

Supplier Code of Conduct



1. Preamble

HÜBNER understands Corporate Social Responsibility (CSR) as the voluntary responsibility towards the international and local community. HÜBNER strives to identify, assess, and incorporate the related needs of its internal and external stakeholders in its daily business operations.

In addition to complying with international and local legal requirements, the United Nations (UN) Global Compact initiative, with its ten principles, serves as a general guideline and orientation for HÜBNER's business activities. Internal rules and requirements, voluntary commitments, and independent initiatives, as well as the demands of internal and external stakeholders, form an additional framework.

Based on these principles, HÜBNER's CSR policy focuses on three pillars:



Environment



Social Issues



Business

These pillars represent the principles of "Environmental Responsibility," "Social Responsibility," and "Ethical Business Conduct" to which the management of HÜBNER is dedicated.

HÜBNER expects the same commitment from its suppliers. It also assumes that its employees adhere to the principles of environmental, social, and ethical behavior and integrate them into the company culture. Furthermore, HÜBNER aims to continuously improve its business practices, products, and services in terms of sustainability, and encourages its suppliers to contribute to this holistic approach.

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For future collaborations, the contracting parties agree to adhere to the following provisions for a shared code of conduct. This agreement serves as the basis for all future deliveries. The contracting parties undertake to comply with the principles and requirements of the code of conduct and make efforts to contractually bind their subcontractors to adhere to the standards and regulations outlined in this document. This agreement will come into effect upon signing. A violation of this code of conduct may, in the ultimate consequence, provide grounds for the company to terminate business relationships, including all associated supply contracts.

The supplier undertakes to disseminate the contents of this agreement and ensure that the stated and agreed-upon principles are communicated, adhered to, and verified within its supply chain.

Furthermore, the supplier expresses willingness to undergo audits regarding sustainability topics.

The code of conduct is based on national laws and regulations such as the Supply Chain Due Diligence Act (LkSG), as well as international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization's International Labor Standards, and the United Nations Global Compact.

2. Supplier Requirements

2.1 Social Responsibility

The fundamental framework for the following provisions is formed by the code of conduct of the Business Social Compliance Initiative (BSCI), the conventions of the International Labor Organization (ILO), and the regulations of the Supply Chain Due Diligence Act.

Prohibition of Child Labor

Child labor must not be employed at any stage of the supply chain. Suppliers are urged to comply with the recommendations of the ILO conventions regarding the minimum age for employment of children. According to these recommendations, the age should not be less than the age at which compulsory education ends under the law of the place of employment, and in any case not below 15 years. If children are found working, the supplier must document the measures to be taken to remedy the situation and enable the children to attend school. The rights of young workers must be protected. Young workers under the age of 18 must not be employed in work that is harmful to the health, safety, or morality of children. Specific protective regulations must be adhered to.

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Prohibition of Forced Labor

Forced labor, slavery, or any comparable forms of labor must not be used. All work must be voluntary and free from the threat of punishment. Employees must be able to terminate their employment at any time. Furthermore, it is strictly prohibited to engage in any form of unacceptable treatment of workers, including but not limited to psychological abuse, sexual and personal harassment, and humiliation.

Health and Safety, Workplace Safety

The supplier is responsible for providing a safe and healthy working environment. By establishing and implementing appropriate occupational health and safety systems, necessary precautions are taken to prevent accidents and health hazards related to the work. Excessive physical or mental fatigue must be prevented through suitable measures. Furthermore, employees are regularly informed and trained on applicable health and safety standards and measures. Employees are provided with access to an adequate supply of drinking water and clean sanitary facilities.

Freedom of Association

The right of workers to establish and join organizations of their choice, engage in collective bargaining, and strike must be respected. In cases where freedom of association and the right to collective bargaining are legally restricted, alternative means of independent and free association of workers for the purpose of collective bargaining should be allowed. Worker representatives must be protected against discrimination. Workers must not be subjected to discrimination based on their affiliation, membership, or involvement in such organizations. Worker representatives must be granted unrestricted access to the workplaces of their colleagues to ensure they can exercise their rights in a lawful and peaceful manner.

Non-Discrimination

Discrimination and unequal treatment of employees in any form are strictly prohibited, except when based on bona fide job requirements. This applies, for example, to disadvantages based on gender, race, national, ethnic, or social origin, skin color, disability, health status, political beliefs, worldview, religion, age, or sexual orientation. The personal dignity, privacy, and individual rights of each person are respected.

Fair Remuneration

Remuneration for regular working hours and overtime must comply with the national legal minimum wage or industry-specific minimum standards, whichever is higher. The remuneration for overtime must always exceed the remuneration for regular hours. If the remuneration is inadequate to cover the expenses of basic living and allow for minimal savings, the supplier is obliged to increase the remuneration accordingly. Employees must receive all legally mandated benefits. Deductions from wages as a punitive measure are not permissible. The supplier is responsible for ensuring that employees receive comprehensive, detailed, and regular written information regarding the breakdown of their remuneration.

Fair Working Hours

The working hours must comply with the applicable laws.

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Preservation of Natural Resources

The supplier must not violate the legitimate rights of individuals to access land, forests, or water bodies that are essential for their livelihoods. They must avoid engaging in activities that cause harmful changes to the soil, pollute water and air, emit excessive noise, or excessively consume water, especially if these actions negatively impact people's health, significantly disrupt natural resources for food production, or hinder individuals' access to clean drinking water and sanitation facilities.

Handling of Conflict Minerals

The company establishes processes in line with the guidelines of the Organization for Economic Co-operation and Development (OECD) for fulfilling due diligence to promote responsible supply chains for conflict minerals such as tin, tungsten, tantalum, and gold, as well as other resources like cobalt. The company expects its suppliers to do the same. The engagement of smelters and refineries without adequate audited due diligence processes should be avoided.

Engagement or Use of Security Forces

Engagement or use of security forces to protect the business project should be avoided if their deployment results in inhumane or degrading treatment or harm to individuals or impairs freedom of association.

2.2 Ecological Responsibility

HÜBNER expects its suppliers to establish an environmental management system in accordance with recognized standards (e.g., ISO 14001). The supplier assures that it maintains existing certifications in this regard. In the event that environmental certifications have not yet been obtained, the supplier will work towards obtaining certification.

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In addition to company-specific environmental aspects, the following aspects should be emphasized:

- Emissions to the atmosphere
- Discharges into water bodies
- Soil contamination
- Consumption of raw materials and natural resources
- Energy consumption/efficiency
- Release of energy (in the form of heat, radiation, light, noise)
- Waste generation
- Land use/biodiversity

Treatment and Disposal of Industrial Wastewater

Wastewater generated from operational processes, manufacturing processes, and sanitary facilities should be characterized, monitored, tested, and treated, if necessary, before being discharged or disposed of. Additionally, measures should be implemented to reduce the generation of wastewater.

Management of Air Emissions

General emissions from operational processes (air and noise emissions) as well as greenhouse gas emissions should be characterized, routinely monitored, tested, and treated, if necessary, before their release. The supplier is also responsible for monitoring their exhaust gas purification systems and encouraged to find cost-effective solutions to minimize any emissions.

Management of Waste and Hazardous Substances

The supplier follows a systematic approach to identify, handle, reduce, and responsibly dispose of or recycle solid waste. The prohibitions on the export of hazardous waste in the Basel Convention of March 22, 1989, in its current version, must be observed. Chemicals or other materials that pose a hazard when released into the environment must be identified and managed in a manner that ensures safety during their handling, transportation, storage, use, recycling, reuse, and disposal.

Mercury must be used in accordance with the prohibitions of the Minamata Convention of October 10, 2013, and persistent organic pollutants are to be managed in accordance with the Stockholm Convention of May 23, 2001, in its current version.

The supplier also ensures compliance with the requirements of Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), in particular Article 33 (current SVHC list / substances of very high concern), the requirements of the RoHS Directive 2011/65/EU, and the requirements of Section 3 of the German Electrical and Electronic Equipment Substance Regulation (ElektroStoffV), where applicable under the respective national regulations.

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Reducing Consumption of Resources and Natural Materials

Steps should be taken to minimize or avoid the use and consumption of resources during production and the generation of any kind of waste, including water and energy. This can be achieved either directly at the source or through processes and measures such as changing production and maintenance processes, altering company procedures, using alternative materials, implementing savings measures, promoting recycling, or adopting material reuse practices.

Management of Energy Consumption and Efficiency

Energy consumption should be monitored and documented. Economically viable solutions should be sought to improve energy efficiency and minimize energy consumption.

2.3 Ethical Business Conduct

The supplier fundamentally accepts the principles of the UN Global Compact.

Fair Competition

The standards of fair business conduct, fair advertising, and fair competition must be adhered to. Furthermore, it is important to adhere to relevant antitrust laws, which explicitly forbid agreements and actions with competitors that affect prices or conditions. These regulations also prohibit agreements between customers and suppliers that restrict customers' freedom to autonomously determine their resale prices and other conditions.

Confidentiality/Data Privacy

The supplier commits to meeting the reasonable expectations of its clients, suppliers, customers, consumers, and employees regarding the protection of private information. The supplier must comply with data protection and information security laws and regulatory requirements when collecting, storing, processing, transmitting, and disclosing personal information.

Intellectual Property

Rights to intellectual property must be respected, and the transfer of technology and know-how should be conducted in a manner that protects intellectual property rights and customer information.

Integrity/Bribery, Acceptance of Advantages

The highest standards of integrity must be applied to all business activities. The supplier must maintain a zero-tolerance policy regarding all forms of bribery, corruption, extortion, and embezzlement. Monitoring and enforcement procedures should be implemented to ensure compliance with anti-corruption laws.

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Complaint Mechanisms

The supplier must effectively communicate to its employees the accessibility, authority, and implementation of a complaint mechanism based on the information received from HÜBNER. The complaint mechanism should be easily accessible to employees, ensuring confidentiality, protection of identity, and effective safeguards against any form of retaliation. In the absence of specific guidance, the supplier is responsible for establishing an effective complaint mechanism at the operational level for individuals and communities potentially affected by negative impacts.

3. Implementation of Requirements

HÜBNER expects its suppliers to identify and take appropriate measures to address risks within their supply chains. In the event of suspected violations or to secure supply chains with elevated risks, the supplier will promptly and, if necessary, regularly inform the company about identified violations and risks, as well as the measures taken.

HÜBNER verifies compliance with the standards and regulations outlined in this document through a self-assessment questionnaire and risk-based audits at the suppliers' production sites. The supplier agrees that the company may conduct such audits once a year or as needed to verify compliance with the code of conduct at the supplier's facilities during regular business hours and with reasonable advance notice by individuals appointed by HÜBNER. The supplier may object to individual audit measures if they would violate mandatory data protection regulations.

If a violation of the provisions of this code of conduct is identified, HÜBNER will promptly notify the supplier in writing and provide them with a reasonable deadline to align their behavior with the provisions of this code. If a remedy is not achievable within a reasonable timeframe, the supplier must promptly notify the company and collaborate to develop a concept with a schedule to end or minimize the violation. If such a violation was committed intentionally, the aforementioned deadline has expired without remedy, or the implementation of the measures outlined in the concept does not provide a remedy after the schedule has elapsed, HÜBNER is entitled to terminate the business relationship and existing contracts without notice.

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4. Acknowledgment and Consent of the Supplier

By signing this document, the supplier commits to acting responsibly and adhering to the principles/requirements stated herein. The supplier undertakes to communicate the content of this code to employees, agents, and subcontractors in a manner that is understandable to them and to take all necessary precautions to ensure compliance with the requirements.

Kassel date,

, date

Hübner GmbH & Co. KG

Supplier