

KOEPPER Supplier Code (Status 12/2020)

KOEPPER and its employees have committed themselves to respect and apply the fundamental principles of human rights, working conditions, environmental protection, health and the fight against corruption and bribery.

This code defines those requirements that KOEPPER gives itself and compliance with which KOEPPER expects from its suppliers¹ and sub-suppliers from whom KOEPPER directly or indirectly purchases goods and/or services.

The supplier code is based on

- the principles of the UN Global Compact,
- agreements of the International Labour Organisation (ILO)

The regulations set hereafter, constitute the minimum standard and shall prevent situations that may question the company's integrity and the integrity of its employees. The provisions of the supplier code are essential for the business relationship between KOEPPER and the supplier. The business partner is entitled to introduce further-reaching conduct guidelines for himself and his employees with higher requirements for ethical conduct.

This code applies worldwide to all suppliers of KOEPPER. Therefore, the KOEPPER supplier code is subject of any contractual supply relationship and is valid in the then current version. It is the responsibility of the suppliers, to develop their own code for this, in order to deliver and support the named principles in their own supply chain.

The supplier acknowledges that KOEPPER has also concluded this code in favour of the other KOEPPER companies (KOEPPER Zahnrad- und Getriebetechnik GmbH, KOEPPER Gear GmbH, KOEPPER Holding GmbH and KOEPPER Engineering GmbH). Accordingly, the named KOEPPER companies may make use of the rights arising of this code.

1. Human rights

KOEPPER expects, that their suppliers comply with the regulations of the United Nations on human rights.

- **No child labour** KOEPPER does not accept child labour. The minimum age for employment must not be lower than the age of completion of compulsory education and in no case lower than 15 years.
- **No compulsory labour** KOEPPER does not accept compulsory labour. All employment must be voluntary and based on forms of employment which comply with national laws and standards.
- **No discrimination:** Based on the principle of equal opportunities and the General Equal Treatment Act (AGG), all forms of discrimination based on sex, race, ethnic origin, disability, religion, belief, age, sexual orientation or political affiliation are prohibited.
- **No harassment:** Employees must be treated with dignity and respect. All forms of inhumane treatments like for example the threat of violence, corporal punishment or other forms of bodily or verbally violence are inadmissible. They must be protected from retaliation and their identity must be preserved.

2. Working conditions

- **Occupational safety and health protection:** The working conditions of the supplier must ensure occupational safety at the work place and must not harm the health of the employees. Regulations and procedures must prevent accidents and injuries at the work place.
- **Compensation and working hours:** The legal regulations and regulations of labour agreements that are applicable on working hours, regular holidays, compensation and social benefits must be complied with. In the absence of statutory or collectively agreed regulations, remuneration is based on a level of remuneration appropriate to the work performed, which is specific to the industry and customary for the location.
- **Freedom of association and right to collective bargaining:** KOEPPER has a works council with which the management cooperates constructively and in a spirit of trust and which represents the interests of the workforce within the scope of its information and co-determination rights under the Works Constitution Act (BetrVG). The supplier is obliged to respect the employee's right to freedom of association and collective bargaining. The supplier may not discriminate against employee representatives on account of their function or against unionised employees on account of their membership. It must be ensured that employee representatives are not subjected to harassment, discrimination, intimidation or retaliation. They must be granted free access to the workplaces within the framework of the legal regulations.

¹ Suppliers of KOEPPER are all suppliers, merchants, sub-contractors and other legal or individual persons that are standing in a supply or business relationship with KOEPPER.

3. Quality and environment

- **Quality management:** KOEPPER demands of its suppliers, analogically to the demands of the KOEPPER clients, to introduce a continuous quality management and to continually improve it.
- **Environmental management:**
 - Applicable environmental laws must be observed and complied with.
 - Waste, waste water and emissions must be controlled, reduced to a minimum and appropriately disposed of/transported/stored/treated.
 - Measures to reduce energy consumption and improve energy efficiency will be implemented.

4. Business practices and integrity

- **Compliance with the law:** Our suppliers obligate themselves, to comply with the applicable law as well as other material provisions of the countries in which they work.
- **Conservation of industrial/business secrets:** Confidential information as well as confidential documents from KOEPPER must not be delivered to third parties without authorization or made accessible in any other way, unless an authorization has been granted or the information is publicly accessible. The protection of intellectual property of third parties must be observed.
- **Compliance with data protection:** KOEPPER expects its suppliers to observe and comply with all applicable laws on the protection of personal data of employees, customers, suppliers and other business partners.
- **Prohibition of corruption and bribery:** Suppliers are prohibited from offering KOEPPER employees sums of money or gifts that are not within the bounds of normal business practice and courtesy. This also applies to the acceptance of such unreasonable advantages. The selection of suppliers is based on objective considerations, personal and unobjective reasons are not taken into account in the selection decision. When dealing with governments, authorities and public institutions, strict legal requirements must be observed.
- **Fair competition:** The business activities of our suppliers must be subject to the rules of free and fair competition. Legal requirements of competition and antitrust law must be observed by the supplier. In particular, agreements and other activities that influence prices or conditions, allocate sales territories or customers or impede free and open competition in an inadmissible manner must be avoided.

5. Compliance with the KOEPPER supplier code

- **Communication and monitoring:** The supplier is obliged to inform the relevant employees of the content regulated in this KOEPPER Supplier Code and the obligations arising from it. Compliance with the contents described must be ensured by implementing organisational precautions and internal controls and monitored by the management. The supplier must inform KOEPPER of any events that endanger compliance with the code.

6. Acceptance of the KOEPPER supplier code

Accepted by:

Company (company stamp):

Date / name / signature