

# SUPPLIER CODE OF CONDUCT.

Status 20.07.2023.

For the companies of the Klimmer Group, sustainability is an important factor for long-term success. We therefore also expect sustainable action from our national and international partners.

This SUPPLIER CODE OF CONDUCT applies to any contractual relationship regarding the manufacture and/or supply of products or the provision of services to the companies of the Klimmer Group

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## 1. Introduction/Preamble.

The companies of the Klimmer Group are committed to ecologically and socially responsible corporate governance. We expect the same behaviour from our suppliers and partners. We also expect our employees to observe the principles of ecological, social and ethical behaviour and to integrate them into the corporate culture. Furthermore, we strive to continuously optimise our business activities and our products in terms of sustainability. We demand our suppliers to contribute to this in the sense of a holistic approach.

For future cooperation, the contractual partners agree on the following regulations for a common code of conduct. This agreement shall apply as the basis for all future deliveries.

The contractors undertake to comply with the principles and requirements of this SUPPLIER CODE OF CONDUCT and to endeavour to require their subcontractors to comply with the standards and regulations set out in this document.

A breach of this Code of Conduct may be grounds and cause for the company to terminate the business relationship, including any related supply contracts.

The SUPPLIER CODE OF CONDUCT is based on national laws and regulations (in particular the Supply Chain Sourcing Obligations Act [*Lieferkettensorgfaltspflichtengesetz*]) as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the International Labour Standards of the International Labour Organization and the United Nations Global Compact.

## **2. Requirements for our suppliers and service providers.**

### **2.1 Social responsibility.**

For the companies of the Klimmer Group, social responsibility towards their employees and towards society in general is of crucial importance. We also expect this social responsibility from our suppliers and service providers.

#### **Exclusion of forced labour.**

No forced labour, slave labour or work comparable to forced labour may be used. All work must be voluntary and workers must be able to leave work or employment at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment.

#### **Prohibition of child labour.**

Child labour must not be used at any stage of production. Suppliers are requested to comply with the recommendation from the ILO conventions on the minimum age for the employment of children. According to this, the age should not be less than the age at which compulsory schooling ends, and in any case not less than 15 years. If children are found at work, the supplier shall document the measures to be taken to remedy the situation and enable the children to attend school. The rights of young workers shall be protected and special protection rules shall be observed.

#### **Fair remuneration.**

The remuneration for regular working hours and overtime must correspond to the national statutory minimum wage or the minimum standards customary in the industry, whichever is higher. Employees must be provided with all legally required benefits. Deductions from wages as a punitive measure are not permitted. The supplier shall ensure that employees receive detailed and regular written information on the composition of their remuneration.

#### **Fair working hours.**

Working hours must comply with applicable laws or industry standards. Overtime is only permitted if it is performed on a voluntary basis.

#### **Freedom of association.**

The right of employees to freely form or join trade unions shall be respected. The formation, joining and membership of a trade union shall not be used as a reason for unjustified discrimination or retaliation. The right of trade unions to operate freely in accordance with the law of the place of employment, including the right to strike and the right to collective bargaining, shall also be respected.

#### **Prohibition of discrimination.**

Discrimination or unequal treatment of employees in any form is inadmissible unless it is justified by the requirements of the particular employment. This applies, for example, to discrimination based on national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief. Unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value. The personal dignity, privacy and personal rights of each individual are respected.

**Health protection; safety at work.**

The supplier is responsible for a safe and healthy working environment. Necessary precautions shall be taken against accidents and damage to health that may arise in connection with the activity by setting up and applying appropriate occupational safety systems. Excessive physical or mental fatigue shall be prevented through appropriate measures. In addition, employees are regularly informed and trained on applicable health and safety standards. Employees shall be provided with access to drinking water in sufficient quantity and access to clean sanitary facilities.

**Natural livelihoods.**

The supplier shall not, in violation of legitimate rights, deprive or evict land, forests or waters, the use of which secures the livelihood of persons. Harmful soil changes, water pollution, air pollution, harmful noise emissions as well as excessive water consumption shall be refrained from if this harms the health of persons, significantly impairs the natural basis for the production of food or prevents the access of persons to safe drinking water or sanitary facilities.

**Security forces.**

The supplier is obliged not to engage or use private or public security forces if, due to a lack of instruction or control on the part of the company, there is a risk that the use of the security forces will disregard the prohibition of torture and cruel, inhuman or degrading treatment, injure life or limb, or impair the freedom of association and trade union.

**Grievance mechanisms.**

The supplier is responsible for establishing an effective grievance mechanism at factory level for individuals and communities that may be affected by negative impacts.

Employees who make a complaint about violations of this SUPPLIER CODE OF CONDUCT or relevant laws shall not be subject to any form of disciplinary action. The grievance procedure shall be accessible to employees while maintaining confidentiality of identity and effective protection against discrimination.

**Dealing with conflict minerals.**

For the conflict minerals tin, tungsten, tantalum and gold, as well as for other raw materials such as cobalt, the company establishes processes in accordance with the Guiding Principles of the Organisation for Economic Cooperation and Development (OECD) on due diligence to promote responsible supply chains for minerals from conflict and high-risk areas and expects the same from its supplier. Smelters and refiners without adequate, audited due diligence processes should be avoided.

**2.2 Ecological responsibility.**

The Klimmer Group is committed to active environmental protection. We also expect this ecological responsibility from our suppliers and service providers.

**Treatment and discharge of industrial wastewater.**

Wastewater from operations, manufacturing processes and sanitary facilities should be monitored, inspected and treated as necessary before 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) are to be monitored, reviewed and treated as necessary prior to their release. The supplier is also responsible for monitoring its exhaust gas cleaning systems and is required to find economic solutions to minimise any emissions.

Greenhouse gas emissions must be recorded and reduced in accordance with EU and federal German climate protection legislation. We expect our suppliers to make a clear commitment to the climate goals of the European Union and the Federal Republic of Germany.

#### **Handling waste and hazardous substances.**

The supplier shall follow a systematic approach to identify, manage, reduce and responsibly dispose of or recycle waste. Chemicals or other materials that pose a risk if released into the environment shall be identified and handled in a manner that ensures safety and protection of the environment during their handling, transport, storage, use, recycling or reuse and disposal.

Mercury, mercury compounds and mercury waste shall be treated in accordance with the prohibitions of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II p. 610, 611) (Minamata Convention), as amended.

The ban on the production and use of persistent organic pollutants and the ban on the non-environmentally sound handling, collection, storage and disposal of waste in accordance with the provisions of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), as amended, shall be observed.

The prohibitions on the import and export of hazardous and other wastes in the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as amended, shall be observed.

#### **Reduce consumption of raw materials and natural resources.**

The use and consumption of resources during production and the generation of waste of all kinds, including water and energy, shall be reduced or avoided. This is done either directly at the point of generation or through procedures and measures, e.g. by changing production and maintenance processes or procedures in the company, by using alternative materials, through savings, through recycling or with the help of the reuse of materials.

#### **Dealing with energy consumption/efficiency.**

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

#### **Certified management system.**

The Supplier is requested to implement and provide evidence of a certified management system (e.g. DIN EN ISO 14001; DIN EN ISO 50001; VO (EG) 1221/2009) in order to comply with the specifications and regulations listed in this SUPPLIER CODE OF CONDUCT.

### **2.3 Ethical business conduct.**

The companies of the Klimmer Group stand for responsible, lawful and ethically impeccable conduct. We place high demands on both our employees and our business partners. We expect that all national and international laws, standards and official directives are observed.

**Fair competition.**

The standards of fair business, fair advertising and fair competition shall be observed. In addition, the applicable antitrust laws must be applied, which in particular prohibit collusion and other activities that influence prices or conditions in dealings with competitors.

**Confidentiality/data protection.**

The supplier undertakes to meet the reasonable expectations of its client, suppliers, customers, consumers and employees with regard to the protection of private information. The Supplier shall comply with data protection and information security laws and government regulations when collecting, storing, processing, transmitting and disclosing personal information.

**Intellectual property.**

Intellectual property rights shall be respected. Technology and know-how transfer shall be carried out in such a way that intellectual property rights and customer information are protected.

**Integrity/bribery, taking advantage.**

The highest standards of integrity shall be applied in all business activities. The supplier shall have a zero tolerance policy in prohibiting all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be in place to ensure compliance with anti-corruption laws.

**3. Implementation of the requirements.**

Compliance with the requirements and regulations set out in this SUPPLIER CODE OF CONDUCT will be reviewed regularly.

In order to safeguard supply chains with increased risks, the supplier will promptly inform the companies of the Klimmer Group about the identified violations and risks as well as the measures taken.

The Supplier shall ensure that its employees participate in appropriate training and education to enforce the requirements and regulations set forth in this SUPPLIER CODE OF CONDUCT.

The supplier agrees that the companies of the Klimmer Group may convince themselves of the compliance with the specifications on site. The companies of the Klimmer Group are entitled to carry out on-site inspections as well as audits at the supplier's premises in order to verify compliance with the specifications and regulations laid down in this SUPPLIER CODE OF CONDUCT, if required. In doing so, the companies of the Klimmer Group will take into account the supplier's interests worthy of protection and, in particular, observe the supplier's trade and business secrets.

#### 4. Acknowledgement and consent of the supplier.

The supplier undertakes to act responsibly and to comply with the principles/requirements listed. The Supplier undertakes to communicate the contents of this SUPPLIER CODE OF CONDUCT to employees, agents and subcontractors and to make all necessary arrangements for the implementation of the requirements.

A handwritten signature in black ink, appearing to read 'T. Klimmer', is centered on a light gray rectangular background.

Torsten Klimmer  
Managing Partner

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