

SUPPLIER CODE

(Version: 01.08.2023)

of SIMONSWERK for the following sites

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and

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- hereinafter referred to jointly as "SIMONSWERK" -

The SIMONSWERK Supplier Code defines the requirements relating to sustainable economic activity for all suppliers of goods and services.

Preamble

Sustainability in the sense of economic, environmental and social responsibility is a core concept which is firmly established in SIMONSWERK's guiding principles. It also encompasses long-term partnerships based on trust and lawful conduct. SIMONSWERK expects its business partners to observe the principles set out in SIMONSWERK's guiding principles within their own companies.

This Code defines SIMONSWERK's requirements of its suppliers of goods and services in line with these principles. The principles set out in the Code are based on the content of standards, regulations and laws applicable to European companies. Furthermore, SIMONSWERK is committed to observing various conventions and standards, some of which are voluntary. For example:

- The principles of the United Nations Global Compact (<https://www.globalcompact.de>)
- The OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises (<http://www.oecd.org/>)
- Agreements of the International Labour Organization ILO (<https://www.ilo.org>)
- The Charter for Sustainable Development of the International Chamber of Commerce – ICC (<https://www.iccgermany.de/>)
- The Social Accountability standard SA8000 (<http://www.sa-intl.org/>)
- Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)

SIMONSWERK firmly believes that its business partners can gain advantages by following the principles of sustainable development. When selecting their suppliers, more and more enterprises prefer companies which declare their compliance with the principles mentioned in this Code. An employer's attractiveness is increased and the image of a socially and environmentally responsible company is consolidated.

The Code applies to all SIMONSWERK suppliers across the world as well as to their employees. Suppliers undertake to enforce and pass on compliance with the following principles in their own supply chain.

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SIMONSWERK expects its suppliers to strictly comply with the following principles:

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I. Business ethics**1.1 Compliance with the laws**

The supplier shall comply with national and international laws and regulations and the relevant international agreements.

1.2 Product safety

The supplier's products and services shall not endanger people or the environment and shall meet the agreed or statutory standards concerning product safety. The supplier shall communicate information about safe use accordingly.

1.3 Ban on bribery and corruption

All forms of corruption are prohibited. In particular, bribery, the payment of bribes and extortion in order to influence representatives of business partners, politics, administration, justice or the public, are banned.

1.4 Fair competition

Every business activity undertaken by the supplier shall be subject to the rules of fair competition. The supplier shall comply with the relevant cartel laws and laws against unfair competition.

1.5 Protection of intellectual property

The supplier shall respect the protection of third-party intellectual property.

1.6 Financing of states and groups which support conflict

The supplier shall ensure that no activities, such as providing arms to states or non-state organisations who are prepared to engage in conflict, are financed by their business transactions.

II. Respect for human rights**2.1 Ban on child labour**

The supplier must not employ anyone under the age of 15. In countries whose economies and educational establishments are less developed, a minimum age of 14 years applies, 13 years for light work (based on the ILO Convention). Dangerous work may only be carried out by employees who are at least 18 years old.

2.2 Ban on forced labour

Any form of forced or compulsory labour is forbidden. The supplier must not force their employees to hand over their ID card, passport or work permit as a condition for employment.

2.3 Ban on discrimination

Equal opportunities must be safeguarded in hiring, employment and remuneration. The supplier should not discriminate against anyone on the grounds of gender, age, ethnic group or nationality, religion, sexual identity, trade union membership or any disability.

2.4 Ban on disciplinary sanctions

The supplier must not mentally or physically punish their employees in any way. This applies in particular if the employee reports in good faith any company practices which infringe national, international or internal regulations.

III. Socially acceptable working conditions

3.1 Healthy and safe workplaces

Health and safety at work must be ensured at least within the scope of national regulations. The supplier must introduce occupational health and safety policies and procedures and disclose them to their employees in order to reduce or prevent accidents and work-related illnesses.

3.2 Living wages

The supplier shall pay their employees reasonably and ensure they pay the statutory minimum wage, or minimum wages set in tariff agreements or the minimum wages customarily paid in the industry. Every employee should be in a position to cover the basic needs of their immediate family and have a freely disposable income as well.

The supplier shall grant their employees the social benefits they are entitled to by law. They shall organise remuneration transparently, pay it regularly and in legal means of payment. Illegal or unauthorised deductions from wages or deductions as disciplinary measures are not permissible.

3.3 No excessively long working hours

The supplier shall monitor to ensure that their employees keep to the maximum working hours defined by national law or in tariff agreements or are customary in the industry. The maximum weekly working hours should not exceed 60 hours (including overtime). Employees should only work overtime voluntarily; the supplier shall pay overtime in accordance with statutory provisions. The employees shall be entitled to a day off after every six consecutive days. Furthermore, employees shall be entitled to regular annual leave.

3.4 Freedom of association and tariff negotiations

Employees shall have a right to collective negotiations and to organise themselves in trade unions.

Should no trade unions be allowed in a country for political reasons, the supplier must enable independent associations in another form. The supplier must not discriminate against workers' representatives on the basis of their role or employees who are organised in a trade union on the basis of their membership.

IV. Compliance with environmental standards

4.1 Careful management of resources

The supplier shall reduce the consumption of raw materials to a minimum in all their business activities. In particular, the supplier shall pay attention to the economical use of energy and water. The use of renewable resources is preferred if possible.

4.2 Prevention and reduction of environmental impact

The supplier shall reduce any emissions to a minimum in accordance with the state of the art. The supplier shall monitor harmful emissions and treat them before releasing them into the environment. The supplier should prevent waste as far as possible or recycle it. Any materials that are used should be reused if there is an opportunity to do so. The supplier shall develop procedures to regulate the transportation, storage and safe, environmentally friendly handling and disposal of waste. The supplier shall ensure that environmentally friendly methods of extracting and producing raw materials are also used by their upstream suppliers - in particular raw material suppliers.

4.3 Avoiding hazardous substances

Substances, which constitute a danger to people and the environment when they are released, are to be avoided if possible. Furthermore, the supplier shall introduce a hazardous substance management system, which ensures safe use, transportation, storage, recycling, reuse and disposal.

4.4 Environmentally friendly products

When developing products and services, the supplier shall make sure that their use is economical in terms of the consumption of energy and natural resources. Furthermore, products should be suitable for reuse, recycling or safe disposal.

V. Conflict minerals

5.1 No use of conflict minerals

According to the Dodd-Frank Act, "conflict minerals" are tantalum, tin, tungsten, gold minerals and their derivatives on the one hand and any other mineral or its derivatives on the other hand, which were determined by the Secretary of State for financing the conflict in the DRC region. The supplier undertakes to ensure that they do not use any conflict minerals in their production. Furthermore, the supplier undertakes to ensure that no conflict minerals are contained in the products supplied to SIMONSWERK.

5.2 Exceptions

Exceptions to the obligations under 5.1 are only permitted with the prior written approval of SIMONSWERK. Approval is subject to the supplier ensuring and proving that the conflict minerals do not originate from the Democratic Republic of Congo or its neighbouring countries of Angola, Burundi, Central Africa Republic, Rwanda, South Sudan, Tanzania, Uganda and Zambia ("DRC region"). Furthermore, the approval is subject to the supplier ensuring that the conflict mineral is not used intentionally within the meaning of the so-called „Conflict Mineral Reporting Template (CMRT)"¹ provided by the Responsible Minerals Initiative (RMI).

5.3 Provision of information

The supplier undertakes to provide information on request within fourteen (14) days as to whether they use conflict minerals for their production or if conflict minerals are contained in the products supplied to SIMONSWERK. To do so, they must use the so-called „Conflict Mineral Reporting Template (CMRT)"¹ provided by the Responsible Minerals Initiative (RMI).

5.4 Obligations in accordance with Regulation (EU) 2017/821

The duties in accordance with Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores and gold originating from conflict-affected and high-risk areas remain unaffected.

VI. Implementation

6.1 Monitoring and obligation to produce proof

SIMONSWERK will check implementation of this Code. The supplier must inform SIMONSWERK of any events that contradict the principles set out in this Code.

6.2 Non-compliance

SIMONSWERK reserves the right to request corrective measures in the event of non-compliance with this Code and if appropriate, to terminate cooperation.