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FOREWORD

**DEAR EMPLOYEES,
SUPPLIERS AND DISTRIBUTION PARTNERS,**

HSB-Vertriebs GmbH is extremely aware of its social responsibility and therefore takes it very seriously. Compliance with human rights and fair working conditions are an integral part of our corporate culture. The two managing directors Gisela Häckel-Bobka and Michael Bobka therefore signed this Code of Conduct on Human Rights and Working Conditions in January 2020.

This Code is based on the key international standards on human rights and working conditions, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. It explains how our company promotes human rights and good working conditions and implements the core labor standards of the International Labor Organization (ILO). Important topics such as the equal treatment of all employees, the right to health and safety in the workplace and the protection of personal data of employees and customers are also included. The Code applies to employees, suppliers and authorized sales partners.

In this way, we are making an indispensable contribution to the long-term success of our company.

Sindringen, January 24, 2020



Gisela Häckel-Bobka
CEO



Michael Bobka
CEO

1. Introduction

1.1. Basics

Responsible, sustainable and lawful action is one of the core values of HSB-Vertriebs values of HSB-Vertriebs GmbH and is firmly anchored in its corporate strategy.

HSB-Vertriebs GmbH is committed to respecting internationally recognized human rights. This corresponds to the self-image of HSB-Vertriebs GmbH and it is a declared goal to avoid violations of human rights even before they occur. HSB-Vertriebs GmbH's responsibility in the area of human rights is focused on topics and fields of action in which it can exert its influence as a commercial enterprise. In this respect, it complements the obligations of states and sovereign institutions to protect human rights. Human rights are basic norms that serve to the dignity and equality of all. They are universal, inalienable and indivisible rights to which every human being is equally entitled. This definition is set out in the International Bill of Human Rights.

The actions of HSB Vertriebs GmbH comply with the following international standards:

- the ILO Declaration on fundamental Principles and Rights at Work,
- the OECD Guidelines for Multinational Enterprises (OECD Guidelines for Multinational Enterprises
- the UN Guiding Principles on Business and Human Rights,
- the ten principles of the UN Global Compact

1.2. The HSB Code on Human Rights and Working Conditions - Objectives

This Code defines and explains how HSB-Vertriebs GmbH promotes human rights and implements the ILO core labor standards in its business activities. It applies worldwide at all locations and for all business areas of HSB Vertriebs GmbH and focuses on the topics that are of particular relevance to the company and its employees. The HSB Code on Human Rights and Working Conditions applies in particular to:

- Employees (see chapter 2)
- Suppliers (see chapter 3)
- Authorized sales partners of HSB-Vertriebs GmbH (see chapter 3)

This HSB Code on Human Rights and Working Conditions reaffirms and clarifies the commitment to respect human rights. It supplements the HSB Code of Conduct as well as all other existing corporate principles, guidelines and instructions. It is to be implemented in accordance with the applicable legal provisions of the respective markets and locations and taking into account the different cultures. If national law prevents the implementation of individual aspects of the HSB Code of Human Rights

HSB-Vertriebs GmbH strives to ensure that human rights are upheld to the greatest extent possible within the given legal framework.

2. Promotion of human rights and good working conditions at HSB-Vertriebs GmbH

2.1. Principle

HSB-Vertriebs GmbH respects the human rights of its employees and aims to exceed the minimum standards with its working conditions. Cooperation at HSB-Vertriebs GmbH is characterized by mutual respect and the values laid down in the corporate strategy of HSB-Vertriebs GmbH. These determine the attitude and behavior of employees worldwide and include aspects such as responsibility, appreciation, transparency, trust and openness. The managers of HSB-Vertriebs GmbH have a special role model function. They exemplify the values and thus bring them to bear in day-to-day management. The following sections describe the key issues for HSB-Vertriebs GmbH relating to human rights and working conditions.

2.2. Prohibition of child labor

HSB-Vertriebs GmbH does not tolerate any form of child labor. Children must not be kept from their education through gainful employment and thus restricted in their development. Their dignity must be respected and their safety and health must be protected. In accordance with the ILO core labor standards, HSB-Vertriebs GmbH observes the minimum age for employment and strictly rejects child labor. This applies in particular to the worst forms of child labor, such as hazardous work that can harm the health, safety or morals of children.

2.3. Prohibition of forced labor

HSB Vertriebs GmbH does not tolerate any form of forced or compulsory labor. In accordance with the ILO core labor standards, HSB-Vertriebs GmbH rejects the use of forced or unlawful compulsory labor in its business activities.

2.4. Freedom of association and the right to collective bargaining

HSB-Vertriebs GmbH recognizes the right of all employees to form employee representative bodies and to conduct collective bargaining to regulate working conditions. The culture of HSB-Vertriebs GmbH would be characterized by trusting and constructive cooperation with any employee representatives. Even in the event of contentious discussions, the aim would remain to maintain sustainable cooperation for the benefit of the company and its employees. Employees would neither be favored nor disadvantaged due to their membership or non-membership of a trade union or employee representative body. At locations without employee representation, HSB-Vertriebs GmbH would promote regular dialog between employees and the company.

2.5. Protection against discrimination

Equal treatment of all employees is a fundamental principle of our corporate policy. HSB-Vertriebs GmbH does not tolerate discrimination against its employees. No one may be disadvantaged, favored or harassed on the basis of characteristics such as gender, skin color, religion, nationality, political or other beliefs, ethnic origin, disability, age, sexual orientation or any other characteristics protected by local law, such as membership in a national minority, pregnancy or former military service (veteran status). HSB-Vertriebs GmbH supports government programs that serve to overcome the consequences of discriminatory practices or other disadvantages from the past. In addition, HSB-Vertriebs GmbH actively promotes diversity within the company and an open, inclusive corporate culture as part of its diversity strategy.

2.6. Right to health and safety at work

Protecting and promoting the health of its employees is a top priority for HSB-Vertriebs GmbH. The company consistently complies with the applicable occupational health and safety laws worldwide and also sets its own standards for improving occupational safety in order to reduce the risk of accidents. The responsible managers fulfill their duties in accordance with the applicable health and safety requirements of HSB-Vertriebs GmbH. They ensure that the employees concerned are regularly instructed in the relevant aspects of health and safety in the workplace. Managers receive regular training for this purpose. In addition, the company actively promotes the physical and mental health of its employees through health management initiatives.

HSB-Vertriebs GmbH also takes appropriate protective measures to ensure the safety of its employees and visitors at all locations. Appropriate measures are implemented in accordance with applicable law on the basis of site-specific risk analyses.

2.7. Remuneration

HSB-Vertriebs GmbH offers its employees competitive and performance-related remuneration, supplemented by additional benefits. HSB-Vertriebs GmbH remunerates its employees fairly, both internally and externally. Uniform principles form the basis for a globally balanced remuneration system. Where applicable, remuneration complies with the legally guaranteed minimum wages or minimum standards of the respective economic sectors. In addition, HSB-Vertriebs GmbH strives for an above-average positioning of the total remuneration package (remuneration and additional benefits) for its employees in comparison to the relevant labor market.

At all HSB-Vertriebs GmbH locations, performance and work results are a central benchmark for remuneration. The company remunerates employees for their individual or collective performance in line with local principles.

2.8. Working hours

HSB-Vertriebs GmbH complies with at least the applicable national working time regulations. In addition, our working time principles describe the principles applicable at HSB-Vertriebs GmbH with regard to rest periods, time off, vacation and life balance. They support HSB-Vertriebs GmbH companies worldwide in organizing their working time requirements.

The organization of working hours and breaks takes into account both operational and individual concerns. It is based on ergonomic criteria, such as medically recognized physical and mental stress parameters.

HSB Vertriebs GmbH promotes the compatibility of work and private life. It offers its employees a large number of different working time models, childcare options and advice on caring for relatives in order to enable them to achieve a healthy life balance at different stages of their career and life. Each HSB-Vertriebs GmbH location develops appropriate measures with a view to its regional and country-specific circumstances.

2.9. Qualification

HSB-Vertriebs GmbH promotes the long-term employability of its employees. It hires new employees on the basis of their individual skills and promotes and develops them accordingly. The company develops the skills and talents of its employees in a targeted manner through future-oriented training and further education programs in order to ensure a high level of performance and employability in the long term. The focus is not only on professional qualifications, but also on personal development. Access to qualification and training measures is based on the principle of equal opportunities for all employees.

2.10. Right to privacy - protection of personal data

HSB-Vertriebs GmbH adheres to high data protection standards in order to protect the personal rights of employees and customers with regard to the use of their personal data. HSB-Vertriebs GmbH generally complies with German and European data protection standards in order to ensure the best possible respect for personal rights in all HSB-Vertriebs GmbH Group companies worldwide.

Innovative information technologies and increasing media networking can pose major challenges when handling personal data in day-to-day business. Our data protection policy aims to ensure that such data is used in accordance with the law, that the impact on privacy is kept to a minimum and that the rights of each individual are protected, including the right to information, correction, blocking or deletion of data

2.11. Rights of local communities near locations of HSB-Vertriebs GmbH

At its locations, HSB-Vertriebs GmbH respects the human rights of local communities that may be affected by the business activities of HSB-Vertriebs GmbH. In addition, it is the company's declared aim to minimize the impact on the local population as much as possible during the land preparation and development phases and during ongoing operations. To this end, ecological and social analyses of various factors such as water availability, traffic conditions and emissions are carried out as required. HSB-Vertriebs GmbH strives to use environmentally friendly and resource-efficient processes and procedures at its sites and to minimize negative impacts on the local population.

3. Dealing with business partners

3.1. Principle

HSB-Vertriebs GmbH expects its business partners to comply with human rights, in particular the ILO core labor standards, the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. It actively works towards compliance with and implementation of these principles along the value chain.

3.2. Suppliers of HSB-Vertriebs GmbH

HSB-Vertriebs GmbH expects its suppliers to respect human rights in the course of their business activities. For HSB-Vertriebs GmbH, the commitment of suppliers to live up to their social responsibility and in particular to comply with the ILO core labor standards is an indispensable prerequisite for long-term business relationships. As a globally active company, HSB-Vertriebs GmbH works with a comprehensive supplier network.

The increasing internationalization of procurement and ever more complex supply chains are increasing the risk of being directly or indirectly associated with human rights violations. In order to promote compliance with social standards in its supplier network, HSB-Vertriebs GmbH is involved in cross-industry initiatives and networks, carries out empowerment measures with suppliers and has set up a multi-stage risk management process.

The HSB-Vertriebs GmbH sustainability standard for the supplier network informs suppliers about basic principles, standards to be complied with and requirements relating to social responsibility. It is an integral part of the inquiry documents for new suppliers.

The General Terms and Conditions and the International Purchasing Conditions of HSB-Vertriebs GmbH oblige suppliers to respect human rights and in particular to observe the ILO Declaration on Fundamental Principles and Rights at Work. They are also requested to demand this from their respective suppliers in an appropriate manner, e.g. by agreeing sustainability principles with their suppliers.

In addition to the prohibition of child and forced labor, the prohibition of discrimination and the protection of freedom of association, suppliers must comply with health and safety standards and ensure appropriate working conditions.

HSB-Vertriebs GmbH offers a wide range of target group-specific training courses for buyers and suppliers. In the training courses, participants are made aware of human rights and labor standards and informed about the company's requirements. In this way, the company also supports suppliers in complying with the standards set. Respect for human rights is an evaluation criterion in the supplier selection process and is part of a three-stage risk management process. This includes a risk filter, media monitoring, a sustainability questionnaire for the fastening technology industry, a modular questionnaire specific to HSB-Vertriebs GmbH, as well as internal on-site inspections and external audits. These measures help HSB-Vertriebs GmbH to identify supplier locations and product groups with a particularly high risk of being involved in human rights violations.

Potential violations of the required standards are followed up by a supply chain response team. If necessary, an escalation process is initiated and corrective action plans are developed together with the supplier. If a supplier fails to take effective corrective action, this may ultimately lead to the termination of the business relationship by HSB-Vertriebs GmbH. HSB-Vertriebs GmbH does not tolerate any unlawful behavior on the part of security personnel towards employees or third parties. HSB-Vertriebs GmbH strives to ensure that security service providers are contractually obliged to respect human rights, are advised accordingly and are trained if necessary.

3.3. Authorized sales partners of HSB-Vertriebs GmbH

HSB-Vertriebs GmbH expects its dealers, sales agents and importers to respect human rights and in particular to comply with the ILO core labor standards. The company takes active measures to promote implementation within its sales organization. For example, specific clauses are included in new or updated contractual agreements and information is made available to authorized dealers.

4. Implementation of the HSB Code on Human Rights and Working Conditions

4.1. Principle

In implementing the HSB Human Rights Code, HSB-Vertriebs GmbH is guided by the requirements of the UN Guiding Principles on Business and Human Rights. Based on a systematic internal risk analysis, the management process for human rights within the company and in relation to our business partners is constantly being further developed. Human rights are an integral part of HSB-Vertriebs GmbH's corporate culture, operational management processes such as risk management, and key investment decisions. The HSB Code on Human Rights and Working Conditions is communicated to all employees. In addition, employees receive training on the company's associated positions and requirements.

4.2. Responsibility

Managers are responsible for implementing the HSB Code of Human Rights in their area. Every manager is obliged to inform their employees about the content and significance of this Code and to advise and support them in applying the principles in their daily work. At the same time, managers must observe the Human Rights Code in the performance of their management duties, e.g. in their dealings with employees or as a basis for their business decisions. All indications of possible human rights violations must be clarified by the manager prudently and promptly.

Every employee is obliged to comply with this HSB Human Rights Code and to align their professional actions with the principles formulated therein. In the event of indications of possible human rights violations, employees can contact their own manager or one of the contact points listed below. All questions and reports will be treated confidentially. The Human Rights Response Team will follow up on the information and initiate corrective measures if necessary. This may enable problems to be resolved at an early stage and major disadvantages for those affected to be avoided.

4.3. Auditing and regular reporting

The status of implementation of the HSB Code on Human Rights and Working Conditions is reported to the HSB Compliance Committee and the HSB Sustainability Circle. In addition, if a works council exists, there is a regular exchange of information, which then also includes a report on information received and its processing by the relevant body.

HSB-Vertriebs GmbH publishes up-to-date information on the anchoring of human rights in the company and with business partners in its regular sustainability report.

4.4. Review and dialog

As the challenges for companies to respect human rights are constantly changing, HSB-Vertriebs GmbH will continuously review its human rights position and its implementation to ensure that it is up to date and effective. Important changes in the immediate environment of HSB-Vertriebs GmbH can thus be recorded and internal processes adapted accordingly. HSB-Vertriebs GmbH reflects critically on its position in the context of international stakeholder dialogs.

4.5. Contact points

HSB-Vertriebs GmbH has set up a central contact point for questions and information on the subject of human rights. The HSB-Vertriebs GmbH Compliance Contact answers questions about the HSB Code of Conduct on human rights and working conditions and advises on the assessment of possible violations and how to proceed.

The helpline is available to all employees from Monday to Friday from 07:00 to 12:00 (CET). The service is offered in German and English. Inquiries will be dealt with anonymously on request.

HSB Vertriebs GmbH COMPLIANCE CONTACT

Phone: +49 7948/291-46

E-Mail: compliance@hsb-schrauben.de

4.6. Processing of questions and comments

Incoming questions and reports are processed by a Human Rights Response Team, which may also include a member of any employee representatives at the location concerned. In some cases, relevant specialist departments or external stakeholders are also involved. The team reviews the reported issues and initiates the necessary steps. If the review reveals that HSB-Vertriebs GmbH has directly or indirectly caused or contributed to a violation, appropriate corrective measures will be initiated. Violations of the human rights principles described in the Code by employees can lead to consequences under labor law in accordance with local legislation.

5. Final provisions

The HSB Code on Human Rights and Working Conditions comes into force on the day it is signed. No individual claims or claims of third parties can be derived from it. Only the German version of this Code is binding.