

# Code of Conduct

## Our understanding of sustainability in supplier management

At SchmitterGroup GmbH (meaning SchmitterGroup GmbH and all its affiliates), we consider sustainability to be an essential component of our business processes. As a technology group with high materials competency, we purchase raw materials, commodities and services from suppliers worldwide to secure the sustainable success of our customers by providing innovative solutions for products and services.

This requires responsible management that strives for a long-term, value-added business model. For this reason, our suppliers are an integrated part of our sustainability strategy. In all our procurement activities, we carefully take into consideration a set of economic, process-driven and technical criteria as well as essential social and ecological factors such as human rights, labour conditions, anti-corruption concerns and environmental protection.

Irrespective of different products, services, markets, regions or processes, the principal factors for supplier assessment and evaluation at SchmitterGroup GmbH always are cost, quality, reliability, innovation and sustainability.

At SchmitterGroup GmbH, we expect that our suppliers comply with applicable national statute, with the principles of the United Nations Global Compact, and with the SchmitterGroup GmbH Supplier Code of Conduct. Furthermore, we expect our suppliers to introduce suitable processes within their organizations that support compliance with applicable statute and that drive continuous improvements with regard to the principles and requirements laid out in the SchmitterGroup GmbH Supplier Code of Conduct. Moreover, we expect from our suppliers to ensure compliance with these principles and requirements by all their affiliates.

For the purposes of this Supplier Code of Conduct, an "affiliated company" shall mean an enterprise in which one of the parties holds a direct or indirect participating interest of more than 50% of the voting registered capital.

## Conduct towards employees

At SchmitterGroup GmbH, we expect that our suppliers respect and comply with the fundamental rights granted to all employees under applicable national statute. Furthermore, we expect our suppliers to recognize fully the labour standards issued by the International Labour Organization (ILO), taking into due account the applicable laws and regulations in different countries and at different sites.

### Child labour

At SchmitterGroup GmbH, we expect our suppliers to prohibit and refrain from any kind of child labour within their organization.

### Discrimination

At SchmitterGroup GmbH, we expect that our suppliers promote equal opportunities and equal

treatment. Furthermore, we expect our suppliers to prohibit any form of discrimination in recruiting, promoting or selecting employees for basic or advanced training programs. Within the organization of our suppliers, no employee must be discriminated based on his or her gender, age, colour, race, nationality, sexual orientation, disabilities or religious conviction.

### Forced labour

At SchmitterGroup GmbH, we expect our suppliers to prohibit any kind of forced labour in their organization.

### Freedom of association

At SchmitterGroup GmbH, we expect our suppliers to respect the right of their employees, fully of applicable national statute, to form a workers council, collective bargaining unit or other employee representations, and to enter into collective bargaining.

### Remuneration and working time

At SchmitterGroup GmbH, we expect our suppliers to comply fully with applicable national statute on working time. Furthermore, we expect that the employees of our suppliers receive a remuneration, which is in line with applicable national statute.

## Occupational health and safety

At SchmitterGroup GmbH, we expect our suppliers to comply fully with applicable national statute governing health and safety at work. Furthermore, we expect our suppliers to establish and maintain an appropriate occupational health and safety management system (e.g., in accordance with OHSAS 18001, or national equivalent). This includes containing actual as well as potential health and safety risks at work. Moreover, we expect our suppliers to train their employees for preventing accidents and occupational diseases as best as possible.

## Environmental protection

At SchmitterGroup GmbH, we expect our suppliers to comply with all applicable national laws, regulations and standards to protect the environment. The maintaining or establishing of a suitable environmental and/or energy management system (e.g., in accordance with ISO 14001, ISO 50001 or national equivalent) by our suppliers would be desirable – to minimize environmental impact and hazards, and to improve environmental protection and energy efficiency in their everyday operations.

### Responsible procurement of raw materials

At SchmitterGroup GmbH, we expect our suppliers to use natural resources responsibly and to contribute to the careful consumption of energy, water and fuels.

We maintain high ethical standards throughout our whole supply chain. We strive not to purchase material that contains "conflict minerals". Therefore, we contact our suppliers to raise the level of transparency in the supply chain.

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## Conduct in business environment

### Prohibition of corruption and bribery

At SchmitterGroup GmbH, we expect our suppliers to have zero-tolerance for corruption and to ensure compliance with all United Nations (UN) and Organisation for Economic Co-operation and Development (OECD) conventions against corruption, and with all governing anti-corruption laws. In particular, our suppliers are expected to ensure that their employees, subcontractors and agents do not offer, promise or grant any advantages to any GmbH employees or related parties with the goal of securing an order award or any other form of preferential treatment in their business transactions.

### Invitations and gifts

At SchmitterGroup GmbH, we expect that our suppliers refrain from presenting any invitations or gifts to our employees to gain any form of influence. Any invitations or gifts extended to SchmitterGroup GmbH employees or related parties, if any, must be reasonable and suitable with a view to scope and design, i.e. they must be of low financial value and reflect ordinary local business custom. We also expect our suppliers to refrain from asking SchmitterGroup GmbH employees or related parties for any inappropriate advantages.

### Preventing conflicts of interest

In our suppliers' business dealings with us, we expect our suppliers to take decisions based on objective criteria only. Any factors that might influence our suppliers' decisions due to private business or other conflicts of interest must be prevented from the start. The same applies to relatives and other related parties.

### Unrestricted competition

At SchmitterGroup GmbH, we expect our suppliers to compete always in a fair manner and to comply with applicable antitrust laws and regulations. We expect our suppliers not to enter with competitors into agreements that might constitute a breach of antitrust law, nor to take advantage of any dominant market position they might hold.

### Money laundering

At SchmitterGroup GmbH, we expect our suppliers to comply with all applicable statute governing the prevention of money laundering, and not to participate in any money laundering activities.

## Supplier relations

At SchmitterGroup GmbH, we expect our suppliers to communicate the principles laid out herein to their subcontractors and sub-suppliers and to consider these principles when selecting sub-contractors and sub-suppliers. We expect our suppliers to encourage their subcontractors and sub-suppliers to comply with the minimum standards of this Code of Conduct regarding the protection of human rights, working conditions, anti-corruption and environmental protection when fulfilling their contractual obligations.

## Compliance with the SchmitterGroup GmbH Supplier Code of Conduct

We will review our suppliers' compliance with the principles and requirements laid out in the SchmitterGroup GmbH Supplier Code of Conduct regularly, asking our suppliers to complete a self assessment not more than once a year. Furthermore, we reserve the right to consult with each supplier and to appoint a qualified third party to perform a sustainability audit at the supplier's site. In the event that such a sustainability audit is performed, the supplier shall bear all costs and expense for this audit if the annual turnover of the supplier with SchmitterGroup GmbH exceeds 100,000 €. The audit cost should usually not exceed a limit of 5.000 Euros. SchmitterGroup GmbH will receive a full report on the audit findings.

Any violation of the principles and requirements set out in this SchmitterGroup GmbH Supplier Code of Conduct will be regarded as a serious violation of the supplier regarding his contractual obligations towards SchmitterGroup GmbH. In the event that supplier is suspected of violating any of the principles laid out in the SchmitterGroup GmbH Supplier Code of Conduct (e.g. based on negative media reports), SchmitterGroup GmbH reserves the right to request from the supplier that all relevant information be disclosed.

Furthermore, SchmitterGroup GmbH reserves the right to stop any business with all suppliers who are in clear, verifiable violation of the SchmitterGroup GmbH Supplier Code of Conduct and/or who are neither seeking nor implementing measures for improving their sustainability performance. In the event that a supplier evidently fails to fulfil any of the principles and requirements set out in this SchmitterGroup GmbH Supplier Code of Conduct, or refuses to implement measures for improving his sustainability performance, SchmitterGroup GmbH reserves the right to terminate any or all contracts with the supplier for cause immediately.

## References

United Nations Global Compact [www.unglobalcompact.org](http://www.unglobalcompact.org)  
Universal Declaration of Human Rights  
[www.un.org/en/rights](http://www.un.org/en/rights)  
International Labour Standards (ILO)  
[www.ilo.org/global/standards/lang-ten/index.htm](http://www.ilo.org/global/standards/lang-ten/index.htm)  
OHSAS 18001 Healthy & Safety Standard  
[www.ohsas-18001-occupational-health-and-safety.com](http://www.ohsas-18001-occupational-health-and-safety.com)  
International Organization for Standardization [www.iso.org](http://www.iso.org)

# Code of Conduct

## SchmitterGroup GmbH Supplier Code of Conduct Supplier Declaration

We, the undersigned, hereby confirm on behalf of our company (the „Supplier“) that

1. we have received the SchmitterGroup GmbH Supplier Code of Conduct.
2. by signing this document, we undertake to acknowledge and comply with all requirements and principles laid out in the SchmitterGroup GmbH Supplier Code of Conduct, above and beyond any other contractual obligations that we might have entered into with SchmitterGroup GmbH or any SchmitterGroup GmbH affiliates.
3. this document shall solely be governed by the material law of the Federal Republic of Germany.

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Place/Date

\_\_\_\_\_  
Place/Date

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Name (in print)

\_\_\_\_\_  
Name (in print)

This document shall be duly signed by authorized signatories of Supplier as required by Supplier's internal levels of authority and returned to the following address within 20 working days from date of receipt (post stamp)

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# SchmitterGroup GmbH Supplier Code of Conduct

## Unternehmensbezogene Angaben / Company related information

Firmenname / Name of Company:

Adresse / Address:

Land / Country:

Ansprechpartner Unternehmen Bereich Nachhaltigkeit / Contact person company for sustainability issues:

Name, Vorname / Last Name, First Name:

E-Mail-Adresse / E-mail address:

Telefon / Phone:

Funktion / Role, Department: