recognised rules of technology, and especially DIN standards and the respective industry standards in the agreed distribution countries. This particularly includes all provisions and limit values under material, trademark and packaging law.

2. If Netto gives Supplier specifications regarding the goods or their packaging and Supplier recognises that these do not comply with statutory provisions, Supplier shall inform Netto thereof in writing immediately.
3. Supplier warrants that mixtures, products and their packaging contain no substances of very high concern (SVHC), as published by the ECHA, in concentrations of more than 0.1 percent by weight. If this is not possible in individual cases due to requirements for product function Page 6/13 or characteristics, Supplier shall ensure fulfilment of the obligation to inform (obligation to inform within the supply chain and vis-à-vis the consumer) arising from Article 33 (EC) No. 1907/2006 (REACH regulation), and shall promptly provide Netto with the necessary information without being asked.
4. Supplier warrants that packaging and load-bearing equipment (such as pallets for goods transport or storage) can be imported and sold in the European Union and Germany.
5. Supplier is also responsible for ensuring that no third-party rights (especially, but not exclusively, intellectual property rights and copyright) are breached through the delivery of the goods, the goods themselves (including their packaging) or the reselling of the goods in Germany and possibly other agreed distribution areas. 6. If Supplier breaches an obligation pursuant to Items VIII.1. to VIII.5 and third-party claims are made against Netto for that reason, Supplier shall release Netto from these claims on first written request. The obligation to release relates to all expenses that Netto believes necessary because of or in relation to the claims asserted by a third party, unless Supplier proves he was not responsible for the legal infringement upon which the breach of third-party rights was based. Other contractual and/or legal claims remain unaffected.



## **IX. TRACEABILITY AND SAFETY; CRISIS MANAGEMENT; PRODUCT RECALL**

1. Supplier shall fulfil all statutory requirements regarding the traceability and safety of the goods to be delivered in Germany and possibly other agreed distribution areas.
2. Supplier shall take suitable precautions to be able to react immediately in crisis situations. In particular, Supplier shall ensure the following:
  - i) That they can be reached by telephone in cases of emergency [24 hours a day, 7 days a week, 365 days a year];
  - ii) That they will inform Netto if goods were delivered that are unsafe, otherwise not freely marketable, or both, immediately after Supplier suspects or becomes aware of this type of circumstance.
3. Supplier shall also inform Netto immediately (normally within 24 hours) if the following occurs:
  - i) Supplier recognises deviations in the production process of the goods to be delivered that are not merely insignificant. In so doing, it is immaterial whether Supplier assumes that these deviations have any influence on the quality of the goods or their prompt delivery.
  - ii) Supplier recognises that third parties have acquired or could acquire information about the contractual goods.
4. If goods are withdrawn or recalled from the market, Netto shall inform Supplier thereof in advance and give him the opportunity to make a statement. If Supplier is responsible for a withdrawal or recall of goods, they shall compensate Netto for expenses and costs which Netto incurs because of or in relation to the withdrawal or recall from the market. This particularly includes personnel costs that the recall or withdrawal causes for employees Page 7/13 working in Netto branches, as well as other costs for handling the withdrawal, including costs for carrying out analyses and destroying merchandise.



## **X. ADDITIONAL OBLIGATIONS OF SUPPLIER AND RIGHTS OF NETTO**

1. Supplier shall maintain an effective quality management system (e.g. pursuant to DIN-ISO 9001). Supplier shall also ensure that all their vicarious agents implement equal quality management systems. On Netto's request, Supplier shall provide Netto with evidence that Supplier has implemented their own quality management system and their vicarious agents have implemented equal systems.
2. If delivered goods are defective, Netto is entitled to demand from Supplier that Supplier inspect them at their own expense to determine if additional or similar defects exist in other parts of the goods, provided this is not unreasonable in individual cases.
3. To the extent prescribed by law, Supplier shall provide Netto with all documents and information regarding goods to be delivered, including their packaging.
4. On request, Supplier shall provide Netto with any currently valid test reports or certificates from independent testing institutes or, if none are available, current results from their own inspections regarding goods to be delivered to Netto. For organic products, Supplier shall provide Netto with any valid organic certification pursuant to Regulation (EC) No. 834/2007 and Regulation (EC) No. 889/2008 without being asked. Supplier shall also be able to provide Netto with evidence of valid organic certification for the entire production or merchandising chain at any time.
5. Netto reserves the right to take samples of the delivered goods out of the markets (their own in particular) and test them or have them tested by an independent testing institute. Supplier shall bear the costs for doing so.

## **XI. PRODUCT AND MANUFACTURER LIABILITY; PRODUCT LIABILITY INSURANCE**

1. If Supplier is responsible for product damage, they shall release Netto from third-party claims insofar as the causes lie in their organisation and sphere of control and they are liable in external relationships. Moreover, Supplier shall reimburse Netto for expenses incurred from or in



connection with third-party claims, including from recall actions implemented by Netto.

2. Supplier shall take out and maintain product liability insurance with a coverage level which adequately covers the product liability risks arising from the business relationship with Netto (including Netto's rights of exemption toward Supplier).

## **XII. CONFIDENTIALITY; PUBLIC COMMUNICATION**

1. Supplier shall maintain confidentiality regarding Netto's trade and business secrets of which Supplier is or becomes aware within the business relationship. This does not apply to information (i) which is already public knowledge at the time Supplier publishes it, provided Supplier is not to blame, (ii) which Supplier has legally acquired from a third party or (iii) which Supplier is legally obliged to disclose due to a judicial or governmental decree or law, or other applicable statutory provisions. If Supplier is obliged to disclose information, they must inform Netto thereof without delay, specifying the intended date and contents of the Page 8/13 disclosure. Information is deemed provided without delay, within the meaning of the above sentence, if Netto is informed within 12 hours after Supplier learns of their duty to disclose.
2. Trade and business secrets as defined by this provision also include, but are not limited to, test reports and results of analyses regarding goods delivered to Netto, as well as all documents, materials and data which Netto makes known to Supplier as trade or business secrets.
3. Supplier shall keep all documents, materials and data which Netto provides them within the business relationship secure and protected against third-party access, and use them only to execute the contracts with Netto. Supplier shall return them to Netto at any time on their request, or on request from Netto destroy them without retaining any copies. Documents, materials and data of this type also remain Netto's property, and Supplier has no rights to them.
4. Supplier shall not publicly communicate his collaboration with Netto, nor details pertaining thereto, unless Netto has given prior written consent to such communication in individual cases. In particular, public communication includes not only Supplier's own announcements, such as press releases or advertisements, but also information given to persons who



could be expected to publicly disseminate the obtained information, such as employees of the press, radio or television. If Supplier is approached by employees from media companies about Supplier's collaboration with Netto, they must immediately refer to Netto headquarters (Tel. 0049 39954 3600). Moreover, Supplier shall inform Netto immediately if Supplier is mentioned in the media in connection with Netto.

5. Supplier shall impose the obligations pursuant to Item XII. 1. to XII. 4. upon their employees and other auxiliary staff.
6. For each culpable breach of the obligations under this Item XII., Netto is entitled to demand an appropriate contractual penalty from Supplier, to be determined at Netto's reasonable discretion and reviewed by the competent local or district court if it is disputed. Even if Supplier pays a contractual penalty, Netto is still entitled to assert a claim for injunctive relief or damage compensation exceeding the amount of the penalty.
7. Due to new GDPR EU regulation the vendor confirms that the model/person on photo has confirmed/declared that the photo can be used for commercial use, e.g. in the Netto leaflet or homepage (Legitimation zur "Arbeit mit Model-Fotos" auf der Basis des Art. 6 Abs. 1 Buchstabe b DSGVO).

### **XIII. CODE OF CONDUCT; MINIMUM AND COLLECTIVELY AGREED WAGES**

During the term of the contract, the supplier must comply with the principles:

1. the amfori BSCI Code of Conduct as amended from time to time; and
2. The applicable amfori BSCI Implementation Rules for Business Partners or, in the case of producers, the amfori BSCI Implementation Rules for Business Partners included in the amfori BSCI monitoring process (producers).
3. Or, instead of the amfori BSCI, another similar standard for responsible procurement that incorporates at least the principles of UN human rights and ILO core labour standards:



- SMETA (2-pillar valid for one year - 4-pillar valid for two years)
- SA8000
- ICS
- ICTI

The current version of the above-mentioned BSCI rules is available at [amfori - trade with purpose | amfori](#).

Netto hereby also refers to Statement of Principles on Human Rights ([LINK](#)) and the impact of the LKSG, where we internally and together with our business partners avoid violations of human rights in our supply chain and minimise risks.

Our partners have to support us with concrete measures for prevention and remedial measures in a risk-oriented and event-related manner. For this purpose, questionnaires are regularly sent out by our risk monitoring software. Participation in this and the resulting measures is obligatory.

You can find more on this topic at: [LKSG Germany](#)

The business partner must be in a position to prove at any time to Netto or a third party designated by it that it complies with the principles of the above-mentioned regulations as well as the requirements from our policy statement.

In the event of violations of human rights and environmental obligations, information and complaints must be submitted here: <https://whistlefox.heuking.de/start/netto-aps-co-kg>

This link is to be communicated to all employees of our supplier and in the supply chain so that indirect suppliers and their employees also have the opportunity to report grievances.

If the Supplier supplies either own brand products, unbranded products, third party brand products or products from its own production (hereinafter referred to as "Products in Scope"), the Supplier shall

- Netto about the production sites as well as about all subcontractors used in the manufacture of the products in the scope;
- keep the supplier's profile up to date at all times in the "Responsible Procurement System" of the Salling Group, of which Netto is a subsidiary.



- iii. Link System: <https://salling-group.credit360.com/>
- iv. E-mail for access assistance: [responsible@sallinggroup.com](mailto:responsible@sallinggroup.com)
- v. The profile must be updated in terms of name, address, contact details as well as documentation of compliance with the amfori BSCI Code of Conduct, the amfori BSCI Terms of Implementation (as mentioned above) and the Salling Group's Responsible Procurement Policy in all production units used to manufacture the products in the scope. As evidence of compliance with the amfori Code of Conduct, the amfori BSCI Terms of Implementation and the Salling Group's Responsible Procurement Policy, the Supplier shall provide either an amfori Site ID number or, where approved by the Salling Group in each case, a copy of Page 10/13 the most recent audit report of another approved responsible procurement standard for all producers classified as "high risk" in the Salling Group's Responsible Procurement Policy;
- vi. cooperate with Netto (or a third party designated by Netto) in all respects including in terms of the LKSG required measures and the performance and follow-up of audits carried out at the supplier's premises in accordance with the BSCI process as described in the BSCI Code of Conduct and the BSCI Conditions of Implementation (or similar standards for responsible procurement).
- vii. The supplier must bear the costs for these audits and the costs for the measures / improvements that must be implemented following these audits.

More detailed information about the current version of the Salling Group's "Responsible Procurement Policy" can be found here:

<https://en.sallinggroup.com/responsibility/strategy-on-responsibility/responsible-procurement/>

All information provided by the supplier on production sites and sub-suppliers is considered confidential information and is managed internally by the Responsible Sourcing and Quality Management team at Netto.

Netto's responsible quality team uses the information only for the purpose of monitoring the supplier's compliance with the above Code of Conduct and the risks and measures of the LKSG with the supplier.

The supplier is obliged to pay at least the respective applicable minimum or collectively agreed wage and to provide Netto with proof thereof upon request.





### **XIII A SUPPLY CHAIN DUE DILIGENCE ACT (LKSG)**

1. Without prejudice to compliance with the BSCI Code of Conduct or a similar standard mentioned above, the supplier undertakes vis-à-vis Netto to recognise, comply with and demonstrably implement the following principles:
  - Prohibition of child labour,
  - Protection against slavery, forced labour, practices similar to slavery, servitude or other forms of domination or oppression in the vicinity of the place of work
  - Freedom from discrimination,
  - Protection against unlawful land seizure and unlawful eviction,
  - Occupational health and safety and protection against related health hazards,
  - Prohibition of withholding a fair wage,
  - the right to form trade unions or workers' representatives,
  - Prohibition of causing harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption affecting food security, access to drinking water, access to sanitation or human health
  - Protection against torture and cruel, inhuman or degrading treatment, including in particular the use of public or private security forces to protect the entrepreneurial project,

and demonstrable compliance with the following international conventions:

- Minamata Convention on Mercury,
  - Stockholm Convention on Persistent Organic Pollutants and
  - Basel Convention on the Transboundary Movement of Hazardous Wastes and their Disposal.
2. Upon request, the supplier must provide Netto with evidence of compliance with the above principles by means of certificates or audit reports from accredited third parties. If suitable certificates or audit reports are not submitted by the supplier, Netto is entitled to commission accredited third parties with announced audits. The costs for this shall be borne in full by the supplier. The reports will be brought to the attention of Netto and the supplier simultaneously.



3. All information provided by the supplier regarding production sites and sub-suppliers is considered confidential information by Netto.
4. Furthermore, Netto requires the supplier to conduct a risk analysis in its own business area in order to identify risks and violations of human rights and environmental rights in its own business area and at its own suppliers. The supplier must inform Netto in writing about the results regularly and without being asked, at least annually.
5. The implementation of training and further education on the principles mentioned under No. 1 shall be carried out by the business partner annually and additionally on an ad hoc basis and shall be recorded for Netto. The supplier shall obligate its own suppliers to carry out training and further education on the principles listed under No. 1 on an annual basis and on an ad hoc basis.
6. In the event of substantiated knowledge of a possible violation of the above-mentioned principles in its own business area, at suppliers of the supplier or elsewhere in the supply chain, Netto must be informed immediately in writing. Furthermore, the supplier must implement the remedial measures requested by Netto or submit its own action plan with suitable remedial and preventive measures in order to prevent further breaches of duty. The action plan must contain a concrete timetable for implementation. Insofar as the submission of its own action plan is not possible or the action plan is insufficient in Netto's opinion, the parties shall cooperate in the creation of an effective, scheduled action plan to minimise and end a breach or risk.
7. Netto requires proof from the supplier that he informs about the existence of and access to the Netto complaints mechanism in his own business area.
8. In the event of violations of the Code of Conduct or of the human rights or environmental law mentioned at the beginning, Netto is entitled to suspend the performance of the contract or, at its discretion, to withdraw from or terminate the contract if the violation is not remedied after setting a reasonable deadline and implementing the action plan developed. If the breach is serious, persistent or repetitive, the setting of a deadline is unnecessary.



### **XIII b Accord**

If a supplier sources ready-made garments (RMG) from Bangladesh, he must sign a supplementary agreement to the Accord.

Any new RMG factory must be pre-approved by the Salling Group Responsible Procurement Team and the supplier must comply with the requirements set out in the Salling Group's Accord Policy and Guidelines for Suppliers.

These can be found on the Salling Group supplier portal: <https://salling-group.credit360.com/>

Contact address for questions: [responsible@sallinggroup.com](mailto:responsible@sallinggroup.com)

### **XIV. CHOICE OF LAW AND PLACE OF JURISDICTION**

1. For these GTP and all legal relationships between Netto and Supplier, the laws of the Federal Republic of Germany will apply under exclusion of all international and supranational contract laws—especially the United Nations Convention on Contracts for the International Sale of Goods (CISG; the Vienna Convention).
2. Stavenhagen will be the exclusive place of jurisdiction, including internationally, for all disputes arising from this contractual relationship. Netto may also choose to bring an action at the place of fulfilment for the delivery obligation.

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Place/Date

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Supplier (Stamp / Name in print)

### **Appendices**

Appendix 1: Contractual penalties

Appendix 2: Logistical requirements incl. delivering time

Appendix 3: Logistical requirements for delivery of goods in containers

