

# SUPPLIER CODE FOR THE SUPPLIERS OF THE PFINDER GROUP



## 1 Preamble

People and the environment are of great importance to the PFINDER Group. The PFINDER Group is therefore committed to working for the health and well-being of people and the environment in which people live. The PFINDER Group has the same expectations of its suppliers. Therefore, certain minimum standards with regard to human rights, working conditions and environmental specifications are to be maintained in the companies of the PFINDER Group and in the cooperation with suppliers of the PFINDER Group.

For the suppliers of the PFINDER Group, this Supplier Code defines the standards that form the basis of every business relationship with the PFINDER Group.

Depending on the context, the term "**PFINDER**" refers to all companies of the PFINDER Group and each individual company of the PFINDER Group.

## 2 Basic values and minimum standards

It is important to PFINDER that all suppliers share the basic values expressed in the ILO and UN conventions and make every effort to consistently comply with the requirements of this section and to treat and protect people and the environment with dignity.

PFINDER's suppliers are obliged to comply with the following human rights and environmental requirements (hereinafter "**minimum standards**") in their operations and to address these minimum standards appropriately in their supply chains:

- The prohibition of the employment of a child below the age at which compulsory education ends under the law of the place of employment, provided that the age of employment shall not be less than 15 years; if the law of the place of employment, in accordance with International Labour Organisation Convention No. 138 (BGBl. 1976 II pp. 201, 202), permits children of a lower minimum age to be employed, that minimum age shall apply;
- The prohibition of the worst forms of child labour for children under the age of 18, which includes in particular the following forms of child labour according to Article 3 of Convention No. 182 of the International Labour Organisation (BGBl. 2001 II pp. 1290, 1291): (i) all forms of slavery or practices similar to slavery, such as the sale of children and trafficking in children; (ii) the use, procuring or offering of a child for prostitution; (iii) the use, procuring or offering of a child for illicit activities such as drug trafficking; and (iv) work which, by its nature or the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children;
- The prohibition of the employment of persons in forced labour, which includes any work or service which is required from a person under threat of punishment and for which he or she has not made himself or herself available voluntarily; exempt from forced labour are work or services which are in conformity with Art. 2, para. 2, of Convention No. 29 of the International Labour Organisation (BGBl. 1956 II pp. 640, 641) or Article 8 b and c of the International Covenant on Civil and Political Rights of 19 December 1966 (BGBl. 1973 II pp. 1533, 1534);
- The prohibition of all forms of slavery, slave-like practices, servitude or other forms of domination or oppression in the workplace environment, such as extreme economic or sexual exploitation and humiliation;
- The prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment if this creates the risk of accidents at work or work-related health hazards;
- The prohibition of disrespect for the freedom of association, which provides that (i) workers may freely form or join trade unions, (ii) the formation, joining and membership of a trade union may not be used as a reason for unjustified discrimination or retaliation, and (iii) trade unions may operate freely and in accordance with the law of the place of employment; this includes the right to strike and the right to collective bargaining;
- The prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;
- The prohibition of withholding a reasonable wage; the reasonable wage shall be at least the minimum wage determined by the applicable law and shall otherwise be determined by the law of the place of employment;

- The prohibition of causing harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that (i) significantly affects the natural basis for the preservation and production of food, (ii) denies a person access to safe drinking water, (iii) impedes or destroys a person's access to sanitation, or (iv) damages a person's health;
- The prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person;
- The prohibition of hiring or use of private or public security forces to protect the enterprise's project if, due to lack of instruction or control by the enterprise, the use of the security forces (i) violates the prohibition of torture and cruel, inhuman or degrading treatment, (ii) causes injury to life or limb, or (iii) interferes with the freedom of association and labour;
- The ban on the production of mercury-added products pursuant to Art. 4 para. 2 and Annex A Part I of the Minamata Convention of 10 October 2013 (BGBl. 2017 II pp. 610, 611), the ban on the use of mercury and mercury compounds in manufacturing processes within the meaning of Art. 5 para. 2 and Annex B Part I of the Minamata Convention as of the phase-out date specified for the respective products and processes in the Convention, the prohibition of the treatment of mercury waste contrary to Art. 11 para. 3 of the Minamata Convention;
- The prohibition of the production and use of chemicals according to Art. 3 para. 1 a) and Annex A of the Stockholm Convention of 23 May 2001 (BGBl. 2002 II p. 803, 804, hereinafter "POPs Convention") as well as the prohibition of environmentally hazardous handling, collection, storage and disposal of wastes according to the regulations in force in the applicable jurisdiction under the provisions of Art. 6 para. 1 d) items i) and ii) of the POPs Convention;
- The prohibition of the export of hazardous wastes within the meaning of Art. 1 para. 1 and other wastes within the meaning of Art. 1 para. 2 of the Basel Convention of 22 March 1989 (BGBl. 1994 II pp. 2703, 2704) (Basel Convention),
  - o to a party of the Basel Convention that has prohibited the import of such hazardous and other wastes (Art. 4 para. 1 letter b of the Basel Convention),
  - o to an importing State within the meaning of Art. 2 No. 11 of the Basel Convention which has not given its written consent to the specific import, if that importing State has not prohibited the import of that hazardous waste (Art. 4 para. 1 letter c of the Basel Convention),
  - o into a non-party to the Basel Convention (Art. 4 para. 5 of the Basel Convention),
  - o to an importing State if such hazardous waste or other waste is not managed in an environmentally sound manner in that State or elsewhere (Art. 4 para. 8 sentence 1 of the Basel Convention);
- The prohibition of exports of hazardous waste from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Art. 4A of the Basel Convention, Art. 36 of Regulation (EG) No 1013/2006);
- The prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Art. 4 para. 5 of the Basel Convention).

The supplier shall contractually oblige its sub-suppliers to comply with these minimum standards. The supplier must also obtain a contractual promise from its sub-suppliers that they will oblige their sub-suppliers in the supply chain to comply with the minimum standards. If it is not possible for the supplier to obtain corresponding contractual promises from its sub-suppliers, the supplier shall use its best efforts to ensure compliance with the minimum standards at the sub-supplier and in the supply chain by taking suitable measures.

PFINDER wishes to work with suppliers who take into account PFINDER's minimum standards. In the case of comparable suppliers, PFINDER selects and commissions those suppliers that meet these expectations.

PFINDER provides its suppliers with training and continuing education to enforce the aforementioned minimum standards.

Suppliers enable PFINDER to carry out checks to verify the supplier's compliance with the minimum standards, for example by examining documents and certificates and by having third parties carry out on-site inspections and audits.

Suppliers may report violations of the minimum standards to PFINDER's management.

Insofar as a violation of the minimum standards by the supplier is imminent or has occurred, the supplier must immediately take appropriate remedial action suitable to stop the violation.

If a fast and immediate termination of the violation of the minimum standards by the supplier cannot be achieved, the supplier shall immediately prepare and implement a concept to terminate the violation as soon as possible or to minimize the effects of the violation. The supplier's concept shall contain a concrete time schedule showing which implementation steps will be taken to minimize or end the violation of the minimum standards and when. The supplier shall coordinate its concept and time schedule with PFINDER. The supplier must inform PFINDER without delay of any violations of the minimum standards that have occurred or are imminent and of any concept for terminating or minimizing the violation of the minimum standards.

As long as the violation of the minimum standards has not ended, PFINDER is entitled to suspend the business relationship with the supplier. If a supplier does not take any remedial action or if the remedial action is not successful, PFINDER is entitled, after the unsuccessful expiry of a reasonable deadline set by PFINDER, to withdraw from the contract with the supplier or - if the contract is a continuing obligation or a contract for work and services - to terminate this contract extraordinarily without notice.

Beyond the minimum standards mentioned above, suppliers are in particular obliged to comply with the following general rules and principles:

- respect for human dignity and respect for human rights
- prohibition of physical and mental violence in the workplace
- prohibition of discrimination and harassment on the basis of religion, origin, skin color, nationality, age, disability, marital status, gender, sexual orientation, political orientation, membership in a trade union
- ensuring equal opportunities
- compliance with the relevant requirements for environmental protection, conservation of resources
- compliance with the relevant requirements on occupational safety (including working hours) and health protection
- compliance with the relevant data protection requirements
- prohibition of the processing of conflict raw materials

### **3 Compliance with legal requirements**

PFINDER complies with the applicable laws. PFINDER also expects this from its suppliers. Suppliers are therefore obliged to comply with all legal regulations applicable at the supplier's production site and those applicable at the registered office of the PFINDER Group company to be supplied.

### **4 Fair competition**

Fair competition is one of the leading principles of PFINDER's business policy. PFINDER therefore also expects its suppliers to behave fairly in competition. Suppliers must comply with the applicable competition regulations. Prohibited are, for example:

- coordinated conduct between competitors that leads to the prevention or restriction of competition
- Non-compete agreements
- Abuse of a dominant position.

If there is any suspicion that agreements violate relevant antitrust principles, suppliers can report this suspicion to PFINDER's management.

### **5 Export control and economic sanctions**

All local and international trade regulations as well as import and export control laws in connection with international business transactions shall be complied with by the supplier. This also includes all economic sanctions.

### **6 Protection against counterfeiting**

In project-related benchmark and regular market analyses, products are examined for possible counterfeits. In parallel, the monitoring of brand and patent protection is carried out by external experts as well as by our own department.

## 7 Anti-corruption

PFINDER treats all business partners fairly and expects the same from its suppliers. Decision-making processes of the supplier may only be characterized by factual considerations.

The supplier is prohibited from promising or granting personal benefits to other companies in Germany or abroad in return for preferential treatment of the supplier. No personal advantage of any kind may be offered or granted to any public official in Germany or abroad.

In the aforementioned constellations, the offering, granting, demanding or accepting of monetary amounts is generally not permitted. This does not apply to occasional gifts, hospitality or other benefits of minor value that are customary in business dealings and do not influence business or official decisions.

Violations of the aforementioned prohibitions by the supplier constitute criminal offenses that will be prosecuted in Germany even if they are committed only abroad.

## 8 Environmental protection

PFINDER has expressly set itself the goal of acting in harmony with the environment in all corporate activities and thus making a decisive contribution to environmental protection. To achieve this goal, PFINDER has set itself environmental guidelines which PFINDER expects its suppliers to comply with. The supplier is obliged to comply with all relevant legal and normative requirements for environmental protection.

Reducing and avoiding negative impacts on the environment is a high priority. The supplier should therefore work towards optimizing its processes with the aim of avoiding environmental impairments. Environmental risks are to be minimized through technical, organizational and personal protective measures.

PFINDER expects its suppliers to continuously develop environmentally compatible products, production processes and the supplier recommendations for resource-saving optimization of product application (digital engineering). The supplier must comply with the following environmental protection goals:

- The supplier shall use resources sparingly and avoid any waste.
- The supplier shall use energy sparingly and reduce greenhouse gas emissions.
- The supplier shall use water sparingly and with care.
- The supplier shall avoid or minimize environmental impacts such as waste, waste water, emissions and noise.
- Air pollution must be avoided by the supplier.
- The supplier shall use chemicals sparingly and very carefully.
- The supplier should use renewable energy whenever possible and give preference to these energies over other energy sources.
- The supplier shall ensure that the equipment used by him in production and his products are reusable and recyclable as far as possible.
- The supplier shall avoid adverse effects of its production on animals (animal welfare).
- The supplier shall ensure in its production that adverse effects on biodiversity and land use are avoided. Deforestation is to be avoided.
- The supplier shall avoid any adverse effect on soil quality.

## 9 Cooperation

### Occupational safety, health and quality

The supplier shall ensure safe working conditions. The supplier is obliged to comply with all relevant legal and normative requirements for occupational health and safety.

The supplier is responsible for ensuring the quality of its products and services as well as for avoiding the health risks posed by the products. For this purpose, it is necessary that the supplier complies with the requirements derived from the legal regulations,

the relevant standards and the applicable customer-specific requirements; the supplier takes these requirements into account in its activities.

#### Ethical recruitment

PFINDER takes the principles of ethical recruitment into account and expects the same from its suppliers. The supplier must base its procurement and selection of new personnel on ethical principles, which means that applicants are to be evaluated without discrimination or bias. The entire recruitment process serves the fair, transparent and performance-related hiring of employees.

#### Protection of minorities and indigenous peoples

It is important to PFINDER to protect the rights of minorities and indigenous peoples. The supplier shall therefore respect the rights of minorities and indigenous peoples. The supplier is prohibited from treating individuals unequally due to their membership in a minority or indigenous group; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.

#### Financial responsibility

The supplier shall ensure that the internal and external reports and documents to be prepared, published or made available to the authorities by the supplier are complete, adequate, accurate, timely and understandable accounts. In addition, accurate records and reports of financial information are necessary to make responsible business decisions. All financial books, records and accounts of the supplier must accurately reflect transactions and events and conform to generally accepted accounting principles.

### 10 Indemnification

If the supplier breaches its obligations under this Supplier Code and this results in liabilities for PFINDER vis-à-vis third parties (for example, customers of PFINDER), the supplier shall indemnify PFINDER against all liabilities vis-à-vis third parties.

### 11 Miscellaneous

#### No granting of rights by this supplier code

This Supplier Code only regulates the obligations of PFINDER's suppliers, but does not establish any rights of the suppliers vis-à-vis PFINDER.

#### Application of and Communication of the Supplier Code

The respective updated version of the Supplier Code always applies to the business relationship with the supplier. The respective current edition of this Supplier Code is provided on PFINDER's website ([www.pfinder.de](http://www.pfinder.de)) and can be accessed there under "Company" > "Downloads".