

The Winkelmann-Group Supplier Code

The Winkelmann-Group Supplier Code defines the requirements for sustainable business practices applicable to all suppliers of goods and services.

For the Winkelmann-Group, sustainability means doing business in an economically, ecologically and socially responsible manner. This is firmly established as a guiding principle in the corporate policies of the Winkelmann-Group. Within this framework, the Winkelmann-Group is committed to long-term and trusting partnerships and conducting business in accordance with legal requirements.

The Winkelmann-Group expects its business partners to abide by the principles laid down in the corporate policies of the Winkelmann-Group. This Code refers to the corporate policies of the Winkelmann-Group and set forth the expectations of all suppliers of goods and services with whom the Winkelmann-Group does business. The principles are based on the following international conventions and standards:

- Principles of the United Nations Global Compact (UN)
- Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD)
- Conventions of the International Labor Organization (ILO)
- Business Charter for Sustainable Development of the International Chamber of Commerce (ICC)
- SA 8000 (Standard for Social Accountability)

The Winkelmann-Group believes that it is in the interest of its business partners to apply the principles of sustainable development. A growing number of companies select their suppliers specifically according to whether or not they identify with the principles contained in this Code. Companies that focus on sustainable development are more attractive as an employer and their image as a socially and environmentally responsible entity is enhanced.

The Code applies worldwide to all suppliers of the Winkelmann-Group and to their employees. It is the Supplier's responsibility to promote and communicate the principles set forth herein throughout his own supply chain to the best of his ability. The Winkelmann-Group expects its suppliers to abide by the following principles:

1. Business Ethics

1.1 Legal Compliance

The Supplier must be in compliance with all applicable national and international laws and regulations, as well as with relevant international agreements.

1.2 Product Safety

The products and services provided by the Supplier must never endanger persons or the environment and must meet the agreed and legally specified product safety standards. Instructions on their safe use are adequately communicated by the Supplier.

1.3 Anti-Corruption

No form of corruption will be tolerated. This pertains in particular to the payment of bribes and payoffs and to extortion in order to exert influence on business partners and representatives of politics, administration, judicial systems or the public.

1.4 Fair Competition

The Supplier shall apply the rules governing fair competition to all his business activities. He complies with the relevant antitrust laws as well as legislation prohibiting unfair business practices.

1.5 Protection of Intellectual Property

The Supplier respects the intellectual property rights of third parties.

2. Human Rights

2.1 Prohibition of Child Labor

The Supplier may not employ anyone under the age of 15. In countries where economic standards and educational facilities are less developed, the minimum age is 14 years and for light work 13 years. Dangerous work may only be performed by persons over the age of 18. (ILO Conventions 79, 138, 142, 182, Recommendation 146)

2.2 Prohibition of Forced Labor

Any and all forced or compulsory labor is prohibited. The Supplier may not require employees to hand over personal documents, such as identification card, passport or work permit, as a condition of employment. (ILO Conventions 29, 105)

2.3 Prohibition of Discrimination

Equal opportunity shall be afforded all employees in hiring, employment practices and remuneration. The Supplier should not discriminate against anyone on the grounds of gender, age, ethnic origin, nationality, religion, sexual orientation, union affiliation or any type of disability. (ILO Conventions 100, 111, 143, 158, 159)

2.4 Prohibition of Disciplinary Measures

The Supplier may not inflict corporal punishment or coercion of any kind on its employees. This is particularly true in the event that employees report in good faith business practices that violate national, international or internal regulations.

3. Socially Responsible Working Conditions

3.1 Safe and Healthy Workplaces

Occupational safety and health protection should be provided as a minimum in the scope of the

national regulations. The Supplier must implement occupational health and safety guidelines and procedures and inform his employees of these in order to reduce or prevent accidents and occupational diseases. **(ILO Convention 155, Recommendations 164, 190)**

3.2 Living Wages

The Supplier shall compensate his employees adequately and in accordance with the legally or contractually stipulated minimum wages or in line with the industry standard. Compensation should be sufficient to meet the basic needs of every employee and his immediate family, in addition to having a discretionary income. The Supplier furthermore provides the social benefits to which the employee is entitled by law. Compensation is paid transparently, at regular intervals and in the legal means of payment. Illegal and unauthorized wage deductions as well as deductions in the form of disciplinary measures are not permissible. **(ILO Conventions 26, 131)**

3.3 Regulated Working Hours

The Supplier ensures that his employees do not work more than the maximum number of hours legally prescribed or collectively agreed upon in the respective country or dictated by the industry standard. The maximum working requirement should not exceed 60 hours a week (including overtime). Overtime should be voluntary and compensated by the Supplier according to applicable law. Employees are to be granted at least one day off following six consecutive workdays. Employees are furthermore entitled to a regular annual holiday. **(ILO Conventions 1, 14)**

3.4 Freedom of Association and Collective Bargaining

Employees have the right to bargain collectively and to organize themselves in labor unions. Should a labor union not be permitted in a country for political reasons, the Supplier must facilitate independent alliances in another form. He may not discriminate against worker representatives on the grounds of their function or against unionized workers because of their membership. **(ILO Conventions 87, 98, 135, 154, Recommendation 143)**

4. Environmental Standards

4.1 Sustainable Use of Resources

The Supplier shall reduce to a minimum the consumption of resources for every business activity. Particular emphasis shall be given to the conservation of energy and water. The use of renewable resources is encouraged wherever possible.

4.2 Prevention and Reduction of Environmental Impact

The Supplier shall reduce emissions to a minimum according to state of the art technologies and shall control harmful emissions and treats them prior to discharge. Waste is to be avoided or recycled wherever possible. Materials should be reused at every opportunity. The Supplier shall develop processes by which waste is transported, stored, treated and disposed of in an environmentally friendly and safe manner.

4.3 Avoidance of Hazardous Substances

Substances which pose a threat to health and the environment are to be avoided if possible. The Supplier shall put in place a hazardous substances management that ensures the safe use, transport, storage, treatment and disposal of hazardous substances.

4.4 Environmentally friendly Products

The Supplier shall develop products and services that are efficient in their consumption of energy and natural resources and, that can be recycled, reused and disposed of safely.

5. Management Systems

The Supplier shall establish management systems that adhere to the fundamental principles set forth in this Code and certify these according to recognized standards. The Winkelmann-Group shall give preference to Suppliers who actively operate a quality management system according to ISO 9001, an environmental management system according to ISO 14001, in addition to OHSAS 18001 for occupational health and safety, or other comparable systems. A management system for social accountability in line with SA 8000 standards is recommended.

6. Implementation

6.1 Monitoring and Verification

The Supplier may be requested by the Winkelmann-Group to provide, in the context of a self-assessment, correct and comprehensive information required for an initial evaluation. Furthermore, the Supplier shall make available all information necessary to verify compliance with the Code. The Winkelmann Group will monitor the implementation of this Code. The Supplier must report to the Winkelmann-Group any event and incident that could conflict with the principles of this Code.

6.2 Non-Compliance

The Winkelmann-Group reserves the right to demand corrective measures in case of non-compliance with the Code and, if indicated, to terminate the cooperation.

Winkelmann Group

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