

Sustainability Guideline for Suppliers of E. WINKEMANN GmbH

For WINKEMANN, the basic principles of the United Nations Global Compact form the basis of our actions. For joint implementation with our suppliers, we have drawn up a sustainability guideline encouraging our suppliers to uphold and respect general human rights and laws, and to demand the same from their own suppliers. We also call on our suppliers to introduce a code of conduct with guidelines for ethical and sustainable behaviour for themselves and their employees and to demand compliance with these obligations. It is the responsibility of the supplier to pass on and promote compliance with the principles listed in this guideline in its own supply chain to the best of its ability. WINKEMANN expects its suppliers to comply with the principles described below:

Compliance and Business Ethics

• Compliance with Laws / Integrity

Our suppliers are required to refrain from any form of fraud or embezzlement, insolvency offences, granting or accepting of advantages. We expect the highest level of integrity in all business activities and relationships. The supplier is obliged to comply with all regulations and laws applicable to himself and the business relationship with WINKEMANN.

• Prohibition of Corruption and Bribery

Any form of corruption is to be refrained from. In particular, payment of bribes and payoffs and extortion aimed at influencing representatives of business partners, politics, administration, the judiciary or the general public are prohibited.

• Fair Competition

All laws that promote and protect competition, especially anti-trust laws, must be respected. Companies must respect fair competition and abide by the prohibition of collusion with competitors and other measures that impede the free market.

• Trade Secrets

Our suppliers are obliged to treat as trade secrets all business and technical information which is not evident and came to their knowledge as a result of the business relationship. Appropriate processes to minimise the risk of using faked or counterfeit materials should be put in place. These should ensure that faked parts and materials are identified and excluded from the delivered product.

• Money Laundering

Our suppliers shall comply with the relevant legal provisions on the prevention of money laundering and shall not participate in money laundering activities.

• Confidentiality / Data Protection

Our suppliers are committed to meeting the reasonable expectations of their principal, suppliers, customers, consumers and employees regarding the protection of private information. The collection, storage, processing, transfer and disclosure of personal information must comply with the applicable laws and official regulations concerning data protection and information security.

Social sustainability

• Compliance with Human Rights

We encourage our suppliers to respect internationally recognised human rights and to promote their observance. In all business activities within their own sphere of influence, suppliers should work to ensure that neither themselves nor their business partners and suppliers commit or participate in human rights abuses.

• Prohibition of Child Labour

At no stage of the production chain or during processing child labour shall be used. Suppliers are required to comply at least with ILO conventions on the minimum age for admission to employment and on the prohibition of child labour. Children must not be hindered in their development, their safety and health must not be impaired.

• Prohibition of Forced Labour

Any form of forced or compulsory labour is prohibited. The supplier shall not force workers to hand over their identity card, passport or work permit as a condition of employment.

• Fairness in Wages, Working Hours and Social Benefits

Working hours and non-working hours must at least comply with applicable laws, industry standards or relevant ILO conventions, whichever is stricter. Compensation and social benefits must comply with the basic principles regarding minimum wages, applicable overtime regulations and statutory social benefits.

• Equal opportunities / Non-Discrimination

Our suppliers are obliged to maintain equal opportunities in employment and to refrain from any kind of discrimination. Employees may not be discriminated, for example, on the basis of origin, race, colour, nationality, religion, gender, sexual orientation, ideology, political and trade union activity, age, disability, illness or pregnancy. The rights of minorities and indigenous peoples in the supply chain must be respected.

• Freedom of Association and Right to Collective Bargaining

We call on our suppliers to ensure that workers can openly discuss working conditions with the management without fear of detriment. Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining. The right of workers to associate, join a trade union, appoint and be elected to representation shall be respected.

• Safety and Health at Work

We require our suppliers, as employers, to ensure occupational safety and health at least within the scope of applicable national regulations and to support and encourage continuous development to improve the working environment.

• Use of private or public security forces

The commissioning or use of private or public security forces for the protection of the company's project is prohibited if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman or degrading treatment is disregarded, life and health are violated, or freedom of association and freedom of association are impaired.

• **Avoiding Conflicts of Interest**

Business decisions must not be guided by private interests and relationships. Business relationships may only be initiated or maintained on the basis of objective criteria. Employees may neither offer or grant personal benefits in connection with their business activities, nor accept such benefits themselves.

• **Foreign trade regulations**

The Supplier undertakes to comply with all applicable and valid laws, for the import and export of goods, services and information (export controls) as well as the provision of financial resources including economic sanctions, embargoes, regulations, government orders and guidelines.

• **Complaint Mechanisms / Whistleblowing and Protection against Retaliation**

On plant level, the supplier is responsible for establishing an effective complaint mechanism for individuals and communities who may be affected by adverse impacts, also in the supply chain. Even where legal systems are effective and well resourced, complaint mechanisms can offer particular benefits, such as rapid access and relief, reduced costs and transnational reach. Employees who raise a complaint for violations of this Code of Conduct or relevant laws shall not be subject to any form of disciplinary action. The law on the protection of information must be observed.

Environmental Sustainability

• **Environmentally friendly Products**

All products manufactured along the supply chain must meet the environmental standards of their market segment e.g. the REACH Regulation, RoHS Directive and POPs Convention. This includes the full product life cycle and all materials used. Chemicals and other substances that may pose a hazard if released into the environment must be identified. Hazardous substance management shall be established for them so that they can be safely handled, transported, stored, reprocessed or reused and disposed of through appropriate procedures. The Supplier shall ensure compliance with the Conflict Minerals Regulation in accordance with Annex II of the OECD Guidelines with regard to the supply of tin, tantalum, tungsten and gold and the corresponding ores, as well as any other applicable legal regulations on conflict materials.

The prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters shall be complied with (protection of biodiversity and deforestation-free supply chains).

• **Environmentally friendly production**

Optimal environmental protection must be ensured at all stages of production. This includes a proactive approach to avoid or minimise the consequences of accidents that may have a negative impact on the environment. Excessive land use and deforestation are prohibited. Biodiversity and animal welfare shall be guaranteed. Particular importance is attached to the application and further development of energy- and water-saving technologies - characterised by the use of strategies for emission reduction, reuse and recycling.

• **Treatment and Discharge of Industrial Wastewater**

Wastewater from operations, manufacturing processes and sanitary facilities should be typified, monitored, inspected and, if necessary, treated before discharge or disposal. In addition, measures should be introduced to reduce the generation of wastewater.

• **Management of Air Emissions**

General emissions from operations (air and noise emissions) as well as greenhouse gas emissions shall be typified, routinely monitored, reviewed and treated as necessary prior to their release. The supplier is required to find economic solutions to minimise any emissions.

• **Management of 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 such a way that their handling, transport, storage, use, recycling or reuse and disposal is safe and avoids water pollution, air pollution, harmful noise emission or excessive water consumption.

• **Reduction of 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. The soil quality must be maintained or improved. This can be done directly at the point of origin or through procedures and measures such as changing production and maintenance processes or company procedures, using alternative materials, through savings, recycling or reusing materials.

• **Management of Energy Consumption/Efficiency**

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

• **CO₂ reduction / decarbonisation**

We require our suppliers to be transparent about their own emissions and upstream activities, and to implement effective actions to reduce their direct and indirect CO₂ emissions (including their upstream supply chain).

Compliance with the sustainability guideline

Our suppliers shall communicate this Sustainability Guideline to third parties appointed to fulfil the contractual relationship with WINKEMANN, take this Guideline into account when selecting these third parties and endeavour to oblige them to comply with it. This shall be checked regularly. Any violation of this Guideline shall constitute an impairment of the business relationship between WINKEMANN and the supplier. In this case and without prejudice to further rights, WINKEMANN reserves the right to demand clarification of the facts and initiation of countermeasures from its supplier. If the supplier demonstrably fails to initiate suitable improvement measures within a reasonable period of time or if the violation is so serious that a continuation of the business relationship becomes unreasonable for WINKEMANN, WINKEMANN reserves the right, without prejudice to further rights, to terminate the affected contractual relationship without notice or to withdraw from the contract concerned. For questions regarding the content of or compliance with this Sustainability Policy, the central e-mail address codeofconduct@winkemann.de is available. Concerns and violations can be raised anonymously, confidentially and without retaliation.

References:

International Labour Standards (ILO):
www.ilo.org/global/standards/lang--len/index.htm

United Nations Global Compact:
<https://www.unglobalcompact.org/>